

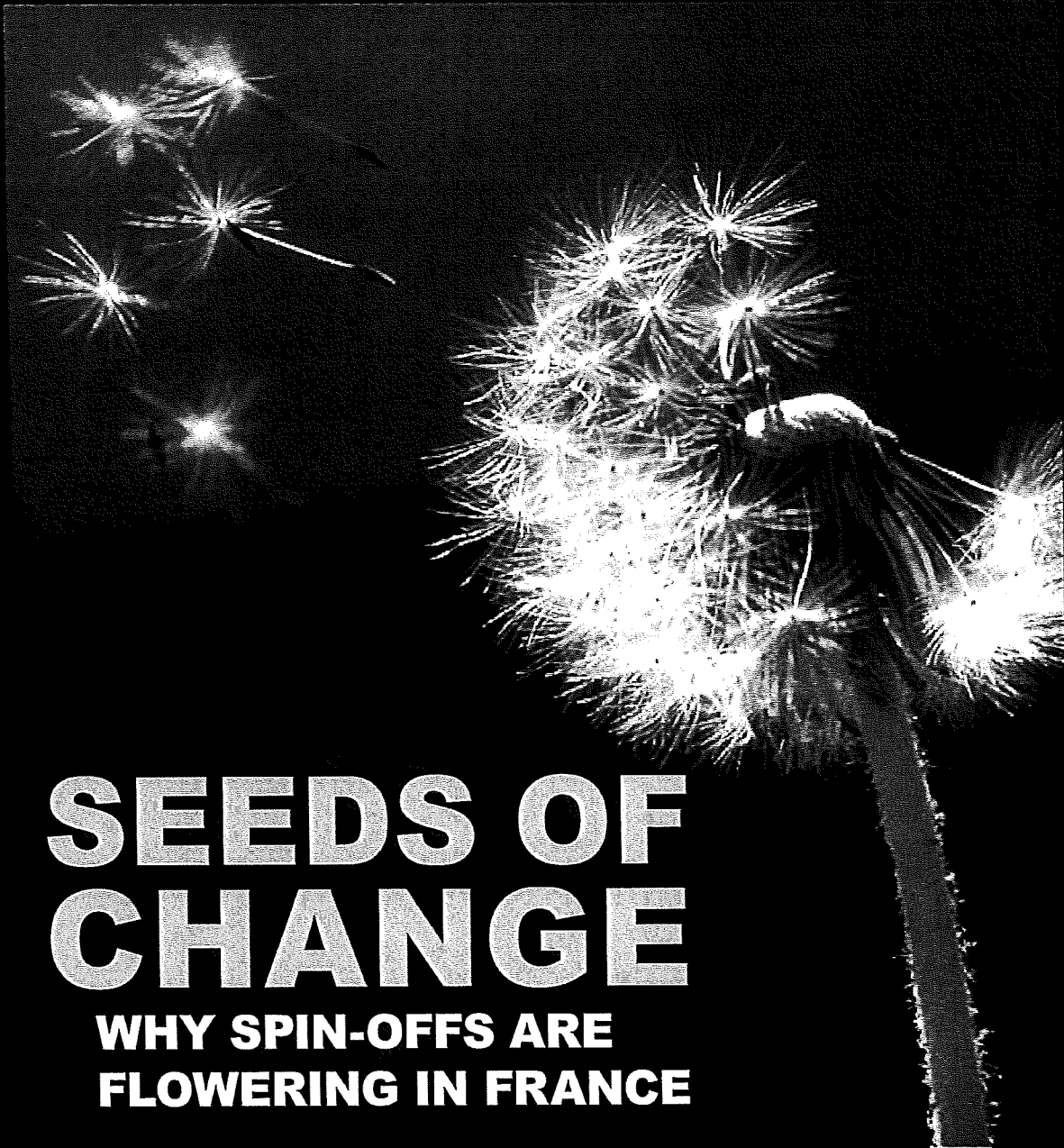
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Year II - Issue 4 - April 2009



