

South Africa

Beginning our Africa Special Report this month, *Lawyer Monthly* takes a look at the economic and legal issues that abound in South Africa. To this end we speak to Graeme Wilson, the founder and CEO of Whipping the Cat (www.whippingthecat.com), a South Africa-based legal consultancy offering businesses of all sizes an alternative to traditional law firms.



How would you describe South Africa's legal service landscape? (What are some of its key characteristics? How has it developed in recent years?)

Until recently, only a handful of firms had established a national footprint with offices in two or more cities. With the quickening of Africa's economic pulse in the last decade, international law firms and national South African firms have established a wider footprint in a series of tie-ups, acquisitions and "best friend" relationships in South Africa and across the continent.

The increasingly competitive and cost-constrained economy in South Africa has brought about a search for alternatives. This has resulted in early stage disaggregation of the legal services market. Alternative service providers like Whipping the Cat, Legal Process Outsourcing companies and temporary placement consultancies are all finding a foothold in the changing market.

Corporate growth, together with an increasingly complex South African regulatory environment have driven up the number and increased the profile of in-house lawyers.

Some may say that the legal service landscape has changed very little in recent times. I disagree. There is change - it is just evolutionary rather than revolutionary.

What kind of legal work does Whipping the Cat do?

Our focus is on corporate and commercial law. We have a variety of clients across industry sectors, ranging from small companies to large corporates. For each client we try to align our services specifically to its needs by, for example, tailoring retainer relationships, area-specific outsourcing or fixed-fee general advisory and drafting work. Adapting to client needs, we have developed a strong niche in marketing, advertising and social

media law, offering legal advice with practical solutions and the quick turn-around times required in this fast-paced environment.

South Africa is currently Africa's second largest economy and is still growing. Has this reflected in the level of work Whipping the Cat has done in recent years?

Africa is growing. This has translated into a large number of corporate transactions and private equity ventures in South Africa and in countries north of our borders. This type of "bet the firm" legal work remains the preserve of the Big Name law firms. But Whipping the Cat has experienced a significant increase in mid-tier corporate legal work as entrepreneurial ventures flourish and are the subject of mergers and acquisitions. We have also seen an increase in the number of South African companies entering into distribution or partnership relationships with multi-national companies looking to get exposure for their products in South Africa and the wider continent. In short, we have benefited from the trickle-down effect of large corporate activity and the push-up effect of entrepreneurial growth.

What in your opinion must South Africa do to expand its legal reputation internationally?

South Africa has a very good reputation for the quality of its legal service work. We are blessed with some very good law schools and high calibre legal graduates. Unfortunately, many of these graduates have difficulty finding work. I believe that developing alternatives to the traditional law firm for these young graduates will enhance our legal services market. This may include working for alternative legal service providers or legal process outsourcing companies, with legal researchers, knowledge managers and process managers emerging as viable career alternatives. Basically, South Africa needs to add more diversity to the "role of the lawyer".

Being South African does not automatically translate into "understanding Africa". However, South African legal service companies are well placed to enhance their knowledge of the legal systems in Africa and to advise clients on cross-jurisdictional matters. With local knowledge of what it takes to "do business in Africa", embedded cross-jurisdictional knowledge and diverse service delivery options, I think you have a compelling mix for South Africa to enhance its international reputation as the go-to country for legal service delivery across Africa.

How do you expect the South African legal landscape to develop in the next five years?

For the most part South Africa tends to adopt and adapt international practices. As such, I suspect our legal service journey will be similar to that elsewhere in the world. The current early stage legal service delivery transformation will continue. The big law firms will get bigger. They will compete with the Big Four accounting firms pushing to expand their legal advisory role. The dust will settle on the South African-international law firm tie-ups with only the strongest relationships surviving. Many medium-size law firms will be absorbed or go niche. Alternatives to law firms will increase and be accepted as "normal". With legal services continuing to be disaggregated, I would love to see South African lawyers combining technology, people and process to emerge as a "hub" for the delivery of high quality legal services into Africa and beyond, developing a new market much like LPO did in India". **LM**



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