



WHAT'S HAPPENING WITH LAW IN LONDON & PARIS

WRITTEN BY:

COLIN SCARLETT*
EXECUTIVE VICE PRESIDENT
604 661 0879
colin.scarlett@colliers.com



WHAT'S HAPPENING WITH LAW IN LONDON AND PARIS?

I firmly believe that the future of the legal industry, from both a business and office design perspective, is never in your own back yard. There are great insights to be learned globally. With that, I've now been to **16 cities around the world** in the past few years researching the future of the business of law and the future of space. My most recent travels in May of this year took me to London and Paris and I thought it would be interesting to share what I learned and saw.

LONDON

London is a fascinating market with a third of all law firms open plan (and growing). I visited DWF LLP in London who are the most progressive firm I've ever met, in the context of space design. They are all open plan (CEO doesn't have a designated desk) and even have unassigned seating, which gives most people headaches trying to figure out how that would actually work. **Imagine showing up to work and being able to sit wherever you'd like.** DWF has recently made a big splash

in London with a move to the Walkie Talkie building. Their move was intended to make a big brand and identity statement to the market. By all accounts it has worked, with a number of successful lateral moves as a result. **The CEO of the firm says that DWF is a business that practices law rather than simply a law firm.** The differentiator is they are very focused on running an efficient business and making money.

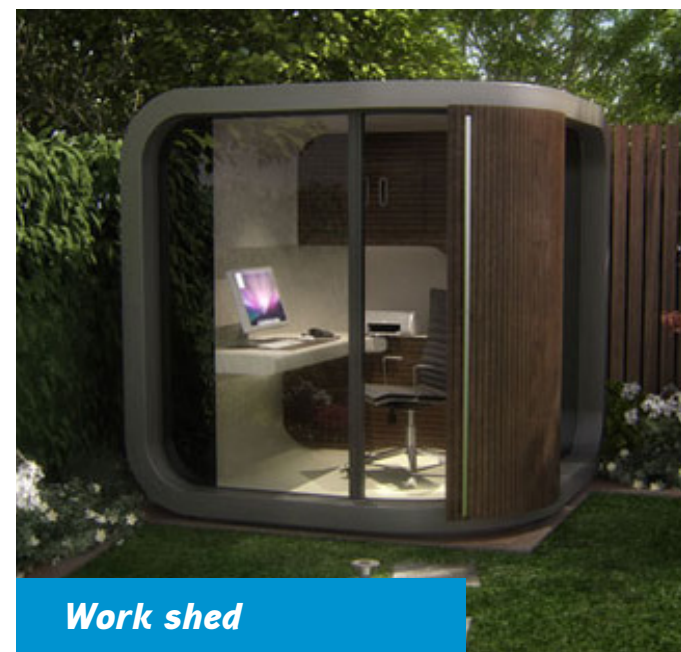


A great idea from DWF to humanize the firm. Digital display in the reception area showing their partners at play.



SOME GENERAL NOTES ABOUT THE FIRM:

- > They have team revenue targets which encourages collaboration amongst the greater group.
- > Providing a flexible work environment is really important to them. They have people who work exclusively from home, people who work from home and the office then those who work exclusively from the office. **Having the option to work from home is a real differentiator for them and has increased their HR attraction and retention.**



- > They even have a **work shed** that can be financed through the firm. It is a plug and play office that can be dropped into an employee's back yard.
- > One senior partner I met who bills out at 500 pounds an hour explained why they like their open unassigned seating plan. They were working on a large property purchase on behalf of an institutional buyer which had 25 properties and needed to close in two weeks for a fixed fee (most of their work is going to a fixed fee basis). To be as efficient as possible, 15 people from the firm worked on the file for those two weeks and all sat together to collaborate and aid in due diligence and documentation.

- > This particular partner had come from another firm with closed offices and said they would never go back. They said the culture of the firm is really inclusive and exciting with no egos. The partner had landed a big file and the whole office around her stood up and cheered when she won...very cool.
- > What we call "**near shoring**" is happening a lot in London to increase overall margins of firms. They call it "**north shoring**" as they send a lot of commoditized work to branch offices in the north of England.
- > What makes them nervous about the future of the industry? **Automation.** As an example, new technology is allowing leases to be prepared in 30 minutes rather than from scratch in what is often 3 hours. That commoditized work could be done by a number of other providers for a lot less.



