

## **Reinventing Your Law Firm: Developing and Managing Clients in Saudi Arabia**

### 1. How are reforms in the legal system in Saudi Arabia changing the way that Saudi law firms need to manage client relationships? How have the traditional ways of developing and managing client relationships been different in Saudi Arabia than in Europe or North America?

First, it is worth mentioning that Saudi Arabia is spending nearly \$2 billion to overhaul its judicial system and modernize its legal system. The move will help to reinforce and promote the standing of the country's courts and emphasize the independence of judges to make rulings free from any influence, although that was probably the global community's perception rather than reality. This massive legal overhaul is expected to lead to the creation of a supreme court, appeals court and a general court system to replace the Saudi Supreme Judicial Council. Observers believe these measures will help the economic reform process as well as improve civil liberties.

The reform will certainly lead to more transparency and justice. This will help promote more trust and confidence in the Saudi legal system for Saudi citizens and foreigners alike. As a result, client relationships will be managed much better, because an attorney can better manage client's expectations, given that there will be more certainty in the process. In essence, these reforms will help to foster clearer relations between lawyers and their clients. Lawyers can now demonstrate to their clients the process from A-Z and thereby reduce the degree of client's anxiety as the latter become more aware of the entire legal process.

As a result of these reforms, Saudi law firms are now required to devote more time and effort to educating their clients on the pros and cons of their legal matters. In fact, this will be a great opportunity to promote business and legal work in the Kingdom, given that the former Saudi system was criticized for its ambiguity. Litigation activities can now be conducted with more certainty because of this development, and client relationships are more likely to improve and be better managed as clients become more well-informed of legal proceedings.

In Saudi Arabia, personal relationships play a more important role than in the West for a number of reasons which are mainly cultural. People in the Saudi culture give greater weight to personal relations than to any other consideration. In most cases, if a client trusts a lawyer, one can expect to develop a good relationship with the client regardless of the size of the law firm. Although Saudi Arabia has taken positive steps to develop its judicial system and the activities of its legal profession, it still lacks the institutions to assess lawyers' performance. Thus, most clients base their decision on hiring a lawyer on personal assessment and general reputation. To develop a strong relationship with clients, lawyers meet at their homes or over lunch or coffee or at some professional gatherings such as conferences and seminars. Such activities usually lead to strong long-term relationships. Of course, a lawyer must show competence and professionalism to be selected by clients and must regularly be in touch by telephone and emails. Other important factors are a lawyer's trustworthiness, ethics, and maintaining the confidentiality of client information.

Having said that, however, there is now more growing importance for professional appearances by lawyers such as seminars, conferences, articles, etc. Top Saudi lawyers constantly try to develop their professional skills in the areas of firm management, marketing and communications. Because of the globalization of legal services, Saudi Arabia's accession to the World Trade Organization in 2005, and the impact of the Internet on Saudi society, lawyers have had no choice other than to be part of this new reality. This welcome development has demanded that Saudi

lawyers improve their interpersonal skills to compete (or at least survive) with international law firms that have become quite active in the Kingdom over the last three years. Indeed, Saudi law firms have become more sophisticated due to a number of reasons including a good amount of Saudi lawyers being educated in the US or UK. Such exposure has provided them with the opportunity to become acquainted with the Western mentality and how to reconcile a more traditional, conventional approach with more advanced approaches to meet the increasingly sophisticated expectations of their clients.

Although Western clients are important, most Saudi law firms deal with clients from all over the world, including countries from Asia, Africa, Latin America and others. This is attributed to the recent steps taken by the Saudi government to open up more sectors of its national economy. Additionally, there are almost 7 million expatriates from different parts of the world who have been living in Saudi Arabia for decades. In short, Saudi society is going through significant changes which have affected the development and management of client relations.

2. How has the introduction of foreign law firms into Saudi Arabia, particularly from the U.S.A and the United Kingdom, changed the way that Saudi law firms manage client relationships? What differences are there in the way that Saudi lawyers and foreign lawyers interact with Saudi clients? What lessons can foreign law firms learn about managing client relationships from Saudi law firms?

International firms that come to Saudi Arabia are of two types: the ones who have been in the market for decades and have a strong interest in the Saudi market; and the others who came recently and wish to develop new business opportunities but don't know how they want to get business or lack a strong commitment to the market. In this analysis, we will focus more on the latter because they represent the majority in the Saudi market.

The introduction of international firms certainly have an impact on the way Saudi law firms manage their relationship with clients. Due to growth of competition among all firms, whether Saudis or internationals, Saudi law firms have no alternative except to review or reconsider their normal practice including offering less hourly rates or other attractive options to continue to maintain a fruitful relationship with their existing clients, or to gain new clients. Other issue is the attempt by some Saudi law firms to have a competitive advantages over international firms in some areas of practice. For example, litigation is an area in which Saudi firms are still stronger in their knowledge more than international firms. So Saudi firms tries to promote more this area of practice in particular.

On the other hand, those foreign lawyers who can adjust to the Saudi culture, assuming they have the necessary vision, professionalism, social and professional skills, can easily compete with native Saudi lawyers. The difference or preference among Saudi clients for one lawyer or the other boils down to two important factors: the individual lawyer's professionalism, quality of work, promptness, credibility, availability and confidentiality, and the lawyer's full and complete understanding of Saudi culture, though the latter is becoming less important nowadays with the new Saudi generation which is bilingual and more international. Quite honestly, if these two factors are present in both Saudi and non-Saudi lawyers, clients usually don't care about the nationality of the lawyer. In the final analysis, social and professional gatherings are key elements for interaction with Saudi clients whether for Saudi or non-Saudi lawyers.

Furthermore, in conservative societies like the Saudis, at least for the past years, cultural aspects continue to play a major role in any relationship, legal or otherwise. Given this reality, the two biggest mistakes that international law firms make are although they may open offices in Saudi Arabia, they actually run offices from other cities such as Dubai or London. This means that their Saudi office becomes more like a PR office or an office for logistical reasons only. With the growth of awareness especially among the new generation in the Kingdom, Saudi clients can be as demanding as any other clients. They prefer to have their lawyers to be next door and not to be based in other countries. Although international firms may send some lawyers to the Kingdom, the Saudi market requires as sophisticated and skilled lawyers as any other market in the world.

The second mistake that big international law firms make is to associate with small or junior Saudi lawyers who just have a license from the Ministry of Justice in Saudi Arabia. This is, in our view, not the right approach. To come to a new market with a different cultural background, international firms need to rely upon experienced Saudi lawyers, and not only to mobilize/export their knowledge to the Saudi market. To be successful, international firms should establish a strong relationship with a real strategic Saudi law firm that can be a partner with vision and experience and that can add real value. With this in mind, the lessons that can be learned are simple: if you go to any new market, especially a developing legal market like Saudi Arabia with its unique characteristics, either you show a real commitment to the market or simply don't go. Select a Saudi partner who can add real value to the relationship, and avoid associating with a Saudi partner who has nothing to offer except his license, i.e, international firms need a Saudi partner who has a license from the Ministry of Justice to be able to open an office here. If that is accomplished, one can assume this to be a step forward in the proper management of client relationships in the kingdom.

*Originally written for and published by the International Bar Association at the 2009 Annual Conference.*

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