

# LegalWeek

## 'It's about targeted profitable growth' - White & Case chair Hugh Verrier lays out firm's new strategy

Georgina Stanley | 12 November 2015



### US and London earmarked for significant growth as firm focuses on four core sectors in new 2020 strategy intended to build position in global elite

*White & Case has recently made headlines with the news that it is cracking down on performance in some of its European offices. In this set-piece interview, the US firm's chairman, Hugh Verrier, talks to Legal Week editor Georgina Stanley about ramping up in London and the US, profitable growth and keeping its staff happy*

#### **Georgina Stanley: The firm has just devised its new five year strategy - what is the focus for the coming years?**

**Hugh Verrier, White & Case:** Profitable growth. Over the last five years our strategy has been focused on driving profitability and that's been very successful - PEP is up 36%. We've achieved that partly by keeping headcount flat at all levels, in keeping with the times and the period of recession that followed the financial crash. Now we've taken another look at our strategy and decided to change course.

#### **GS: What are the priorities now?**

**HV:** It's about targeted profitable growth, specifically in the US and London, and it will not be insignificant growth. It is not the case that we'll stop growing everywhere else - we just opened a new office in Seoul, for example - but we want to push ourselves to grow faster in those two key markets because it will benefit the whole firm - by improving our overall profitability and driving work to our other offices.

#### **GS: Why those two regions specifically and what targets do you have for them?**

**HV:** They are the largest most profitable financial centres in the world and are the most important to many of our global clients, so we want to be market leading in both of them. I think if our London growth trajectory continues to accelerate we can present an even stronger

challenge to the magic circle and other elite global law firms. But that means that we need to be substantially larger than we are now. I would expect that within five years we'll have more than 500 lawyers in London compared with about 350 now.

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#### **GS: And what about the US?**

**HV:** More than two thirds of our lawyers are currently outside the US, and we want to see the proportion of lawyers in the US grow. Like London I would expect there to be over 500 lawyers in New York by 2020. Right now, less than half the firm's lawyers are currently based in either the US or London, and I would expect that proportion to rise to around 60% as a result of our new strategy. It could mean opening new offices in other US markets, but there's nothing imminent.

#### **GS: What are the other key strands of the growth strategy?**

**HV:** We are focusing not only on particular markets, but also on four global industries: financial institutions; private equity; technology and oil & gas. The idea is to strengthen our industry approach generally and to specifically nurture growth in these four.

#### **GS: What will that mean in practice?**

**HV:** It means giving more weight to these global industries and making sure we drive growth in them. We've chosen them because they are inherently global and well suited to the firm's strength in advising on cross-border matters. [hugh-verrier-white-case](#)

#### **GS: You're focusing on growth in two regions and four sectors. What else?**

**HV:** We're also focusing on growth in three key practices - M&A, capital markets and disputes. These three practices are at the core of White & Case and play to our strengths in handling complex, cross-border work. They're also important to our clients in the four global industries we're targeting. This does not mean we won't grow in other practice areas.

#### **GS: Are there aspects of the new strategy which go beyond growth?**

**HV:** Yes. The second strategic goal is to create a more engaged firm. That means making each office a great place to work and attracting the kind of people who want to work in a global firm, not a national firm. We've started taking a more global approach to recruiting. We want people who understand our firm and share our values and who want the opportunities of working at a global law firm, such as spending time in our other offices around the world.

**GS: What does a great place to work look like?**

**HV:** There are many elements. We need to look deeply at what people want from their careers. It could be highly transformative - it's about looking at everyone and making sure they're achieving their ambitions. It means revisiting everything that's important including technology, working hours, flexible working and diversity, because we need to reflect the world around us.

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**GS: What's the third and final part of the strategy?**

**HV:** A shift towards global client relationships. This is a continuation of our focus on large, global clients that we started five years ago. We've interviewed 200 clients in the past two years, and these conversations help us shape our business. We know our clients want real industry expertise, they want us to be strong in the markets that matter to them and they want value beyond the legal work we do.

**GS: Given the focus on the US and UK, what does it mean for everywhere else? Does this new strategy explain the changes this year in CEE? [White & Case has seen a number of exits in Poland and the departure of its Budapest office to Dentons.]**

**HV:** Focusing on growth in the US and in London does not mean we won't grow in other markets. It's where we will focus our efforts because it will benefit the entire firm.

Each region goes through its own journey and has its own logic. We want to have global clients and serve them globally. At some point there will always be people who feel that they want to be part of a domestic practice. Everyone in the firm knows where we're going and can decide for themselves whether they want to be part of our journey. The changes in CEE have only an oblique connection to our strategy. CEE is an important market for White & Case. We established offices there at the start of the 1990s and there's no question that we have a market leading practice there today.

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**GS: Would you expect to see further exits in regions besides the US and London? Asia, for example?**

**HV:** Asia is an exciting and important market for us. Last year we put in place a new strategy for Asia and Eric Berg, a senior leader of the firm, relocated to lead our business there. We've brought in some new partners, for example in private equity, and just opened a new office in Seoul. There have been some departures in Asia but we expect to see growth going forward.

**GS: What made the last five years successful for White & Case?**

**HV:** In a nutshell, growing revenue and profitability while keeping headcount flat, focusing on global client relationships and cross-border work, and embedding innovation and a one-firm culture.

**GS: Did it mean tough targets for individuals?**

**HV:** Being a partner at a leading global law firm is a tough job

and we expect our partners to contribute to our business in meaningful ways. We measure partner performance across a number of criteria, including client impact, teamwork and talent development. We also look at quantitative measures, such as their impact on our financial performance.

**GS: Looking to the new strategy, how will you be measuring the firm's success?**

**HV:** If the strategy is successful, we will see accelerated growth in London and the US. We think that our strategy will appeal to people who want to work in a global firm. We also expect growth in revenue and profitability, and increased engagement among our people. And of course we will continue to listen to our clients to make sure the firm is moving in the right direction.

**GS: A lot of firms say they are global, what will set White & Case apart?**

**HV:** We are an elite global firm that's neither UK nor US, we're integrated globally and strong in G20 markets. We already have 50 years' experience building a global, integrated firm, which is a lot more than most of the firms we compete with.

**GS: When it comes to global, US firms have made far greater inroads penetrating London than the other way round, do you think that will ever change?**

**HV:** I think it's only a matter of time before the magic circle firms build practices in the US that make them global. They can't be truly global without credible practices in the US, so whether it's this year or in ten years, they'll get there. The question is whether they'll build organically over time, or catapult via a merger.

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**GS: What, in your opinion, are the key challenges facing the legal market and how well positioned do you think you now are to meet them?**

**HV:** First of all, the legal industry is consolidating, by which I mean the total legal spend for law firms is not growing and law firms are combining. A second challenge is transatlantic competition. Third, the gap between the elite global law firms and the global mid-market firms is widening. The elite firms will be in a better position to attract the top talent and as a result attract clients' complex, higher-value work. And a fourth challenge is new entrants. By that I mean growth in in-house legal teams, the accounting firms providing legal services, and legal process outsourcing firms chasing lower-end work.

The elements of our strategy - profitable growth, people engagement and global client relationships - are aimed at addressing these challenges and strengthening our firm for the future.

