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Ticking along nicely

How Swiss law firms are surviving and thriving in turbulent times

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Ticking along nicely:

How Swiss law firms are surviving and thriving in turbulent times

By Dominic Carman

It was a shotgun wedding brokered by the Swiss government over a single weekend – to prevent the collapse of Credit Suisse and potential contagion within the financial system. But two years on from the forced merger between UBS and Credit Suisse, Switzerland appears to be as stable as ever with almost no collateral damage to the economy from the deal: domestic interest rates are at zero, the inflation rate marginally above zero and Switzerland's GDP growth in 2025 is projected to be around 1.3% to 1.5%, above forecasts of 0.9% to 1% for the Eurozone average.

However, things certainly look more challenging internationally, according to the Swiss National Bank (SNB). Published in June, the SNB's 2025 Financial Stability Report cautioned that trade and geopolitical tensions make Switzerland's economic outlook very uncertain, concluding that: "Several risk factors could amplify the impact of potential negative shocks on global economic and financial conditions."

Globally, those risks include public debt at near historical peaks, high valuations of residential real estate and corporate bonds, and the US stock market still appearing stretched, according to the SNB. Notwithstanding these anticipated risks, most events beyond Swiss borders – including the Ukraine War and Gaza conflict – have yet to make much impact domestically. Consistently recognised for its strength, stability, and innovation, Switzerland still has one of the world's most competitive and open economies, underpinned by a highly-educated workforce, a very good standard of living, robust infrastructure, an attractive tax environment, and a location at the heart of Europe.

Managing uncertainty

So, how do Swiss law firms and their clients manage uncertainty and what does it mean for their businesses? "People need to understand that uncertainty is the biggest enemy: looking forward, things are much harder to plan or predict," says Christian Oetiker, managing partner of VISCHER. This sentiment will particularly resonate with small and medium-sized enterprises (SMEs), which are the mainstay of Switzerland's export-driven economy and a core part of VISCHER's client base.

Daniel Hayek, managing partner at Prager Dreifuss, develops the point. "Swiss companies are becoming more cautious, especially those with international exposure," he says. "But Switzerland remains politically and economically stable, and that still works in our favour. Investors see us as a safe place to do business. We're seeing business adjusting their structures, focusing more on Europe rather than on the US or other trade partners that seem less reliable."

Homburger's blue-chip clients include Nestlé, Novartis, and Roche. Franz Gerhard, corporate partner at the firm, says: "Uncertainty – sad to say, has historically benefited us, because Switzerland is a safe haven. But for smaller companies it's tough: when costs increase, it forces them to be more innovative. So, uncertainty triggers a strong Swiss franc, which forces our companies to be more innovative and more focused on quality."

Banks, notes Gerhard, are under pressure because of the interest rate environment, capital requirements and, amongst other things, technology costs. But uncertainty is not bad for them. Nor is it bad for those who rely on people establishing a new life or a domicile here. Many people in the UK are leaving – they don't all go to Dubai, Abu Dhabi, or Milan. Some come to Switzerland, sometimes with businesses."

Benoît Merkt, managing partner at Lenz & Staehelin and proud recipient of the Chambers award for Switzerland Firm of the Year, concurs: "In times of uncertainty, clients don't take risks and naturally go to the recognised market leaders, which is favourable for our firm – in terms of corporate and M&A, we are in a period of opportunity: some large deals happen. The Swiss market is seen as a safe haven in periods of uncertainty, which attracts investors despite the fact that the Swiss franc is high.

Under scrutiny

"There's also increased legal and regulatory uncertainty: a climate of uncertainty with an asymmetric application of rules, such as the Foreign Corrupt Practices Act (FCPA) against non-US parties. We anticipate more lawsuits related to terror financing, which will affect Swiss banks and companies. An example is the JTF 10-7 – a special task force created by the US government in March 2025 in response to the attack on Israel in October 2023. European and Swiss institutions are under scrutiny."

The clients of Niederer Kraft and Frey (NKF) include Swiss

❝ Switzerland remains politically and economically stable, and that still works in our favour. Investors see us as a safe place to do business

Daniel Hayek, managing partner, Prager Dreifuss

and international companies from a broad range of sectors and industries. Appointed as NKF's managing partner last March, Juerg Bloch offers a different perspective: "Stability is Switzerland's main asset," he says. "Geopolitical uncertainties usually have less impact on very stable economies such as Switzerland. But it goes both ways: when the economy is fired up, it usually takes a while for the wave to arrive."

He concedes that "uncertainty keeps investors from making quick decisions, and stops very large deals and investments taking place. Many things are parked. But the stock market recovered very quickly, it's priced in already, and I believe that there's usually a moment where everybody recalibrates. Once that's done, and we're just about there, things pick up again because everything is priced in. We're very confident that tipping point has been reached, and that H2 2025 will look much better."

On the theme of uncertainty, Eric Stupp, corporate partner at Bär & Karrer, notes: "The more you know, the more you feel insecure about what the future will bring. Switzerland is in a peculiar position: being in the heart of Europe, but not being a member of the European Union; becoming a major foreign investor in the United States, but at the same time having a financial and commodity industry sector exposed to rather aggressive cross-border enforcement actions by US authorities and the US Congress.

"Despite these contradictory indications, Switzerland remains a very attractive place to do business and attract new business. On a global scale, there are only a few places which have such upward trends – clearly the UAE, Singapore are on such list. And then Switzerland. A sound public budget and overall stability within the country are important factors for this success. Switzerland has been able to maintain the perception that it's a good place to do business. There's no regulatory overreach of the authorities – you can talk to them and present your point of views."

Trump's Troublesome Tariffs

They may be euphemistically referred to as 'trade tensions' by the SNB, but everyone knows that, in practice, this means tariffs either imposed or threatened by the Trump administration. ▶

It seems a long time since 2 April 2025, so-called Liberation Day, when President Trump announced new reciprocal country-specific tariff rates on 57 US trading partners and a 10% universal tariff on all imports from every other US trading partner (apart from Canada and Mexico). A new deadline of 1 August is looming for the imposition of these tariffs and despite new, sometimes daily developments, the situation on tariffs and retaliatory measures remains in flux.

