

A Rich Tradition

Russia

Chadbourne & Parke LLP

As one of the trailblazing US firms to arrive in Russia, Chadbourne & Parke LLP knows from experience the importance of continuity and stability in a notoriously volatile market.

The prospect of establishing a foothold in an emerging market is usually irresistible to law firms with global aspirations, but many have found out the hard way that the devil is in the detail when it comes to rolling out their brand. Few jurisdictions can match Russia's potential rewards and opportunities, and several of the global behemoths have pursued aggressive strategies for rapid growth through lateral hires since the collapse of the Iron Curtain; but the quirks of this distinctive market have often thrown even the best-laid plans for expansion into disarray.

Chadbourne has carefully steered a different course, adopting a considered and organic approach to growth in the region. The firm boasts a rich tradition dating back to Soviet times, but it is rightly proud to point out that it is not just the Chadbourne brand that has a long and successful history in Russia. The current partner team has been together in Moscow for well over a decade, and this longevity provides exactly the kind of stability and experience that money cannot buy and that clients treasure.

With experience comes confidence and Chadbourne has never been afraid either to reject the best practice models employed by the firm in its western offices when they seem inappropriate to the Russian market, or to question accepted wisdom with regards to the traditional lawyer/client relationship in the region. By working to tailor a bespoke approach, while honouring the firm's

global standards for both legal advice and client care, it has found that elusive balance between international experience and local insight.

Bespoke service

Mikhail Rozenberg, senior partner of the Moscow office, began his career with Chadbourne when the firm opened its doors in 1990, but has practised law in Russia for over 25 years. His approach to client care has been refined over the years but has always focused on simple values, with an emphasis on the highest-quality legal service and the old adage of making the client's problems your own.

A seasoned litigator, Rozenberg brings a unique blend of Russian pragmatism and western-style corporate thinking to the practice. His practical advocacy knowledge and commercial experience represent the perfect combination for assisting companies in the jurisdiction. As Russia's legal framework continually evolves in response to the shifting complexities of a globalised world, an ability to look beyond the black and white of a contract and divine the likely outcome in the courts can save clients both money and sleepless nights.

During his time with the firm, Rozenberg has seen its client base change from primarily US companies to a more even split between foreign and domestic clients. In Soviet times, Russian clients preferred to use local lawyers, but this is no longer the case. However, while clients' attitudes to international firms may have evolved, he certainly does not feel the need to revise his approach to accommodate the change in client demographics. "I have always likened my role to that of a physician," he explains. "All of my 'patients' have different problems and it is my duty to do everything within my power to help."

Laura Brank, managing partner of the firm's Moscow and St Petersburg offices and head of the Russia and Commonwealth of Independent States (CIS) practice, feels strongly that outstanding client care depends on a bespoke service. She explains that the important thing is to understand the gaps in a client's knowledge and tailor advice to its specific needs. "In the past, lawyers were seen more like bureaucrats in this market. They were required

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to check the documents, rather than help the business to maximize value and ensure it was getting a good deal – there is still some remnant of that thinking. Where necessary, we will still try to demonstrate how external lawyers can provide more than that – how we can help to save money and highlight issues that clients may have not taken into account.”

This is achieved through a genuine commitment to keeping ahead of developments across the commercial sphere, so that if there is something that will impact on a client or its industry, the client is informed accordingly. This service is practically realized by employing a full-time researcher on the ground in Russia to gather market intelligence. Brank elaborates: “To a large extent, you develop relationships in the trenches. We make a priority

of keeping up with the individuals, and the company generally, in order to understand what changes are happening and what unique issues they will be facing in the coming quarter so we can keep on top of all the issues. It is through the building of relationships that we can become a true business partner.”

Flexibility to trends

Chadbourne's wealth of experience in the region affords its partners active in Russia a unique historical perspective on subtle changes in the market, and they adapt their approach accordingly. Across the board, clients are increasingly asking counsel to advise them on purely business matters such as whether a certain transaction offers good value, or to make judgements about the

Far left:
Mikhail Rozenberg

Middle left:
Laura Brank

Left:
Shane DeBeer

political risks attached to a deal. In a market dominated by tradition, where the roles of businesspeople and their counsel have always been clearly defined, this represents a new challenge to the modern lawyer in Russia.

