ALLEN & OVERY

PARTNERSHIP & AGILITY

Conversations on creative collaboration

Annual Review 2016

Conversations on creative collaboration

The new code to unlocking the future

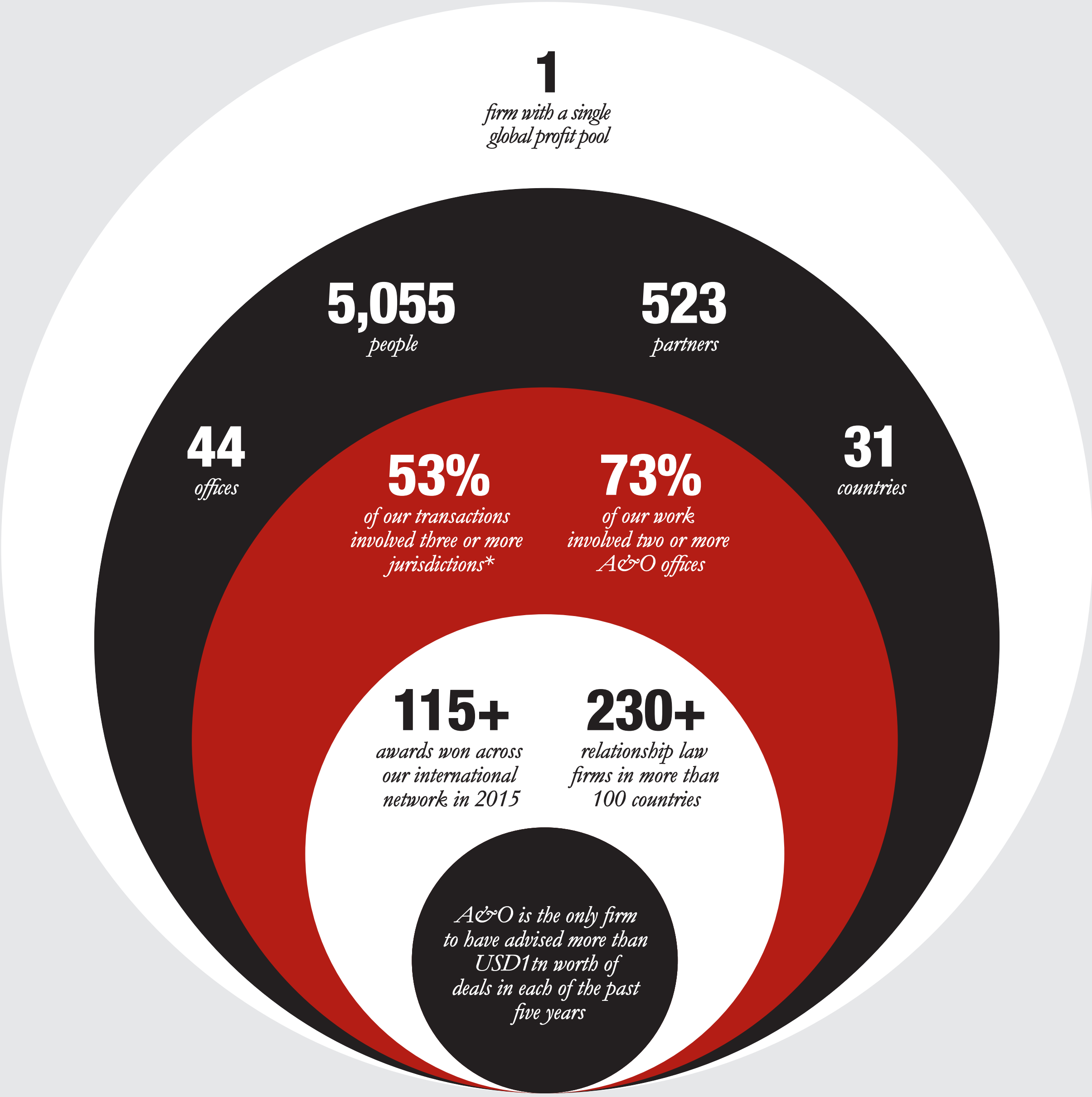
Outsourcing models and open innovation led the way, proving that those businesses willing to collaborate and share ideas by joining forces, sharing resources and testing new delivery models are the ones most likely to find answers to today's biggest challenges.