The current US tariff for Switzerland is still 10%, while the proposed reciprocal tariff rate is 31%. An investigation is also ongoing into the pharmaceutical sector which could potentially impact big Swiss pharma companies such as Roche, Novartis, and Lonza.

Against this background, there have been reports that Switzerland and the US are close to an agreement on a framework deal – not dissimilar to the one agreed with the UK – although no information on the timing or other details have been published. Reports over an imminent EU-US trade deal which would result in a 15% tariff on most products – similar to the US deal with Japan – are also encouraging.

"Switzerland tried to react quickly, but underestimated that things would then change every day," says Oetiker. "Switzerland was fairly slack in 30+ tariffs and then Switzerland thought: Okay, how was this calculated? It's obvious that these are made up numbers, so there's no point in arguing about the calculation. The second reaction was to be in a very good position to conclude a deal. Short-term history shows that countries who concluded a deal were not getting the best result. Switzerland has therefore learned that there's no need to react immediately to every move from the US, just wait and see and then act when the time is right."

❝ Switzerland has learned that there's no need to react immediately to every move from the US, just wait and see and then act when the time is right

Christian Oetiker, managing partner, VISCHER

Need to innovate

Gerhard notes that "When Mr. Trump called for tariffs, both Roche and Novartis announced they would invest, respectively 50 billion and 23 billion in the US over the next five years. But those who cannot do that need to innovate. We need a culture of innovation, of quality. If we keep it, then we will do well."

Merkt adds: "Uncertainty over tariffs is not good for business. So far, the government has managed things well: a delegation composed of members of the Swiss government travelled to the US, had direct talks at a very high level, and now they seem confident that Switzerland will not be too badly treated. Fingers crossed. Some big Swiss industries, like pharma, are in a better position to defend their interests. Smaller industries may be more heavily affected."

Florian Gunz Niedermann, managing partner of Walder Wyss adds: "Uncertainty typically results in a slowdown of transactions. M&A is lower, but it's not a Swiss thing, or a Trump thing." Thomas Reutter, founding partner of Advestra, offers a different view. "Many companies have postponed their investment decisions," he says. "That's led to less M&A activity, fewer CapEx decisions – some industries have suffered." As an example, he cites the Swiss watch industry. "We've seen deals, but there was also less demand: tariffs have exacerbated that. Financials and healthcare are less affected – so far," he says. "But it's unpredictable: the corporate planning horizon has become much shorter, and as a reflection, for ourselves."

Stupp concludes: "Switzerland, a country with approximately nine million people – is the eighth biggest foreign investor in the United States. We have 300-400,000 jobs that depend on Swiss companies in the US. The Swiss authorities are quite confident about finding an acceptable solution for trade-related issues and the question of the applicable rate of tariffs on imports coming from Switzerland."

EU agreement

From Geneva or Zurich, you have to drive either to the UK or Bosnia & Herzegovina, before reaching a non-EU member state. It is therefore no surprise that the European Union (EU) is Switzerland's main trading partner: more than half of Swiss exports go ▶

to the EU, which provides roughly 70% of its imports in return. There are more than 100 bilateral agreements between Switzerland and the EU covering trade, transport, research, and security.

"A more challenging political issue (than tariffs) is the relationship of Switzerland with the EU," says Stupp. "The status quo with various bilateral agreements cannot be maintained. The Swiss government negotiated a dynamic framework agreement with the European Union: there will be a vote in Switzerland on this framework agreement, which will be hotly debated, to bind us more into what Switzerland may have to accept in terms of legislation coming from the EU."

To strengthen and update their bilateral relationship, ensuring stability and predictability for business, the EU and Switzerland concluded negotiations on a comprehensive package of agreements last December. These would consolidate the bilateral treaties within a single framework.

This has been presented as a triumph by the Swiss government, which recently suggested holding an optional referendum on the new agreement, making it easier to win support for the deal. To pass, a simple majority of voters would be needed, rather than a double majority, including the country's 26 cantons, which has been the case under some compulsory referenda. But the country's citizens may decide otherwise.

> *" Switzerland should be able to keep good relationships with its main trading partners, although this will require some flexibility*
>
> ***Eric Stupp, corporate partner, Bär & Karrer***

"The outcome of the negotiations with the EU, which are on the table now for Switzerland will have quite an impact going forward," says Oetiker. "It will certainly have an impact on whether Switzerland will be able to establish a rules-based stable relationship with the EU.

"We are used to a stable relationship with the EU alongside certain freedoms, which will reduce slightly. But the new agreement on the table would certainly re-establish a stable environment: a stable environment that is not ideal is better than an unstable environment. For many years, immigration was all about asylum seekers, but their numbers are not relevant in this context, it's more the immigration of wealthy people who can pay high rents, which make the real estate market so hot. This will influence the outcome of voting."

Public vote

Hayek adds: "If it's not a very balanced treaty, it will not pass the public vote. People are critical of the EU court deciding on what happens in Switzerland: that's always been a major problem in negotiations with the EU, but eventually, if not in this round, it probably will go through."

The bottom line? Stupp says: "Given the importance of Switzerland in the global marketplace – how much capital we export, how many jobs are created – Switzerland should be able to keep good relationships with its main trading partners, although this will require some flexibility."

Uncertainty also extends to the Swiss franc and domestic interest rates. "The Swiss National Bank is thinking about negative interest rates again – not a nice environment to work in because it turns many things upside down," says Oetiker. "Swiss companies are used to adapting to export restrictions and also to negative interest rates." According to Hayek, the problem is if negative rates happen quickly. "But our central bank is smart enough," he argues, "not to go from zero to minus 1%; instead, they do it slowly."