“We have found that clients are pushing more and more for us to evaluate risk and give our ‘gut feeling’ on the outcome of certain situations even after we have stated that there is no real precedent,” Brank explains. “They want us to ‘put a number on it’. That never used to be the case. In the past, businesspeople would make their own decisions on potential risk. In the Russian market, it is much more difficult to do this than in more developed markets such as the United States or the United Kingdom, where you could look at similar case law. This requires a very delicate touch, but we are all on the same team and will always do everything we can to assist.”

As a trusted commercial partner, it is not just the accuracy but also the speed of the firm’s response that is becoming ever more critical. The ubiquitous BlackBerry, which has transformed the landscape of communication, brings with it its own challenges. Brank has become increasingly aware of the importance of restraining herself from the reflexive instinct to try to provide instant answers and solutions to complex problems around the clock. “On the one hand, you want to be very responsive to clients; but on the other hand, it is vital to give yourself and your team time to think. Modern technology means you have to display more care and judgement when responding to clients’ requests.” As is often the case when it comes to client service, the solution is simple common sense, but not always obvious – particularly to less experienced lawyers. “More often than not, what a client really needs is a swift reaction, not an instant judgement. We are always on call to advise, but must ensure that we remain circumspect. We try to ensure that this culture is instilled at all levels throughout the firm.”

The next generation

Building on the solid foundations of Chadbourne’s history in the CIS is seen as essential in order to maintain and exceed the firm’s exacting standards. Nurturing and retaining young talent not only is a priority in a market



where demand for talent is high and lateral hires are common, but also guarantees continuity – the firm’s primary building block for success.

Learning how to listen is one of the defining characteristics of Chadbourne’s training programme for junior associates. Shane DeBeer, an energy expert who joined the firm in 1997, explains: “Our strategy for training juniors in matters of customer service is twofold. Firstly, when it comes to appraising associates’ work, we emphasize the need to give advice as if you were standing in the shoes of the client. If this was your business, what would you want somebody to tell you and warn you about? How can we be most helpful to them? Secondly, we try to give younger lawyers maximum client exposure, as early as possible. To see deals progress first hand and particularly to see the gaps in the client’s knowledge are the key lessons any lawyer can learn.”

DeBeer further highlights the importance of constructing a team that can withstand the test of time – a strategy which allows well-honed techniques to be passed down through the firm. “We are a cohesive team that consists of individuals who are not only experienced in their own right, but also experienced as a team,” he reveals. “We have had low turnover because we work well together; we complement each other’s strengths. As a unit, we have seen everything there is to see. It sounds like a small detail, but it is telling about our practice that we have had one translator with us for 15 years – the end result is a very

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high standard of translation and a better quality of legal advice.” This stability in what is still viewed by many as a fairly volatile market yields efficiencies which ultimately translate to cost savings for the client.

The Russian solution

The firm is well aware that global success is achieved through building local relationships over time and encouraging lawyers at all levels to intuit what it is that clients want from their counsel – and perhaps more importantly, what they don’t want. This is evident in the system adopted in Chadbourne’s CIS offices for client feedback: an area where the central management team is happy to defer to the local partnership’s superior cultural understanding.

During a recent retreat attended by attorneys from the region, the firm’s approach to this matter was discussed at length. In the United States, a formalized feedback process has been implemented, particularly for transactional and litigation work, as is common with many firms. However, what became clear was a strong feeling that this model did not sit well in Russia and would be viewed by clients as a little odd. The overwhelming feeling was that to Russian ears, the format of western-style feedback forms and the

use of external feedback agencies – standard practice in the States – would sound more like, “Do you like us?” As a result, a more informal approach has been adopted. In order to conduct the invaluable post-transaction assessment, the relevant partner will instead mull over the specific details of the deal with the client and investigate whether there is anything that could have been done differently or improved.

DeBeer feels that this flexibility is one advantage of not being the biggest firm in the world. “There is no need to use a ‘one size fits all’ model worldwide just to keep management control. We understand that you have to adapt your approach for different regions and listen to what your clients are saying. If their feedback is, ‘We don’t appreciate having to fill out these feedback forms,’ then we listen to that. As long as we keep up the firm’s high standards of quality and ethics, the way that we approach client relations is flexible.” And it is thanks to this flexibility that the Chadbourne team continues to blaze a trail for international firms in the CIS, favouring a bespoke approach and trusting in its unerring ability to find pragmatic, simple and ultimately very Russian solutions.

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