

Expansion of U.S. players into Canada means innovation

Local labour and employment boutiques set to compete

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For Law Times

The Canadian market is adapting to the arrival of a different type of labour and employment boutique as local law firms tackle new American entrants head-on.

Last August, the 1,000-lawyer firm Littler Mendelson PC expanded north of the border from its San Francisco base, opening its first Canadian office in Toronto. Within months, it had been joined in the city by a second U.S. giant of labour and employment law, Ogletree Deakins Nash Smoak & Stewart PC, a firm whose lawyer count stands at a mere 750.

"In theory, they are boutiques because their focus is on one area of law, but they are very large; larger than most Canadian full-service firms," says Erin Kuzz, co-founder of Toronto firm Sherrard Kuzz LLP. "It's an exciting time in our market; things are changing and competition is coming from different places that it hasn't before."

But Kuzz is ready to take on all comers, and she doesn't discriminate on the basis of size or origin.

"Frankly, the more competitive the market, the more firms are required to innovate and the more they are required to provide better ways of provid-

ing value to clients," she says. "The cream will rise to the top, and that's where I think boutiques like ours are very well positioned to compete. This is all we do; there are no other practice groups to rely on if business slows down, or to supplement you if you haven't filled your own plate. By our nature, we have to be exceedingly good at what we do to survive."

Despite the huge size of their parent firms, both Ogletree and Littler have started relatively small in this country.

Ogletree launched in January with just three lawyers, all poached from the Toronto office of Gowling Lafleur Henderson LLP. In a statement at the time, the firm's managing shareholder Kim Ebert identified Canada as an "important market for our firm, as many of our clients have operations there and need representation and counsel on Canadian and cross-border labour and employment law matters."

"We know that we've chosen the right team of lawyers who share the firm's culture and values to establish our presence in the country," Ebert added.

Littler also opted for a relatively low-key entry into Canada, building a 10-lawyer team mostly from the lawyers of long-standing local employment boutique Kuretzky Vassos LLP. Barry Kuretzky, a former part-



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ner in that firm, and now a partner at Littler, says the set-up has allowed some continuity for the lawyers who moved with him.

"We operate very much as we used to, except now we have the benefit of huge resources that we didn't have before as a smaller boutique," Kuretzky says.

However, he doesn't expect the firm to stay small for too long in Canada. "Our goal is to be able to service clients across Canada, so we are looking to expand across the country," Kuretzky says.

According to Kuretzky, his corporate clients who have operations outside Canada have benefited most from the move, since

Littler's reach extends all the way around the world, thanks to its 67 offices in 15 different countries.

"If we have a client whose head office is in Toronto, but they're doing work in Panama, we can integrate very easily," he says. "We get tremendous opportunities to see different perspectives from the U.S., South America, and Europe. It has been an exciting and refreshing experience for me."

Paul Young, a partner at Toronto boutique Filion Wakely Thorup Angeletti LLP, says there is "a lot more competition than there used to be" in the Canadian employment law market, but he says his own firm's international alliance helps it to punch above its weight. Filion Wakely is the only Canadian member of L&E Global, a worldwide network of employers' counsel from 21 countries.

"It's good for the firm and our clients, because we can hold on to them, and get them access to top lawyers from around the world," Young says. "In terms of competing with national firms, we also have strong connections with firms in every jurisdiction in Canada, such that we can always offer immediate help to clients."

Sherrard Kuzz also belongs to an international network of lawyers, the Employment Law Alliance, a group that boasts members in more than 100 countries around the world.

"There's no other network with that kind of reach, so it's very important to us, and a big distinguishing feature of our firm," Kuzz says. "It's not just a directory for us; when I refer a client, it's to a lawyer that I've actually met and know."

But it's closer to home where Young says his firm makes the biggest impact on the employment law market: in its direct dealings with clients.

"We just strive for superior service at competitive rates, and I think we've been pretty successful with that," he says.

At Sherrard Kuzz, the firm's co-founder says the commitment to providing good value service to clients starts early.

"We have a very robust student program, and we train them to be practising lawyers from the moment they walk through our doors, sometimes after just a year of law school. They're not the kind of summer students that spend their whole time watching without doing any actual work. They get their hands into things," Kuzz says. "Our clients understand that when they have a junior lawyer from our firm, they're going to have as much experience as a fourth- or fifth-year lawyer at other firms. We're able to offer an incredible depth of experience at a much lower price point, which is very attractive for clients." **LT**