Gerhard suggests that "global uncertainty makes our currency stronger and stronger. Interest rates are now at zero. We've been at minus 75bps during COVID – that could return. Nice for shopping in New York, but difficult for many of our industries which export.

"Big pharma – Novartis, Roche – can hedge against the Swiss franc. But for smaller companies it's tough: with a high-cost base in Switzerland and products/services getting more expensive abroad due to the strong Swiss franc, it forces them to be more innovative. So, uncertainty triggers a strong Swiss franc, which forces our companies to be more innovative and more focused on quality." ●


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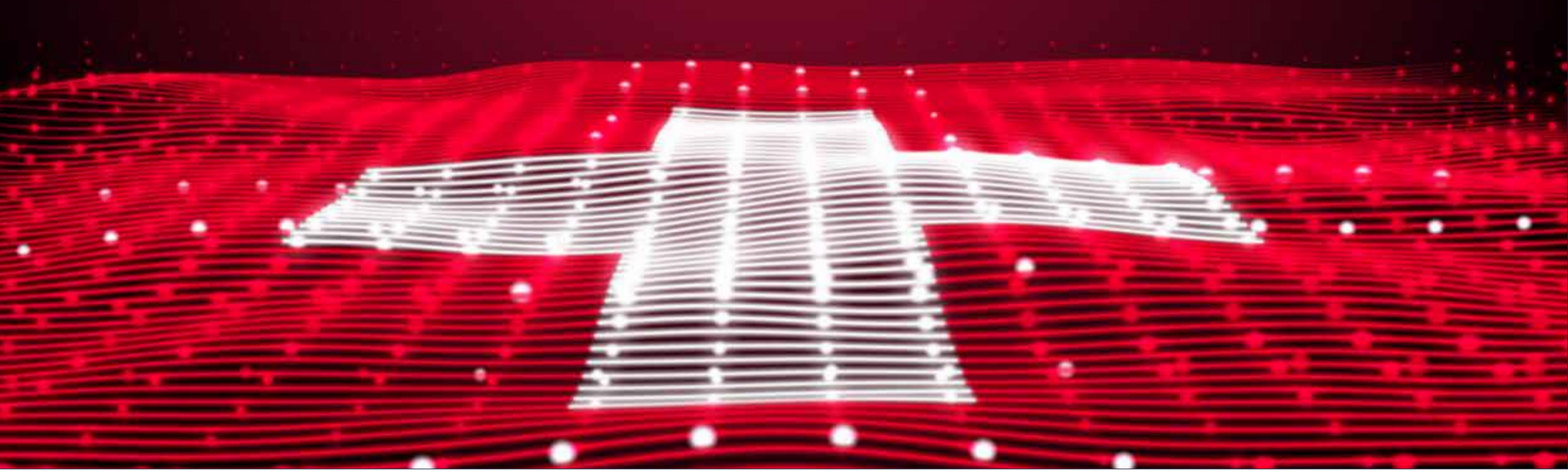
Deals, disputes and data

Swiss lawyers have never been busier, but sectors and practice areas are shifting



By Dominic Carman

Switzerland has a long history of understatement: a distinct national characteristic that is rooted in the country's history of self-reliance and hard work. As a result, its citizens invariably tend towards modesty and restraint rather than displaying wealth or making ostentatious claims. Experience suggests that, historically, this applied even more acutely to Swiss lawyers. The infectious enthusiasm with which some leading Swiss lawyers now describe both their business and their increasing busyness is therefore surprising and refreshing. From what they say, things certainly seem to be in good shape across the Swiss legal market – at least for the top players.

"Everybody's really busy – litigation, arbitration and white-collar crime, banking and finance are super busy," says Caroline Clemetson, finance partner at Schellenberg Wittmer. "Corporate is also very busy; employment and tax are always super busy."

She notes that 2024 was "a very good" year and that 2025 is "really good" so far: every department is fully booked. "The arbitration practice is booming. There's also an increase in disputes in the energy, pharmaceutical and luxury sectors, and in particular, in post M&A cases."

She identifies a big development in asset management. "The US SEC had a moratorium on Swiss investment managers since 2018 due to data protection and FINMA-related topics – that's now been reopened," she says. "Since June 2025, the SEC is reprocessing applications for Swiss investment advisors: an amazing change for the Swiss financial market, good for the asset management industry and for the US-Swiss relationship, and for both regulatory authorities."

Clemetson also highlights the arrival of lateral partners as evidence of growing demand: "In Geneva, Stéphanie Chuffart-Finsterwald who now heads our Life Sciences, IP, and ICT practices, and Laïla Rochat, who joined as a tax partner. We also have Simone Nadelhofer and Matthias Gstoehl who joined from Lalive last year. Big names. In white collar, having Simone and Matthias is an addition to an already strong team."

Busy, busy, busy

A similar picture emerges at Lenz & Staehelin. "It's remarkable that we've been so busy across all practice groups, in all our offices – Zurich, Geneva, Lausanne – across all sectors," says Benoît Merkt, the firm's managing partner. "In law firms, you often see one sector has more work than another, but last year we saw strong activity throughout. And it is continuing this year. Our private equity partners are very busy in several transactions both on the buy and sell-side and across all industries, not only for PE actors but also strategic investors. PE companies have a significant amount of dry powder and must buy or sell to demonstrate to LPs that their money is invested.

He points to 'very significant matters, notably in dispute resolution" in which the firm is involved. "The complexity of high-stakes, high value cases is increasing," says Merkt. "Currently, we're also involved in all the major Swiss Competition Commission cases, covering the full spectrum: international and domestic cartel cases, dominance cases, relative market power cases, and merger control procedures." He adds that Lenz has "one of the largest competition teams in the country and the only one with a strong presence in the two main economic areas of the country – in our Zurich and Geneva offices." On IP, he notes: "Owning data, owning IP is what makes a difference. We see more and more disputes around that."

