

# Small firms, big ideas

While continental European law firms may not be able to rival their UK-based counterparts for size, they have shown they can excel at innovation. *By Richard Dilks*

**E**UROPE'S TOP LEGAL practices take many forms, from international law firm offices to family businesses. Some of the European law firms in the Innovative Lawyers report are only three years old – one dates back to 1847.

All are smaller than the UK-based international firms. The highest-earning independent European firm only slots in at number 15 when compared with UK firms. Yet this year's report provides plenty of evidence of innovation.

The past 10 years have seen big UK firms sweeping through Europe, merging with independent firms or setting up shop as local competitors. They have been successful. Clifford Chance, for example, earned £494m of its global £1.33bn revenue in continental Europe last year.

The response by continental European firms has varied. In Germany, for example, three of the top legal practices merged with London "magic circle" firms at the end of the 20th century. In Spain, one of the innovation hotspots in this year's report, three of the top law firms – Garrigues, Uria Menendez and Cuatrecasas – remain fiercely in-

dependent. Garrigues is the strongest performing continental European law firm overall in the report.

The three Spanish firms have also been able to benefit from their country's solid economic growth and from old imperial links to Latin America. According to The Legal Intelligencer, a US publication, Garrigues, Uria and Cuatrecasas rank in the top 10 independent European firms by turnover.

Financial firepower of this magnitude has enabled them to innovate. Garrigues's Logalty system, which features in the technology category of the report, was partly designed by the firm and required a significant level of investment.

Economic openness is a crucial factor in encouraging law firm innovation.

Spain's Banco Santander is a significant source of revenue and innovation for local firms. A banker at Santander likened Garrigues to a doctor. "They are a part of our team to think about new things, new ideas. They have an

open mind, which is very important in this business," he said.

Another investment bank, this time originating from the Netherlands, has also been a catalyst for legal innovation. Four law firms submitted ABN Amro-related work this year, one of them the leading independent Dutch firm De Brauw Blackstone Westbroek. ABN Amro has stimulated law firm development and made the Netherlands attractive for incoming firms.

For some jurisdictions, political change has facilitated economic openness and law firm competition. A consistent performer in the report in the past two years has been Tuca Zbarcea & Asociatii of Romania. Founded only three years ago, the firm has innovated by local standards in every

area of its operations.

Florentin Tuca, founding partner and one of the lawyers featured in this year's legal innovators section, says: "We decided to set up our own firm based on innovation, models and principles taken from western and particularly London law firms. Competitors are centred on a strong personality or strong title whereas all my partners belong to the same generation, same background, have the same values."

Meanwhile, in Turkey, outside investment and the increasing adoption of international standards has meant that Herguner Bilgen Ozeke enters this year's report at the heart of an important pipeline deal.

Riding the Celtic tiger has encouraged innovation – as can be seen from the inclusion of three Irish law firms – and the Irish government's engagement with public-private financing has stimulated innovative lawyering. Several of McCann FitzGerald's and Arthur Cox's submissions related to their work on the next generation of Dublin's infrastructure. ■

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## CONTINENTAL EUROPEAN FIRMS

Rank	Firm	Founding date	Country	Total Report score	Total weighted score
1	Garrigues	1941	Spain	188	10
2	De Brauw Blackstone Westbroek	1871	Netherlands	54	7
3=	Tuca Zbarcea & Asociatii	2005	Romania	275	5
3=	Uria Menendez	1940s	Spain	195	5
3=	Herguner Bilgen Ozeke	1989	Turkey	78	5
3=	Noerr Stiefenhofer Lutz	1957	Germany	54	5
7	Kromann Reumert	2000	Denmark	20	4
8	Arthur Cox	1920	Ireland	170	3
9	Wolf Theiss	1957	Austria	217	2
10=	Bredin Prat	1966	France	82	1
10=	Houthoff Buruma	1999	Netherlands	59	1
10=	McCann FitzGerald	1947	Ireland	42	1
10=	Koutalidis	1948	Greece	15	1
14=	HGI	2005	Greece	61	-
14=	Loyens & Loeff	2000	Belgium	40	-
14=	Wardynski	1992	Poland	24	-
14=	William Fry	1847	Ireland	12	-