As the issues faced by our clients become more complex, this belief in the power of co-creation is spreading to more and more sectors, and it's an approach that lies at the heart of how we operate today.

That's why we are working in ever-closer partnership with our clients to pilot new technologies and advanced resourcing models that will allow them to control their legal costs, create competitive advantage, manage risk and thrive in a turbulent world.

ALLEN & OVERY IN NUMBERS

During the year A&O advised on 1,500+ deals globally, over 25% more than its closest rival.



*Sources Thomson Reuters and Dealogic

GBP REVENUE FOR 2016 (UP 2.3% FROM 2015)

GBP1.31bn

2012	**GBP1.20bn**
2014	**GBP1.23bn**
2016	**GBP1.31bn**

12,000+
individual aosphere users

150
Peerpoint lawyers globally

79%
of Peerpoint consultants have eight or more years' PQE and 75% have in-house experience

300+
institutional subscribers to aosphere

PRO BONO AND COMMUNITY INVESTMENT

GBP12.3m
equivalent value in billable time

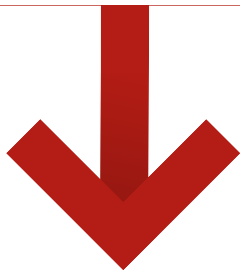
32,000
hours spent on pro bono and community investment work by our lawyers globally (in addition to the significant amount of time also volunteered by our professional support staff)

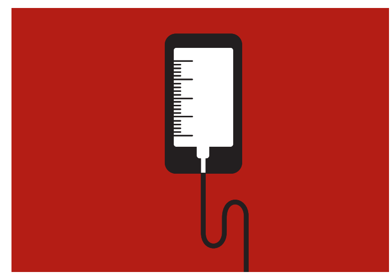
35%
of our lawyers recorded time on pro bono work

GBP1.59m
contribution to Amref Health Africa so far

Annual Review 2016

Partnership & Agility





IT'S ALL NAVIG ~~UN~~CER

Two months into Wim Dejonghe and Andrew Ballheimer's term as A&O's new senior and managing partners, the UK voted for Brexit.

ABOUT ATING TAINTY

Here they talk about what it takes to lead a business through highly uncertain times, the importance of remaining agile and of working closely with partners to find stability.

WIM DEJONGHE
Senior Partner, Allen & Overy

ANDREW BALLHEIMER
Managing Partner, Allen & Overy

AS BAPTISMS OF FIRE GO, you could not invent a more dramatic one. Two months after being elected senior and managing partners of A&O, Wim Dejonghe and Andrew Ballheimer found themselves steering the firm and its clients through one of the biggest economic and constitutional upheavals the UK and Europe have faced in decades – the shock UK vote to leave the EU.

They are both clear that the vote will have momentous implications, politically and economically. Clear too that the months and years ahead will be a time of immense legal complexity and uncertainty. The majority of clients were left in a state of shock and anger in the immediate aftermath of the vote, they say.

Yet, despite that backdrop, they are calm and determined as they reflect on the huge challenges that lie ahead.

"Running a business like ours is not a science," says Wim. "It's an art and it's all about navigating uncertainty in an ever-changing environment. That requires agility. You just have to adapt to the environment – stay on course, or change your tack, depending on where the risk is coming from."

Any big crisis means uncertainty for clients, he says. But that's precisely the moment when they want to gather trusted advisors around them to plot the way ahead and to spot the risks, obstacles and opportunities that confront them.

Andrew agrees. "Our honeymoon period as a leadership team is, perhaps, over a little sooner than expected. But no business over a four year period – the term of our office – enjoys complete plain sailing. You just have to deal with the issues and take a high degree of confidence from the basic strength of our business."

And A&O arrives at this point in good shape. The seven years since the global financial crisis have seen the firm enjoy a period of unbroken growth, in its finances, its offering and its global footprint (it now has 44 offices in 31 countries).

"We are a resilient business in terms of our geographic spread, product areas and alternative service delivery models. That puts us in a strong position," says Wim.

"NAVIGATING UNCERTAINTY IN AN EVER-CHANGING ENVIRONMENT"

"YOU JUST HAVE TO ADAPT TO THE ENVIRONMENT"

JOINED AT THE HIP

Working ever more closely with clients forms part of the continuing strategy and, in these uncertain times, is all the more important.