Atop the 126-metre high Prime Tower, home to Homburger and the tallest building in Zurich, you can enjoy a panoramic view of the city. From here, corporate partner Franz Gerhard offers a broad overview of the market. "M&A is a commodity product that's always there – sometimes more, sometimes less," he says. "Inbound M&A: many international investors are still looking at targets in Switzerland because the country is home to a lot of quality targets. Private equity (PE) looks at SMEs, but also big companies – less this year than last, that's the same trend everywhere. But when you talk to PE, everybody tells you there is a backlog, and it's coming. IPOs are not really the flavour of today – and that's not confined to Switzerland. But restructurings are very buoyant: we've seen much more this year of what the Americans call liability management, or the British refer to as special/distressed situations, re-restructuring, refinancing."

A big matter at Homburger, he adds, is "the Idorsia holistic restructuring, a huge Swiss-Lux-UK-US exercise for a listed biopharmaceutical company. In creativity and tools, we've learned a lot in the last 12 months, and

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>
> ***Benoît Merkt, managing partner, Lenz & Staehelin***

while unfortunately the rescue of Meyer Burger Technology (an industrial manufacturer of solar cells and solar modules listed on the SIX Swiss Exchange) has not been successful so far, we believe Idorsia will be."

FCPA: big enforcement appetite

Juerg Bloch, managing partner of Niederer Kraft Frey (NKF), suggests that "disputes work, including compliance and investigations work is very attractive for large law firms. When it comes to bribery and FCPA (Foreign Corrupt Practices Act) type cases, there's an immense enforcement appetite. Our disputes teams in Geneva and Zurich have been extremely busy. He points to "a big success for NKF – representing Trafigura, the first ever corporate liability bribery case tried before the Swiss Federal Criminal Court (involving corporate liability for alleged failure to prevent bribery of a foreign public official). The case is also a testament to the strength of our Geneva office."

Last year was good, according to Christian Oetiker, managing partner of VISCHER. "We had a very decent level of turnover and we're happy with the mandates we're doing. A little further back, the insolvency wave that was expected after COVID did not happen: businesses were able to adapt." Sometimes, he says, there are price disputes, which had to be expected after COVID and an inflation increase. "There has been M&A activity, but much less stable than in previous years. Uncertainty: whenever something comes up, people tend to wait. Although not a super year for M&A deals, it was still a good year. Our firm is particularly active in private equity, which is less dependent on short-term developments."

For Walder Wyss, which by some benchmarks has become Switzerland's largest firm with 240+ lawyers across six offices (Zurich, Geneva, Basel, Berne, Lausanne, and Lugano), the past year has been one of consolidation following a decade of sustained expansion. "We've continued to grow, but there's no endless ▶

growth in lawyer numbers, so we've focused on selective areas and locations," says the firm's managing partner, Florian Gunz Niedermann. "In particular, we added people in Geneva, where we took new office space. In other locations, it's more organic and internal growth."

"We were busier with strategic transactions," he notes. "For example, the merger between Helvetia and Baloise (announced in May 2025) was a landmark deal." Helvetia Baloise will become the second-largest insurance group in Switzerland and one of the top 10 listed European insurers with a business volume of CHF 20 billion (US$24.2 billion) across eight countries and a global Specialty business. Clifford Chance and Walder Wyss advised Helvetia while Lenz & Staehelin advised Baloise.

"Sometimes international transactions drive M&A data and the Swiss end is limited. But this is the one that's been most recognised," he says.

Walder Wyss also advised on another transaction that was announced In March 2025: Spanish company Persán, a European market leader in home care and personal care, signed an agreement with Swiss retailer Migros to acquire the Mibelle Group. Cuatrecasas advised Persán with NKF acting as Swiss counsel on the acquisition while Walder Wyss advised Migros. The sale of Mibelle completed Migros's restructuring process.

" Since June 2025, the SEC is reprocessing applications for Swiss investment advisors: an amazing change for the Swiss financial market

Caroline Clemetson, finance partner, Schellenberg Wittmer

Advestra to enter disputes market

At Advestra, which has more than doubled in size following its 2021 launch, founding partner Thomas Reutter says: "Last year was very good, both in terms of numbers and deals. Since Advestra was founded, we haven't been involved in public M&A that went live: we advised on several matters, although none materialised. But we've worked on quite a few deals in the last year and this year, both for target companies and offerors. Another strategic milestone for us. We're now working on a few IPO projects, one of which is going to be, if launched, one of the largest in Europe this year." In February, Advestra advised on the IPO of BioVersys, a leading Swiss biotech company – the only Swiss IPO on the SIX Swiss Exchange in H1 2025.

Reutter adds: "We're always surprised by the monthly numbers. Mid-market M&A is doing fine, even capital markets are still okay, and debt capital markets are very successful. Companies that have listed and are unhappy, even if we did not work on the IPO, they turn to us for the AGM, or doing a bond. That gives us relationships with them to build on and cross sell." And how does he believe the big Swiss firms see Advestra as a competitor? They've all lost a deal against us (as we have against them) when there was competition," he says. "So, they take us very seriously. I hear praise from them, while they look at us as a serious competitor."

That competition may soon spread to disputes work. Advestra is set to make its first litigation partner hire: a high-profile individual will join the firm with the task of establishing a wider disputes team. "He's in discussions with his firm about leaving: we know what he's going through," says Reutter, who himself left Bär & Karrer with a team of lawyers to set up Advestra four years ago. "He's young, like most of our partners, and he's already developed an impressive career."

Although smaller transactions have dominated recent M&A activity in Switzerland, some larger deals remain in play in the financial services sector. The continued integration of Credit Suisse into UBS leaves "just one globally systemic, important bank left," notes Eric Stupp, corporate partner at Bär & Karrer. "It's doing very well in terms of integration – a huge exercise." Beyond that, there is the creation of Europe's potentially largest asset manager via the merger of Generali and BPCE's asset management divisions. Meanwhile BNP Paribas' acquisition of AXA Investment Managers closed at the end of June.

