



Profile:

Gregory B. Jordan

Reed Smith's Gregory B. Jordan has now led the 15th largest law firm in the world through the whole of this first decade of the turbulent 21st Century. He was returned to take up his fourth successive term as global managing partner in 2009.

By Richard Brent

“The building looks like one of the biggest offices of one of the largest law firms in the world,” says Reed Smith’s Gregory B. Jordan with clear and understandable satisfaction.

He is talking of skyscraper The Broadgate Tower: this global law firm’s brand new London office, which opened for business for the first time in 2009. At 161m and 35 floors, the edifice is one of the ten tallest structures

in the capital; in fact, just a few metres short of 30 St Mary Axe – the iconic Gherkin – which launched itself on the public consciousness back in 2003 and is itself just down the road.

For Jordan, however, this move is about much more than another room with a rather better view. It marks the culmination of a landmark legal transformation that was officially launched in January 2007, but which began even earlier: the merger of Reed

Smith with UK law firm Richards Butler to form what is now a US\$1bn business, with some 1600 lawyers working out of 23 offices around the world.

After almost three years working out of two separate offices in London, the arrival of all 400 London-based employees at the same building each morning has a certain symbolic value that is also of tangible business benefit, Jordan explains.

“It has been important for moving away from what we were to what we are – changing that perception internally, as well as obviously being very important externally.

“Having everybody under the same roof for the first time has a very energising impact.”

People positives

Indeed, Jordan believes having everyone focused on this grand goal has been particularly helpful in terms of successfully steering the firm through the difficult economic downturn to the first signs of elusive ‘green shoots’. Although an immense undertaking he admits, (the firm was also moving global support services and into new premises in San

‘break out’ spaces for less formal working scenarios and ad hoc collaboration – has something of a calming influence on those passing through.

“In a world of uncertainty I would really like working at Reed Smith to provide people’s day with a little bit more stability,” he says.

“It’s really designed for the way that people work today. This is a people business, and the building promotes collaborative behaviour.”

As an example, Floor 31 – at the very top, where we are sat – is the “community centre of the operation”, he says, complete with a sociable restaurant of the same name, and surrounded by floor-to-ceiling windows offering enticing views out over the City

and it has affected our business too. We have had to make adjustments,” Jordan says. What the credit crunch has not done, however, is to change Reed Smith’s fundamental strategy for future growth, namely to have a very diverse geographic base and book of business.

“I think this recession will prove to be a game changer. The large law firms have all had people in practices that have gone from being strong to practically frozen. It has forced everyone to look at their strategies again. Even for a firm like ours it has created some stresses.”

Like many a law firm Reed Smith is another business that has had to make a number of redundancies to reduce its costs. It has also deferred one intake of new graduates and cancelled a partner retreat that was planned. “The recession has been hard on everyone

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Francisco at the same time), workplace morale has not been as negatively affected as it might have been. Everyone has had something special and new to look forward to.

“Although it might seem a burden, in many ways it may have been for the best that all this was done in the middle of a recession. It has been hard not to feel as though we are moving forwards. I think we have spent a little less time on the lamenting and focused more on the time of transition as a positive,” he explains.

“Retention of talent has really been very high throughout. It has been a very successful merger.

Moreover, Jordan feels a key part of his overall responsibility has been to minimise the inevitably higher stress levels of the last three years as much as possible. And while nobody could really call ‘the office’ of any law firm a sanctuary of course, he does feel that the new environment – complete with its

of London. The whole area is wireless-enabled, Jordan adds, while the “height and light” on offer is a powerfully uplifting force.

No head in the clouds

It is a persuasive argument. Dangerous though it may be to adopt the attitude in full, in such a venue it is all too easy to feel “above” – as you literally are – whatever turmoil may be taking place in the shops, offices and streets below.

Even leading one of the world’s very largest law firms, however, there is nothing remotely complacent about Jordan. He does not think that the effect of this downturn – including speculation as to its likely impact on the legal profession – has been exaggerated by the pundits, explaining it represents far more than the bust phase of just another economic cycle.

“It has been much tougher and more inclusive this time. Prior impacts, such as the tech bubble, were less

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In terms of work type, the firm is particularly well placed to withstand the worst blows of a recession.

“We have lots of different practices, which is good for a down market,” Jordan says. “In an up market it often seems you would grow faster by concentrating on a defined number of areas.” For example, Reed Smith’s restructuring instructions have soared by over 100 per cent in the past year as a direct result of the recession, he explains, and similarly diverse, some 40 per cent of the firm’s lawyers are now based outside the US, with offices in Beijing, Dubai, Greece, Hong Kong and Munich among others, including London.

Even with such breadth, however, Jordan doesn't see the recession signalling that New York and London will cease to be the two most important legal centres in future. In 2000, when he was first voted in as managing partner for the first time, the firm had just 15 lawyers in New York and not a single lawyer in London, he points out. Now, following the Richards Butler merger among other moves, it boasts some 50 in New York and more than 300 in London.