The two men describe the huge amount of work that went on in the six months before the UK referendum to help prepare clients for its consequences, whatever the result.

A team led by London partner Daniel Shurman looked at the implications of both a 'remain' and a 'leave' vote, sending out some 21 specialist papers to well over 16,000 clients to keep them abreast of the possible legal and commercial risks and to help them prepare contingency plans.

On the day of the result, there was already a library of articles and advisory notes ready to go live on the A&O website and a team of partners was able to hold a call with clients to give an immediate assessment of the challenges. Nearly 2,000 clients registered for the call.

It's all part of an effort to predict the unpredictable, says Wim.

"We wanted to be sure we could help them in a proactive way, rather than sitting back and waiting for the phone to ring. It's about telling clients: let's think together about what this means for the market, your business, our business – let's look together for solutions."

Andrew is clear that A&O can add greater value this way. "Our clients have to evolve to this new normal and so do we. But I think if we are closer to clients we will do it in tandem and help each other."

That approach to collaborating with clients is now evident across the firm. It's a shift away from being just a supplier of legal services to a new kind of connection. As Andrew puts it: "A purely transactional relationship is not really a relationship at all. The clients we are closest to, and the ones we do the best work for, are those that have us as part of their trusted inner circle."

For Wim it's about being 'joined at the hip' with clients. "Any client you talk to will say: what I really want from you is that you own my worries, share my concerns and come up with solutions, rather than just reactively answering legal questions as they arise," he says.

"In terms of collaboration we do a better job than any other law firm I know. I'm actually convinced of that and a lot of partners hired into the business have confirmed it." But he admits it is not perfect.

A challenge for the firm is to extend this approach still further. Too often in the past it's been a case of selling a particular practice or office, rather than the firm's overall capabilities. A&O people are now encouraged to think about the complete breadth of the client's business and how we can bring the whole of A&O – across the world and across practice areas – to support them.

→

NEW VENTURES

This same philosophy is also informing external partnerships, whether with A&O's huge network of relationship law firms in jurisdictions where the firm has no office, or in global initiatives like the MarginMatrix™ joint venture with accountancy firm Deloitte to help banks handle massive changes in the regulation of derivatives trading.

"With MarginMatrix™ we had the idea, the legal expertise and an IT platform," says Andrew. "But in terms of the roll-out, manpower and skillset it made sense to everyone that we had a best-in-class partner to help clients across the world."

Wim agrees: "You don't just partner with anyone. We have a global quality and service standard, so we look for the best of the best wherever we operate. I can see us doing more such partnerships in the future."

THE COCKTAIL STIRRER

The legal market continues to be disrupted by new non-traditional competitors and, more importantly, by the pressure on general counsel to reduce legal spend, with no loss of quality. We are still in the era of 'more for less'.

Wim recalls a recent conversation with the general counsel of a leading telecoms company who said he was under pressure to reduce legal spend by 5% a year for the next ten years. Once again he talks about partnering with such clients to help them achieve that stretching goal. A&O has gone further than most in unbundling its service delivery model to meet this cost challenge. It has opened the Legal Services Centre in Belfast, launched the Peerpoint global resourcing platform and grown the aosphere online legal services business. It has also opened the project management office, allowing it to win some of its biggest assignments ever in areas such as bank ring-fencing and in global corporate restructurings.

"I call our project management office the stirrer that mixes the cocktail," says Wim. "We've unbundled the delivery of services but you need something to pull all that back together, in exactly the right blend, so that you can offer the client a seamless service."

It's this 'composite offering' along with our global footprint that sets A&O apart, says Andrew. "It puts us almost in a class of one."

THE RISK AGENDA AND GROWTH

General counsel have a range of testing issues on their minds right now, topped, of course, by Brexit. Other concerns include mounting regulatory risk in financial services, big changes in international tax, complexity in antitrust regulation and the protection of key assets, particularly intellectual property.

Looking for new paths to growth, in what is an increasingly fragile economic environment, is also a prime concern. Recent years have seen companies, which are struggling to raise top-line earnings organically, bear down on costs and use M&A transactions – some at "pretty crazy prices" – as an alternative way to improve margins.

