

Setting up a law firm in a competitive jurisdiction such as the Netherlands is a bold move and requires a clear strategy for winning clients and referral partners. **Jasper Stek** offers his advice, built on the experience of establishing a six-partner firm in Amsterdam



PREPARING A START-UP FOR TAKE-OFF

The greatest challenge for any new law firm must be the acquisition of suitable work. In today's highly competitive marketplace, even the most renowned law firms cannot sit back and wait for clients to ring them. This article addresses the question of how a new, independent Dutch law firm shapes its strategy, including securing and managing referrals from foreign law firms.

Stek Law opened its doors in Amsterdam on 1 January last year. The five founding partners all have extensive experience at large Dutch law firms NautaDutilh and Loyens & Loeff, including rotations at their foreign offices in New York and London and at large UK and US firms including Slaughter and May, Milbank Tweed Hadley McCloy, and Cravath Swaine & Moore.

At the end of 2005 we were joined by a sixth partner, who was formerly a partner at the Amsterdam office of Allen & Overy; we currently have six associates.

Stek focuses on corporate and commercial, finance and EU/regulatory law. While the two partners in the EU/regulatory field came directly from other law firms and were able to retain many of their clients, the four corporate partners had spent the last few years working in-house at various companies and international organisations. We believe this in-house experience greatly enhances our understanding of clients' needs and expectations, but it also meant the corporate partners started with a narrow client base and needed to spend a good deal of time and effort on acquisition.

For a start-up firm like ours, the main sources of work are the existing client base (including cross-selling opportunities between the various disciplines), new prospective clients who we target directly and indirectly (for instance, by submitting articles to specialised publications) and referrals from our national and international networks.

As a law firm focusing only on the legal areas mentioned above, we have built an informal network consisting of other Dutch boutique firms, often likewise spin-offs of large firms, specialising in areas such as tax, IP and employment law. We are regularly able to refer specialised work to such firms and regularly receive referrals from them.

Another source of work from our Dutch network is referrals from law firms that are experiencing a conflict of interest. In such cases we will, of course, ensure that we do not 'steal' the client from the referring law firm — that would be a breach of trust and would cause this source to dry up very rapidly.

As a firm where all partners have



considerable international experience, we have decided to invest heavily in the building of an international network of law firms. We believe our large-firm background, in-house experience and fee structure make us an attractive firm for international referral work.

Moreover, having international experience is extremely helpful in working together with foreign law firms — working in New York for two years or more really teaches you how US lawyers operate and what they and their clients expect. Building an international network is also important to us. We are regularly in the position to refer Dutch and international clients ourselves and need to feel comfortable about the firms we recommend to our clients.

To build our network, over the past 16 months we have undertaken a sort of roadshow, presenting ourselves to firms in many jurisdictions. Our travels have already taken us to London, New York, Brussels, Paris, Dublin, Madrid, Barcelona, Frankfurt, Hamburg, Stockholm and Copenhagen and we intend to visit many other cities.

In each city we selected a few firms with a good reputation where we usually already knew one or more of the partners. We have found that most firms are very open to such visits and take the time to have a productive dialogue.

On only one occasion did a law firm tell us, bluntly but honestly, that, although they had no exclusive relationships with Dutch firms, we would be wasting our time visiting them if we hoped to get any work from them.

STEPS TO SUCCESS

Do

- Organise face-to-face meetings and get on the plane. A relationship cannot be built solely by phone and e-mail.
- Be punctual. Reserve at least an hour per meeting, plus travel time from one meeting to the next.
- Come prepared. Check the website and read the biographies.
- Make a report of each visit. It is important to be able to recall what was discussed. Without a report you may forget after a couple of months.
- 'Superplease' referred clients. The reputation of the referring firm is also at stake.
- Refer work back whenever possible. Two-way relationships tend to be more stable than one-sided affairs.

Don't

- Be discouraged if results are not immediately forthcoming. These relationships take time to foster, and the right kind of case to test your capabilities must present itself.
- Pretend to be anything other than what you are and to be able to offer services that you cannot provide. You can only lose your reputation once.
- Forget your business cards.



The visit would typically be made by two of our partners and we would often be received by several partners active in the same disciplines as those we cover. After brief introductions of the host firm and our firm there would usually be an open discussion about varying topics, such as the influx of US and UK firms in that particular jurisdiction, recent legal developments, what kind of work could be referred back and forth and football.

It is important to come prepared to such meetings and at the very least to have checked the firm's website and read the biographies of the partners you are to meet. Asking a question to which the answer can be found on the firm's website will make one look unprepared. Worse, asking a Dane or an Irishman whether their national football team qualified for the World Cup will make one look rude.

We are active participants in the International Bar Association (IBA) and see that as an opportunity to meet old friends and rekindle contacts with several of the lawyers we have met on our trips. Many new contacts can also be established at the IBA, although meetings during busy receptions tend to be far more superficial and less focused than the dedicated office visits mentioned above.

We have decided not to join any formal law firm networks for now because we see more value in remaining independent. However, we believe that such networks can certainly be useful for law firms in countries with a less transparent and established legal infrastructure than the Netherlands.

Many visits will not immediately (or ever) lead to referrals but, if they do, it is important to realise in handling the matter that not only your own reputation is at stake, but also that of the firm which has recommended you to one of its clients.

Therefore, quality of work and service levels must both be excellent — if they are not, not only will you have a dissatisfied client, but you will also lose the referring law firm as a source of work and cause damage to your reputation.

Whenever you have a chance, you should also make sure you refer work back. We have developed a database to keep track of incoming and outgoing referral work and to ensure that we reciprocate when the occasion to refer a client presents itself.

From our experiences during the last 16 months, the following 'do's and don'ts' (see box) can be distilled which we hope will be useful to other start-ups with little experience at the referral game. Jasper Stek is a partner at Stek in Amsterdam.