Hogan & Hartson now has 1,000 lawyers working across its international network. International managing partner Raymond Batla outlines the firm's approach to expansion and how its management structure has adapted to accommodate it.

In expansive mood

Hogan & Hartson has been busy, this year opening new offices in Hong Kong, Geneva and Caracas. Last year, the firm launched in Munich and Shanghai.

The firm's international presence has grown dramatically since the beginning of the 1990s when Hogan & Hartson had just three offices — headquarters in Washington DC and those in Baltimore and North Virginia.

But when we took stock of our situation at the end of the '80s and the beginning of the '90s, we saw that most of our clients were going global.The US was in recession. The Berlin Wall had fallen in 1989 and the US multinationals were looking overseas for their future growth.

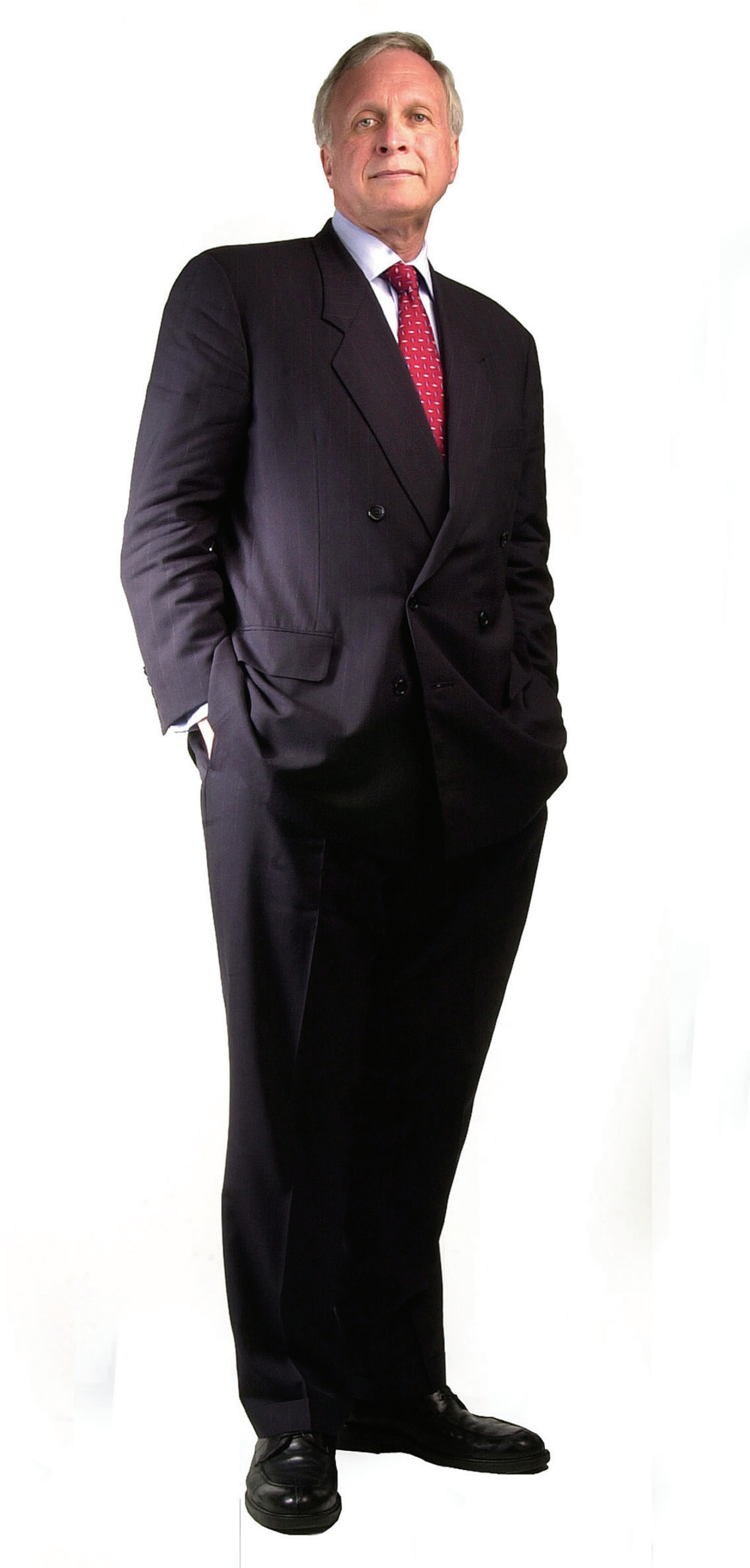
Today we have 23 offices — nine in Europe, four in Asia, one in South America and the rest in the US. In addition we have a strong strategic alliance with the law firm of Sheik Salah Al-Hejailan in Saudi Arabia. All of this has been driven by client demand.