SEEDS OF CHANGE

**WHY SPIN-OFFS ARE
FLOWERING IN FRANCE**



BIG LAW RE-FOCUSES

Good news for legal
businesses
in 'secondary'
markets



ANNUAL REVENUES

Europe's top
independents
register 13 per
cent rise



EXCLUSIVE INTERVIEW

Insurance
multinational
insists on value
for money

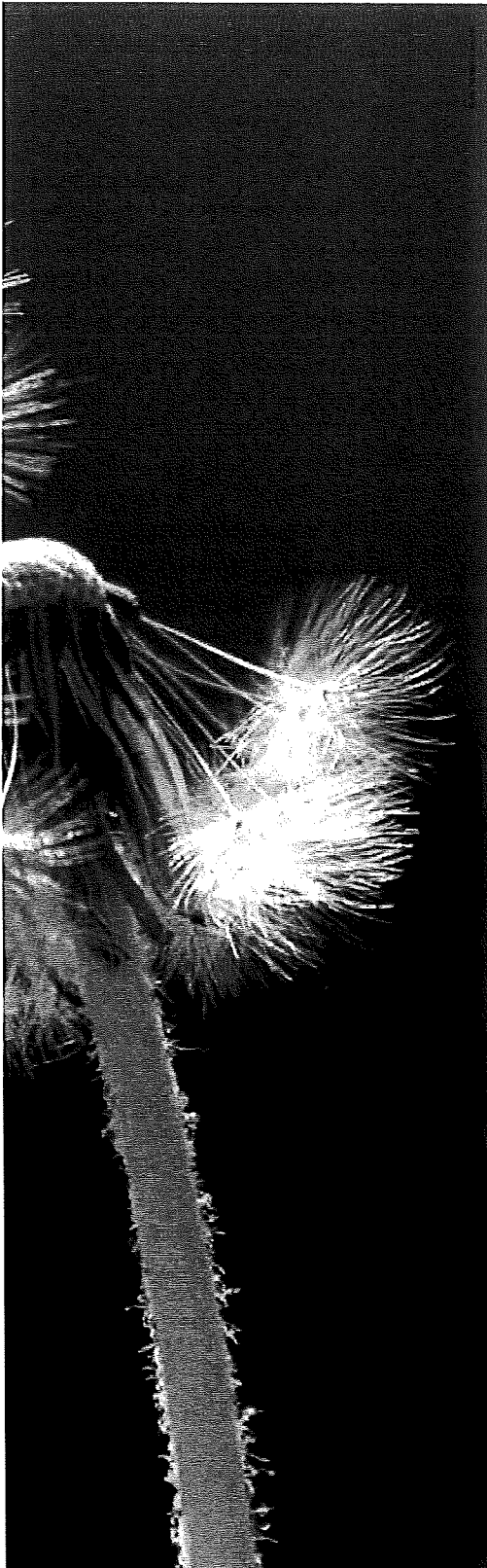


RUSH OF START-UPS IN PARIS

FRENCH NEW WAVE IN FULL BLOOM

Declining partnership opportunities, succession issues, client conflicts and now the recession are driving a young generation to break with tradition

BY KELLY PARSONS & MARCO MICHAEL DI PALMA



A global economic crisis seems an unlikely backdrop for an impressive series of law firm launches. But in France the last twelve months have seen just that as an explosion of start-up practices have spun-off from both domestic and Anglo-Saxon firms.

In January alone, the Paris market registered no less than four spin-offs. The latest to hit the headlines — and one of the most significant — created Aklea following a massive 13-partner exodus from the Paris, Lyon, Aix en Provence and Shanghai offices of Bignon Lebray. At the root of the split was disagreement over the firm's financial model, specifically its lengthy 25-step lockstep and a new performance-based remunera-

tion system for associates which had already led to several departures.

firm include a world leader in human resources solutions, a global leader in developing and delivering system-on chip and semiconductor solutions and a leading French energy and environmental service provider.

"We chose to brand our new venture Aklea rather than use our own names because we have seen so many law firms destroyed by the dramatic difficulties associated with transferring leadership from founding partners," explains partner **Gilles Bazaille**. The wholly original name was created, in conjunction with the partners, by brand name creators Nalian, the company responsible for inventing Vivendi and Wanadoo.

What is more, troubled Bignon simultaneously gave rise to a sec-

"Many law firms [have been] destroyed by difficulties associated with transferring leadership from founding partners"

Gilles Bazaille, Aklea



ond boutique along with Aklea: Almenide Avocats formed by two other exiting partners. This new venture will focus on litigation, employment and tax.

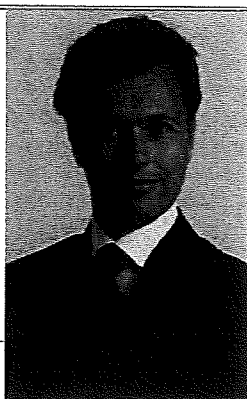
But Aklea and Almenide are only two in a long line of new (and often unusual) names to surface in the Paris legal scene over the last year. Redlink, Raphael, Kalliopé and Magenta, along with HBC Avocats, Laude Esquier Champey, Lefèvre So-

clients that followed the new

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“Many French firms are not really firms at all but groups of individuals set up around one or two founders”

Hervé de Kervasdoué, Redlink



ciété d’Avocats, and Godet Gaillard Solle Maraux & Associés represent a new breed of modern and dynamic French firms aiming to shake up the established order of the country’s legal market.

