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Curwoods
Anthony Ha
Lander & Rogers
Lander & Rogers
Cooper
Integrated
Lander & Rogers
Slater & Gordon
Slater & Gordon
Slater & Gordon
Curwoods
Wotton + Ker
York M
Marque
Cooper
Marque Law
Lander & Rogers
Anthon
Curwoods

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ALB FAST



Who are the fastest growing law firms in Australia and New Zealand? ALB's annual Fast 10 list returns to showcase firms which have had exceptional growth in FY2010

► METHODOLOGY

The Fast 10 list is based on a survey sent to over 100 firms in Australia and New Zealand. Only firms which completed the survey were considered for inclusion in the Fast 10. The primary criterion for inclusion was percentage revenue growth for the 2010 financial year, and to a lesser degree, growth in fee-earners. Figures were supplied by the firms themselves and only those law firms with at least ten lawyers were eligible for consideration. All growth figures and percentages have been rounded to the nearest whole number.

► 2009 FAST 10 RESULTS

- | | |
|------------------------------|-----------------------------|
| 1. Integrated Legal Holdings | 6. Thomson Playford Cutlers |
| 2. Herbert Geer | 7. Henry Davis York |
| 3. Wotton + Kearney | 8. Mills Oakley |
| 4. Slater & Gordon | 9. Hall & Wilcox |
| 5. M+K Lawyers | 10. Curwoods |

Given the inevitable “lag” factor between an economic event and its impact on law firm fortunes, revenue results for FY2010 were never going to be a pretty sight. With some notable exceptions such as Gilbert + Tobin and Minter Ellison, law firms servicing the top end of the corporate market suffered a decline in revenues – which is hardly a surprise given the circumstances of FY2010.

It's all the more reason then, to acknowledge the achievements of those firms which have recorded above-market growth. The Fast 10 is determined largely by reference to revenue growth, with a 20% weighting for growth in the number of lawyers. This year the cut-off for inclusion in the list was 14% revenue growth. The highest-ranked firm, Marque Lawyers, grew revenues by 56%, which is a similar result to that achieved by last year's winner, Integrated Legal

Holdings, which had 59% growth in FY2009.

As always, the Fast 10 reflects a mix of firms which have grown organically and firms which have grown by acquisition. However, in an interesting departure from the trend of the 2008 and 2009 Fast 10 surveys, the top three firms this year can be said to have attained that goal largely without the benefit of mergers in FY2010. Two of these firms have, in fact, been active on the acquisition front, but the timing of these acquisitions would have meant that those firms would not have seen any revenue benefit in FY2010. Top-ranked Marque Lawyers has not been involved with any acquisitions – an encouraging affirmation that it is still possible to top the Fast 10 list through organic growth.

Who's back...

Some law firms are appearing in the Fast 10 for the second consecutive year.

These firms can be split into two broad categories: first, traditional law firms with a counter-cyclical flavour such as insurance firms Curwoods and Wotton + Kearney, and the inimitable Henry Davis York. These firms may quibble over the use of the word 'traditional', but the term is appropriate when applied relative to the second category of returning firms: Marque Lawyers, Integrated Legal Holdings, Slater & Gordon and M+K. These are clearly firms which represent a new model for the practice of law: ILH and Slater & Gordon are listed firms, M+K is breaking new ground in the small/medium enterprise space and Marque Lawyers is known for its insistence on non-traditional billing structures.

The ALB Fast 10 has historically been the preserve of commercial law firms and the presence of ILH and Slater & Gordon may provoke some comment, as indeed it did last year. However, the purpose of the Fast 10 is to provide an indication where industry

change is at its greatest – once again, it is clear that change is not confined to the top tier or even commercial firms generally. Allen & Overy may have captured the headlines, but is yet to capture the growth experienced by these innovative young firms.

