

Norton Rose chooses international partner

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23 Nov 2012

After conducting a two-year search in which at least 65 legal companies were considered, global legal group Norton Rose recently chose a partner it hopes will be for life.

The group, which has one of the largest legal practices in South Africa, announced last week it had agreed to merge with US-based Fulbright & Jaworski to form Norton Rose Fulbright.

Rob Otty, the managing director for Norton Rose says the merger creates a top five global legal group that is among the largest in sub-Saharan Africa by revenue and number of lawyers.

He says Norton Rose's decision to seek a major partner started two years ago after a strategic review concluded that it needed a US-based legal major to "complete the picture".

The intensive search ended when Norton Rose chose to pursue serious negotiations with Fulbright & Jaworski and the recently announced merger took about two months to conclude.

Otty says one of the attractions of merging the firms was the cultural fit with Fulbright & Jaworski.

The merged unit will operate from 55 offices globally including South Africa, employ 3,800 lawyers and 1,250 partners and will have a combined staff of 7,500. It estimates annual turnover will be around US\$2bn.

The South African unit of Norton Rose Fulbright has offices in Cape Town, Durban and Johannesburg and counts JSE-listed groups in sectors such as banking and mining as some of its clients.

In terms of size, Norton Rose Fulbright takes over from Cape Town-headquartered ENS as the largest in Africa, particularly in sectors such as energy, mining, commodities, infrastructure, and primary healthcare.

These are sectors where Norton Rose Fulbright has competitive advantage in terms of expertise, he says. The group also plans to establish a global regulatory and investigations practice.

ENS is pursuing mostly organic expansion in the region and this year announced the opening of offices in Rwanda and Burundi in partnership with local lawyers.

"The merger gives us a position of pre-eminence in the continent," Otty says, who adds that Norton Rose Fulbright received

mandates on two large deals in South Africa.

"I said bring it on," Otty says, describing his reaction to the new business.

He also says that soon after making a presentation on the merger, the prospects he outlined so excited its local lawyers that at least four of them immediately asked to be considered to be seconded to some of the US offices of the merged group.

He says this demonstrates that one of the benefits of the merger is to further develop and strengthen the skills base of its South African-based lawyers.

Norton Rose had however been sending its South African lawyers to work elsewhere for periods of up to one year to obtain further global experience, he says.

Otty says he relishes the prospect of using the size of the merged company to expand into emerging markets particularly in Africa and Latin America.

Before the merger, Norton Rose had opened new offices in Morocco and Tanzania.

Otty says the merged unit will seek further expansion opportunities in Africa and singled out West Africa as an exciting region. He is however reluctant to identify countries being targeted, for competitive reasons.

He confirmed that an office will shortly be opened in the Democratic Republic of Congo.

He says Africa is a natural destination for investors given the continent's high economic growth rates.

Otty says size now matters in the legal profession, particularly when dealing with global companies which are looking for a seamless service regardless of the region in which they operate.

Otty says Norton Rose Fulbright expects a busy year in 2013, providing legal and advisory services to investors seeking mergers and acquisitions and pursuing further client growth.

"We have seen substantial mergers and acquisitions particularly in financial services and mergers and acquisitions in Africa like Angolan banks investing in Portugal," he says.

Otty says South African companies can benefit from new markets opening in the region, but those companies that adopt the attitude of "our way is the right way" will not get anywhere.

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