

The People Who Run Law Firms

Lessons Learned from Law Firm Leaders

Editor: Bill Knight



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Aku Sorainen

Founder and senior partner, Sorainen

Aku Sorainen is the founder and senior partner of Sorainen, a 31-partner, 200-lawyer business law firm with offices in Estonia, Latvia, Lithuania and Belarus. Aku founded the firm in 1995 to take part in the rising prosperity of the region after the fall of communism.

Early years

Born in Finland, Aku read law at the University of Lapland. When he was 12 years old, he wanted to be an ambassador and he asked his father what he should do about that. His father suggested that he should call the Finnish Ministry of Foreign affairs, and they recommended that he should study law.

Aku went on study law but with the thought that he would be a businessman. In the late 1980s, he was studying in a summer programme at Humboldt University in East Berlin and could see the effects of communism at first hand. As a foreigner, he could visit the West to change his DDR Marks for Deutschmarks and live "like a king" in East Berlin on the proceeds. In July 1988, a Bruce Springsteen concert in East Berlin attracted over 300,000 people and ended in chaos. Aku could see that the system was not going to last. Sixteen months later, the Berlin Wall came down and Aku, then 26, went with his hammer to get a piece of it.

Two years later, when the Baltic countries became independent, Aku decided to write his master's thesis on the business laws of the emerging Baltic states. He interviewed academics, businessmen and officials and quickly realised that this was a major topic. He approached Finnish corporations for sponsorship and was surprised by the positive response. He received enough funding to enable him to live for a year and a half while completing his thesis.

Aku wrote his thesis in English, which was unusual at that time in Finland, and it was published as a book, attracting attention. Before long, Aku was receiving requests for advice from the general counsel of large corporations who wanted to do business in the region, and he realised that he had a unique opportunity to build a career. As soon as he graduated, he volunteered to go to Tallinn, Estonia, and set up a law office for a Finnish firm. This was a challenging time, as Aku had no training in the practical business of running an office or advising clients. His first clients were Finnish subsidiaries of corporations, such as ABB, the technology and infrastructure company, and he trained himself.

Founding Sorainen

In 1995 Aku borrowed a computer and printer from one of his clients, the gas company AGA, and set up his own firm in the Tallinn office with lawyers from the US, Sweden and Finland. He then found his first Estonian lawyer. Within six months, the firm employed seven lawyers. Managing the team was not easy, given their diverse backgrounds, but Aku brought his own values to these issues, tackling them with "what he had learned at home".

"Coming from Finland, it would be so much easier to lead a homogeneous organisation with people who have grown up and lived there too, but if you want to lead an international organisation, everything is different, and a kind of additional flavour is given by the fact that you are not a huge international corporation with very strong internal corporate culture."

It was quite a challenge in the beginning and remains so today. Management has so much to do with the culture and the values of people. Coming from Finland, it would be so much easier to lead a homogeneous organisation with people who have grown up and lived there too, but if you want to lead an international organisation, everything is different, and a kind of additional flavour is given by the fact that you are not a huge international corporation with very strong internal corporate culture. It's a different thing when General Electric or British Petroleum expands to different countries, they bring in a huge infrastructure.

There was no rule of law. It was real chaos. Bribes were normal in society and even in the courts. But reform came when these countries wanted to join the EU in the mid-90s. They took a clear direction towards meeting EU criteria and establishing the rule of law, and every year it was getting better and better.

Security in Estonia was lax. During Aku's firm's first year of business, 75 bombs went off in Tallinn. "Organised crime gangs even bombed the nearby police station," he explains. Today, Estonia is a member of the EU and NATO and it is difficult to imagine what it was like previously. "But," says Aku, "it was a lot of fun. There were a lot of positive things happening."

Developing the firm

Initially, all the lawyers worked in one room, which helped facilitate collaboration. After two years, Aku dispatched a Finnish law student to open an office in Riga, Latvia and another recent Finnish graduate to set up operations in Vilnius, Lithuania. His competitors were the local firms. Nobody else was trying to build a regional law firm.

Nobody believed in it. Because these countries still had different languages, they had decided to go in different directions with their legislation. They all came from the Soviet Union with the same legislation but from the early 1990s they went their own way. Estonia copied a lot of the legislation from Finland and Sweden, Latvia reintroduced legislation from before the Second World War, Lithuania tried to modernise the Soviet legislation and even copied ideas from Canada. It was a big mess. So nobody believed that there was any sense in trying to build a regional law firm covering these three Baltic countries.