Transactions: more strategic

"M&A is clearly back on the table," says Daniel Hayek,

▲ **L'Oréal acquired a 10% stake in Galderma Group last August. Bär & Karrer acted as Swiss legal counsel for L'Oréal while Homburger advised EQT on the sale of its 10% stake to L'Oréal**

managing partner of Prager Dreifuss. "Deal values are rising, deal numbers are a bit lower than in peak years, but transactions are bigger and more strategic. There's a lot of activity in the mid-market, where buyers focus on long term values, successions and carve outs from larger groups also feature. Private equity firms are a major force behind many of these deals. They still have capital to deploy, but not all transactions are fresh growth plays. Some are continuation deals or swaps between funds, often driven by the end of a fund's lifecycle. That can raise questions around whether these deals are really in the interest of the underlying investors."

Overall, apart from the Baloise and Helvetia merger, some of the largest Swiss deals so far in 2025 include:

- Novartis acquisitions: acquiring Anthos Therapeutics for $3.075 billion and Regulus Therapeutics for $1.623 billion.
- Taiho Pharmaceutical's acquisition of Araris Biotech: valued at $1.14 billion, this proposed merger is expected to create the second-largest insurance group in Switzerland
- Sonoco Products merger with Eviosys Packaging Switzerland, valued at $3.8 billion. [Lenz & Staehelin acted as Swiss counsel for Sonoco.]

Some of these deals reflect the continuing shift from inbound to outbound transactions in the Swiss M&A market as more Swiss companies seek to expand their operations internationally, diversifying both the risk and geographic spread of their operations amid heightened domestic competition.

Medtech leaders

Against this trend, L'Oréal acquired a 10% stake in Galderma Group last August. Bär & Karrer acted as Swiss legal counsel for L'Oréal while Homburger advised EQT on the sale of its 10% stake to L'Oréal. Notably, one of the largest transactions with Swiss involvement last year was the IPO of Galderma Group, which was also handled by Homburger.

Gerhard provides some context. "Split the country into big boys and SMEs. The big boys, e.g. pharma or insurance are very resilient – they're doing well. We also have healthcare / medtech leaders of four very important organs of the human body incorporated and listed in Switzerland – for the eyes, Alcon; for teeth, Straumann; for ears, Sonova; and for skin, Galderma. A nice circle. They're all roughly in the same ballpark – CHF 20-30 billion market cap, and that's great. The bedrock of Switzerland is really that."

Over time, he adds, the banking sector "has taken a huge hit, starting in 2007 with the end of the Swiss banking secrecy. Then came the DOJ program leading to a reshaping of the private banking scene. And then in 2023, Credit Suisse, an icon, a bank that was founded in 1856, crashed over a weekend and now UBS is debating with the federal government about its capital requirements. And we are probably too expensive for asset management which has become a pure scale industry and were margins have melted in the last years."

But, he notes, "We have a very lively, buoyant startup scene. Unfortunately, those companies don't mature and grow big, because once they reach a level where it could be a threat, it gets bought by Meta, Apple, Microsoft, Alphabet… or the founders are happy enough to cash in at that very moment."

Merkt notes that a lot of startup companies come out of Swiss Universities. "The Geneva-Lausanne area is referred to as the Health Valley," he adds. "Many companies are active in this space." The life science sector "has always been stable, robust and resistant to external events, adds Niedermann. “Exits, venture capital and licensing transactions happen consistently almost irrespective of any market cycle. It is closest to our Basel office: we’re putting a lot of effort into that sector from there, and also from other locations. Proximity to the client is certainly an advantage.”

Bloch notes that life sciences are “very technology driven and entrepreneurial, so fits very well into other sectors that have been very successful in Switzerland. It’s a key growth area where we are already strong, and we recently appointed another dedicated life sciences partner, Janine Reudt-Demont.”

Geneva growth

Geneva features prominently in the strategy of many Swiss firms. For some, the balance with Zurich is not quite right. “In Geneva-Zurich, not every firm is ideally set up in both regions,” explains Reutter. “So, there will be more mergers, particular in the mid-market.” But what of the leading players? Most notable among them is NKF which joined forces with Geneva firm Tavernier Tschanz and a team from Python in January 2023.

Juerg says: “Adding the Geneva office created an additional entry point to the traditional private banking sector, life science, technology and commodity sectors. We are a full-service law firm in Geneva, just like Zurich. There are roughly 170 fee earners at the firm, around 40 of them in Geneva. We have plans to grow, particularly in Geneva.” He also anticipates that growth of the largest Swiss firms will continue.

So, could NKF one day hope to match Lenz’s Geneva office in size and scope? “Lenz in Geneva is strong, but we can compete,” he says. “For the larger firms in Geneva, it was competition when we arrived. We have the advantage of being newer in the local market, although the NKF brand and our local partners were already well-established. So, from day one, we had a very solid client base. We’re very proud to have been very successful in a short amount of time, and to have grown substantially.”

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>
> ***Thomas Reutter, founding partner, Advestra***

In December 2022, Thierry Calame, Lenz’s co-managing partner in Zurich, told *Reports Legal*: “The logic of doing this merger makes sense; it’s just a question of why now, why so late, and why NKF? It surprised our Geneva partners. We (Lenz) merged in 1991. The benefit of having a presence in Geneva and Zurich has been clear for 30 years. There are several clients that we probably would not be able to service if it were not for these two strategic locations.”

So how does Benoît Merkt, Calame’s counterpart in Geneva, see the Zurich-Geneva divide now and the potential for growth? “We cannot distinguish between the two,” he says. “There’s always been a parallel evolution in our main two offices, Zurich and Geneva. Traditionally, IP has been stronger in Zurich than Geneva, but we see more and more IP activity in our Geneva office. On the other hand, philanthropy has been traditionally very strong in Geneva because of the presence of international organisations, but we now see more and more activity in this field in our Zurich office. In short, we have very similar and complementary legal offerings in both sides of the country: some cases are international, others national or local. Our national footprint allows us to adapt and propose different teams on a case-by-case basis depending on our clients’ needs.”