Both men predict a further period of restructuring and, despite a current slowdown from last year's record levels of M&A, an eventual return to higher levels of transactions. But they are clear that the greatest opportunities for long-term revenue growth lie in developing markets, a particular focus for A&O in recent years as it has expanded its network of offices.

"I do think longer term it will be in Asia, and Africa, where the opportunities lie because there is a growing middle class there," says Wim. "People sniff at GDP growth of 6-7% in China, but, frankly, that's a pace of growth Western economies can only dream of."

"THE BUILDING BLOCKS ARE THERE FOR OUR CONTINUED SUCCESS"

CULTURE – CONTINUITY AND CHANGE

A&O has long been known for having a distinct culture, with words like 'collegiate', 'collaborative' and 'community' often used to describe it. But how does that sit alongside the firm's determination to be a high-performance, market-leading organisation? What is expected of an A&O lawyer today and what is demanded from A&O in return?

Wim is clear that A&O needs to find new and more flexible ways to recruit the best of the best. The firm is trying to build "a platform for excellent lawyers" – a place where you can choose different ways to do stimulating work for the firm, build continuously on your legal training and gain a real understanding of how the law and the market is evolving.

"But I also think the best lawyers are more than just lawyers. They have to have other things going on in their lives," he says.

"It's one thing to be a good technical lawyer. But, actually, if you want to be a really good practitioner you need a lot of other skills and an ability to draw on a broad range of experiences. We really want complete people, rounded people who are excellent lawyers," he says.

Andrew puts it slightly differently. "It's very important that our lawyers and staff are role models and that we create an inclusive environment where you can be as diverse as you like as long as you are professional and put the client's aspirations at the heart of what you're doing every day."

That, above all, is what has allowed A&O to create a unique culture – one which has stayed in place in the 30 years he has been at the firm. He describes it as "human and humane" and says it is remarkably consistent across the firm's offices, whether in Bangkok, Tokyo, Munich or London.

"It's hard to describe a culture," adds Wim. "It's not a still picture. It's a movie, because it evolves.

"But in essence it's about caring – caring about quality, performance, doing the right thing, caring for each other, working together, being humane, helping each other out, solidarity. It is mind blowing actually and very touching and I think all of us want to leave the place in a better condition than when we joined it."

THE ROAD AHEAD

Uncertainty will remain the order of the day for some time but Wim and Andrew are clear that many opportunities lie ahead.

"It is all about continuity," adds Andrew. "It's obviously a challenging time at the moment for us and for our clients. But the building blocks are there for our continued success."

From a strategic point of view A&O is in a strong place, says Wim.

"The legal market will continue to consolidate for the next five, ten or 15 years. But I think we're well placed to be one of the winners.

"Whatever challenges are thrown at us by politicians or the economic environment, I actually do believe that will create an opportunity for us to continue to strengthen our business. That's quite exciting." □

Wim and Andrew were interviewed by Simon Beavis at the end of June 2016.

AUTO INTELLIGENCE

The perception that the auto industry is being shaken up by the titans of the tech sector, like Google and Apple, can be overstated, argues Toyota's Chris Reynolds. These are times of huge change. But the greatest disruptive force of all is a more familiar one – the customer.

CHRIS REYNOLDS
Managing Officer and General Counsel, Toyota

Who's really shaking up the auto industry?

CHRIS REYNOLDS, TOYOTA'S GLOBAL GENERAL COUNSEL, starts by making one thing very clear.

"The notion of being the world's biggest car company, we've learned, is not an objective to be desired.

"It leads to distortions in your strategic thinking, it gets your eye off the ball in terms of the focus on your customer and every auto company that has tried to reach that goal has hit a bad patch."

It's happened to Toyota, he says, and to other big automotive brands. But it's not a mistake the Japanese company will make again.

"In fact we're at the point in our company culture where, if someone stands up and says we are the world's biggest car company, they'll get hooted down and fruit and vegetables will be thrown at them," he says.

Toyota has, of course, sold more cars than any of its rivals, achieving nearly 10.2 million sales worldwide in 2015.

And, while that scale may no longer be seen as the prize it once was, it does give the company a unique vantage point from which to see the tides of change sweeping the industry.

DISRUPTION – A SUBTLER PICTURE

The perceived wisdom is that car making is being disrupted, as so many industries are, by the march of new technology.

