

Sailing Toward Success: Some Thoughts & Comments after the Beijing Forum

On 6 & 7 January, I attended the first China Advanced Seminar & Forum on Leadership for Law Firm Principals & Managing Partners in Beijing. At the event, I had the opportunity to share experiences in managing law firms with many lawyers from China's top-rated firms. The Forum, attended by around 30 delegates, was essentially an intensive training program for select legal professionals. It is pleasing to see this type of training catching on in China, although it has been quite popular in Hong Kong and globally. The Forum coincides with China's initiatives in the 11th Five-Year Plan to develop its service industry to meet international standards,

At the Forum, I could feel strongly that our Mainland counterparts were well prepared for the challenges in China's legal services market. The opportunities are immense. Taking Beijing as an example, the legal services market there is served by some 10,000 practising lawyers. It generates annual revenue of RMB6 billion, which translates into RMB600,000 per lawyer on average. Compared to Hong Kong, Beijing is a relatively smaller market, but the potential for growth driven by the Mainland's robust economy can give us a bold vision of what the future holds for us.

At present, the lion's share of China's legal services market is held by a few of the large-scale law firms. The majority of the remaining small and medium-sized firms are struggling for survival. However, all law firms, large or small, have recognized that to be successful, they must adopt the corporate management strategy. In this management approach law firms must focus more on

expanding and developing their client base, applying their knowledge and expertise database, and specialisation. These will be the future directions for Mainland law firms.

Although litigation-related services still figure heavily in the business of law firms in the Mainland, the portion of non-litigation business is growing gradually, most notably in the field of financial law. Business knows no borders. As a large number of leading foreign law firms are taking the lead to enter and develop the Chinese market, law firms in Hong Kong also have the opportunity to share a piece of the pie. The Mainland market is not a playground for large law firms only. Instead, as privately-owned enterprises are mushrooming in the Mainland, every law firm in Hong Kong is potentially able to gain a share by taking advantage of its geographic proximity to China. As an old Chinese saying goes, 'a handy tool makes a handy man'. As long as we prepare ourselves well, take advantage of Hong Kong's strengths as an international financial centre and our experience in legal services, and adopt good corporate management strategy, law firms in Hong Kong can confidently sail toward success.

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