Of course, start-ups like these are nothing new in Europe. Every year most jurisdictions experience a handful of new launches and most of these — witness Germany and Italy —

BEHIND THE HEADLINES

EUROPE’S LEGAL SILICON VALLEY

France can boast the most practice launches of any major Continental market

AS far as bragging rights go right now, France might justifiably claim to be the most innovative legal market in Europe. Paris has been the busiest hub for start-ups with no fewer than 15 new launches during an 18-month period beginning in mid-2007. That timeframe suggests that

while the current economic gloom has certainly focused minds, the reasons for lawyers’ love affair with launching their own practice run deeper.

One reason may have to do with a long-term cultural shift in attitudes. Interestingly, departing teams from domestic independents out-number

Principal French spin-offs (2007-2009)

New legal house	Departing team	Principal expertise	Partners	Date
Aklea	Bignon Lebray	Full-service	13	Jan 2009
Almenide	Bignon Lebray	Litigation, labour, tax	2	Jan 2009
Godet Gaillard Solle Maraux	Jeanlet	Full-service	6	Jan 2009
Magenta	White & Case	Competition	2	Jan 2009
Gallion	Mayer Brown, SCP Aguera	Labour	2	Dec 2008
HBC	Genset, Alérion, Freshfields	Technology	4	Sep 2008
Laude Esquier Champey	Dewey & LeBoeuf	Litigation, white collar crime	3	Sep 2008
Lefèvre	Lamy Lexel	Projects	2	Jun 2008
Raphael	Flichy	Labour	2	April 2008
Kalliopé	Lefèvre Pelletier, Linklaters, Touzet Bocquet, Racine	Public, environment	4	Feb 2008
Artemia	Lefèvre Pelletier, Eversheds, Gide	Full-service	6	Nov 2007
Laurent Cohen-Tanugi	Skadden Arps	Corporate	1	Oct 2007
Redlink	Deprez Dian Guignot	Full-service	4	Oct 2007
TLDLegal	Kahn & Associés	Corporate, labour	2	Sept 2007
Genesis	Huglo Lepage	CSR, sustainable development	4	Jul 2007

are founded by teams exiting their firms. What is remarkable about the French trend however is the sheer number of firms choosing to strike out. And doing so right now.

While the individual constituents of this new breed may vary in size and have their own distinct reasons for taking the plunge, in many cases they have shared motives.

One of the foremost is dwin-

dling partnership opportunities for senior associates. With partnership promotions at an all time low, senior associates are suffering from a distinct absence of horizon about their future prospects.

Another related problem concerns widespread issues connected to succession at independents and, to a lesser degree, the more established offices of Anglo-Saxon firms.

struck out on their own to create new independent firms compared with three in Germany, the next most active mature European market for new launches. And while spin-off teams in Italy are increasingly heading to U.S. and U.K. practices, the French appear more confident than ever about backing the compact independent business model.

Typically, partnerships are less than five-strong with only the partners at Aklea rising to double digits.

Many practices have spotted a gap in the market advising mid-sized clients from specific industries like new technology or telecommunications. Others are relying on equally cutting-edge practices areas like CSR, sustainable development and environment.

Along with innovative practices has come a shift in self-understanding and some experimenting with traditional legal business culture. In a self-conscious rejection of form, most of the new launches bear none of their founding partners' names. The emphasis is on creative legal services. Right down to the brand. ■

"Many French firms are not really firms at all but instead remain groups of individuals set up around one or two founders," says **Hervé de Kervasdoué**, who has been running his own firm Redlink, along with three other partners, since spinning-off from medium-sized French firm Deprez Dian Guignot in late 2007.

"We wanted to break away from that model, so from the very start we enshrined in the Redlink shareholders agreement a number of clear principles of openness and cooperation in terms of profit-sharing and our approach to clients," he adds.

