

NAMED PARTNERS

The Death of the Legal Entrepreneur

The days when ambitious lawyers came to London and set up bold new practices seem part of a bygone age. But in an era of stellar economic growth that has witnessed the rapid expansion of the legal industry, DAVID ROBINSON asks where have all the legal entrepreneurs gone?

"Of course I've thought about it," admits Linklaters' former head of corporate David Cheyne, when asked if he has ever considered starting his own law firm.

"People have said: 'why don't you try and do it yourself?' so you think about it. I have analysed what would be required to continue doing the sort of work that I find is fun going forwards – and the answer is you end up with quite a big firm quite quickly."

Mr Cheyne, one of the City's most high-profile lawyers, reportedly brought in £132m last year, and recently won a three-way battle to become Linklaters' new senior partner.

It's reasonable to assume that if Mr Cheyne – a figure synonymous with Linklaters' image and deeply intertwined in its culture – has thought about starting his own law firm then every other lawyer in the City has as well.

But almost no one actually does it. In today's corporate-dominated age, new talent entering the fray is likely to be gobbled up by the magic circle and other big city firms – and stay there.

Taking the plunge and starting a practice is seen as too precipitous and uncertain by many lawyers in comparison to a career at a magic circle firm and not nearly lucrative enough to compensate for the huge risks involved.

City partner's salaries have soared in the last decade. In 1992, the top ten law firms coughed up average salaries of £321,000 PER, according to Hodgart Consulting. By 2005 that figure had almost doubled to £606,000 PER. That's a big incentive to stay.

It wasn't always like this. In the not-so-distant past, ambitious young lawyers would come to London, perhaps work for someone else for a few years, before setting up a firm named after themselves, and, in all probability, set about making a tidy living.

Ronnie Fox is one such character. An entrepreneurial lawyer with an outlook forged, perhaps, in a different era.

When we meet, at his bright, recently opened office, close to the London Stock Exchange, the smell of freshly applied emulsion still lingers the air. All around, cardboard boxes rest on shiny pine floors waiting to be opened and paintings lie waiting to be re-hung. The overwhelming feeling is one of new beginnings, of starting again.

At an age when many of Mr Fox's peers are reaching for their pipe and slippers, the 60-year-old partnership specialist is launching a new practice, operating as its sole partner.

In April, the former Fox Williams boss quit the firm he founded 17 years ago amid rumours of a less-than-amicable parting, and despite approaching pensionable age, has wasted no time finding new fields to furrow. "I'm horrified by the prospect of retirement," he says, smiling broadly. "I'm an entrepreneurial kind of guy."

His new firm will leverage on Mr Fox's extensive experience in partnership and employment law, in addition to offering independent management consultancy for small and medium-sized law firms. "I can see a gap in the market," Mr Fox says of his latest venture. "Besides, I want to have one more great achievement."

Mr Fox is one of the few City lawyers in this day and age to leave their comfort-zone and kick-start a new venture. A fact made doubly impressive because he is doing it for the second time, and in the twilight of his career.

Mr Fox cut his teeth at Herbert Oppenheimer Nathan & VanDyke, whose alumni include the late Stanley Berwin – who held the rare distinction of being the name partner in two renowned City outfits at the same time.

Berwin is remembered as a dynamic and charismatic figure who slipped easily between the legal and business worlds. He founded Berwin Leighton Paisner in 1965; quit five years later to work in investment banking at Rothschilds, before returning to the legal fold and starting another firm, SJ Berwin in 1982.