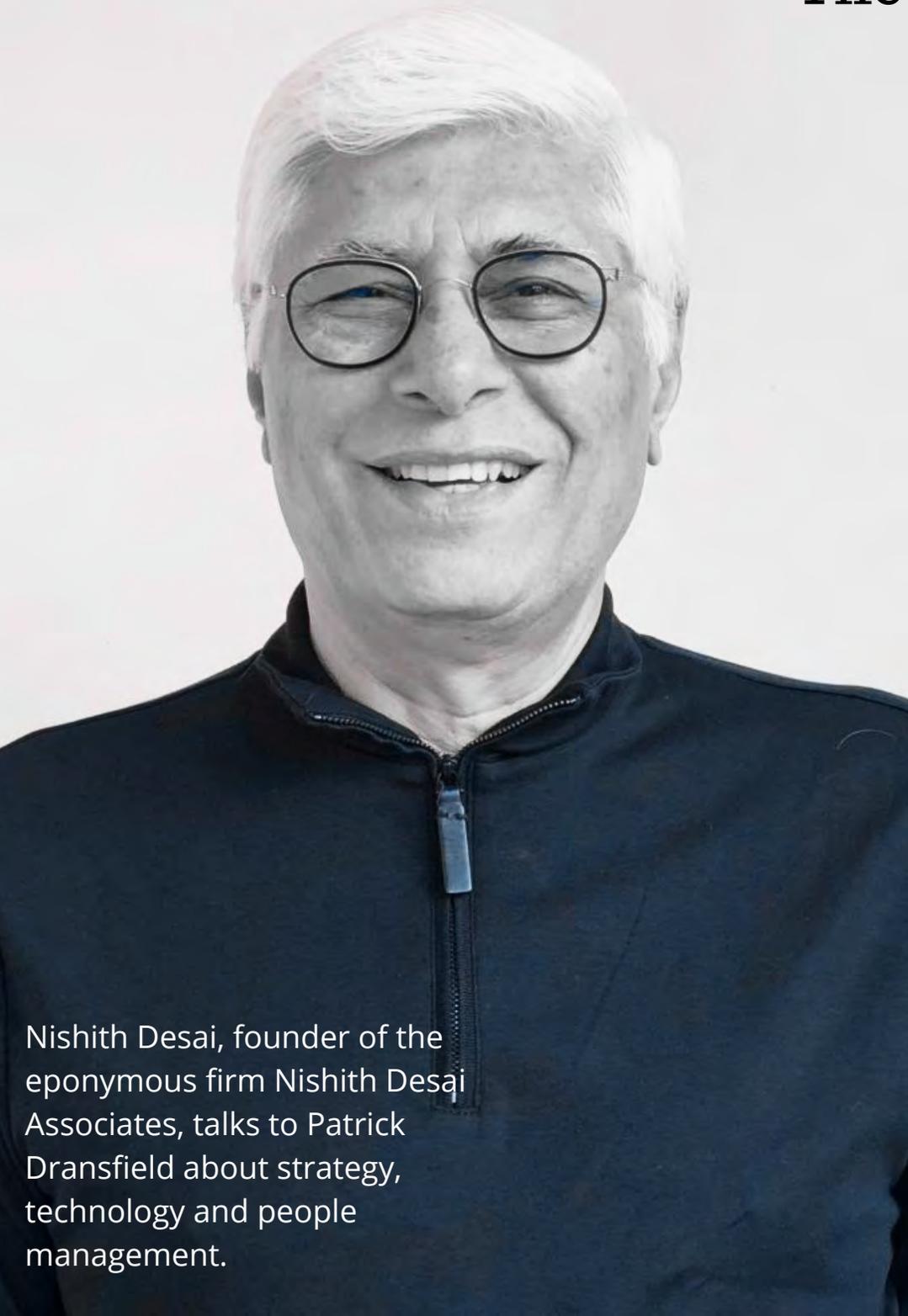


The Thing About...

NISHITH DESAI



Nishith Desai, founder of the eponymous firm Nishith Desai Associates, talks to Patrick Dransfield about strategy, technology and people management.

Patrick: You created 'Nishith Desai Associates' as a 'green field'. Please share with us the journey from its origins in 1984 to the present day. Have your early ambitions for the firm been realized already?

Nishith: Obviously, the journey from 1980s to 2020 is a long one, although to me it looks like yesterday! Sometime in 1984, I stumbled upon an assignment from Dupont to work on a 'corporate philosophy and strategy' study – quite an unusual thing for a lawyer. It involved primary and secondary research to understand the philosophies pursued by various multinationals in India and their consequences. It taught me a lot. So, when I decided to set up a law firm, I decided not to be in a rush. Instead, I chose to study some 100 professional services firms over a period of the next four years.