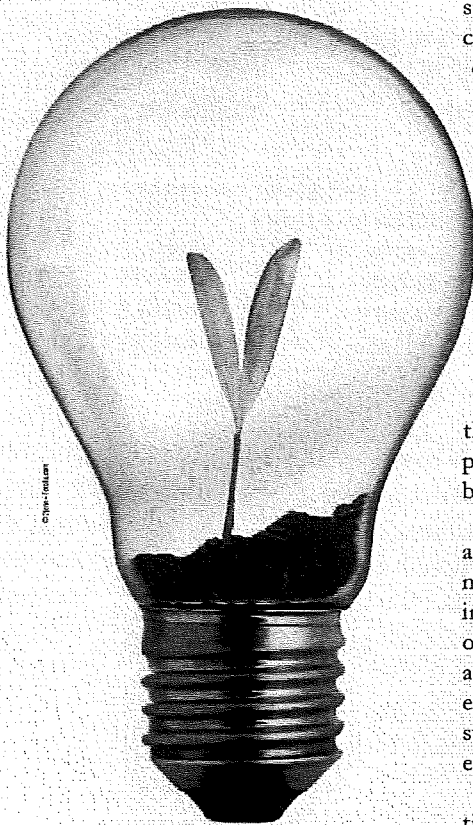
Those clients include Hewlett-Packard, ATAC, Declor Carita, Grenke, Lampe Berger, CRM Company Group and Netbooster.

"All of our clients from Deprez Dian Guignot followed us to the new firm," he adds, "and even some clients we were not directly linked to such as Channel M6 decided to join us here."

"There are undoubtedly question marks over partnership opportunities for all but the very best of those lawyers with several years' experience as a senior associate," agrees **Charles-Henri De Pardieu**, senior partner of renowned independent De Pardieu Brocas Maffei, when asked about the extraordinary level of movement in the market.

"Frankly, for senior associates without definite prospects to move into the equity but who possess the right entrepreneurial spirit, there is a clear opportunity for striking out and founding a boutique firm," he adds. However, he also warns that for those exiting sizeable firms it is far from certain that clients will easily transfer to the new entity.

"Clients may follow partners



those from Anglo-Saxon giants by over two to one. The trend is of some significance since it means French independents have been the most incapable of keeping and nurturing young entrepreneurial talent.

Last year, six French teams

or teams when they move laterally between large French or Anglo-Saxon practices, if such partners have a very strong image and reputation. But for international clients the choice of law firm is made by the general counsel in the home country of the client. For an unknown start-up, persuading a premier client to take a risk along with you is quite a challenge," he says.

In the case of spin-offs from Anglo-Saxon firms, conflicts of interest have proved a more potent catalyst than the dearth of partnership opportunities. US and UK firms have grown in

petition boutique Magenta.

The issue of conflicts had also been at the root of a previous spin off from a US firm five months earlier. Expressing the same frustrations to TopLegal International (Issue 9, October 2008) before Magenta's launch, Olivier Laude left Dewey & LeBoeuf's Paris office to launch his own white collar crime and litigation boutique, Laude Esquier Champy.

"There were more conflicts and restrictions to accepting new clients. Some of your partners 10,000km from where you're based were telling you not

career as an associate at Shearman & Sterling and later worked as an in-house lawyer at several biotech companies.

"The drop in status is even more severe than elsewhere and so it is not a very appealing prospect for French lawyers looking for a way out of the large firm environment," he explains.

Deteriorating client service is a commonly heard criticism made by lawyers who have departed from large firms to start their own practice. Undoubtedly, the aggressive race for profitability at top firms and the continued insistence on maximising profits per partner as a measure of success means more and more pressure is exerted on billing. This in turn impacts directly on the client.

"Rates are automatically expected to increase every year, something some younger partners find impossible to swallow," says law firm specialist Marc Bartel, a partner in the London office of international executive search company Heidrick & Struggles.

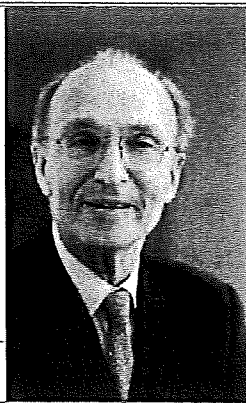
"Clients are now taking issue with such fee increases. They are also tired of having to deal with five different partners to answer four questions," he adds.

"Clients want to work with more flexible firms and at rates that do not start from €600 per hour," confirms Magenta's Mr Justier, who now charges far below the hourly rate than he did at White & Case. "Those fees may have been just about acceptable in boom times, but in the current crisis they are not sustainable."

Pressure from clients to provide a lighter, cheaper structure plays directly into the hands of the spin-off. Clients, argue departing lawyers, are realising

"For an unknown start-up, persuading a premier client to take a risk along with you is quite a challenge"

Charles-Henri De Pardieu, De Pardieu



size and the value of their key corporate and financial clients have grown with them. Inevitably, more peripheral clients, whether in terms of revenue or geographical location, have been sidelined.

For Sylvain Justier and Vincent Jaunet, two senior competition associates from the Paris office of White & Case, conflicts of interest within the wider network made it increasingly difficult to maintain a viable practice. Within weeks of a major clash arising in connection with one of their big clients, the pair made an exit and founded com-

to take an assignment because their client could find it weird," Mr Laude declared last summer.

