

Africa is focus for international law firms

Expansion into Africa by the world's biggest law firms gathered steam on Monday (3 June) with the official tie-up between Norton Rose and Fulbright & Jaworski to form Norton Rose Fulbright.



The organisation is a new global top 10 legal practice, employing 3,800 lawyers.

While associational franchise models have not always worked well for global firms, this structure entails an association of partnerships via separate financial structures, where all partners participate in managing the global unit.

The move by Deneys Reitz to join the Norton Rose Group in 2010 was billed as a catalyst to placing Africa at the forefront and centre in the global legal arena.

It followed the merger with Norton Rose Australia a year before and coincided with Canadian law firm Ogilvy Renault joining the Norton Rose Group.

The strategy at the time was to place the newly merged firm at the forefront of developing Africa's business ties with the rest of the world.

"The broader Africa practice stands to benefit not only from sector strengths but also from access to foreign direct investment coming in from their client base. It also provides us with additional intellectual capital in fields such as oil and gas and the rail sector, which is not yet fully developed in Africa. The overlaps and synergies are exciting for us," said the firm's managing director in SA, Rob Otty.

Accounting firm structure

It will employ the same structure accounting firms have used for the past two decades, with member firms under a single umbrella, so a single entity is run from a strategic and external perspective.

"This isn't an associational franchise," he said

UK-based Norton Rose announced it would be joining forces with Fulbright & Jaworski in November last year, as it looked to expand its presence into the US market.



The move into Africa comes as competition for corporate lawyers heats up with firms trying to snap up lucrative merger and acquisition work on the continent. Norton Rose is known for its financial-sector expertise.

A number of top lawyers from bigger firms - including Norton Rose - were snapped up by Africa's largest law firm, Edward Nathan Sonnenbergs, last year, while the big South African firm also expanded its presence as far afield as Rwanda and Burundi.

The local arm of the Norton Rose business has 12 black directors, representing about 13% black ownership and is ahead of its employment equity goals with 42.47% of its professional staff and 57.52% of its non-professional staff coming from previously disadvantaged backgrounds.

Foreign firms want representation

Strong moves have been made by foreign firms into SA over the past few years.

In November 2005, Cliffe Dekker (now Cliffe Dekker Hofmeyr) entered into an exclusive alliance with DLA Piper.

Cliffe Dekker was the first South African law firm to enter into an exclusive relationship with a global law firm, which now represents more clients in a broader range of geographies and practice areas than virtually any other firm.

DLA Piper has 4,200 lawyers in 32 countries operating in 78 offices.

In October last year Canada's Fasken Martineau merged with Johannesburg-based Bell Dewar to form one of the largest law firms in Africa and to give it the largest international footprint of any Canadian-based law firm.

But not all global alliances in SA have gone smoothly.

Routledge Modise became part of UK-based Eversheds International in 2008 and changed its name to Eversheds in July 2009 but has since reverted to its original name after the South African firm left Eversheds due to problems over representation of clients in different jurisdictions. But the two firms continue to work together in the region with continuing client work reportedly unaffected.

Eversheds put up a fight for the brand at the time and it remains unclear whether similar battles lie in wait for association-style legal models in Africa.

Globally, Norton Rose Fulbright has offices in more than 50 cities across Europe, the US, Canada, Latin America, Asia, Australia, Africa, the Middle East and Central Asia.

Source: Business Day via I-Net Bridge

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