



Sydney's singles

Sydney's function as Australia's portal to the international market has created a wealth of networks to plug into. Despite this, the city harbours a number of firms that deliberately maintain a single office. ALB finds out what drives them

Sydney is often referred to as the 'gateway to Australia'. If Perth's market is characterised by the resources boom and Brisbane's is strongly defined by large infrastructural projects, then Sydney's forte lies in the reach of its tentacles.

As a result, the harbour city is the financial hub of the country and for many international companies it is the first port of call when exploring the Australasian region. This position is being consolidated by the relocation of head offices of large conglomerates to Sydney – a development that has accelerated in the last 10 years. With such an abundance of networks and

large array of contacts to choose from, why do some law firms make the choice to remain Sydney-only?

The question managing partners of these firms ask in return is: if you are in the centre of the action, what's the point of going somewhere else?

"Sydney is the strongest financial centre in the country; Sydney is where we started. We've been happy with our growth in Sydney; most of our clients are Sydney-based and we've continued to grow and develop our practice here," says Danny Gilbert, managing partner of Gilbert + Tobin. "To open offices elsewhere you have to be very clear about your reasons for do-

ing so, because the associated costs can be quite burdensome."

Fred Swaab of Swaab Attorneys says the strategy enables his firm to remain completely focused on its strength. "We're not compromised by managing too many opportunities; we focus on NSW, a state that has a great space for mid-tier firms."

Stephen Purcell, managing partner of Henry Davis York, belongs to the same school of thought. "To maintain a single office creates a strong cohesive culture and enables us to have a true one-firm approach to client management," he says.

Purcell also believes it gives the firm a point of differentiation, a tool to set the firm apart from competitors. "We had many opportunities to join up with other firms, or become a national firm, but why be the same as anyone else?"

The firms emphasise that holding on to a Sydney-only strategy does not mean they

■ SYDNEY-ONLY FIRMS

- Henry Davis York: **45** partners and a total of **197** fee earners
- Gilbert + Tobin: **41** partners and a total of **200** fee earners
- Swaab Attorneys: **10** partners and a total of **28** fee earners
- Truman Hoyle: **8** partners and a total of **25** fee earners

the country. International clients have found their way to the Pitt Street premises and are seemingly pleased with the firm's approach. "Increasingly, [international] clients ask us to do the work ourselves," says Barber. "These clients understand that Sydney-based firms are just as well placed to do the work from Sydney, or have their lawyers working remotely, than affiliated firms, and provide the same level of services with a much higher certainty of cost."

The firm compensates for the lack of an on-ground presence, which can restrict the

