

Recruitment by International Law Firms

International law firms have expanded rapidly in key European markets, and are calling on some of the leading legal recruiters to follow their example. **Mark McAteer** assesses their options.

The global law firms have become choosy. A couple of years ago, they were only obsessed with getting their feet in the door in some of Europe's key legal markets. In the mass brawls of 1998, 1999 and 2000 that saw leading UK and US firms scrap it out to establish a presence in France, Germany, Benelux, Italy and Spain, no one really talked about quality. It seemed that getting there was job number one. Now most have moved on to job number two: getting the right fee-earners in to run these offices to maximum profit.

Some of the firms that the likes of Linklaters, Freshfields, Lovells, Allen & Overy and Clifford Chance took over or merged with carried a lot of dead wood. The pan-European giants have been successful at downsizing these acquisitions in Germany, France and the Netherlands to concentrate on their core business. But now the dust has settled, each firm has looked around and seen an M&A partner at another firm in Frankfurt that they quite fancy, or a capital markets specialist at an independent firm in Paris that they would be keen to poach. In the City, the solution was simple – get your retained recruitment consultants to call up and test the water. In Europe, there's a logistical problem. For the most part, there are no recruiters there to call.

'Some markets in Europe are so tight that the best way to choose your candidates is to pick those you have already worked with', says Marc Bartel, head of international development at Lovells. Fine, but such an approach can restrict the pool somewhat. Bartel sees the obvious a full European service. 'They allow you to approach candidates on a confidential basis, and use their databases, which have information about various players in the market, so you have a certain out by the recruiters according to your needs'.

Stephen Denyer, managing partner of Allen & Overy's European practice, says that, up until now, the firm has conducted its own recruitment in various continental jurisdictions, and even produces its own advertisements, but it would use recruiters if the quality and coverage was good enough. 'The service offered by recruiters in Europe is very patchy at the moment', he says. 'As a general rule, there is a need for recruiters to be on the ground in certain jurisdictions. We recruit locally, not centrally, and although the management assists the process, the decisions to take someone on is made at a local level. You have to do this because each market is different. It's difficult to know the subtleties of every individual market'.

Clifford Chance's deputy chief executive and joint regional managing partner for Europe, Peter Cornell, also insists that the firm would retain leading European recruiters if they set up full operations. 'If any of these consultants built up local credibility and knowledge, and provided a quality service in key markets, then I would use them. I would prefer to use only one firm and have one contact, so they can do the running around for me.'

Cold calling

Given that three senior European management figures at three of the City's leading law firms have said that there is a market for recruiters to provide a full legal service on the continent, you would expect offices to have sprung up all over Europe. Offices have opened, but the leading UK recruiters have taken a cautious approach to European expansion.

Hays ZMB is one of the UK's leading legal recruitment consultancies. Formerly ZMB, it was acquired by leading global group Hays Personnel for £15m in October 2000. Now it has the financial clout of a major global force to seriously consider European expansion. Plans are afoot, but the approach is tentative. Says managing director Sally Horrox: 'We interviewed clients in France, Germany and Benelux, and found that there were vast differences in style and culture in terms of recruitment. There was no consistent approach, which means we would have to open offices in Paris, Frankfurt (and possibly other German cities because of the diverse spread of the German market), Benelux, Italy, etc.'

three of four new offices would be high risk in an industry that is so dependent upon high-quality personal service.'

The European recruitment service offered by Hays ZMB is currently resourced through the consultancy's London office. The European desk - which will adopt an international brand in the summer, along with Hays' expansion in Australia - is staffed by multilingual recruiters with experience of the legal profession in different jurisdictions, many of them from international firms. 'We're fortunate that, because of our position in the market, we attract some of the best-qualified recruitment consultants,' says Horrox. 'One of our recruiters is multi-lingual, has worked in London, Paris, Brussels and New York, and worked for both global law firms companies.'

This approach may not suit all clients, as many law firms are strong advocates of having local presence. Says Denyer: 'Recruiters that have been trained or practiced locally better understand the business, the culture - knowing which university in Spain is better for law graduates than another and so on.' Cornell comments: 'If recruiters were running a continental operation from London, I would want to know the source of their information, and they would have to convince me that they knew the relevant markets.'

But Hays ZMB will seek to develop relationships with existing companies locally, and will see if any of them want to come under the Hays ZMB banner, says Horrox. In addition, Hays has its own existing executive business service, operating out of Paris, The Hague, Bruges and Frankfurt. Expansion is planned, but Horrox maintains that London is key: 'We still feel that London will remain the key center. Many of the strategic and salary decisions are made there. We already have an extremely well-perceived London desk.'

Other leading City recruiters have already begun a period of European expansion. The number one UK legal recruiter, in terms of both size and market visibility, is tmp.qd legal, following the £45m acquisition of QD Legal by TMP Worldwide in July 2000. In 1998, QD Legal opened a Frankfurt office, which has now become a respected player not only for cross-border work, but also for local German recruitment. The consultancy compounded its presence in Germany by opening a Munich office in November 2000. Nick Shilton, managing consultant of the Frankfurt office, says that tmp.qd legal has extensive plans for Europe, as its German operation demonstrates, and reveals that the consultancy plans to open a further office in Düsseldorf in the first quarter of next year. 'You can't just walk into continental Europe and impose London legal recruitment methodology,' he says. 'Each country works separately. Some have no culture of legal recruitment at all, but have recruitment generalists that work in a number of industry sectors. Some jurisdictions are woefully under served, they have no people on the ground with a breadth of knowledge in the legal sector.'

Spain, Italy and Benelux are three jurisdictions that are short of legal recruiters. Some operations, like Hays Roozen & van Roof in the Netherlands, offer general business recruitment, and others, like Michael Page's financial recruitment services in Spain, can use that as a basis to get tax lawyers in. Cornell, who is based in Madrid, can understand why recruiters are cautious to set up in a market where there is no existing market and you haven't got far to catch up.'

Simon Janion, director of London consultancy EJ Legal, Agrees. 'Recruitment has to follow the business and not the other way around. The market is now there. It's not a large risk if you have made the contacts over the last two or three years. The questions to be begged is where we will stand in five years' time.'

Individual markets

EJ Legal has its sights set firmly on Frankfurt, which Janion sees as akin to the UK market ten years ago. He does admit, however, that the diverse nature of the German legal market means that more than one office is a distinct possibility.

Germany is a tough nut to crack. 'Our German operation took two years before we took big-ticket work at partner level, because you have to get to know the market intimately and build market knowledge and credibility,' says Shilton.

Another major London recruiter, Michael Page, has the leading consultancy in Paris, but has no presence in Germany. European cross-border recruitment is resourced from a desk in the Paris office. Says Eric Vernay, manager of tax and legal of Michael Page in Paris: 'Germany is a very narrow market, and has a very small population of lawyers – they all know each other and, as such, do not have special need for recruiters.' But, as Shilton points out, working on a 'who-you-know' basis can limit options somewhat. The recruiters' job is to act as an intermediary and bring people that clients don't know to the table.

It's not just London-based recruitment consultancies that seek to expand on a pan-European basis. Local recruiters in certain jurisdictions are keen as well. Hays ZMB, for example, will look to further cement relationship