



BEHIND THE MIGRATION

GREAT EXPECTATIONS

That most launches have come from independent walk-outs is a side issue. The real upheaval, say observers, concerns those stranded at global firms

BY MARCO MICHAEL DI PALMA

LEGAL businesses in Paris are undergoing a sea change helped by the economic crisis. The recent wave of launches in the last two years has persuaded many that the market is now evolving significantly.

That many recent launches have involved groups of lawyers from niche practice areas like media, IT, competition and la-

bour law makes for a telling cultural shift.

“Most of the new founders have a team spirit approach. They want to create something together and are determined to grow. They are also extremely close to their clients,” explains **Patrick Bignon**, founding partner of Law Management Consulting and a former M&A lawyer.

Ultimately, the economic crisis and having lots of lawyers on the market will mean that many will have no choice but to launch on their own. Given the need for economies of scale, visibility and the brand security sought by clients, smaller firms may be forced to combine.

“Over the last few months, I’ve witnessed lots of discussions between firms in the French market concerning possible mergers and some of them are still in process,” says Mr Bignon.

Although the majority of new launches have resulted from departures at domestic firms, some observers believe this fact should not be exaggerated. Many home-grown legal houses were plagued by generational issues in the past. This problem, which drove the departing team from Deprez Dian Guignot to form Redlink, is said to be less of a live issue now. And while an entire team of partners spun off from Jeantet at the start of the year, local commentators also insist that integration at independents is no

longer a major problem. So what is behind the creation of new firms?

“The market is still atomized,” says Mr Bignon. He adds: “Until even the beginning of 2008, there was expansion and the going was good. That has now gone.”

According to Mr Bignon, most of the anxiety is now to be found at the Paris offices of UK and US firms. At Anglo-Saxon practices, there is a fear that redundancy plans announced in London or New York will eventually turn up in Paris. By contrast, leaders like Bredin Prat, De Pardieu, Gide and Jeantet have made important hires often from those same UK and US practices.

“Lawyers who once seemed totally happy joining international firms are now talking to independents like never before. Their honeymoon period is over and many are realising that their firms just don’t have the critical size needed to survive in the downturn.”

The French point out that exceedingly few global legal houses have managed to root themselves with strong ties to blue-chip CAC40 companies. A lack of a clearly-defined strategy (or in some cases no strategy at all) on the part of the global set is also seen as a decisive factor for the unprecedented migration of lawyers. Until recently, UK and US brands believed they needed to do little more than place their Paris offices at the service of global clients which were given priority over smaller local ones. Some global firms had also enticed their French recruits with plans for international growth which never materialized.

According to Mr Bignon, “some American firms promised international expansion but

failed to deliver in key markets like London and Germany.”

With lower investment coming from abroad, the high-risk reliance on multinational clients has

left them stranded.

“Unsurprisingly, many French lawyers are asking themselves where the new opportunities actually are!” ■

PROFILE 1 | MAGENTA

CLIENT CONFLICT RESOLUTION

Two 32-year-old senior associates decided to launch a competition boutique within 24 hours of a major clash arising within their global network

MAGENTA’s founding partners, **Sylvain Justier** and **Vincent Jaunet**, had little time to fret over their decision to strike out alone from the eight-lawyer competition department of White & Case in Paris. The pair, who previously worked together at CMS Bureau Francis Lefebvre, had only been working in the US firm for a year.

“From the very beginning the work of the Paris competition team was regularly undermined by conflicts hailing from elsewhere in the world,” says Mr Justier. “One day we heard that there was a clash with one of our major clients, and by the next day Vincent and I had decided enough was enough and it was time to leave.”

The risk of the departure of their major clients last Novem-

ber was followed a few weeks later by the launch of competition law boutique Magenta in mid-December.

“We had worked together for six years, having been at White & Case and previous to that CMS, and shared the same values and principles, so it was not a difficult decision,” says Mr Justier.

Both began their careers in the competition team of CMS Bureau Francis Lefebvre (where Mr Justier later became manager) and joined White & Case together in 2007. In deciding on a brand for their new venture, the partners opted not to use their own names so that they could more easily welcome new partners. They liked the idea of the firm being symbolised by a dynamic and positive colour.

Their boutique firm specialises in competition law across the

“The Paris competition team was regularly undermined by conflicts hailing from elsewhere in the world”

Sylvain Justier, Magenta