International reach

Only a few US firms had taken steps to increase their international reach at the time we took a policy decision that we needed to do the same. In looking at the type of firm we were, we could see the advantage we had in the US — the balance between our key practice areas; regulatory and telecoms, media, energy, life sciences and pharmaceuticals and other regulated industries and our very strong corporate and litigation practices. Those really built upon the industry sector expertise the regulatory base had given us.

Initially, we placed lawyers in the new markets our clients were focused on, to help service their needs and as necessary, we did acquisitions for them or set up joint ventures. We began to recruit local lawyers to provide a full service in the individual jurisdictions. ➞

Hogan & Hartson's worldwide offices in 2005



Culture

In looking at recruitment we were very conscious of the firm's culture. Hogan & Hartson prides itself on its strong collegiate atmosphere. That atmosphere is a central part of our business model because it encourages growth of our business across geographical and practice boundaries.

We actively seek to foster co-operation across our international offices and always try to avoid a culture of inter-office competition. The way we see it is that if our offices are working together we can really develop opportunities for cross-selling. We want cross-selling without geographic limits.

To achieve this, lawyers in disparate offices have to trust one another. We obviously focus our search efforts on high-quality lawyers, but most importantly those who fit within our model of co-operation and cross selling.

Re-organising management structure

As the firm has expanded we have had to re-organise our management structure. When we started our expansion programme, we had a firm-wide managing partner in Washington and a five-partner governing executive committee. We are still governed by the executive committee, but with the support of the day-to-day management of the firm delegated to a senior management group.

By the time our long-serving managing partner Bob Odle stepped down in 2000, the firm had expanded from 140 lawyers to more than 600. The day-to-day executive function within the firm had become too big for one person, particularly with the international expansion that today sees us with more than 1,000 lawyers worldwide across four continents.

So the executive committee devised a structure in which the chief executive would be the chairman supported by a group of several managing partners with firm-wide responsibilities. One position was that of managing partner-international offices.

I had undertaken the role of European practice co-ordinator in 1997, to help develop strategy for the expansion of our European practice. As one of our early lawyers in Europe, I had been involved, together with a number of others, in the founding and development of several of our offices. The assignment to my current function was a logical extension.

Rapid expansion

While we have experienced intense periods of rapid growth in terms of office openings, we are now in a maturing period. We are looking at building on what we have achieved and to solidify the presence we have established in new markets.

However, there is still rapid expansion in London, Paris, Munich and Moscow and a few others. These, together with China, are all areas of focused growth. For the rest we are recruiting on a selective and strategic basis across all offices.

We are aiming to satisfy client demand by building on our strengths and leveraging our industry sector focuses. Our approach is to take a look at a market opportunity and see how we can satisfy the immediate opportunity the client presents to us. Initially this may well be by servicing it from appropriate offices nearby with the requisite capacity.

We then look ahead to see what the market is like and determine if there will be a steady stream of work to justify opening an office. We take a fairly conservative approach and would not plan an expansion on the back of a one-off deal.

Putting together the lease, IT structure and support for a new operation can run into several million dollars, so this cannot be undertaken lightly. Opening an office in order to service a one-off deal would not be justified.

We approach a new office opening by undertaking a co-ordinated exercise across the firm to see what the opportunities might be. When we opened in Munich two years ago, we talked not only to our German partners to see what they thought, but also convened a working group of up to 40 lawyers to canvass what opportunities a Munich base would offer their own clients. This went across our global corporate, regulatory, intellectual property and litigation practices.

Assessing the business plan

When we looked at the business plan we saw we could provide excellent support for numerous clients within the Munich market, which is a strong centre of activity for media work, life sciences, IP and private equity and where they told us they needed support. So before we started looking at real estate, technical or logistical issues, we made sure we were confident of strategic leverage across the client base.

How long it takes to set up a new office depends on different factors. It can be two to three years or as little as a few months depending on the nature of the opportunity. We do not necessarily roll offices out one at a time as we are constantly looking at opportunities in a large number of markets. But we are determined to not become a franchised operation.

Any new market opportunity has to meet our objectives for strategic leverage across our client base and involve individuals who fit our culture and its business model. Only in that fashion do we feel comfortable in considering expansion.

Raymond Batla is managing partner for the international offices of Hogan & Hartson.

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