In particular, it is being shaken up by the determination of tech giants like Google, Apple and the electric car specialist Tesla, to crash the party by winning the race to commercialise driverless or 'connected' cars. That would allow them to claim a share of the industry's future revenues, a top line that McKinsey has estimated could increase by 30% or USD1.5bn by 2030 thanks to new technologies and business models. "It's really a lot more nuanced and subtle than that," argues Chris.

Tesla, the biggest of the new automotive groups, has yet to prove it can overcome the high barriers of entry into this highly capital-intensive industry to survive long term as an independent, global player. For Google and Apple, developing driverless cars seems to be about creating a new platform for their software. Do they really want to make cars on a mass scale?

"This whole conversation reminds me of when everyone was saying big oil was going to fall by the wayside. People have been saying that for 20 years," he says. "I don't think you are going to see a huge change to the existing set of automakers because of those three potential entrants."

China, he believes, is the most likely source of new competition, with a number of players emerging that have the capital, access to labour and government support needed to build a real global presence.

SHARING THE ROAD WITH RIDE-SHARERS

Online ride-sharing companies, however, do pose a more immediate threat and, not surprisingly, this is an area where the big car makers and tech companies are investing heavily. Toyota has formed a strategic partnership with Uber, for example; GM with Lyft; VW with the New York ride-share operation Gett; and Apple with China's equivalent, Didi Chuxing.

→

The chauffeur v guardian angel – a focus on safety

While there will undoubtedly be fully automated cars, Toyota is betting that, in the short term, artificial intelligence and connectivity will be used to make drivers at the wheel safer, rather than redundant, says Chris.

"It's a choice between fully automated cars where you have a 'chauffeur' and you're doing your nails or shaving while the car drives you from home to work. Or do you go for a 'guardian angel', where the car lets you know you are drifting out of lane or that there's a traffic jam up ahead and that you need to slow down or, if you've missed that warning or fallen asleep, the vehicle takes over and gets you to a point of safety?

"The guardian angel concept is probably much closer within grasp and likely to get to market faster than the chauffeur concept. It increases driver and passenger safety and that's got to be everybody's primary concern," he says. "It's certainly Toyota's primary concern."

"What these companies threaten is the desire to buy a car. Every time they reduce the need for a driver or passenger to own or lease a car to solve their mobility needs, that's a problem for any automaker," he says.

However, he notes that ride-sharing only really works as a business model in densely populated urban areas and is unlikely to pose an "existential threat" to the industry. "There are vast patches of the world where the density that Uber needs to operate profitably doesn't exist and yet all of those people need mobility too."

CUSTOMERS ARE THE REAL CONCERN

The biggest disruptive force of all, he insists, is a more familiar one.

"We are much less worried about competition than we are about the customer. And it's not just one customer, but many kinds of customers," he says, noting the huge differences between customer demands in mature markets, like the U.S., Europe and China, and those in developing markets.

Consumer choice in developed markets is varied and, to some extent, generational, particularly when it comes to automation and connectivity.

"Take the Y generation. They have a very different relationship with the car than their parents or their grandparents did. So we have to sculpt or create mobility choices for a generation that views technology a lot more disposably and expects technology to be embedded in everything. That's a conundrum every automaker, including Toyota, is trying to crack and it's the conundrum that brought Google and Apple into the space."

But it's also vital to meet the needs of customers in markets, and there are many, where the vehicle of choice is the pickup.

Two phrases have been adopted by Toyota to capture their strategy – 'Always Better Cars' and 'Sustainable Growth' – and the customer is central in both.

"Our strategy is to identify the specific mobility needs of our customers and try to address them. Of course we can't address every single one; we can't be all things to all people. So we look at variations in our global market and target the product to the consumer, while trying to make sure we don't have such excessive variation that we get drowned in cost."

FINDING NEW WAYS TO INNOVATE

Part of that sustainability and better car agenda is all about finding new ways to continue Toyota's proud record of technological innovation in areas like hybrid cars, drivetrain technology and hydrogen fuel cells, all offering significant environmental benefits. These are massive long-term investments that will take decades to pay back yet are made "with a smile on our face".

But he admits there has been a change of culture within the company in this respect. Toyota, he says, has a strong and deep engineering culture that can, from time to time, create an 'if we didn't make it it can't be good' mindset.