Another common dynamic suggested for the proliferation of spin-offs in the French market is the lack of alternatives. For the surplus of senior associates who do not make partnership, a natural career move is often to go in-house.

"But the in-house profession in France is somewhat less prized than in other European jurisdictions," says Jonathan Burnham, founding partner of recent start-up HBC Avocats. Mr Burnham began his legal

that smaller firms treat them better because they represent a significant level of turnover, whereas with a larger firm, they are just one of many despite having a business turning over billions.

A further impact of the profitability-at-all-costs obsession is the inevitable refocusing toward core practice groups.

"In order to squeeze as much value as possible out of the business, and milk the most profitable revenue streams, many large firms are taking strategic decisions to focus their efforts on fewer and fewer practice areas, sectors and even clients," says Mr Bartel. "The result of that refocusing is departments or small teams becoming increasingly frustrated when they become marginalised and their growth is intentionally restricted."

Jocelyn Duval, one of Kalliopé's founding partners who previously worked at Linklaters' Paris office, experienced this kind of pressure first hand.

"We were constantly faced with requests from clients to discuss our fee levels, and it was becoming increasingly difficult to justify the rates," he says. "We were also forced to refuse work for some clients such as local authorities, because our fees were not adapted to them."

Laurent Cohen-Tanugi understands well the pressure of working in an Anglo-American firm. A familiar name on the Paris legal scene, and a specialist in cross-border M&A and international arbitration, he spent 20 years in the Paris office of Cleary Gottlieb Steen & Hamilton and another three at Skadden Arps Slate Meagher & Flom. Mr Cohen-Tanugi left Skadden in 2007 when he was appointed by the

French government to lead a task force on the future of the European Union's Lisbon Strategy. When the project ended he decided to start his own practice, Cabinet de Laurent Cohen-Tanugi, which officially opened its doors in September 2008. His concept is to provide high-end, strategic advice in the personal and generalist style he had been able to preserve in his previous incarnations, while remaining centered on international transactional work, arbitration and European policy advisory work.

Commenting on recent moves by younger lawyers, he says: "The

acting as counsel to a major European brewer and longstanding client on an acquisition in Algeria, acting as party-appointed arbitrator in an ICC international shareholder dispute arbitration and acting as consultant to an EU institution on European governance matters.

One of the most tangible benefits of running his own firm, he adds, is the sense of power and control over his working life.

"Working on my own I alone decide if I want to take a piece of work on, even if it may not be the most profitable, because I consider it will be interesting

"[In-house] status is not a very appealing prospect for French lawyers looking for a way out of the large firm environment"

Jonathan Burnham, HBC Avocats



economic crisis is clearly forcing large firms to downsize. There have also been too many firms coming into the Paris market in recent years and it has got very crowded at the top. Many young partners today are realising they are no more than 'super associates' and won't experience the advantages traditionally associated with making the partnership. The environment is generally more competitive, more cut-throat and many young lawyers do not want that lifestyle," he says.

Since going solo, Mr Cohen-Tanugi's assignments include

or beneficial in the longer term. That is extremely hard to do in a large firm with rigidly high rates so it is no surprise that many other lawyers of my generation are yearning for that power, flexibility and independence."

"In France, there is a strong liberal tradition regarding law firms and lawyers generally," agrees Kalliopé's Mr Duval. "It is very different from, say, England where law firms are organized as corporate entities. Here, each associate has the chance to develop his own business and that may well explain why so many of us want to develop our

own structure at some stage of our professional career.”

This spirit of entrepreneurship and nostalgia for the *profession liberale* is undoubtedly playing its part as spin-offs react against the limits imposed by highly-managed corporate hierarchies. What is more, it is possible that the economic crisis will encourage a return to a broader generalist advisory role which so many of these spin-off partners crave, as legal departments re-evaluate their business models, cut costs and attempt to create more flexible structures.

For those spin-offs with a niche market positioning, there is the possibility that they will

eventually pair up to create new larger independents. In Germany, which saw the launch of a fair number of spin-offs last year, specialist boutiques have turned themselves into useful allies of their previous firm with which they maintain corporate agreements. Already in France, the new spin-offs are collaborating and even organising themselves into informal networks (see box).

While the future may look bright for those spin-offs that can navigate the current market conditions, the hurdles they face in building and maintaining a successful law firm — even one with as few as two partners —

should not be underestimated.

For a start-up practice one of the most significant challenges posed by larger firms is their ability to pay high associate salaries and promise international experience. Another bone of contention is the issue of optimum size and breadth of the practice. Some partners argue that to move beyond the 30-lawyer size is to invite exactly the same problems they attempted to solve by spinning off in the first place.

