

# Local talent

## Ukraine

### Asters (formerly Shevchenko Didkovskiy & Partners)

**While large global firms can offer international experience when dealing in a new jurisdiction, sometimes local knowledge is even more invaluable, as Asters' phenomenal success has shown**

The emerging Eastern European states are providing fertile ground for the legal profession. While many of the ubiquitous international firms have extended their vine-like networks of regional offices into the area, there are some local saplings that have taken root and grown from strength to strength.

Founded in 1995 by a team of young Ukrainian lawyers with international experience, Asters (which has recently changed its name from Shevchenko Didkovskiy & Partners) is one such example. From a handful of staff at its inception, the firm now boasts 60 lawyers and an overall payroll of around 120. Not only that but, despite its relatively young age, Asters is now ranked among the very top performers in the market, and is head of the class in M&A among both international and local firms.

The foundation on which this success has been built is the firm's decision to focus on assisting foreign clients in navigating the Byzantine labyrinth of the Ukrainian legal system, while maintaining service standards that such clients would be accustomed to.

"Our distinctive feature when we were established was to have a Western concept of service within a framework of local lawyers," explains senior partner Armen Khachaturyan. "To do this, founding partner Igor

Shevchenko accumulated the finest local resources and was instrumental in fine-tuning the way we performed our services. Both Mr Shevchenko and I worked and studied in the United States, so we know how this Western style of service needs to be delivered."

Khachaturyan goes on to point out that this service is not just about the quality of the documents that are worked on by the firm, but also involves the ability to understand the client's needs fully. This encompasses both expectations in terms of personal care and the professional outcome sought from the proceedings.

This viewpoint is backed by the firm's co-founder Oleksiy Didkovskiy, who recently assumed the mantle of managing partner from Shevchenko. (Shevchenko himself has decided to leave the legal profession and focus on the management of the Forum of Young Ukrainian Leaders – a network of socially responsible individuals and organizations aimed at rebuilding Ukrainian society on a bedrock of "social values", which he founded in 2006.)

#### Taking it personally

"I think we try to perceive and consider clients' requests and the assignments they set us very personally," he says. "In other words, it's not simply them coming to us and saying, 'We want to buy this bank' or 'We have this conflict and we want to take it to court for consideration.' While some lawyers in a variety of jurisdictions might treat these as everyday requests and deal with them by following everyday, formal lines, from our side we consider every request very deeply, as if it were our own conflict or our own problem, and as if our business also depended on the outcome."

From a customer care point of view, the idea of considering the personal needs of the client is not terribly common in Ukrainian legal circles, it seems.

"The mentality of Ukrainian clients is different," says Khachaturyan. "Sometimes they are more demanding and sometimes they do not fully understand the concepts involved in this sort of client service. That said, over 95% of our clients are from abroad – either major foreign corporations or law firms, through which we receive requests from clients."



The opportunity to work closely with these multinational corporations has been of great value to Asters and has played a key role in the firm's development. Indeed, Khachatryan, who worked for seven years in the United States and attained his LLM at Yale, thinks the journey may not have been possible at all without these relationships or the international experience of its partners.

"While I and some of the other partners have international experience, the contact with international firms definitely helps," he says. "There is no doubt that a firm like ours, which wants to be a window to this jurisdiction for foreign clients, could not provide the requisite level of service without an understanding of cross-border transactions. If you were locally educated and had only practised locally, then it just wouldn't be possible. You have to have either educational exposure or practical exposure in association with foreign lawyers.

"One of our advantages is that we receive work from the major law firms in New York, London, Prague and the other European capitals. Such is the set-up in Ukraine that very few have offices here. We've worked with a few and have formed very close working units, almost like a single team – both personally and as a team of lawyers, we are very comfortable together."

While a certain level of experience and expertise is required to form these sorts of relationships and, without doubt, the firm brings its own strengths to the table, Asters is also aware that there are still a number of lessons to be learned from the larger Western firms – particularly for a firm that styles its client care on their model.

#### Learning lessons

"The legal market is still underdeveloped in Ukraine and there is still not a separate focus on things like client care," says Didkovskiy. "Therefore, we understand how important it is, in terms of business development and in terms of our existing clients, that we not just serve our clients, but also take care of them. Since we work with a lot of Western firms, we always note their attitudes towards client care. We observe what they do, analyze it, and then afterwards we share our views on it with our colleagues at all levels."

This idea of cherry-picking best practices from clients is an extremely effective one, particularly in a youthful market such as Ukraine, where there is neither a wealth of longstanding corporate institutions nor a preponderance of dynamic business think-tanks from which to draw experience and inspiration. And it's not just in the area of client care that the firm has successfully employed this tactic.

