



## **Building a Multi-Jurisdictional Firm**

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## Building a multi-jurisdictional capability should be based on strong strategic logic



- Not always the case – for some it has been for other reasons
- Might not be ‘client driven’ in the sense clients are asking for it
- Could be seeking to awaken ‘latent’ needs
- Or divert work away from competitors
- Growing numbers of businesses with cross-border needs – especially in Europe

## Asking clients about your multi-jurisdictional plans can produce mixed results



- Some using local firms there already – why change?
- Some using firms with ‘a capability’ – what do you offer over and above?
- Many clients sceptical about alliances – had fingers burnt
  - ◆ Some also sceptical about cross-border mergers – can you make something happen?
- Need to plan how to generate value over and above
  - ◆ Using separate, unrelated firms
  - ◆ Other alliances
  - ◆ Other merged firms

# There are three 'generic' strategic arguments for a multi-jurisdictional capability



## Grow by expanding service lines into other jurisdictions

- Ideally has a cross-border 'component' – export home reputation (e.g. M&A work; Audits & Tax; large Real Estate transactions)
- Focus on specific clients – the driver is to grow market share geographically in service lines

## Grow by increasing market share within cross-border clients

- Secure more of their work by following them across borders
- Requires competitive strength in core service lines
- Can also have a defensive element

## Grow while maintaining a specific market focus

- Retain a narrow service line or client type focus
- Grow by pursuing the focus geographically
- Could be an industry focus as well

# Multi-jurisdictional expansion should work from existing 'home market' strengths



		Client Types	
		Weak	Strong
Service Lines	Strong	Seek local 'link-up' with strong client base	A golden base for expansion
	Weak	DO NOT even contemplate	Seek a local 'link-up' with service line strength



- Do not try to be all things to all people in a new location – lack of critical mass is a death wish
- Build own offices only if there are home base clients (core) using the same core services lines as at home (and you are famous) – start narrow
- Take merger seriously if there is a critical need to attack with a broad focus in service lines (e.g. client development strategy)
- Understand how to add value over and above the alternatives
- Do not compete for local clients unless you are famous at home in key service lines
- Alliances are fine – but they need to be either very loose (no guarantee) or very tight (a guarantee) if they are to be competitive



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