Others see things rather differently. Redlink's Hervé de Kervasdoué, for instance, is among those with more ambitious plans.

NICHE PLAYERS

SUPPORT SYSTEM

Highly-specialised spin-offs are joining forces to create new domestic links



It is usually held that a spin-off is only as good as the niche it occupies. For many, this argument is valid one and while it is true that a small number of new firms like GGSM and Redlink have their sights set on wider corporate practices, most spin-offs over the last year have opted for a fairly narrow business model.

Several are focusing directly on clients in innovative industries such as telecoms, media and energy. Companies in these sectors tend to be relatively young, have an inclination to be more open-minded about their outside counsel and are actively seeking out small and flexible law firms that share their

“Our vision is to reach 40-50 lawyers so we have the capacity to advise on larger deals,” he says. Indeed, the firm is currently reviewing many potential partners and is particularly keen to build up a real estate practice.

In wanting to create a broader corporate practice, firms like Redlink demonstrate that some of the new players in France don't intend simply to occupy niche positions in the market traditionally associated with spin-offs. Irrespective of the divergent strategies, one thing is clear: the wave of spin-offs in France is not yet over.

“This trend is definitely set

entrepreneurial spirit.

HBC Avocats is one such example. The firm was created in September 2008 when Jonathan Burnham and three other sole practitioners with diverse backgrounds and expertise — three had worked at various different international law firms before choosing to go it alone — decided to join their one-man practices together to create a firm specializing in assisting clients from innovative sectors such as biotech, medtech, software, renewable energy and luxury goods.

“We had all been looking to build a bigger practice in order to provide our clients with a broader range of legal services than we could on our own, but had trouble finding the right match in terms of outlook, revenue stream, or timeframe,” says 41-year old Mr Burnham, who started his legal career at Shearman & Sterling before moving to an in-house position at French biotech company Genset.

“When the four of us met, through working on either side of a deal, and through mutual friends, it was clear that we shared the same vision to provide clients with personal contact and top-level advice without the grind of a big law firm.”

HBC clients include cosmetics group L'Oréal — which it represented before French courts in a trademark and unfair competition action brought against eBay — the R&D department of

“I alone decide if I want to take a piece of work on [...] many others yearn for that power, flexibility and independence”

Laurent Cohen-Tanugi



to continue, as the market gets tighter,” says Heidrick & Struggles' Mr Bartel. “Initially we saw a rush of people joining the bigger firms because the money was too good to refuse, but as the eco-

nomic crisis continues to impact on the legal sector, that appeal will lessen and more partners and small teams will decide it makes total sense to strike out.” ■

one of the world's largest pharmaceutical companies, several biotech and medtech companies, venture capital funds, software companies and a renewable energy company. The firm has already recruited three associates, with another hire planned for the summer. It aims to double that number to eight in the next two years.

Operating within a narrow niche such as IP or competition law brings its own challenges in terms of providing the kind of joined-up support for clients that was taken for granted at their former large firms. To solve this problem, several of the start-up firms have already begun to network between themselves, to fill gaps in expertise and provide critical mass where necessary.

“We are already working with another newly launched firm, Kalliopé, on a series of matters,” says Magenta's Mr Justier. “Just yesterday we prepared a combined proposal to one of our key energy clients.”

“We aim to continue working with other like-minded firms such as Magenta and Mayer-Brown spin-off Galion,” confirms Kalliopé's Mr Duval, “and to extend those links to firms overseas.”

If predictions that the wave of spin-offs is not yet over prove correct, Kalliopé, Magenta and others will soon be presented with several other firms with compatible cultures and outlooks with which to cooperate. ■



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.

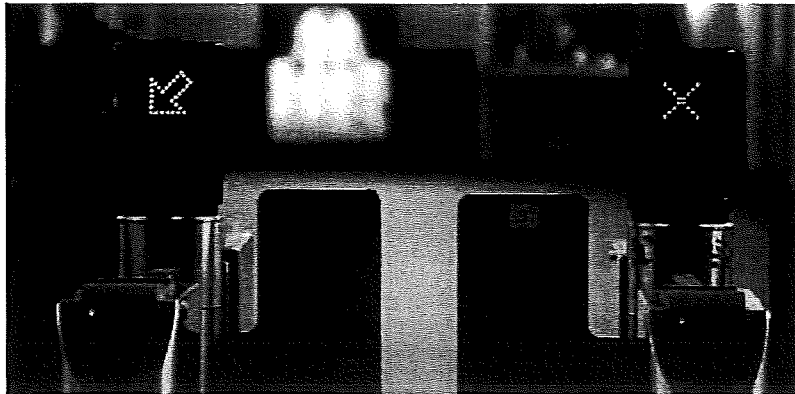
"We had worked together for six years, having been at White & Case and previous to that CMS, and shared the same values and principles, so it was not a difficult decision," says Mr Justier.

