



## **‘We’ve learnt a lot,’ New Quadrant Partners on the firm’s 5th anniversary**

Top 5 Boutique Law Firm New Quadrant Partners (NQP) celebrates its fifth anniversary this year. The firm was created by a breakaway group of private client lawyers from Payne Hicks Beach.

At the time it was one of a few boutique firms that were spun out of larger law firms, such as Maurice Turnor Gardner and Berkeley Law. Many within the industry expected that this was the start of a wider trend and many more teams would follow these three firms.

However, a spate of boutiques did not materialise, despite one recent launch. Indeed, it can be argued the wind has blown in the other direction with high levels of merger and acquisition activities in the sector leading to larger private client firms as the latest trend.

Louise Stoten, senior partner and a founder of NQP, believes that timing may have been one reason why other boutiques were not formed. “Looking back we have in effect been through five years of recession,” she told eprivateclient. “To many it probably did not seem like the best time to take a risk and set up your own business.”

Despite the difficult times, NQP has survived and is sticking to the boutique model.

Another trend in the wider sector has been an expanding of the specialism housed within private client divisions at law firms. Many now have property, immigration, family teams sitting in the private client division. Ms Stoten says this is not a move that NQP will make.

“We are often approached by headhunters with candidates for these associated private client services,” she said. “But we are clear that we will not add these services. Instead we work with the best external providers that we know.”

Although the firm has remained focused on tax and trusts it has expanded the range of expertise it has within these fields.

For example, one of its recent partner hires Ray McCann, joined the firm from Pinsent Masons and before this was a senior HMRC inspector until 2006.

“In the modern world the majority of very wealthy individuals will at some point get an enquiry of some sort from HMRC,” Ms Camp said. “Having Ray on board is a great

advantage as he has an inside view on how HMRC see things. This can also be helpful when creating structures to understand how HMRC may view them.”

In addition, the firm hired Simon Newsham as a partner from Winckworth Sherwood (see [eprivateclient 08/06/2015](#)). Ms Camp said this hire added VAT and corporate tax expertise. This does not dilute the firm’s focus on private client, but adds to the tax expertise serving wealthy entrepreneurs. In addition, Ms Camp said that whilst the firm still uses trusts where appropriate, it uses corporate structures “as much as trusts.”

“We recently met with a landed estate that was a potential new client,” Ms Stoten said. “It had been served by a very traditional private client firm and all the assets were held in trusts. As a result, it was paying 45 percent tax on everything. A new finance director had realised that if it was to be run as a business and make a profit this needed to change. In such cases we would consider advising the use of corporate structures where needed. This would reduce the tax bill considerably.”

The hiring process for these individuals took on the lesson learnt over the past five years, the duo said. At times it has not been a smooth ride for the firm and it has suffered from staff departures, including partners. Ms Stoten said that she is now more rigorous in ensuring that the new hires are aware of what is expected of them and how NQP differs from being part of a larger firm. One of these aspects is the need to think like an entrepreneur and become involved with the business of running the firm. This is something that attracted the third of the recent partner hires, Robert Smeath who was previously at Clarke Wilmott, she added.

Commercial knowledge and an understanding of how to run a business is important for all members of staff. The partners share the annual accounts and the training scheme for new lawyers includes understanding the commercial aspects of a law firm.

Given the focus on ‘pure’ private client work focus of the firm, it has built a network of contacts at other law firms as well as other professions such as accountants. This ability to refer outside the firm is an advantage according to Ms Camp. “In a large full service law firm there is a requirement, or a strong incentive, to refer work to internally,” she said. “This can be a blinkered approach and not necessarily lead to finding the best lawyer for the specific needs of a client. It has been an interesting and enjoyable experience to get a wider view of the legal profession and build relationship with fellow professionals at other firms.”

The duo laugh as they admit they have made mistakes over the past five years, but say they would not change anything.

“I have no regrets - we have been able to learn from our mistakes,” Ms Stoten said. “We did not realise how important it was going to be to have staff and partners that understood the realities of running a business but now we do. We had some radical ideas when we started – we even seriously considered getting rid of chargeable hours targets. However, we have learnt from experience and are now in a very strong position and looking forward to the next five years and beyond.”

*(This is from an article published by [eprivateclient](#) 28 September 2015)*