At Walder Wyss, Niedermann says: “The fact that also other traditionally Zurich-focused firms are entering the Geneva market confirms our strategy. Our approach to gain market share in Geneva is being a bit more modern, more dynamic, providing a full-service approach, with all the experience, know-how, capacities and opportunities we have as a Swiss-wide operating firm. We believe that we can offer something which others cannot. We expect to grow in the French part of Switzerland and, in general, with clients where our ▶

Swiss footprint approach and our size make an impact. We can serve them in all language parts and all areas, which not many firms can."

One big Swiss player still serves the Geneva market via a team of around 25 French-speaking fee earners in its Zurich office. "Homburger is the only major firm left with just one office in Zurich," explains Gerhard. "We believe in our values: we have only one office, and barely no lateral hires. I know Geneva, I grew up in the French-speaking part of the country. In Geneva, even though almost all original Geneva firms have by now teamed-up with a Zurich-based firm and have been renamed accordingly, it's still a slightly different business; in the services for which our firm is the best, Geneva-based clients don't hesitate to use us."

Swiss strategy

So, what else is on the strategic agenda of Swiss law firms?

"There are some areas where we could still grow significantly – not, for example, capital markets, where our share is difficult to grow," says Reutter. "But in mid-market M&A, where you have many players, we can grow. The banking/insurance sector is still a bit underserved by us, in particular private banking. We will look to increase our market share particularly with the combination of litigation, because that would not only add to the quality of advice in critical situations, but also increases our credibility, particularly with banks when things go sour. We will work further on the international network and improve our national relationships."

Stupp summarises the Bär & Karrer strategy. "M&A will still play a very important role," he says. "Tax will remain important, also dispute resolution and internal investigations as well as many other practice areas. The importance of technology, in particular AI tools, will grow, but not replace the need for competent advisors.

❝ In almost every field, we expect to have more regulatory-related work

Florian Gunz Niedermann, Walder Wyss

"Criminal law often becomes part of an internal investigation and thus, white-collar crime becomes more important: the authorities want to see individuals being made responsible for misconduct, and use the criminal law against companies and individuals. Our data privacy and technology group will continue to grow. We need lawyers who understand the underlying technological challenges. They do not need to be, for example, software engineers, but they should understand the technology and see the legal ramifications and limitations – where technology hits the law."

Niedermann anticipates growth in the number of larger organisations becoming clients of Walder Wyss and a wider technology offering. "In almost every field, we expect to have more regulatory-related work," he says. "There will be growth in legal tech offerings, which are not charged on an hourly rate, but more based on tools for our clients which we customise. These are not always done by lawyers, but also IT guys, some with a legal background, who work on new products with a business plan to generate client income more independently from, but still related to, traditional legal work."

At Lenz, Philipp Fischer "rejoined our Geneva office as a partner in our banking and finance practice group in July," says Merkt. "He was with us for 10 years at the beginning of his career and we are glad to have him back with his team." He is a key element of Lenz's future strategy about which he is very confident. "We have promoted more female partners in recent years, he says. "The partnership is evolving well. Most importantly, we get on well together as one team."

Consistency, certainty and quality are his key benchmarks for Lenz. "We must remain who we are: dedicated to quality, delivering independent and pragmatic legal assistance and advice," he says. "In a period of uncertainty, clients want certainty and naturally turn to people they trust. Clients know who we are and that they can count on us delivering solution-oriented legal support, always acting in accordance with the highest professional and ethical standards and always putting the interests of our clients first." ●

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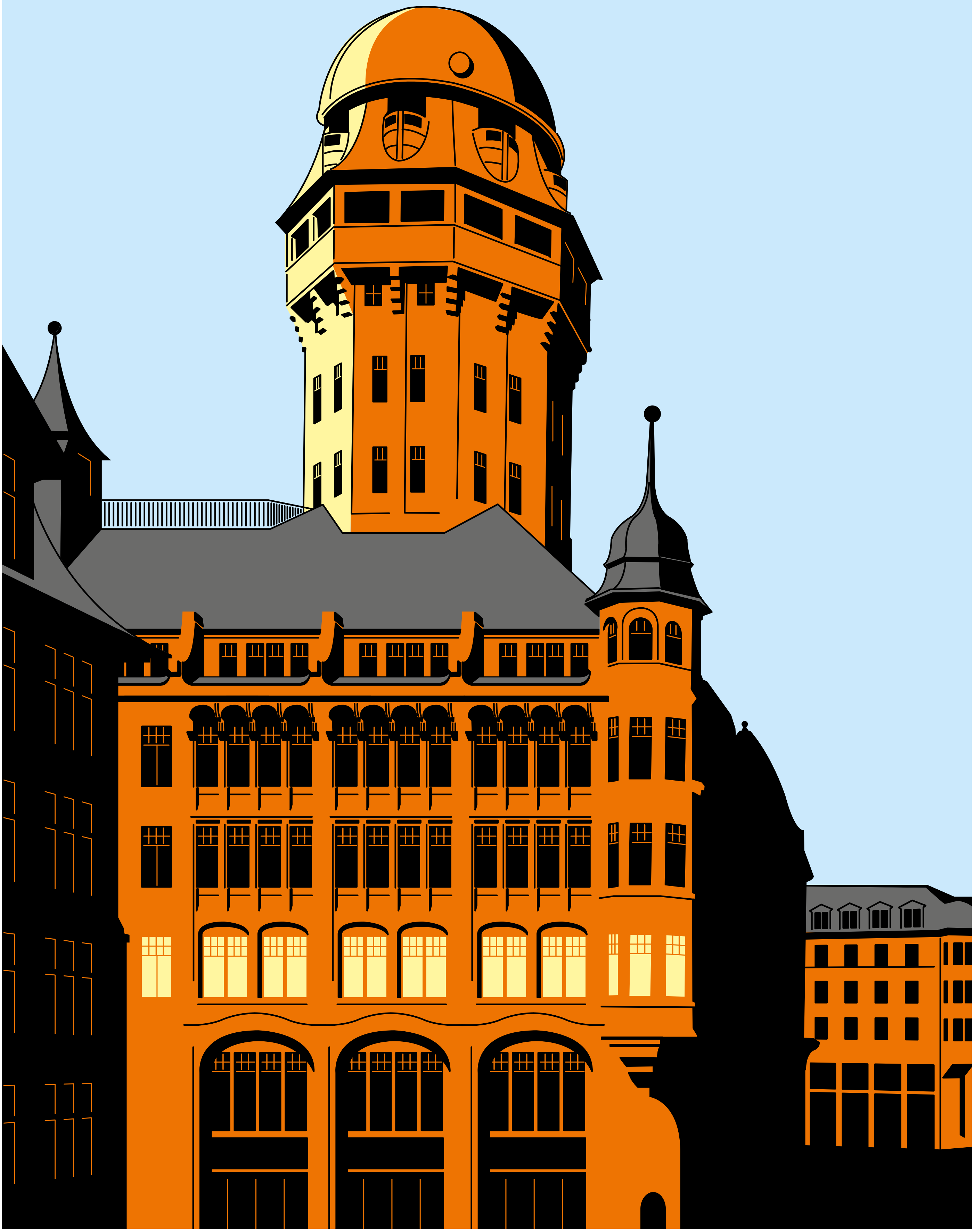