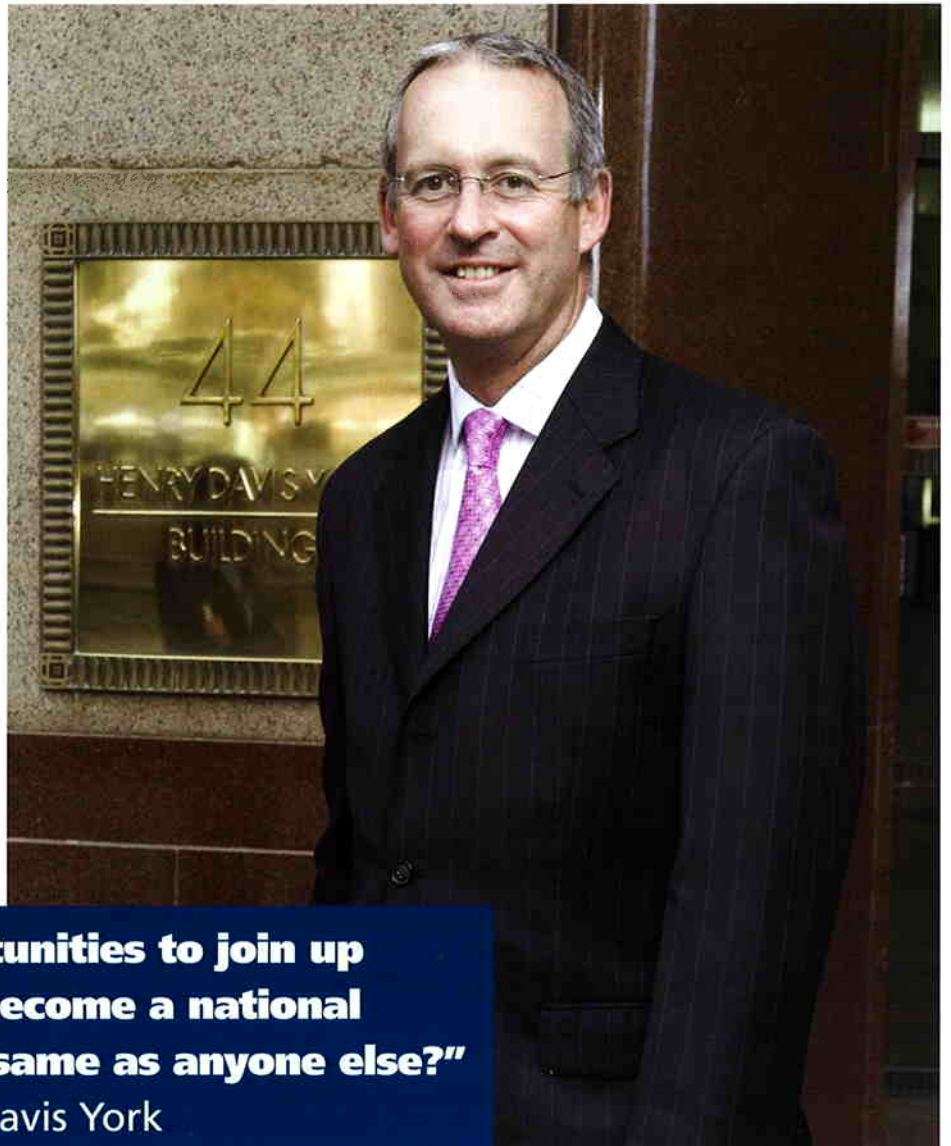
ability to develop a feeling for the right business approach in other countries, by hiring specialists in cultural exchanges. "We mostly use our contact firms to deal with cultural issues, but we also work with Australian firms that provide cross-cultural consultancy, both to us and to our clients." Barber says this approach has worked particularly well in advising Korean-based joint ventures.

To remain on top of their game, these firms rely heavily on technology. Firms like Truman Hoyle make use of fast mobile broadband internet that gives its lawyers

do not have the same reach as national firms. Clients outside the state can be serviced by flying in and out. Some firms even state that when they visit their national clients it is often only to catch up over lunch, while business is done remotely.

Crossing borders

Shane Barber, managing partner of Truman Hoyle, believes that the single-office strategy does not mean that a firm misses out on opportunities from outside



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access to all their corporate applications. This mobile workforce is also equipped with BlackBerries and digital dictation devices. Barber believes this is the way to go forward. "Alex Ninis joined us recently as a partner from a small firm that didn't have any office and spent its entire time operating as general counsel out of clients' premises. Now, we haven't gone to that extent yet, but those ideas are ones that clients are very receptive to."

Face the enemy

Truman Hoyle and Swaab Attorneys are both firms with less than 30 fee earners. Their game is in specialising and this keeps them from having to compete with the big firms. "We've seen some competition from Melbourne and Adelaide and from breakaway firms, such as Chang Pistilli & Simmons, but most firms are not terribly active in our space," says Swaab.

Barber goes so far as to say that the firm does not face any competition at all. "There are a lot of firms that operate in the same space, but they tend to focus more on corporate transactions, while we focus more on regulatory and operational transactions. In any event, there's so much work in these sectors at the moment that we never really feel the need to aggressively target another firm's clients."

Truman Hoyle also does not try to poach other firm's lawyers, it says, because it looks predominately among the ranks of in-house lawyers for new recruits. "The majority of our lawyers have in-house experience. When we're recruiting, that is something we look very favourably upon," says Barber, who is a former Optus in-house counsel himself. "You get a real sense of the needs of a client from acting as in-house counsel."

He says this experience is not always appreciated at its right value. "I'm always surprised to see mid-level lawyers looking at in-house as the panacea of all ills. It's not. It can be very stressful, but it's also very rewarding and it's certainly an experience that I'm glad to have had."

Driving forces

In last month's Melbourne report, many firms said the market there is still grow-

ing but that the largest growth is to be found in Sydney. Identifying growth in the Sydney market is difficult for a number of reasons. There are the questions of whether we can actually speak of a Sydney market and if it can be separated from the larger national market.