I also met with the law firm Reynolds Porter Chamberlain LLP (RPC) who transitioned from closed offices to open plan a number of years ago. They did it for similar reasons as DWF and many of the same themes came up. Their managing partner says **knowledge transfer wasn't happening at a rate fast enough for them.** He said he had no idea what trainees were doing when they were in their own offices. Now, in an open plan, the younger lawyers learn the softer skills of the business and knowledge transfer is happening at a much faster pace. At DWF, it's less about the individual and more about the firm as a whole.



Your reception is a great area to articulate your brand and identity. What does your reception say about you?

SOME GENERAL NOTES ABOUT THE FIRM:

- > They are really focused on running an efficient business. It used to be about making enough money to be comfortable and **now it's about running a business** and being accountable for finding ways to increase margins and top line revenue.
- > Their ratios are 6 lawyers for each direct support. As a firm who does 50% of their business in insurance law they have been able to increase the leverage model through

process. Investments in technology and tech savvy lawyers has helped as well.

- > They have worked hard to break down the hierarchical structure of the firm. They have said this has been a large factor in employee engagement.

Some are better at file management than others...



RPC is 95,000 SF, but has a reception area the size of a 15,000 SF law firm. Once you check in they immediately take you to the client lounge area with wifi, food and a concierge. Wouldn't a client rather wait here between meetings than go to Starbucks?



- > The COO of the firm has told their internal support groups (back office functions) that they have to be the experts in their field to help with increasing efficiency of the firm and has pushed the lawyers to listen. It used to be about a lawyer telling the support groups how they wanted things done, but now it's the support groups who are telling the lawyers how they should organize things. Examples would be exceptional marketing people to help with responses to RFP's.
- > **Paper management** has been an important goal. When they moved, they cleared 5,000 linear meters of files and set up the right change management and file management processes.
- > They say that being open plan has increased knowledge transfer and they are a more profitable firm. Being more collaborative has resulted in less of a "this is my client" to "how do we collectively best help the client and focus on business process."



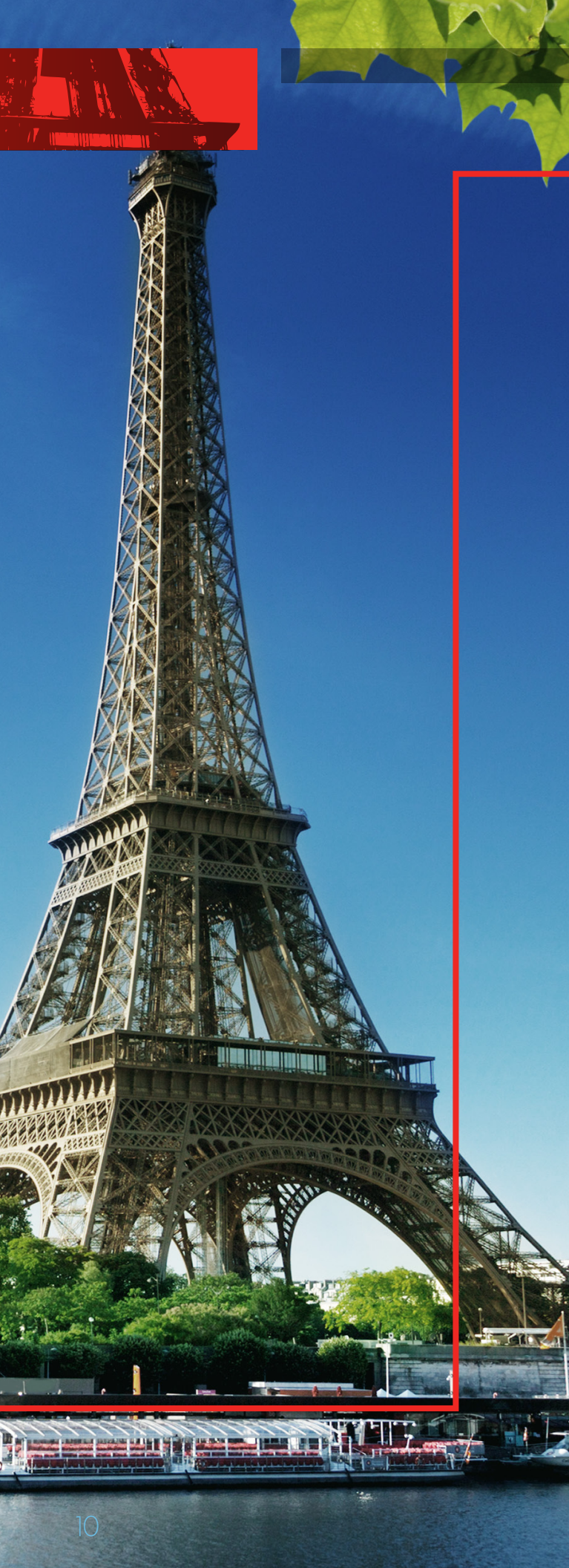
An interesting U-shaped floor connected with a skywalk