But I had done my thesis here a few years earlier, in the early 90s. So I knew a lot of people in these three countries. And I felt that eventually they would want to join the EU. And once they were in the EU, then they would be forced to harmonise. So I thought that even if they did go in different directions, it would only be temporarily.

Although Aku started the Latvian and Lithuanian offices with Finnish lawyers, they did not become partners and had left the firm by the time Aku appointed the first local partners, first in Lithuania, and subsequently in Latvia and Estonia. His guiding principle was that these lawyers should share his values.

Aku was at the centre of things as the region developed. He has met all of Estonia's presidents and prime ministers:

Many of our clients had large projects already at that time and it was actually pretty easy to call the Prime Minister's office and say, "We have this big opportunity here. Would you like to meet us?"

AI and IT

The Sorainen website emphasises the part IT plays in running the firm, but Aku is frank about its current limitations as well as its capabilities:

I wouldn't say AI makes a huge difference today. I think it is completely overrated, currently, for our business. It may start to make a difference for UK firms who have trained their systems in the English language, but we are using these very curious languages and these systems are not yet up to speed with them.

Al is pretty useless. But obviously, it's good to have a very modern practice-management system so that you can find your templates and your client data easily. Without that, we wouldn't be here. And I see very good potential in other technology, like collaboration tools, clause libraries, enterprise search engines and document automation. We are making big steps forward there currently. Yesterday we launched an automated share-purchase agreement for three Baltic countries. We automated one master template, which combined 15 others. You just choose which country you want, start filling in the answers and a 30-page document is produced.

I think we invested 100 hours from three offices into preparing this. But I remember talking to one Magic Circle law firm partner just a couple of years ago in London, and I asked about the same tool and he said that, yes, they do see potential, but they had not been able to make a start [on developing one]. And I said, "If you want, you can invest millions into the system right away". And he said, "Yes, but the partners cannot agree on the terminology".

Recruitment and training

Sorainen started to provide litigation and dispute resolution once the Baltic systems became less corrupt and today they are a full-service

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business law firm. Staff are recruited locally. In the beginning, it made sense to import expatriates because they had an understanding of the future for the Baltic region, but now Sorainen has established its own academy to offer practical training for law students – 20 to 25 every year from each country. The training is done in-house by Sorainen partners and associates. The firm picks the brightest and offers them training contracts when they graduate, but first they join the 'Sorainen Think Tank', where they are given assignments and have to decide amongst themselves who is best placed to handle them.

I think that the firm's culture is getting stronger year by year, and one of its values is collaboration. It is about having a kind of friendly attitude to and relations with your peers and colleagues and coworkers and having a flat hierarchy where people can easily approach each other. This culture is different from many other law firms in the market. People grow up in our system, and they learn to appreciate it, especially those who have worked somewhere else before. It's always a challenge with those young ones. We take them from university and grow them and they have not seen anything else. But they want to see the world, which is very natural for young people – they want to have different types of experiences. So we tend to lose many of them because they just want to see what it's like elsewhere.

This extract is from the Special Report 'The People Who Run Law Firms, Lessons Learned from Law Firm Leaders', published by Globe Law and Business.

Special Report

The People Who Run Law Firms

Lessons Learned from Law Firm Leaders

Editor: Bill Knight

This Special Report contains candid interviews with managing and senior partners of law firms large and small, from Europe and the City to the high street and Africa.

We do not hear enough about running law firms from those who do the job. Here they talk frankly, free from jargon and management-speak, about their careers and what their role is really like. The interviews cover everything from their first jobs to becoming a partner and reveal their key pieces of advice for all current and aspiring senior partners.

Most lawyers have to manage others at some point in their careers and anyone with management responsibilities in a law firm of any size will gain something from the hard-won experience of these leaders.

The report features interviews with Olayemi Anyanechi, Edward Braham, Melissa Butler, Michael Chissick, Rafael Fontana, James Palmer, Kathleen Russ, Victoria Sampson and Joseph Oates, Aku Sorainen and Linda Woolley, providing readers with a variety of perspectives on running a law firm.

By lawyers, for lawyers, this report from senior members of the profession tells personal stories about their pathways to the law and gives their views on clients, management, the role of lawyers in society and the issues of the day, providing lasting and critical insights into the profession at this time of change and disruption.