"One of my largest clients is telecommunications company Telenor," says Didkovskiy. "I have been working with them for over 10 years and I learned that they try and set up the most convenient solutions for their employees. They do this by creating virtual workplaces, with laptops and so forth, so it makes their working time more flexible. You don't have to sit in the office just so everyone can see you're there working; I think that sort of thinking is already outdated. Now, I understand that we can't do that exactly, but we can absorb and use the same technology. We are implementing something similar and it's been very well received and has given our lawyers a little more spare time."

In fact, the proliferation of technologies at the disposal of Asters' lawyers has mirrored the rapid growth of the firm in many respects. In the firm's infancy, very simple devices were all that was available, as budgets could stretch no further. Today, however, Asters' IT arsenal is on a par with those of the most advanced firms.

"We like to think we are right up there, with some of the best technology available on the market," claims

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Khachaturyan. "We introduced the mobile office about a year ago and all the attorneys have fully mobile communications, just like anywhere in the civilized world. There's no doubt this is a client care matter. To be able to reach your attorney at all times is a valuable asset in a competitive market."

Like many of its Eastern European neighbours, Ukraine is an aggressive marketplace and, although Asters is a regular contributor to legal journals and its lawyers have frequent public speaking engagements, Didkovskiy sees the firm's extra emphasis on client care as the best form of marketing at its disposal.

"We understand that the market is becoming more and more competitive," he says. "Publishing is all well and good, and we will continue to do it, but it is not our primary focus now. I think the best way of marketing a law firm is through personal contacts with clients and their representatives. We've tried many different types of promotion, with business development strategies and so forth, but have decided there's no better way than the personal approach, so we set aside as much time as possible for networking. We've also discovered – and this will come as no surprise, given what's already been said – that working closely with multinationals is a very good source of clients."

Although the firm built its reputation on servicing foreign clients, Didkovskiy is aware that the native

Ukrainian business sector is now maturing and Asters is thus keeping a hawkish eye on its domestic portfolio.

"Unfortunately, in the early days of the market the Ukrainian clients were not regarded too highly," he admits. "It was seen as far more important to have the international business. But now they are developing and growing. They are starting to be more sophisticated and are beginning to understand the need for legal advice. So we are now looking more closely at our Ukrainian client database, just to see if we can raise our profile there. This is definitely one of the more interesting developments this year and I think it will evolve even further in the course of the next few years."

#### Changing landscape

That the Ukrainian marketplace is changing rapidly comes as no surprise to Khachaturyan, who noticed a transformation of the legal landscape when he returned from his spell in the United States. He is also keenly aware that this kaleidoscopic market is far from stable and this is where the firm's local knowledge becomes invaluable to the client.

"I recall the development of the market happening before my eyes," he says. "I left my practice in Ukraine in 1991 to go to the States and when I came back in 1998 all of the Soviet-style laws had been replaced – albeit gradually – by new, independent Ukrainian laws.

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“This process wasn’t as consistent and smooth as everyone would have liked, but the progress is apparent and indubitable. The challenge that still exists today, which isn’t true of other Eastern European jurisdictions, is the conflict between the Civil Code and the Commercial Code. They overlap in many areas, creating a lot of problems, and there are frequent disputes between the legislators and the academics. But it’s a real challenge and it’s something that makes the profession exciting.

“A technical knowledge of the local law is vital here. We position ourselves as a sophisticated law firm, one of the leaders in the market, and people bring some very difficult issues to our door. Such is the Ukrainian law that for many of these enquiries, the real answer is that the desired outcome is going to be very difficult or impossible. We then have to respond to the client in such a way that he realizes the difficulties of the situation, but understands that we can usually find a satisfactory resolution – either by negotiating with the regulator, finding an *ad hoc* solution or using other types of bypassing tactics to achieve the required



Left:  
Oleksiy Didkovskiy

result. You have to be very creative and innovative with your legal knowledge.”

To this end, the firm is committed to its policy of developing young, local lawyers and developing their client service skills to suit the firm’s philosophy. While a few of Asters’ employees have been handpicked from other companies, these appointments will remain in the minority.

“When there are limited resources in the market, it is always best to nurture that talent yourself and teach them the way you do business,” says Didkovskiy. “Our young lawyers are growing in the firm from the lowest level upwards. This route is far more advantageous in my opinion, mainly from a retention and morale point of view. If a person grows with the firm, they feel part of it. We all grow simultaneously and in parallel. Every time we talk through cases and discuss work with our younger employees, sure, it helps them – and you could call it teaching – but in fact we are all learning and growing together.”

## Asters

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