

5 December 2014

By Georgina Stanley
georgina.stanley@legalweek.com

Comment

Getting it right

Why Latham & Watkins looks unstoppable in London

Breaking into the inner circle of Manhattan's elite law firms is tough. The fact that even New York-bred – but non-white shoe – firms like Weil Gotshal & Manges had to fight to claim their spots highlights the odds stacked against those from outside the financial metropolis.

But Latham & Watkins – like Kirkland & Ellis and a handful of others – has managed it. As our cover feature this week shows (see pages 10-14), the West Coast firm's progress both in the US and in London since outgoing chairman Bob Dell took the reins 20 years ago has been relentless.

Since 1994 revenue has increased nearly tenfold to just shy of \$2.5bn (£1.6bn), average profits per equity partner have increased five-fold to \$2.5m (£1.6m), while lawyer count has more than tripled as the firm has opened 20 offices around the world.

And, outside the US, nowhere demonstrates Latham's ambition as clearly as London. Despite opening there in 1990 the firm had just 11 partners in the office as recently as 2000, when it was still pinning its hopes on a transatlantic merger with Ashurst.

Since that deal collapsed the firm hasn't looked back. The last five years alone have seen London lawyer-count grow by 73% to 258, with a hiring spree since May 2013 adding nine

lateral partners to the office, in addition to internal promotions. These factors and more were recognised by The British Legal Awards judges last week, when they gave Latham the London Office of the Year title.

But, as many firms can testify, hiring alone doesn't guarantee mandates, fee income or success. While dramatic over the last two years, overall Latham's recruitment in the City has been careful. It hired 11 partners in total in the five years to 2012, four of whom joined in one go from White & Case in 2010.

Clearly the firm has taken the time to ensure its recruitment pays off, given that the London office alone achieved revenues of around £134m in 2013, just behind that of top 25 UK outfit Macfarlanes – the recipient of *Legal Week's* 2014 Firm of the Year gong – by annual turnover.

No firm has everything completely covered though – Latham still needs to work on its Asian offering, as well as its equity capital markets, public M&A and litigation presence in the City. But as Dell prepares to bow out, it is one of the US players most feared by US and UK rivals alike. The pressure will now be on incoming chair Bill Voge to ensure it stays that way.

'As Dell prepares to bow out, Latham is one of the US players most feared by US and UK rivals alike'