"In a world where you've got Google, Apple and Uber and all sorts of advances being made in AI and connectivity, you can't assume you've got the lock on all the good innovation," he says. "So what we're now saying is: OK, we're good, but we have to keep our eyes out, learn from others and, where appropriate, partner with them. That's a change in our culture and one we're marching very rapidly through the company."

Faster and more independent decision making within different parts of the company is also being encouraged. That is, perhaps, most obvious in the newly established Toyota Research Institute, its artificial intelligence and robotics lab, run by Gill Pratt, former head of robotics at Darpa, the U.S. Department of Defense's research arm.

"To come up with really meaningful innovation you've got to give people engaged in research the freedom to come up with and invest in new ideas. But that reflects a broader approach in the company today," he says, noting that Toyota has been reorganised into seven distinct and more independent internal divisions, each dealing with different car categories.

"We've given each of these groups a level of autonomy to pursue the cars we think our customers will want in future because we think our decision making will be faster and more nimble in these internal companies than it was in the past with one big Toyota."

This kind of freedom to think and invest in partnerships will be a real help in speeding Toyota's understanding of what the customer will want and will accept in driverless technology and in connectivity. "The biggest benefit we see is in customer satisfaction and safety. But nobody's really got to the bottom of what the benefits and opportunities of a fully connected vehicle are yet. Our strategy is to understand that as quickly as we can."

AN INDUSTRY IN TRANSITION

Chris is clear that the shape of the industry will change in the next ten years. Continuing consolidation as well as the entry of new players able to mass-produce vehicles could produce a different line-up of top manufacturers. There are also likely to be many more cross-sector tie-ups between hardware and software makers, whether through mergers, joint ventures or contracting-out arrangements.

But further out the changes will be much more profound, he says.

"Fifty years from now, cars will be mobility solutions – thinking machines that help you solve your mobility problem."

In that sense mobility will be looked at much more broadly, from a machine that can get you from home to work, to one, for the older and frailer person, that can get you from your bed to your kitchen table.

"Where we are going as a company is looking at the full range of what mobility will mean for humans in the next 50 to 100 years." Given that, it's easy to understand why 'sustainability' has become a watchword for Toyota CEO Akio Toyoda.

"He has made it very clear that we are not here to be the world's biggest car maker. We're here to grow sustainably year by year, so that 100 years from now, whatever the mobility needs may be, we are providing those solutions.

"That means always taking a long view: certainly trying to satisfy as many customers as possible but also making sure our relationship with those customers is passed on from generation to generation."

"We are much less worried about competition than we are about the customer. And it's not just one customer, but many kinds of customers."
Chris Reynolds

FILIP VAN ELSEN
Partner, Allen & Overy

MITCHELL SILK
Partner, Allen & Overy

Staying in the driver's seat

The race to develop driverless cars creates a host of technological, legal, financial and cultural challenges for the giants of the auto industry and their tech sector rivals, argue Filip Van Elsen and Mitchell Silk. The learning curve is steep.

SINCE THE VERY FIRST CAR TOOK TO THE ROAD, one basic principle has always held true – a car won't go very far unless there's someone behind the wheel.

But as the race to build so-called 'driverless' or autonomous vehicles intensifies, that principle is being challenged and, along with it, all the regulatory and legal assumptions that have underpinned this industry since its birth.

Rapid advances in technology and data analytics have, of course, already disrupted many industrial sectors. Now the development of connected cars, packed with data-rich systems and artificial intelligence (AI), is beginning to turn the traditional business models of the auto industry on their head.

NEW RULES OF THE ROAD

Mitchell Silk, a partner in our New York office, pinpoints two overriding challenges for car makers. Firstly, the development and deployment of AI in cars, and, secondly, the collection and commercialisation of huge banks of data produced by the connected software systems they are being fitted with.

Both are challenging existing legal and regulatory frameworks, he argues. "With either no regulation, or very new laws, governing this area, how do policymakers keep pace with or stay ahead of these dynamic developments in technology?"

Data presents some of the biggest challenges. Finding ways to own, exploit and monetise car data should give car makers access to a valuable new revenue stream. But that means handling, processing and sharing masses of highly personal data at a time when data protection and privacy rules are set to get much tighter.