"This will be an opportunity to strengthen in those markets," he says with conviction. "Clearly the emerging markets will also emerge more strongly of course, and we are keenly aware of how the world is evolving."

He believes that the Middle East will be a critical region in future. "Dubai will probably grow at a slower

lower) fees, where Jordan says there is "a greater appetite than ever before" for non-traditional arrangements that dispense with the standard fixed hourly rate of a lawyer's pay.

"That can be quite a scary idea for some law firms, but I think it will have a big impact on all of us. The range of work where price doesn't matter has really shrunk," he says.

This situation might also be regarded as an opportunity of course - as Jordan prefers to see it.

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Reed Smith - and Jordan in particular - also make a point of

creation of five new interdisciplinary industry teams, comprising all three key strands of transaction, litigation and regulatory expertise. Each major client is served by a team of lawyers drawn from the three different practice areas, but importantly, all with an in-depth knowledge of the specific industry sector in question.

"These clients are under stress - even under attack," Jordan says. "It's only right that they say 'we need more from you'. That's what business relationships are all about.

"Maybe we can introduce them to new people, such as government areas or other clients that might be able to help. We're going to have to continue to get better at all of that.

"We are looking at how to align ourselves with those trends that are unstoppable. That is something we have

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pace than in recent years, but that is probably a good thing," he says. On the other hand, fellow emirate Abu Dhabi is likely to prove especially strong in the months to come, and Reed Smith has been on the ground there for three decades now, he explains.

"We still have to get bigger and stronger in China and we are working on having a presence in Shanghai," he adds.

"In one sense I think that the recession has reaffirmed some of the fundamental issues and tasks we have already been evolving ourselves to deal with, and globalisation is certainly one of those."

Financial future

Another is the increasing client pressure to secure alternative (and ultimately

speaking in great detail to as many clients as they can about just such issues on a regular basis. Notably, the firm recently found itself ranked top in the 2009 BTI Consulting Group 'Client Relationship Scorecard', based on interviews with over 500 corporate counsel at Fortune 1000 companies about the service levels at law firms. Leading a list of 30 that includes Baker & McKenzie, Clifford Chance and Sullivan & Cromwell, Jordan said that he was "really gratified" at the result, which provided "unsolicited, independent feedback that the investment we've made in our relationships with our clients is meaningful".

The firm's client-relationship strategies include regularly securing direct feedback, and also the recent

always tried to do. We always want to be alert to the things we can change."

Fresh thinking

That Jordan and his firm are prepared to make the difficult but necessary changes is very clear. In November 2009, for instance, it was announced that both salaries and billing rates would be reduced by 20 per cent for all its US first-year associates. From January 2010 the annual billable hour expectation was cut from 1900 to 1700 hours, with started salaries accordingly reduced to between US\$110,000 and US\$130,000, depending on the region in question. Future salaries in other jurisdictions are yet to be decided, but Jordan says the development sends all clients "a clear message that we are listening" about the need to reduce the cost of legal services.

“We’re trying to rethink everything we do,” he says.

He acknowledges, for example, that general recruitment volumes may also need to change as the legal landscape adjusts to new economic forces. “There are processes you might not need anymore, so perhaps we won’t be hiring as many trainees. The law firm structure is no longer as much of a pyramid as it once was,” he points out. The firm is looking increasingly like a diamond instead, he says, where the bulk of capacity is slightly more senior, with greater expertise or client responsibilities.

“That may mean we need less recruitment and more training and career development for the lawyers we already have,” he suggests. Indeed, as 2009 drew to a close the firm announced a new talent-development programme that recognised key

competencies on a ‘roadmap’, rather than ticking off the traditional years of legal service.

“Clients demand and deserve the best-quality legal talent, firms require highly skilled lawyers to compete successfully in today’s global markets, and associates expect meaningful opportunities to expand their knowledge and develop their skills,” Jordan explains.

Frequent flyer

Naturally his role and personality is pivotal to delivering all three sets of expectations, but how has that position changed for him since first being elected to the mere 500-lawyer firm Reed Smith was back in 2000?

“I read fewer reports and have spent a lot more time on meetings” he laughs. Now the main “client contact person”, he estimates spending

anywhere up to 200 days a year moving between the firm’s many offices and gauging the experience of its wide range of clients to guide ongoing improvements. This week he is well over his ratio of around 8-10, for example, and has just jetted into London to host a round of client seminars.

But he still manages to stay in touch with the entire firm via a monthly blog, he says, and whether electronically or personally, always tries his best to “provide a bit of hope or inspiration” to all the firm’s people along the way.

As more and more merger synergies come to fruition, he is pleased that he is now in London a lot more regularly in any case. He smiles. The handsome new headquarters might appear palatial to a curious passer-by, but fortunately this frequency means appearing before its ranks of fee-earners can now seem less the “royal state visit” it once did. ■

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