

## PRESS CUTTING

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#### **Launching out for yourself**

Whether for reasons of enterprise, altruism or simply wanting to pursue an independent course, more and more lawyers are choosing to set up their own firms, reports Jon Robins

Eagle-eyed football fans might have had their curiosity aroused by a new name on the pitch-level advertising hoardings at Anfield last month, as Bulgarian team CSKA Sofia took on European champions Liverpool. Nestled between more familiar names of 'Carlsberg' and 'Sommerfield' was the household brand in the making – 'Astonbond.com' (see [\[2005\] Gazette, 8 September, 10](#)).

It is a somewhat surprising marketing approach for a 15-month-old two-partner law firm from Slough to make a bid for prime-time audience, but you cannot knock it for lack of ambition.

'It's all about perception,' insists Stephen Puri, managing partner of the general commercial firm. The fact that the name is an amalgamation of the epitome of motoring elegance, the Aston Martin, and cinematic suave, James Bond, is no coincidence. What image is the firm wanting to communicate to potential clients? 'I am trying to create a sexy brand and something different – the "Virgin" of law firms,' he says. 'The name sounds West End, it sounds established and British and it hasn't got the word "solicitors" in it.'

Unsurprisingly, the key aspirations for many solicitors wanting to start their own firms are to break with the past and be masters of their own destiny. Keith Lewin says that he, together with the two founding partners of new Birkenhead firm Brunswicks, were regarded as 'slightly maverick' by their old firms (see [\[2005\] Gazette, 18 August, 43](#)).

'Most of us have come from very large firms and increasingly became uncomfortable with a number of different aspects,' he says. 'Each of us reaches a point in life where you decide you can't go along with cabinet responsibly and the only honest thing to do is to leave.'

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Mr Puri, formerly of south-east firm Kidd Rapinet, agrees. 'I am ten years' qualified and you get to the stage where you think, "I want to do things this way or that way",' he says. 'I know many solicitors who would love to do what we are doing, but they haven't got the balls. To be honest, the only thing that doesn't surprise me is that I haven't done this earlier.'

So what do lawyers want from their new practices? 'We want intellectual freedom, and challenging work where we can have fun,' says Mr Lewin, formerly a partner at the Liverpool office of DLA Piper Rudnick Gray Cary. 'But we also believe that we can make a difference, not only for our clients, but also to better the lot of parts of society.' Mr Lewin, together with partners Andrew Dawson, also from DLA, and Gareth Edwards, who founded Birkenhead firm Edwards Jones, is backing worthy words with actions. They have contractually committed to paying a minimum of 2% of the practice's turnover to charities and other good causes. All employees, including support staff, at Brunswicks, a specialist firm advising health and social care providers, have also undertaken to do pro bono work.

Why was it important to give hard cash to good causes? 'We want to foster an environment where we take our responsibilities seriously and acknowledge that we are privileged to be amongst the higher-earning members of society. We wanted to put something back in a direct and measurable way,' he says. So far the firm has made donations to Action on Elder Abuse and The Butterfly Project, a bereavement counselling service for children.

Mr Lewin says there was 'no single factor' for leaving DLA. But one reason is that firm that he was with for 31 years had become increasingly international in its focus. 'For the last three years, I specialised in health and social care law and my clients in that sector had a more UK focus, but of course they all had to pay for the internationalisation, and hourly rates were inexorably climbing,' he says. The solicitor reckons his fees are now 28% less than they were.

Ronnie Fox, partnership law specialist and founding partner of City firm Fox Williams, says that lawyers setting up their own firms are more grounded in commercial realities than they ever were. 'A few years ago people would start law firms for all sorts of idealistic reasons, but today you simply can't afford to be an idealist,' he says. 'Look at the number of people coming out of legal aid. Law is a business, a fiercely competitive one, and you have to think of yourself as a business.'

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What makes a new firm succeed? Mr Fox replies: 'You have to sort out what your skills are, where your expertise lies and the following that partners have,' he replies. 'Those new firms that reinvent themselves, claim to have expertise they don't have or go for a segment of market which is heavily populated by deeply-entrenched, resourced players get into trouble. The statistics for the number of start-ups that fail in the first three years are terrible.'

The second major stumbling block is 'gearing', or the ratio of partners to associates. Mr Fox says: 'There's no reason why small firms can't be profitable if only they get the gearing right, and attract people who are happy to work in small firms – that is the key to profitability.'

As far as law firm structure goes, many new firms opt for limited liability partnerships (LLPs). 'If people are starting from scratch, then I think it's a no-brainer, because the only thing that is stopping firms converting at the moment is inertia,' comments Stephen Williams, a partnership law expert at Kent law firm Cripps Harries Hall (which has itself converted). There is the obvious benefit of reducing exposure should things go wrong but it can also be a more suitable vehicle for holding property, he says. 'It is certainly sensible for anybody starting with a clean sheet,' agrees Ronnie Fox.

Spring Law is a specialist litigation firm in the West End of London that set up in 2001. Managing partner Tim Perry opted for the LLP model. 'We decided to eschew the partnership model,' he says.

'For me it is an emotive distinction. A partnership is where each person selfishly guards their own interests and their own clients, and they have the promise that they make partnership on the basis of high billing.'

It is a structure that promotes those to the top of the organisation who might be 'manifestly unsuited' for management, he adds. Mr Perry started the firm with £26,000 capital and in the last four years the firm has taken on eight fee-earners; it reported a £650,000 turnover last year.

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Why 'Spring Law'? Mr Perry says that he wanted to create 'a new invigorated approach to providing law services'. By contrast, he reckons the big City firms have lost their sparkle. 'My experience is that the wheels turned slowly and there is remoteness between the associate working on the case and the client,' he says. 'There is also an inherent conflict between the need of the lawyers to bill at a value that ultimately keeps them in their jobs, and the legitimate expectation of the client to receive a proper and well-costed service.'

Last week, criminal defence specialists Rustem Guardian had its launch party. Tim Rustem, previously a partner at Whitelock & Storr, is setting up practice with a trainee halfway through qualifying and four case workers, to specialise in white-collar crime. The firm, which is based near the Old Bailey in London, went live in April and its case load is about 85% publicly-funded and 15% private work. His capital cost for start-up was in the region of £100,000.

It is a hostile environment to start any kind of publicly-funded practice. Many of the more established white-collar crime specialists anticipate lean times ahead as a result of the Lord Chancellor's proposals, in June, to introduce a series of pay cuts in serious and very high-cost cases.

Nonetheless, Mr Rustem shares the enthusiasm of the other lawyers setting up practice on their own. 'I don't agree with the Legal Service Commission on everything they say, but I believe that if the standards you have are high, then you shouldn't have a problem,' he says. 'They are trying to weed out the firms that are doing the shoddier work.' Mr Rustem is optimistic. 'I have never looked for work,' he says. 'Work has always come to me.'

Jon Robins is a freelance journalist