Anthony Harper, Cooper Grace Ward and Lander & Rogers are the new faces in the 2010 Fast 10 list. These firms have had an extremely positive 2010, with Lander & Rogers in particular attracting praise as a rising star of the mid-tier. However, several stalwarts of the Fast 10 are absent this year: longstanding Melbourne rivals Mills Oakley and Hall & Wilcox have missed the cut. However, they did not miss out by far and there was little to separate the tenth firm on the list, Henry Davis York, from the rest of the chasing pack.

Number one

To the chagrin of managing partner Michael Bradley, Marque Lawyers was not permitted to participate in

the 2009 Fast 10 because the firm had not been in existence long enough to produce any meaningful year-on-year growth figures. Bradley has now exacted his revenge by capturing the number one spot on the 2010 Fast 10, courtesy of 56% revenue growth and 40% fee-earner growth. Still, Bradley is best cast in the role of the reluctant hero of the Fast 10 – he is highly wary of the concept of growth for the sake of growth.

He says that while the firm is expecting "decent" revenue growth for FY2011, there is no plan to expand aggressively. "We don't see the need to," he says. "We enjoy being small. Law firms tend to grow like topsy – they grow because they can and it's growth for the sake of growth. We take a longer term view of where we want to be." However, Bradley says that some growth is inevitable, to an extent. "You have to grow to provide a career path for staff, or you'll end up as a one-generation firm," he says. **ALB**

HONORARY MENTIONS

Competition for spots in the Fast 10 was particularly intense this year and for this reason, it is also worthwhile to acknowledge the firms which fell just outside the list



Hall & Wilcox

Hall & Wilcox is a regular entrant on the Fast 10 which narrowly missed the cut this year with 12% revenue growth and 9% fee-earner growth. The firm has implemented a strategic plan which will see it through to 2015. Managing partner Tony Macvean said that there will be an emphasis, among other things, on focusing services on industry teams and client types and improving the commerciality of services.



Herbert Geer

Herbert Geer recorded 52% revenue growth last year following mergers in Sydney and Brisbane and continued the good growth in FY2010 – 13.5% revenue growth and 3% fee-earner growth. Managing partner Bill Fazio says that the firm expects continued growth in 2011 with particular focus being on Brisbane and Sydney. "We also believe Herbert Geer is the only law firm in Australia to have appointed a Chief Innovation Officer to refine and improve all business processes," he said.



Maddocks

Readers will have observed a clear pattern beginning to emerge in this list - while Lander & Rogers and M+K are the only Melbourne firms to make the official Fast 10, the chasing pack is heavily dominated by Victorians. Respected player Maddocks recorded 12% revenue growth and 13% fee-earner growth, which placed it at number 11 in the Fast 10 rankings.



Jackson McDonald

Perth-based Jackson McDonald, which last featured in the Fast 10 in 2007, was again in strong contention this year with 10% revenue growth and 17% fee-earner growth. "Our continuing growth, measured in partner and staff numbers and in fees, reflects the strength and range of business opportunities in Western Australia," said CEO John McLean. "A focus on good strategic planning has ensured that our firm is well positioned to capitalise on these opportunities."



Mills Oakley

With 19% fee-earner growth and 10% revenue growth, ALB Melbourne firm of the year Mills Oakley was unlucky to slip out of the Fast 10 this year after three consecutive appearances, including number-one in 2007. This is a firm with a long track record of strong and sustainable organic growth. CEO John Nerurker is quietly confident that it will return to the Fast 10 in 2011.



Cooper Grace Ward

Managing partner: Chris Ward
Partners: 23
Revenue: A\$27m
Revenue growth: 25%
Fee-earners: 67
Fee-earner growth: 40%

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Summary:

An eventful 12 months for Brisbane-based Cooper Grace Ward have seen the firm enter into a merger with local firm Bain Gasteen and abandon its

traditional Eagle St base in favour of new 5 Green Star-rated premises in George St. Managing partner Chris Ward cites outstanding client service and winning of several awards recognising the firm's efforts as a quality employer, as other highlights of the year. "Overarching our ongoing growth strategy is a basic strategy to build on the momentum we have created through the building move and the merger," he said.

