



# **GERMAN LEGAL MARKET UPDATE**

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December 2021

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**Across Europe and around the world 2020 was a year of flux and Germany had its fair share of struggles. Work stalled and hiring stalled even more. However, as we approach the end of 2021 much of life is back to normal and firms are seeing large profits being generated. (In 2020 Noerr reported 7.6% growth). This inevitably means a greater demand for talent.**

If there is one big news story within the German legal market right now, it is the explosion of the private equity market. The country has long been a leader in the sector, with the second highest number of fund managers in Europe (after the UK) and recently Germany saw its biggest PE transaction of all time (the sale of Thyssenkrupps.) The pandemic has allowed this market to boom due to the sheer number of transactions in the system, however, it has also allowed for development of new legal centres around the country.

Over the last year we have seen Munich really emerge as a transactional hub. As a result of the pandemic, offices in different cities are much less siloed and this makes it easier for candidates to make a move. Firms can now attract talent they may not previously have been able to secure because lawyers are now having the choice of where they want to work. And this has led to real investment in the city. For example, several US firms have grown in Munich through large team hires. This includes Goodwin, who took a team from Sidley and Clifford Chance hiring a team from Kirkland & Ellis.

***Culture has always been a big factor for attracting talent, but now having a strong employee brand is more important than ever.***



## The pandemic

The pandemic has also allowed for lawyers to take stock about what is important to them, and what we have seen is an overwhelming shift to the importance of culture over financial reward. Culture has always been a big factor for attracting talent, but now, having a strong employee brand is more important than ever. Lawyers want to be able to build upon their experience and client base by making a move; they want real autonomy in their role. The magic circle is particularly good at offering a global platform, with a strong sense of responsibility and support for partners to take their practice in the direction they want. The global scale of firms is particularly important for partners, because they want to be able to offer their clients access to services, no matter the practice area, and they want this on the ground in their locations. Firms that really listen to partner's vision and suggestions are the ones going to be able to attract the best talent. It is no longer just about the reward; Partners want to know the firm is bought in to their growth strategy. This is much harder for some of US firms in Europe, where the US is predominantly calling the shots and the European offices are still smaller outposts. Equally, these desires have allowed new domestic boutiques to launch and benefit. For example, the new firm, Rocan was set up this year by three former Freshfields partners. The knock on here is where associates see firms investing in hard hitting and high profile partners, they are more likely to think about moving and consider the firms where they see a happy culture.

Workplace culture also extends to how firms are adapting to the changed market post-pandemic. With the mass return to the office across Europe and around the world, businesses are presented with a workforce who enjoyed the flexibility of working from home. And while very few want to remain fully remote, lawyers are increasingly asking questions around what options might be available to them should they move. The German market has not embraced this flexibility nearly as much as in the UK, and firms have been more reticent and reluctant to roll out real policies around flexible working; with flexibility remaining the exception rather than the rule during the early part of this year. However, at the end of 2021, we are seeing a change. The more it remains a priority for candidates, the more firms will need to listen and formalise their working practices. We have seen the firms that have started to embrace this change being the ones finding it easier to hire. Many firms are now starting to adapt new working practice policies in order to improve their diversity and inclusion more generally. For example, Eversheds in Germany is looking to hire both partners and associates on a part time (4 days) basis. There is hope that by having this kind of flexibility, more women will choose to continue working at the firm after they have their families and they hope to attract external female talent.

### Associate opportunities

- » Dusseldorf: Competition associate, 2-4 PQE, international law firm
- » Frankfurt: Competition associate 2-5 PQE, US law firm
- » Frankfurt: Real estate associate, 2-6 PQE, leading US firm
- » Frankfurt/Munich: Private equity/M&A, NQ-5 PQE, leading US firm
- » Frankfurt/Munich: Leverage finance, NQ-5 PQE, magic circle firm
- » Munich/Dusseldorf: Corporate, 2-4 PQE, international firm
- » Munich: Energy & infrastructure, 2-4 PQE, international law firm
- » Frankfurt: Litigation, 3-6 PQE, international law firm

# CONTACT US

For more information on your local market, if you are looking to grow your team or you would like to consider your own move, please contact a member of our team:

## **KAY KHAN**

### **European legal search**

+44 (0)207 029 3605

kay.khan@mraresearch.co.uk

## **HUGO PREIRA**

### **French market**

+44 (0)207 618 3057

hugo.preira@mraresearch.co.uk

## **VIRGINIE BACHES**

### **French market**

+44 (0)20 7029 3698

hugo.preira@mraresearch.co.uk

## **ANGELA PRIOLO**

### **Italian market**

+44 (0)207 029 3692

angela.priolo@mraresearch.co.uk

## **DEBORAH FRANCHINI**

### **Italian market**

+44 (0)20 7029 3600

deborah.franchini@mraresearch.co.uk

## **ALESSIA DE SIMONI**

### **Italian market**

+39 3484014845

alessia.desimoni@mraresearch.co.uk

## **London**

1-3 College Hill  
London EC4R 2RA  
England  
t: +44 (0)20 7618 9080

## **Hong Kong**

17th Floor, Somptueux Central  
52 Wellington Street  
Central, Hong Kong  
t: +852 2861 0002