The EU's General Data Protection Regulation, which will apply from 25 May 2018, will impose not only very strict rules on data processing, but also punitive sanctions, including potential fines of up to 4% of the total global turnover for some breaches.

Filip Van Elsen, a partner in our Antwerp office and head of our global telecommunications, media and technology (TMT) sector group, admits that EU policymaking in this area is ahead of the rest of the world, but says it is increasingly providing the model that the U.S., China and the rest of Asia are following.

Principles such as "purpose limitation, transparency, predictability, proportionate collection and use of data, and security" will become increasingly standard in many jurisdictions, he says.

THE CYBER CHALLENGE

Cybersecurity is another area of significant concern. Giant data banks are highly vulnerable to cyber attack; so too are the connected cars themselves.

Here new regulations are coming into force as well. The EU's Network and Information Security Directive imposes very high security standards, and strict rules for reporting breaches, on operators of critical pieces of infrastructure. In transport, it focuses particularly on 'intelligent transport systems'.

"How do policymakers keep pace with or stay ahead of these dynamic developments in technology?"
Mitchell Silk

Filip again: "By fitting connected devices in its cars, a car maker will qualify as an operator of essential services and therefore need to adopt adequate security measures, be forced to report breaches without any undue delay and within 72 hours, and be subject to audits by cybersecurity regulators. The winners will be those that succeed in jumping this complex array of regulatory hurdles."

A QUESTION OF LIABILITY

Even if these hurdles are overcome, others lie ahead.

Take the issue of who is liable if an accident occurs: is it the car maker, the software developer or the owner of the car? Such questions are no longer just theoretical. In July this year U.S. highway authorities opened an investigation into an, admittedly rare, fatal collision involving an electric car fitted with self-driving technology.

"With different types of liability, both civil and criminal, and different liability regimes to take account of, this is a potentially fraught area," says Filip. "The general point for car makers is this: what is the standard of care they need to comply with if there is a security incident or accident?"

STRATEGIC PARTNERSHIPS AND FINANCIAL INNOVATION

Traditional car makers are also learning to be fleet of foot in other areas too, not least in forming new strategic partnerships, financing acquisitions, and in controlling and exploiting valuable intellectual property. In many cases that involves a significant change in culture.

No stranger to deal-making and joint-venturing, car makers are, however, used to dealing with their traditional peers or research institutes where timetables tend to be long, decision-making processes slow, and M&A governance procedures exhaustive.

In this new connected arena, potential partners will be quick-moving tech groups and start-ups. As Mitchell puts it: "In the world of seed and venture capital, start-up and private equity investment, fast is the name of the game. Those that can't keep up just get left behind."

"Technology issues are much more important in these deals – open source, software, licensing and joint ownership of IP," notes Filip. "Car makers are now entering a different space and dealing with agile, often early stage, high-tech operations, often with the owner at the negotiating table."

A NEW KIND OF PARTNERSHIP

Our own relationship with a client like Toyota is changing rapidly in this febrile environment.

Increasingly, we are working in partnership to address new legal, market and investment developments, troubleshooting potential challenges together and sharing ideas on how to grasp opportunities.

"It's an increasingly valuable way to work," says Mitchell, "continuous real time collaboration."

"Because the issues are so novel and because every point, every structure, every regulatory issue that confronts Toyota is so new, we are finding that we are both, equally, moving up a steep learning curve together."

At a time of great change, it is about staying in the driver's seat. □

BARRY SWARTZBERG
Chief Executive Officer, Discovery Partner Markets

When wellness is worth it

STAY HEALTHY, PAY LESS. On the face of it, it's a simple idea and one that has obvious attractions for anyone buying health insurance or life cover.

For the insurer there are real advantages too. Healthier policyholders are less likely to make claims. That means fewer payouts and higher returns on every policy sold, even when premiums are being discounted.

LIFE CHANGER

Discovery is disrupting life insurance markets across the world with a deceptively simple idea – stay healthy, pay less. But, as Barry Swartzberg explains, a highly sophisticated approach to intellectual property, technology and building partnerships lies behind the group's rapid growth.

And there's also a payoff for society. The more people stay well, the less strain there will be on increasingly overstretched healthcare systems and budgets.

This 'shared value' concept has been pioneered by Discovery, the South African financial services group, with its Vitality health and life insurance programme, which is helping the group expand rapidly across Asia, Europe and North America.