I studied their philosophies, strategies, organizational behaviour and so on. I chose the elements that were most suited to my needs. From this emerged a vision and a thinking that a law firm need not be the 'biggest' to create an impact. At every size of a firm, it can make a difference. It's about positioning and not size. In the process, I developed a vision to create a 'Nano Firm' - a firm that is small but thinks 'Big' and does 'Big', using technology, research and a culture of learning*. In the profession it's all about 'brain count', not the head count. It's about technology and organizational behaviour. I have learned over the years that success is all about 'focus'.

In terms of positioning, I decided to set up the 'Firm of the Future' and developed a research and innovation-based approach: Anticipate, Prepare and Deliver. This meant, think of the future developments in technology, the new business models, social, political and economic spheres. Every such development brings newer legal, tax or ethical issues. Researching into this helped

us to prepare for 'next generation' issues and helped clients deal with them at 'the speed of thought'.

As a shot in the arm, India opened up its economy in 1991, and suddenly all new age issues began to hit the road. All the work I had done in the previous decade internationally came in handy.

In hindsight I must say, in many ways my vision of the 1990s has come to fruition. Some planned, some unplanned and fuzzy logic helped me. As they say, business is the highest form of art!

Patrick: Not all law firms have the privilege of tearing up the playbook and starting from scratch again. What parts of your strategic thinking could apply to other 'legacy' law firms, do you think?

Nishith: Legacy law firms' biggest strength is their longstanding value systems without which they would not have survived for so long. Though I feel that they often lack the courage to adopt to new ideas. For example, breaking off the hierarchy or sending some existing practices to 'the dogs' and taking the risk of truly investing in the future. That seems to be missing from many firms nowadays.

There was a time when all firms aspired to be the biggest and full service - like the super market. It did not seem to matter whether or not there was value creation in that model. That led to culture wars and turned law firms from professional to business enterprises. They began to think like 'Big 4' accounting firms and investment bankers. There needs to be a fundamental shift back in the truth that the society has reposed trust in and accorded privileges to lawyers as 'officers of the court', not investment bankers. Indeed, there are exceptions, so please note I am not generalising.

Patrick: Nishith Desai Associates has become closely associated with legal innovation and the development of technology related to legal practice. The crowning glory is the dedicated legal research facility called 'Imaginarium Aligunjan'. Please share with us your thoughts relating to technology, innovation and the law in the context of the development and results so far of this dedicated legal research facility.

Nishith: As a new generation law firm, we would not have become an India Centric global law firm without differentiating ourselves. I wanted to create a law firm of the future - that had passion to change the world for the better. I was not obsessed by competition but by co-opetition, technology, research & academics and innovation. Technology is a greatest social leveler - it allows the smallest player to compete with the biggest; and the newest, with the oldest. When traditional firms took pride in looking at their past and focusing on present cash flows, I thought of focusing on the future and creating new value propositions.

After about 20 successful years, I thought of institutionalising some of my knowledge. I thought the power of thinking and human imagination are enormous and highly motivating. Hence, I decided to set up a blue sky thinking and research campus called 'Imaginarium AliGunjan' (<https://aligunjan.com/Imaginarium-Aligunjan.pdf>) which is located about half an hour from Mumbai in a place called Alibaug. I also decided to showcase latest technologies. The facility is fully IOT driven and among the most high tech in India so that people's mindset opens up to the next level. The facility is 'purpose driven' and not just confined to law. Innovations happen when you look beyond your own industry. The idea is to bring people from different

disciplines together and think big, think creatively and change the world.

We do not rent out the facility but allow it to be used free by those who want to do high level thinking and undertake breakthrough innovation. It's a 'private property for public good'. We have had Nobel prize winners and Oscar nominees, well known economists and medical professionals come and brainstorm. It's an apolitical and areligious pantheon of a sort.

We are fortunate to have been recognised as 'Asia's Most Innovative Law Firm' by the 'FT Innovative Lawyers' report and ranked among the top innovative lawyers for five consecutive years. We have done a lot of research in the area of blockchain and crypto-currencies, autonomous vehicles, underwater drones and flying cars, smart cities, convergence of mobility, AI and Robotics, AR and VR, medical devices, among others. We are working on the future impact of law on sovereignty, parliament, poverty, wars and autonomous weapons.

Patrick: One of the areas that many managing partners struggle with presently is Client Development. Please share with us your approach to old clients and your approach to new clients. How is the firm doing as a whole in the post-Covid 19 'New Dynamic'?

Nishith: I believe our strategy should be such that we don't have to chase the client, but clients seek to chase us! Otherwise, we are not a strategic player but only a tactical one and a commodity practitioner. Here are some old principles, and some new. For example, management theory suggests that 80% of the work comes from existing clients. These days clients want us to be future-ready and solution-oriented. Long ago I learned a lesson from a book called 'The Discipline of the Market Leaders'.

It says, to be a market leader you need to only do two things: choose your customer and narrow your focus. You must know what kind of customer (client) you want. Once done, then narrow your focus on all the needs of that client and be prepared.

