

Team of corporate solicitors is strong and still growing

The 17-strong corporate commercial team at Paris Smith is now one of the largest in the area. Sue Hughes of The Business Magazine spoke to four partners about the expansion and how they view the region's strengths

With the addition of four new partners this year, Southampton-based Paris Smith's corporate and commercial department ranks as one of the largest dedicated teams of corporate solicitors on the south coast. Complementing the firm's strong commercial property and litigation expertise, the larger team adds to the firm's offering for a client base which incorporates all the main established business sectors.

The recruitment of Michael Moore (corporate finance), Crispin Dick (commercial/contracts), Rachel Burnett (IT/IP) and Mike Pavitt (insolvency) has combined City expertise with established regional professionals.

"We're still undertaking corporate finance deals across a broad range of sectors and different sizes of companies," said Moore. "It's just not the same volume as three or four years ago, but the Solent region is relatively robust and our owner managed business client base in particular is ensuring we are still seeing a steady flow of deal activity. Some of our larger clients are well funded and are actively seeking acquisition opportunities. Our banking practice is doing very well, as banks are busy refinancing existing customers and in some cases actively seeking to win business away from competitors."

Pavitt has noted fewer corporate insolvencies in the region compared to the national trend, but they are still rising: "Looking at Q3, we're 10% up on companies with critical problems compared to 2010, but pleasingly clients are getting in touch to seek pre-emptive advice. Construction, retail, manufacturing and the professional services sector are all especially vulnerable in a recession because they tend to be cash-reliant and the Christmas trading period will be crunch time for some. More positively, increasing pressure on failing companies, should mean that core business value will start recirculating soon."

Remaining positive about the IT sector, which may be a key economic driver post-recession, Burnett is seeing plenty of activity, especially amongst SMEs. "Many are growing and, as they do, using IT more in a more innovative way," she added. "Outsourcing as a trend has been rising for a number of years, whilst many firms are using IT for cost cutting and to modernise, such as the financial services sector, where so much work is undertaken online to deliver various services to end users. Media is another growth area."

A published author of books on topics including IT law for managers, IT contracts, outsourcing from a legal perspective and numerous guides on IT law for the Institute of Chartered Accountants, Burnett's next publication will cover social media, highly apt at a time when companies need to understand, implement or update their policies on data protection and IT usage.

Pavitt, who is particularly well versed in the use of social media for marketing, continued: "Twitter, LinkedIn, Facebook – all offer a cost effective shop window, but the material must be current, with the blogs up to date and a clear line established for organisations between work purposes incorporating information and personal usage."

The partners felt that some positive changes have been made to reduce the burden of regulatory compliance for businesses, but smaller businesses in particular continue to feel somewhat wrapped in red tape, especially in the areas of employment law, health and safety and environmental regulations. Moore used the example of the Companies Act 2006, which he noted had on the whole simplified various matters for smaller businesses.

Red tape is reflected in the insolvency side of work too, but insolvencies can be posted online. "There is a low take up for this service," said Pavitt, "but I think the government has sent out a mixed message; it wants to cut red tape, but is inconsistent in its approach. There is a risk that in 2012 they will move to over-regulate pre-packaged administrations and this may slow down recovery."

"One new regulation comes in as another goes out," said Dick, "and at a macro level there are regulations on banks to try to avoid the crises which occurred, but these could lead to the end of free banking and a higher cost of borrowing."

With the lure of markets beyond Europe, investment funding hoarded during the recession becoming available and IT systems in place to capitalise on fresh opportunities, all the partners feel that as confidence improves, there may well be a better overall platform for sustainable growth, rather than historic overreaching.

Looking at growth, Paris Smith has expert representation on the board of Solent Synergy, a not-for-profit company set up to help innovative businesses grow and succeed in the Solent region. Dick will replace Douglas Cooper as a board member on his retirement. Solent Synergy brings together higher education and the professional community to help get local businesses off the ground, assisting with mentoring, finance, professional advice and funding sources. Burnett will also be involved with its work on innovation and healthcare.

Partner Sean Davies, who leads the corporate commercial team, concluded: "Our aim as a greatly expanded department is to continue to be a natural choice for business owners, generators and managers in the region who are seeking legal input on the operation, structure, growth or reorganisation of their businesses."



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