

PRESS CUTTING

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Meet the Boss: Catherine Gannon



The Simon Cowell-admiring managing director of Gannon's Solicitors believes niche firms can flourish in the gap between commoditised legal services and large law firms.

Are you happy with the firm's financial performance over the last year?

Last year the firm hit its budget targets, which in the circumstances was a very good result. This year has been good so far and is looking very positive with an increasing number of new instructions since January.

What is the outlook over the next year? Are you expecting to grow? Which areas are causing the greatest headaches? Is it too soon to talk about "green shoots"?

The economy is likely to improve further and a number of corporate transactions, such as acquisitions and disposals, which have been on hold for a while are going to go ahead.

The greatest headaches are finance for transactions is still hard to find and frustrations run high with clients who are unable to get deals off the ground.

Can law firms recapture the profit growth they have been used to in the past decade?

I think that even when the economy has recovered fully, businesses will have a greater focus than before on controlling costs and that will impact on their legal spend. It is going to be even more important to show clients the value for money they are getting from their solicitors, which will translate to a willingness to invest in good legal advice. The firms that can get that right should do well.

Where do you see your firm in five to ten years? What are the biggest challenges you'll face?

The legal market will see huge changes in the next five to ten years at every end of the market. The role of niche quality law firms like Gannons will grow to fill a gap in the market. The large firms will get larger, medium firms will consolidate, Tesco will take over the mass production end of the market leaving great opportunities for specialist firms. I am anticipating growth in the next five to ten years.

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Clients are getting increasingly impatient with paying high hourly rates for younger lawyers who may not add much and are seeking greater attention from partners. So how are law firms going to deliver value to their clients? Is hourly billing doomed?

My firm does not use junior lawyers – clients always deal with senior lawyers who can give them personal attention, which is very attractive to them. The death of hourly billing has been forecast for a long time now but it is still with us. We offer alternatives to clients where possible and often price transactions with a fixed or capped price. For some jobs, for example litigation where so much is outside your control, there is no good alternative to the hourly rate as a basis, especially when costs awarded to our clients are assessed by the court on that basis.

On the whole, do you think law firms are well-managed? Would they be better run if they recruited more non-lawyers as executives?

Some good lawyers are also good managers, some aren't. Some law firms are well managed and some aren't. Many firms have outgrown their original lawyer-led management structures and would benefit from professional management, as in any other business sector.

Is so-called "Tesco law" just talk or set to fundamentally change the legal market? What has your firm done to prepare for it?

The legal market has become increasingly commoditised – conveyancing, debt recovery and personal injury are obvious areas – and this is only going to increase with big players coming into the market. It is going to affect the consumer end significantly but less so for corporates and highly paid/high net worth individuals, who will need more specific and focused advice directly from skilled professionals.

What's the hardest decision you've had to make as managing partner?

Managing staff always poses the most difficult decisions.

Which person outside the legal sector do you most admire? Simon Cowell. If you could hire one lawyer from a competitor who would it be and why?

If I want to hire I hire.

Are British lawyers overpaid?

Most solicitors work very hard for much less than other professionals or non-professionals make, especially if they do legal aid work. There are always some high earners who get a disproportionate amount of publicity but most lawyers are if anything underpaid by comparison. Behind the scenes many solicitors do an awful lot of work nobody realises has to be done. Our professional rules of conduct generate a heavy compliance burden which has an inevitable cost that has to be recovered to make a profit.

Catherine Gannon is managing director of Gannons and heads the firm's company commercial team