



BY HEATHER SUTTIE

Leveraging Referral Networks

Global mega-mergers seem to be in vogue this year, but there is another way to get international exposure



THE CANADIAN LEGAL landscape has seen a shakeup over the past few years due to what has seemed like a never-ending series of mergers. Perhaps we'll be afforded a moment to breathe now that Fraser Milner Casgrain LLP combined with Salans LLP and SNR Denton Group to form Dentons on March 28, 2013, while Norton Rose joined with Fulbright & Jaworski LLP just days ago on June 1, 2013.

While marriages such as these are designed to stimulate growth in key global markets, there is another option for expanding a firm's footprint that is a little less drastic: the international referral network.

PRIVILEGES OF MEMBERSHIP

One of the obvious advantages of being a member of such a network is that, instead of grappling with a new name and culture along with the complicated procedures inherent of a merger, each firm that belongs to an international referral group retains its name and culture while sharing and exchanging referrals in a friends-with-benefits scenario.

Even though these networks provide closeness without a full on commitment, firms that have formal network alliances would do well to leverage these relationships in two ways. The first is to market the alliance internally to their own lawyers as a defensive manoeuvre against merged firms. The second is to take an offensive position and market externally to spotlight the re-

ferred relationship as a global alternative for current and prospective clients, rather than risk losing them to the siren call of international firms with a Canadian presence.

A number of Canadian firms belong to international networks, such as Meritas, Lex Mundi, Interlaw, SCG Legal and MSI Global Alliance to name a handful. And many of these firms have been network participants for years so, obviously, they are finding value in membership. The trick to getting maximum value from these networks is aggressive marketing, which requires much more effort than simply slapping an alliance's logo on a firm's website.

FIRM FRIENDS FOREVER?

Perhaps it's because of the merger flurry that international referral networks have become more prolific of late. Atlantic Canada's Stewart McKelvey joined ALFA International in December 2012 while Ontario's Loopstra Nixon LLP changed its eight-year affiliation from Cicero League of International Lawyers to LawExchange International (LEI) in January 2013.

Both networks are expansive. ALFA is composed of 145 member firms with 85 located in the United States and 60 found in Latin and South America, Canada, Mexico, Europe, Africa, Australia, New Zealand and Asia. The LEI network includes over 1,500 lawyers practising among 26 affiliated law firms with offices in 61 cities and 23 countries around the world.

According to Loopstra Nixon partner Sandy Nixon, the switch to LEI happened because "LEI has more strength in the Americas, including Mexico, Brazil and Chile, and the Asia Pacific areas, such as Australia, Singapore, Japan and China, which fits better into the Canadian trading experience." According to Nixon, benefits for clients as well as the firm are happen-

ing fast: "In a short time frame, we have received inbound corporate and securities work, and we have already referred clients to the US, Australia, Singapore and Brazil."

Familiarity sparked Stewart McKelvey's desire to join an international referral network. "Stewart McKelvey wanted to be able to provide our clients with the benefit of a geographically comprehensive network of exceptional law firms, thereby avoiding the pitfalls of retaining counsel in unfamiliar jurisdictions," says John Rogers, the firm's Chief Executive Officer.

WORKING THE NETWORK

As for marketing these affiliations, both firms know that working their networks diligently is key. For example, all member firms of LEI meet semi-annually, with the Americas firms meeting even more frequently. During these two-day sessions, they discuss issues, identify trends and cement relationships. Nixon says, "We are marketing LEI both internally and externally. They publish a semi-annual newsletter which we will contribute to and circulate to our clients." Stewart McKelvey partner Scott Norton observes, "We understand the success of Stewart McKelvey's participation in the ALFA International network will depend largely on what we invest ourselves — the more we invest, the greater the return."

While referral networks provide an attractive alternative to going the merger route, marketing these relationships makes a huge impact. As the old American Express slogan goes, "Membership has its privileges." In the case of an international referral network, privileges of membership must be aggressively marketed. 

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