Another thing that we did was to make all our marketing knowledge-driven and not advertisement- oriented. ROI from advertisements for professions is said to be only 2%. Last year as soon as lockdown started, we launched a '[Client Continuing Education Program](#)' (CCEP) and conducted about 300 webinars in the first three months. These sessions covered a compelling array of subjects and offered learning opportunities and insights to our clients and core constituencies during a time of flux. One can view them on our website. We had one on one 'No agenda' meetings with the CEOs and decision makers to understand their business dynamics and guide them on to how to meet the challenges of Covid-19 and prepare for the times to come. Luckily, during lockdown all of them had good relaxed time. We aimed to do one meeting a day with CEOs. Although we could not obviously do so, we ended up doing many and strengthened our relationships.

2021 is likely to be the best year for us amongst the last 30 years. The initiatives we took in 2020 in terms of CCEPs, CEO meetings, researching on new areas really helped us.

Patrick: A lot of ink has been spilled relating to generation issues and management. How does Nishith Desai Associates provide 'purpose' for all stakeholders within the firm, from the Generation Z youngest recruits (1997-2012) to Baby Boomer (1946-64) senior management?

Nishith: Our objective is very clear as far as hiring is concerned. We want to create 'a new generation of socially conscious

lawyers'. The firm is driven by a purpose 'to change the world for the better- together'. Our experience is Generation Z is more interested in 'purpose' than just the compensation. They want holistic growth not just money. They look for happiness in the work they are doing.

Similarly, we generally focus on the clients who have a potential to be disruptive, to think without borders and to constantly reinvent themselves. As is said, 'you are known by the company you keep', so client selection is an important part of the game. It takes time to build clientele but once done, it's fulfilling, it's fun.

Our firm has a culture based on happiness, competency and 'freedom with responsibility and accountability' and an organization model that is flat, inclusive, trust-based, non-hierarchical and title-agnostic. We have just two broad levels: members and leaders. Every professional has full freedom to become visible experts and develop their careers to become thought and impact leaders in the profession and society. All our people, of all generations, are bound by that common purpose and passion and hence find infinite opportunities to lead and forge exceptional professional paths – with the firm as their platform for doing so. The firm and its professionals co-create their unique career trajectories with their chosen pace and approach.

Interestingly, while we steered this course intuitively and went contrary to the lock-step, linear, hierarchical partnership structure, experts predict the need for such adaptive, networked, skill-centric workplace models. Futurists such as April Rinne indicate that the fast-paced, productivity-driven, hierarchical career path will be redundant – in the hybrid workplace, multiple portfolios of skillsets and career growth will become the norm.

Patrick: Who is / was your mentor

Nishith: For my professional expertise in international tax and globalization – the late Mr. Nani Palkhivala a renowned litigator and Mr. Surendra Butala with whom I spent my formative years in the profession. For firm management, I looked up to McKinsey, Wachtel Lipton and Silicon Valley start-ups. For social consciousness, Nobel laureate Prof. Mohd. Yunus and for my globalised mindset and pulling me out from narrow nationalism during my childhood, Vinoba Bhave, a true Gandhian.

Patrick: What is your Hinterland?

Nishith: To be a role model for the new generation....

PROFILE: Nishith Desai

Nishith Desai is the founder of the research & strategy driven international law firm, Nishith Desai Associates (www.nishithdesai.com) ranked amongst the Asia-Pacific's Most Innovative Law Firms by Financial Times.

He is regarded as the father of globalisation, international tax ([Liber Amicorum](#)) and Asset Management Practices in India.

He helped Mauritius, India and other countries develop their International Financial Services Centers.

Nishith's interest span a wide spectrum of law, society and ethics. Soon after India opened up its economy to the outside world in 1991, Nishith established the first five India Focused Funds and is well renowned for his pioneering efforts in establishing the legal and tax roots for Asset Managers in India back in 1990s He played a seminal role in structuring several private equity funds in addition to structuring several domestic venture capital funds. The

firm has now worked for over 1400 funds across all classes of assets.

With a keen interest in technology, Nishith ensured that NDA remain ahead of the curve by actively driving legal and ethical research into emerging areas such as block chain, autonomous vehicles, flying cars, IOT, AI & Robotics, medical devices, genetic engineering amongst others.

Combining his love for research with his inherent trait of innovative thinking, Nishith has driven the conceptualization and creation of Imaginarium Aligunjan (<https://aligunjan.com/>) a state-of-the-art facility that stands as an ode to 'Blue Sky Thinking,' near Mumbai.

Nishith is also passionate about supporting social good, and under his guidance NDA has remained at the forefront of social sector in India. NDA is one of the founding members of Impact Investment Council in India. He has worked closely with Nobel Laureate Prof Yunus on social issues and personally received the Prof. Mohd. Yunus 'Social Business Pioneer of India' in 2010.