It will be interesting to see whether Cooper Grace Ward is indeed able to sustain this momentum – while Brisbane firms have appeared sporadically in the Fast 10, no Brisbane firm has been able to maintain a consistent presence either within or on the fringes of the Fast 10. Thynne & Macartney topped the 2008 Fast 10 following a merger with fellow Brisbane firm Biggs & Biggs.



Macpherson + Kelley

Managing director: Damian Paul
Principals: 43
Revenue: A\$32m
Revenue growth: 31%
Fee-earners: 67
Fee-earner growth: 46%

3

Summary:

A merger with Hobart-based Dobson Mitchell & Allport must have been a highlight of 2010 for M+K – however, this was not reflected in

the firm's FY2010 revenues, making their 31% growth figure rather more impressive as a result. The ultimate plan is for M+K to develop a national presence as a mid-market specialist legal advisor – it is likely that the firm will shortly add to its Melbourne, Sydney and Hobart offices with new ventures in other states. In the meantime, it is noteworthy that M+K's FY2010 revenues were not inflated by mergers – other than the Hobart merger which occurred in July 2010, the firm has spent the year consolidating its North Sydney and Sydney offices and growing existing operations. "Our focus on advising mid-to large-sized businesses, coupled with our unique business model, are key drivers of our growth," managing director Damian Paul said. "We expect our growth in FY2011 to exceed that of FY2010."



Integrated Legal Holdings

Managing director: Graeme Fowler
Partners: 17
Revenue: A\$24m
Revenue growth: 41%
Fee-earners: 55
Fee-earner growth: 19%

2

Summary:

The ILH story for FY2010 is in contrast to acquisition-laden 2009: in fact,

the group has made no acquisitions in the past year. "After significant acquisitions in 2009, the focus for 2010 was on our existing member firms," said MD Graeme Fowler. However, not all of the 2010 revenue growth can be classified as organic, as some of the group's 2009 acquisitions were not fully reflected in the FY2009 results and only made their full impact on the ILH revenue stream in FY2010. Fowler estimates that about 70% of the group's growth last year was of an organic nature.

The firm has an ambitious acquisition strategy for coming years and expects to build its ranks up to 15-20 member firms. This result could see a formidable player in the SME/ private client space with a scale and turnover comparable to that of a large corporate firm. As Fowler noted in last month's ALB-LexisNexis Managing Partner profile interview, there are strong parallels between ILH and accounting firm WHK. WHK is currently the fifth-largest accounting firm in Australia, having attained that status by aggregating firms in the SME client space and allowing these firms a high degree of autonomy within the WHK structure. Time will tell whether ILH is able to successfully implement the same model in the legal sector.



Marque Lawyers

Managing partner: Michael Bradley
Partners: 7
Revenue: A\$4.5m
Revenue growth: 56%
Fee-earners: 14
Fee-earner growth: 40%

1

Summary:

On the back of a bold new brand and a much-publicised commitment

to alternative billing arrangements, this two-year firm has experienced a surge of business which has seen it emerge as the clear winner of this year's Fast 10. "We've had a lot of exposure and put a message into the market that's resonated," said Bradley. "There's a perception that there's a freshness to our approach. The industry has been in stasis – it is not moving forward and that's not attractive to clients."

Marque Lawyers has a diverse client base ranging from start-up businesses through to blue-chip corporates such as Westpac, which appointed the firm to its panel last year. "That was a great buzz [to be appointed]," says Bradley. "They actually shrank their panel and added two new firms and they were interested in our offering." Bradley said that while the firm is expecting "decent" revenue growth for FY2011, there is no plan to expand aggressively. "We don't see the need to," he explained. "We enjoy being small. Law firms tend to grow like topsy – they grow because they can and it's growth for the sake of growth. We take a longer term view of where we want to be."