Culture matters:

How Swiss law firms shape and re-shape their culture to attract the best

By Dominic Carman

What is culture? In modern commercial parlance, the question is easily answered: it typically refers to the shared beliefs, customs, practices, social behaviour, and values of a group of people, such as lawyers working together in a law firm office. Derived from the Latin word *colere*, which means to cultivate, this historic meaning can also be applied directly to the management of Swiss law firms. Given Switzerland's deep roots in farming, family farms and sustainability, the concept of careful cultivation lies deep within the Swiss psyche. Managing partners in Geneva and Zurich may now be far removed from tending the soil, but as custodians of their respective firms, they and their fellow partners are busily engaged in cultivating legal talent that will sustain them in the future – and in doing so, they nourish and replenish each firm's distinctive culture.

Excellent vibes + football cups

So, how do they aim to shape that culture and how does that translate into attracting the best lawyers as the battle for talent continues?

Juerg Bloch, managing partner of Niederer Kraft and Frey (NKF), explains: "We're a firm with a long tradition, but very modern at the same time: very international, innovative, and committed to excellence. We really try to find the top students and transform them into our future partners. At NKF, we have flat hierarchies, so very early on, they get a lot of responsibility. If they work hard, they can have a great career. But we are not a sweatshop: what separates us is that it's a lot of fun to work here."

How does he monitor the working environment? "When I go through the office, the vibes are excellent," he says. "It's important for us that we have a safe, sound and good working environment: people like to come here and that translates into them showing up. We have a very high rate of office working – they could, if they wanted, stay at home and do home office work. But they choose to come in. Our young lawyers work on cutting edge cases that you see on the news. They work internationally – many of our cases involve foreign jurisdictions – alongside peers in top firms around the world.

They're really working in the Champions League for top clients on very important matters.

"There's also the sheer will to succeed and connect together to be the best firm that we can be," he says. "We believe that if you want to play in the Champions League, you have to train every day for the Champions League – and every day you have to deliver. Young people here deliver every day at the top level."

Bloch alludes to the annual football tournament between law firms in Switzerland. "We're very proud that NKF has won it the most times," he says. "It gets really competitive." Picking up on the theme, Benoît Merkt, the managing partner of Lenz & Staehelin, adds: "We encourage team spirit and favour opportunities for our associates and trainees to connect, not only by working together on cases, but also by proposing a mix of social, cultural and sport activities. In June, our team won the law firm soccer competition in Geneva, the "Calvinus Cup" – a nice opportunity each year to play and foster friendly relationships with other Swiss law firms and colleagues."

Cheese + diversity

Another example of building cohesion came at the end of the COVID pandemic when all the firm's Geneva and Zurich partners visited a cheese factory in Emmental to make a 100kg cheese together: the official Lenz & Staehelin cheese was later cut into pieces and given to every employee.

In the recruitment of young lawyers, Merkt says: "We try to identify new talent quickly. We were one of the first Swiss firms to have a summer trainee programme. Last year, we also had a winter trainee programme for the first time. It proved to be a very successful experience for us and for our winter trainees."

❝ It's important for us that we have a safe, sound and good working environment: people like to come here and that translates into them showing up

Juerg Bloch, managing partner, Niederer Kraft and Frey

For Walder Wyss, there is an additional challenge: creating a consistent culture across the firm's six offices in Switzerland. This is further compounded by the many lateral hires which the firm has made as part of an ambitious expansion over recent years. The firm's managing partner, Florian Gunz Niedermann, explains how it's done.

"There's a mix of factors," he says. "It starts with a willingness to have some diversity, with people joining from different backgrounds, who have diverse experiences and views that they bring with them. Once you accept that, the way to get consistency is, in my view, common values and fairness, financial integration and collaboration."

Financial compensation is another important element in Walder Wyss' collegiality. "Our firm has a strong lockstep element," he explains, "so it doesn't matter where a mandate is handled: it's supposed to be handled in the right place with the right people, who are encouraged to collaborate because they don't have any incentive not to."

And winning the battle for talent? "The people we add are mostly people we know already, particularly in Geneva," he says. "Many of our Geneva and Lausanne partners and employees have already studied or worked together during their career before joining Walder Wyss. It's all about personality: to get to personality due diligence in a lateral discussion situation is difficult, unless you have people who know the candidates already: you can't ask another firm what someone is like, but you need due diligence before deciding to take to someone onboard. People with the right mindset also easily integrate."