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



telecoms, IT, energy and media sectors, and clients which have followed the pair include several telecom operators. Mr Justier and Mr Jaunet gained their reputation in the market assisting the French subsidiary of the Swedish Tele2 Group, and French telecom operator Afone. They have been assisting both regarding ongoing regulatory matters and a number of disputes before both the Competition Council and ARCEP (the French regulator). They also successfully filed a claim before ARCEP for a new entrant in the mobile telephony market requesting access to a mobile network to become an MVNO.

The firm, which is aiming at achieving €1m turnover for 2009, has won a number of new clients since its launch, most notably in the postal and energy sector. Some of their latest assignments include providing regulatory advice to one of France's leading energy companies on its renewable energy projects, and the partners are also working alongside their old colleagues from White & Case and CMS on several ongoing cases in the health sector.

Mr Justier is confident that Magenta's focus on the deregulated industries — telecoms and postal services, energy and media — together with their combined ex-

perience in competition law will provide a strong identity for the new firm going forward, and en-

sure it becomes well known across its target sectors. The two founding partners have already recruited an associate from respected French independent Darrois Villey Maillet Brochier to join them. They aim to reach between 5 and 8 lawyers by the end of 2009 through the hire of at least one or two associates and an experienced lawyer in public law (K.P.). ■

PROFILE 2 | KALLIOPÉ

SAME QUALITY, HALF THE FEES

Public and environment boutique is seeking to ease pressures on fees by charging half the average of independent and Anglo-Saxon competitors

IT's not everyday that a law firm takes inspiration for its name from the Greek goddess of epic poetry and eloquence but that's what four senior associates did when they decided to launch Kallioapé.

"We wanted a brand that reflected our founding principles and values, such as a wide range of practice areas, teamwork and specific expertise, with eloquence being a key value," explains

Edouard Clément. "We felt that Kallioapé suited perfectly and for marketing purposes we altered that slightly to Kallioapé."

The firm founded by four senior associates in February 2008 focuses on public and environmental law. Many clients,



“Clients constantly requested to discuss our fees levels [...] we were finding these increasingly difficult to justify”

Jocelyn Duval, Kalliopé



including France Telecom and Orange, followed them. The four (now partners) have since recruited two junior corporate and litigation associates to assist them: **Camille Jaeglé** from Weil Gotshal & Manges and newly qualified **Domitille Brevot**, and they plan to grow significantly in the forthcoming months.

“Our aim is to join together our expertise in private and public business law and provide our clients with the same services as they receive from prestigious firms but at the lower €250-300 per hour rates associated with a general business lawyer here,” says **Jocelyn Duval**.

The 32-year old Mr Duval specialises in public business law. He initially worked for public law specialist practice De Castelnau before joining Lefèvre Pelletier & Associés in 2002 and moving on to Linklaters three years later.

Lorenzo Balzano, 35, spent most of his career within the real estate department at Lefèvre Pelletier & Associés, and specialises in industrial environment law. **Edouard Clément**, a 42-year old corporate lawyer, previously worked at Clifford Chance, Ernst&Young, JeantetAssociés and Simmons & Simmons, before taking over for the corporate department at Touzet Bocquet & Associés. **Nicolas Contis**, 36

years, also a corporate expert, worked at De Pardieu Brocas Maffei, Bredin Prat, and Racine.

The founders say their vision was to create an independent “human scale firm” with a boutique mentality but providing a quality alternative to the large legal practices.

“At our previous firms we were constantly faced with clients requesting to discuss our fee levels, and toward the end we were all finding these increasingly difficult to justify,” says Mr Duval. The aim now is to provide the same level of service but at far lower rates.

“Our hourly rates are approxi-

mately half the average €600 per hour charged by most of the large French independents and Anglo-Saxon firms in the market,” he explains.

The partners predict an estimated turnover for this year between €1.5m and €2.5m. They aim to grow to between 15-20 lawyers in the immediate future and are looking to recruit partners in the labour, tax and finance areas.

“We work on matters ranging from €3-5m all the way to €150m, and advise the complete range of clients from listed corporates such as France Telecom to mid-sized family-run companies,” says Mr Clément.

