

# No method in magic circle merger mania



**Michael Bradley**

I hasten to admit that, until 10 minutes ago, I thought Swiss Verein was a cheese. But apparently it's one of the latest accessories for global law firms, copying (as they tend to do) a trend originated by the big four accountants.

Much of the excitement regarding the current flood of mergers between Australia's top tier and big British/United States monsters (not forgetting the random Chinese outlier) has focused on how the mega-profits generated by these global behemoths are going to be shared.

So I do now know what a Swiss Verein is, but I still can't say I care.

There are obvious questions one might ask about the consequences for Australian partners of these mergers,

whether they're taking the cheese option, getting some diluted equity share based on distance from the Greenwich meridian or just going on a (big) salary. Like whether the inevitable loss of autonomy, increased risk of conflicts, expanded bureaucracy and the inability of Americans to get our jokes will be worth all the extra status and money.

But, whatever, I don't find that interesting at all. What I am fascinated by is the timing. After all these years of obsessive speculation about when Malleons would finally merge with Clifford Chance (or was it Linklaters? I forget), throughout which Australia was studiously ignored by almost all the global firms with the odd exception of Baker & McKenzie, which I think acquired us only as part of an alphabetically determined strategy, suddenly they're turning up by the plane-load.

Even little Marque has had a few visits from (presumably deluded) global firms.

The profession has always been intensely interested in the national and global expansion plans of law firms. In the early 1990s, it suddenly became essential for everyone to have a national "presence"; the biggest firms who had long-established relationships turned those into mergers and then everyone else

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rushed for the scraps. It was, looking back, unseemly.

This doesn't look any different to me. Yes, Australia has a lot of minerals and the only functioning economy on Earth, but don't tell me that's a real basis for a \$US1 billion-plus international law firm to suddenly need a Perth office.

No, the real reason every Magic

Circle firm is here with a copy of Chambers and Google Maps, and why at the same time every unacquired big local firm is updating its Facebook profile with status: single, is pretty banal. It's just what everyone else is doing.

I have been a party to national law firm strategy-making and I have for many years observed the moves firms make. Much of what they call strategy is an alternative to strategy. It's action for action's sake, so often driven by what the competition is doing.

So, they're all here because they're all here. Did any monster firms really need an Australian office? Let alone five or six? How much extra profit are we going to deliver to the pocket of an equity partner in a Magic Circle firm in London? Peanuts.

Sorry, I don't buy it.

■ *Michael Bradley is managing partner of Marque Lawyers.*