Green to please

Office infrastructure can be a motivating force, according to Daniel Hayek, managing partner of Prager Dreifuss. "We ▶


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renovated our main building to become more attractive to young people: they say, you have to be green and have better energy efficiency," he says. "We also organise events at universities and invite students and very young lawyers to our firm – it works very well." He suggests that many young lawyers don't want to go to big firms "because they realise that they probably won't learn too much there in the first few years."

The Prager Dreifuss culture, Hayek suggests, is "unpretentious, no hierarchies, and friendly interactions with younger lawyers: their initiatives are welcome. If they want to do something different, or have an acquisition project for themselves, they're encouraged to do so. Each lawyer has their own marketing budget."

At Schellenberg Wittmer, banking and finance partner Caroline Clemetson became the first woman to reach the management committee at a big Swiss law firm in 2019. Now, she focuses on retaining good people who may not want to become partner. "In Swiss firms, the general principle was always up or out," she says. "In recent years, we've seen more counsels being appointed and we have more counsels than before. It's a trend that creates more flexibility in firms: not everybody wants to become a partner."

Like every major Swiss firm, Clemetson says that Schellenberg always wants to have the best people. "That's why we are active in the universities, recruit summer trainees and the best trainee lawyers in order to push them internally," she says. "We are also attractive to lawyers that have been trained in other very good law firms." Clemetson notes that "when you have great cases, it's easier to recruit. Everybody sees the war for talent. Some younger lawyers don't necessarily want to work in firms anymore, or at least not for their entire lives, which sometimes makes recruitment more challenging. But we manage to hire many talented people."

" It's easier to have a bigger pool than hiring lateral lawyers. Having our own pipeline removes pressure to find lawyers externally

Annette Weber, capital markets and M&A partner, Advestra

Young + informal

At Advestra, which has hired many young lawyers as part of its growth strategy, the recruitment process has become easier since the firm was founded nearly four years ago, according to capital markets and M&A partner Annette Weber. "We've been in the market for several years, so people know us," she says. "That helps. We now have the first generation of lawyers who were trained here. It's easier to have a bigger pool than hiring lateral lawyers. Having our own pipeline removes pressure to find lawyers externally."

The firm is notably more youthful and more informal than some of its older, long-established peers. "We now have a proven track record: people can see what deals we have done, which is no different to the quality in big law firms," says Weber. "We have mostly young lawyers and young partners, who drive the firm in a different way than established firms. In particular for young lawyers, that is more attractive. In addition, we can credibly show that we have more room for additional partners than some other firms."

So, how do the different cultural offerings of longstanding corporate and M&A rivals, Homburger and Bär & Karrer, compare?

"Clients are sophisticated, they differentiate – and since COVID, physical proximity is less in demand," says Homburger corporate partner, Frank Gerhard. "But sure, we cannot be everybody's darling, and we will continue to focus on what we do best – we do that in one office, our culture, our DNA is so important."

All the top firms are looking for the same talent, confirms Gerhard. "There is however a huge portion of the total addressable market, the TAM in startup language, that does not apply to firms like ours: the generational issue of how much ▶

you want to work and no student loans to repay," he says.

"This is different from the US, for example. But there's still a sufficient population to nourish the leading Swiss firms. What do 25-year-olds want? They tell me: we want to learn on the most complex cases and transactions, and from the best. That means no compromise on our partners. We're almost the only fully integrated firm left to have only equity partners. The non-equity partner step – at some firms, we often see a compromise on quality or commitment – but yes it works well as a retention tool. Let's see how things evolve.

"We have to have very good continuing education programmes within the firm. But it's not only programmes, but also learning by doing and still a bit the companionage system from the middle-ages – it's known about in the market if you go to Homburger. Also, we have great office space, and talented people want to be with cool people. Finally, in technology, we believe we're ahead of the pack. This makes our firm very attractive for young talent. But we'll grow less in terms of headcount. If you compare the numbers this year with last year, we're actually flat.

Bauchgefuhl: gut instinct

"When I interview new talent, I ask: What are the relevant criteria for you? And – ceteribus paribus (other things being equal) – they finally show me their belly, as we say in German, Bauchgefuhl (gut instinct). People from Geneva, Lausanne, Fribourg, Neuchâtel, and the canton of Valais, come here, because they know, if you really want to work on the most complex cases and transactions, if you're French speaking, you need to go to Zurich. It's tough for them, language, culture, but they take on the challenge."

> *❝ What do 25-year-olds want? They tell me: we want to learn on the most complex cases and transactions, and from the best. That means no compromise on our partners*
>
> ***Frank Gerhard, corporate partner, Homburger***

The legal market is much more stable than many other European countries and there is less mobility between firms, compared to the UK and the US, where there's a lot of traffic, concludes Eric Stupp, corporate partner at Bär & Karrer.

"Nevertheless, there's far more mobility than there used to be," he says. "Our firm aims to keep its ability to adapt to a changing environment. That's been in the DNA of Bär & Karrer since its formation. Once our society is run by machines, that's when law firms start dying. As long as you have human beings to take decisions, clients will need an intermediary, someone to structure and translate the goals in compliance with applicable laws and being able to explain the plan of clients to authorities, judges and other stakeholders."

Stupp adds: "When interviewees tell me that, for example, they have an offer from another top tier law firm, I say: it's an excellent firm, you would do nothing wrong if you go to that firm. But the culture is different, and you have to decide what you're looking for.

"We believe in an entrepreneurial approach. Why? Everyone sees that things are changing extremely quickly: the market is changing, client demands are changing, and technology/AI will have a profound impact on the consultancy industry – whether it's lawyers or management consultants. Because we are flexible, and not everything is put into a pre-defined box, we hope that we're in a better position to adapt faster."

Gerhard concludes: "In the 16th and 17th centuries, we were basically farmers: we never had privileges, we were always hard and creative workers. In bad weather, you had to find solutions – that remains in the DNA of Swiss people. Although the country is becoming much more diverse, the DNA is still there. ●

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