Since launching, the team has advised the management of the footwear company Comfort Group on an MBO and Orange France on its acquisition of a mobile virtual network operator. Kalliopé has also acquired new clients Merryo and Eolfi in the renewable energy field will be hoping its particular brand of legal services will speak eloquently to many others (K.P.). ■

PROFILE 3 | GODET GAILLARD SOLLE MARAUX

RESTORING THE PERSONAL LINK

Wary of growth and the trappings of a ‘corporate’ legal entity, a diaspora of partners from Jeantet has chosen an uncommonly traditional strategy

OF all the French spin-offs, Godet Gaillard Solle Maraux & Associés (GGSM) stands out. Formed in January this year by a group of six partners and 10 lawyers from

independent Jeantet, GGSM covers an unusually broad range of practice areas for a start-up. The founding partners include tax specialists **Dominique Godet** and **Eric Labro**, Jean-Maurice

Gaillard (banking, finance and real estate), Bruno Solle and Fabrice Maraux (both corporate/ M&A) and Chloé Thiéblemont (property finance).

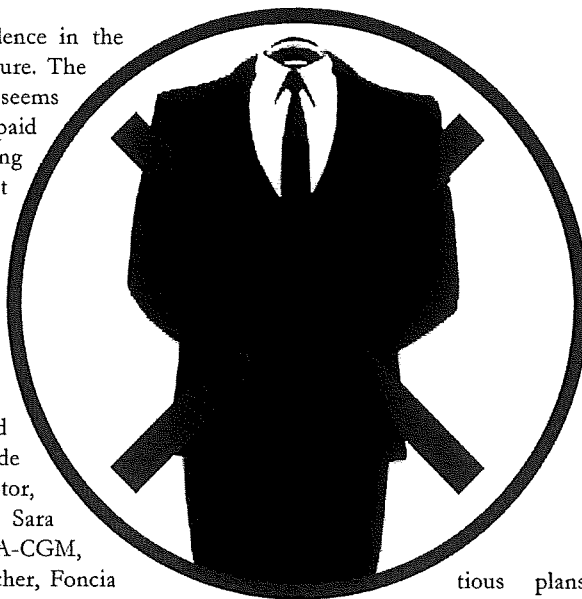
The six partners had worked together for several years at CMS Francis Lefebvre before migrating to Jeantet where, sources say, the group failed to integrate fully. Jeantet has a relatively young partnership and the firm is still undergoing a fundamental realignment of its strategic direction (see TopLegal International issue 3, March 2009). Speaking off the record, sources claimed that a concentration of power among a select group of partners at Jeantet coupled with a hierarchical management structure were among the reasons for the team's departure. Its partners were attracted by the founding principles behind the project of transparency, controlled growth and equal profit-sharing.

"While working together at Jeantet all six of us shared the strong intention to create our own firm," says Dominique Godet. "We took a final decision in the second semester of 2008

of confidence in the new venture. The decision seems to have paid off judging by the list of clients which followed the firm from Jeantet, rumoured to include Ford Motor, Ericsson, Sara Lee, CMA-CGM, Yves Rocher, Foncia Group and Prisma Presse.

Unlike the majority of its fellow start-ups which occupy a niche market positioning in areas such as IP or competition law, GGSM is ambitiously aiming for full service capability. This, however, leaves it open to criticism from more established firms that blue-chip clients and banks will be looking for the 'seal' of a well-known brand for high-end work.

"That approach is exactly the kind of old fashioned way of



tious plans for growth and

aim to recruit three partners and several associates over the next twelve months, in litigation, M&A and employment. These plans are flexible and growth for growth's sake is not an option. "Forecasts are never respected," admits Mr Godet, "so we prefer to set ourselves more flexible targets."

But one thing they are sure about is the urgent need to increase the size of each practice group to reduce the firm's vulnerability to fluctuations in activity.

"Because of cutbacks at Anglo-Saxon firms there are many good lawyers out on the market and we are confident that through cherry picking we can make some excellent strategic hires."

With its preference for name partners and individual relationships instead of an institutionalised (and impersonal) brand, together with a resistance against a corporate structure and full-service strategy, GGSM demonstrates that at least some splits are driven by a preference for the culture of a traditional French partnership (K.P. & M.M.D.P.) ■

"Nowadays, the bond of trust lies between the client and the individual lawyer, less and less with the entire firm"

Dominique Godet, GGSM

and launched GGSM at the start of this year."

The firm eschewed the current fashion for a 'post-modern' law brand. According to Mr Godet, all preferred to capitalise on the fact that their names were already well-known in the market and would inspire a degree

thinking we are hoping to avoid with the new firm," says Mr Godet. "Nowadays the bond of trust lies between client and the individual lawyer, less and less with the entire firm."

With an estimated turnover for 2009 of €5.5m, GGSM's founding partners have some ambi-