Colliers' London office. Only in North America do our advisors enjoy private offices. The CEO of our Asia group, who oversees 6,000 employees, sits in a cubical the same size of these.



Lawyer and staff café.



PARIS

Firms in Paris **aren't quite as progressive as they are in London**, but by all accounts they are going this direction. For the first time they are seeing single sized offices for lawyers with students and juniors sharing offices. Single sized offices and some groups sharing offices has led to greater efficiency and in the case of one firm I met with, dramatically reduced costs. The firms I met with were all global firms and with this global perspective are also concerned about new entrants to the legal marketplace taking some of their business and knowledge transfer/client transfer (succession planning) being important challenges to figure out.

The majority of firms are still practicing in very conventional space and doing well because of it. I am certainly not encouraging open office space (I have yet to see it done right), just highlighting what people are doing in other markets and encouraging firms to think more strategically about **using space as an asset** rather than thinking of it as simply an expense. The way your space is designed can enhance the way you work and can have a meaningful impact on your firm's culture, HR strategy, brand strategy, client strategy and overall productivity.

Without a doubt, the way the business is practiced in Europe is different than in North America, but everyone is facing the same pressures with new entrants into the market providing the same product at a lower cost. Axiom Law, who run an alternative business model and who intend on being the largest provider of legal services in the world in the next 5 years, will be coming to Canada by the end of the year. Are you ready for them? I'd be happy to meet to go over my recent observations in more detail.



Open plan space in Paris. The green blinds create "neighbourhoods"



Video game break at an office in Paris



Colin Scarlett*
Executive Vice President
DIR 604 661 0879
colin.scarlett@colliers.com



Dan Jordan*
Vice President
DIR 604 692 1472
dan.jordan@colliers.com

Colin and Dan have travelled the world meeting individuals at all levels of law firms and those who service the legal industry to gain a deep understanding of the business of law to better find real estate solutions for their client's business challenges.

Colin leads Colliers' Law Firm Practice Group and is a recent winner of Business in Vancouver's Top Forty Under 40, is one of 5 people on the National Advisory Board advising Colliers' Canadian CEO on key national business issues and has been Faculty at Colliers University in the Netherlands.

Dan has completed lease transactions totaling over 1 million square feet and has been nominated for multiple awards and recently won the 2014 NAIOP/BIV Office Lease of the Year. He has built a reputation for providing his clients with the highest level of service.

COLLIERS' LIST OF LAW FIRM CLIENTS

Borden Ladner Gervais LLP	123,000 SF
McCarthy Tétrault LLP	82,000 SF
Farris Vaughan Wills & Murphy LLP	67,000 SF
Miller Thomson LLP	48,000 SF
Bull, Housser & Tupper LLP	67,000 SF
Dentons	51,000 SF
Harper Grey LLP	37,000 SF
Roper Greyell LLP	14,200 SF
Shapiro Hankinson & Knutson Law Corporation	11,600 SF
Pryke Lambert Leathley Russell LLP	11,500 SF



COLLIERS INTERNATIONAL
200 Granville Street, 19th Floor
Vancouver, BC V6C 2R6
604 681 4111
www.collierscanada.com