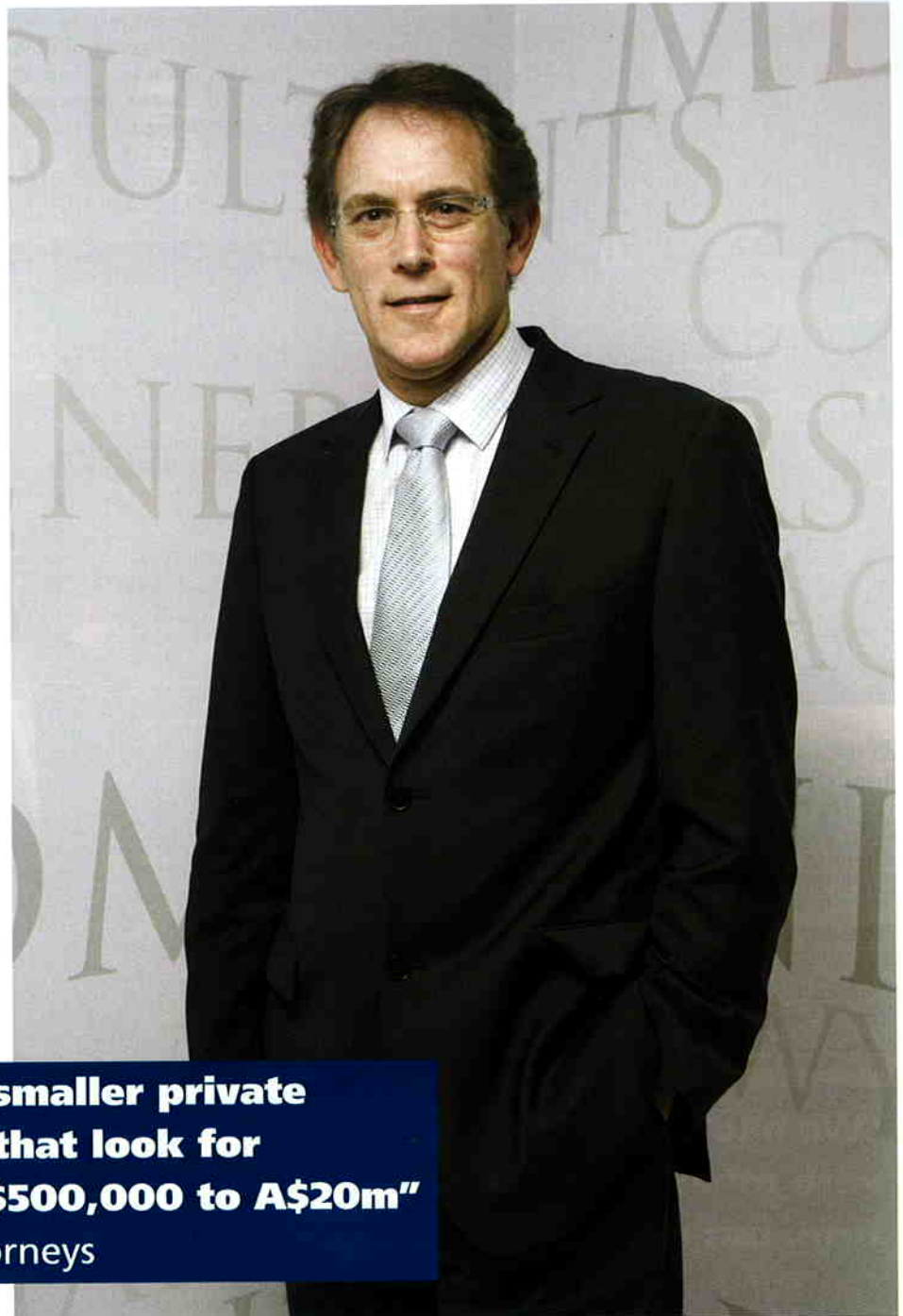
Another problem is that when you ask law firm managers which areas are particularly expanding, the chances are high that they will name every practice area the firm provides advice on.

However, some generalisations can be made. To get an idea of how the Sydney

market compares with other Australian cities, we asked national law firm Mallesons Stephen Jaques – whose Sydney office has 91 partners and 321 lawyers – its opinion on growth perspectives.

"Sydney is the large international financial centre of Australia and therefore has a disproportionate share of the M&A market," says partner Stuart Fuller. "Capital raisings, private equity and M&A are all strong, but if you look at private M&A then Melbourne has a strong market as well."

Many of the large firms in town have profited from the surge in private equity



"We're moving into smaller private equity funds, funds that look for investments from A\$500,000 to A\$20m"
Fred Swaab, Swaab Attorneys