

## Rushing to the future

A recent law firm management conference in Moscow illustrates how far practices in Russia have evolved – as well as how far they still have to travel. **Jonathan Ames** reports

*Taking off: Moscow's monument to first manned space rocket Vostok-1. Is Russian legal profession on an upwards trajectory?*



**G**lobalisation of the legal profession is gradually reaching parts of the world that until only recently had been immune, with no more graphic example than Russia where law firms are rapidly joining a craze that took hold long ago in the west – a slavish addiction to directory rankings.

At a Moscow conference at the end of last year, delegates heard that public opinion is becoming increasingly significant in the development of legal business in the former Soviet Union. Russian business law practices are now viewing professional rankings and references in the mass media as effective tools for promoting legal services.

So much so that representatives of one of the European and international stalwarts of the directory trade – Chambers & Partners – were inundated with a barrage of queries about rating methods at the Moscow event.

### Quantum leap

As a rule, evolution is time consuming. But the legal services sector in Russia and the Commonwealth of Independent States (CIS) made a quantum leap when it jumped from an embryonic state to a relatively advanced level in a mere 20 years.

But it has not been an easy journey. Western politicians, commentators and even lawyers have for years harboured the view that doing business in Russia was tantamount to sitting around a card table in Dodge City circa 1875 with Wyatt Earp on one side and Doc Holliday on the other.

To an extent, Russia's own politicians and oligarchs have only furthered that stereotype – foreigners wandering around central Moscow can't help but

be struck by the trappings of ostentatious wealth seemingly supported and protected by mafia-style leather-jacketed muscle. But leading Russian law firms and as well as legal practices from around the CIS have endeavoured over recent years to dispel the cliché.

Embracing the legal sector directory culture is one graphic example of modernisation. Nonetheless, a crucial hurdle faced by ratings researchers is an almost cast-iron confidentiality policy operated by Russian and CIS law firms, resulting in a virtual black-out on financial data.

However, there are suggestions that such hard line opposition is gradually ceding way to a more transparent mood. Says the managing partner of one leading Russian business law firm: 'It makes little sense to argue about the need to participate in professional ratings, since not only is this a way to attract clients, but also a motivation to be better in the eyes of the public and in your own eyes.'

### Integration

A further sign of the 'coming out' of Russian legal practice was the sheer numbers attending the event last November – more than 230 law firm leaders from nearly 30 countries crowded into meeting rooms at two Red Square hotels for sessions spanning two days. Co-organised by the International Bar Association (IBA) and law firm business consultancy LegalStudies.Ru, the conference – now in its fourth year – has historically been oriented around a Russian-speaking audience. But again reinforcing the globalisation theme, English is beginning to dominate the debates, which ranged over a wide variety of legal and political issues.

Commented Vladislav Zabrodin, managing partner of Moscow and St Petersburg-based law firm Capital Legal Services, after the conference: 'Lawyers understand better than anyone that development is possible only with integration into the world community and

'Participating in this conference, lawyers become part of the global legal community, they get acquainted with the world trends of legal business and legal profession and they become eager to join the IBA and pursue its main goals – developing of international law reform and shaping the future of the legal profession.' *Vasily Rudomino*



acceptance of its experience and values.'

Likewise, Vasily Rudomino (pictured), the co-chairman of the IBA's European Regional Forum and founding partner of Moscow-based law firm Alrud, told delegates: 'Participating in this conference, lawyers become part of the global legal community, they get acquainted with the world trends of legal business and legal profession and they become eager to join the IBA and pursue its main goals – the development of international law reform and shaping the future of the legal profession.'

Continues Mr Zabrodin: 'Legal business in the CIS is getting stronger and has all the prospects of finding its place in the global economy. The combination of sophistication and experience in most cases is still not there, but the conference clearly showed that potential and drive do exist and we can be sure that there will be more and more CIS lawyers actively participating in the international legal life.'

### Escalating challenges

However, delegates pointed out that there are still some daunting and escalating challenges for Russian law firms, not least moves within the market towards consolidation as lawyers recognise that competing on the global business stage requires economies of scale and critical mass. Likewise, Russian law firms are coming to terms with the realisation that they must become more collegiate and corporate as the cult of personality that created single charismatic law firm leaders will

also not stand them in good stead internationally.

Wider issues of law firm strategy techniques also came under the conference spotlight. Explains Mr Zabrodin: 'Participants agreed that a firm should have a definite long-term plan. But the problem often lies in different prospects for the future offered by the firm's different partners. In addition, the strategy should be flexible and adaptable to changes and innovations both inside the firm and on the market.'

### Transparent partnerships

Most of the law firm heads at the conference agreed that transparency in partnership decision-making was crucial in the creation of a modern legal practice. Autonomous edicts handed down by all-powerful law firm senior partners were likely to lead to partnership crises.

Another potentially crippling problem faced by Russian and CIS business law firms is cash flow. In other words, cajoling clients to settle their bills on time – or indeed at all – is challenging work across those jurisdictions.

Commented Mr Zabrodin: 'What do you do when a client delays payment? This is an awkward topic and one that is generally not discussed in public, yet it is among the most important of issues. The main conclusion of conference delegates was that a self-respecting law firm cannot afford to have clients act that way repeatedly. Quality services should be paid for in time.'