"Once the client leads a healthier life, the insurer saves money through better experience which creates value for the insurance company, enabling us to give additional benefits back to our clients," says Barry Swartzberg, the group's co-founder and chief executive of Discovery Partner Markets. "It becomes a sort of virtuous circle and ultimately benefits society."

But if 'shared value' seems deceptively simple in concept, the reality of bringing it to market is anything but.

→

"The amount of information you are collecting is just extraordinary… it becomes like a giant electronic patient record."
Barry Swartzberg

Supporting Discovery's innovative business model is a sophisticated data gathering and analytics capability, a rigorous system of controlling and enhancing its intellectual property (IP) rights and a complex web of product and joint venture partnerships to help it adapt its model to markets as diverse as the U.S., China, Japan, the UK, Germany, Canada, Singapore and France.

THE TIME HAS COME

Yet it's an idea that looks to have come of age at exactly the right time.

The health and life insurance markets are undergoing significant change. Understanding risk is increasingly about analysing individual behaviour. Technology is playing a much bigger role in monitoring health risks, as wearable devices proliferate.

There is also a clear social trend in many markets towards wellness, with individuals taking greater personal responsibility for staying healthy. And policyholders, especially younger ones, now look for clear evidence that the institutions and companies they buy from are a force for good in society.

All this calls for more sophisticated insurance products than the sort of traditional static forms of underwriting, where risks are evaluated on the signing of the policy, then left to lie.

How much better if policies could take account of the life choices people make, day by day, week by week?

And in a world where people are living longer but healthcare costs are climbing faster than earnings, this combination of demographic, health, economic, behavioural and technological change has created an environment ripe for disruption of the sort now being provided by Vitality.

FOCUS ON THE CLIENT

Barry makes it clear, though, that Vitality's origins lie in an attempt to tackle an altogether different trend – an acute under-supply of doctors in South Africa.

When the group was formed in 1992 it was clear, he says, that the sort of managed care programmes on offer in markets with plenty of doctors and hospitals wouldn't work in South Africa. Instead, it focused on creating a savings scheme to help patients manage their medical costs from year to year.

"Our focus was purely on the client and helping them manage their medical expenses," he says. "We focused our entire business on the demand side initially, on managing and interacting with the patient."

Then five years later the idea morphed. "We realised that once we had got this savings account system in place we needed to be able to help the person to undergo preventative care and to lead a healthier life.

"That's how the idea of Vitality came about. It was only the germ of an idea but, since we launched it in 1997, it's really been our differentiator."

Within a few years it became clear that if Discovery could find ways to encourage clients to take part in an active wellness programme, it would soon be able to distinguish between different clients.

That, in turn, would allow Discovery to stratify the risks, to understand the client much better than its competitors and, from that, to offer clients better pricing on risk products.

"It means you can offer people dynamic underwriting throughout their lives," he says.

A MAJOR TECHNOLOGY CHALLENGE

Finding a way to capture reliable health and lifestyle data is a major technology challenge, increasingly so as the client base grows.

It means clients have to agree to share large amounts of personal data – readings from a wearable device, details of preventative screenings, their diet, if they've taken part in a running or swimming event, or are attending a gym or cycling regularly.

"You've got to collect all that information in real time and put it into one central database and then encourage clients to improve their status within the programme by awarding points for the actions they are taking to stay well, and then, ultimately, to reward them."

Those rewards take different forms. The most obvious is a reduced premium, but they are supplemented with offers on movies and holidays. And the group is now offering more active rewards to encourage a regular exercise regime – a free coffee or smoothie, perhaps, if a client keeps to a plan to exercise three times a week.

"It's the whole idea of being in the moment, providing information and rewards more instantaneously," says Barry. "The technology behind it is quite significant."

A wearable device will collect a whole range of data during a run – heart rate, speed, distance – all of which needs to be collected each time.

"The amount of information you are collecting is just extraordinary. Add in data on preventative screenings, diet and more, and it becomes like a giant electronic patient record," says Barry.

PARTNERING FOR GROWTH

Partnering with key consumer and wellness brands, as well as chosen insurers in key target markets, has been central to Discovery's growth.

To enhance its offer to clients it has teamed up with brands such as Apple, Virgin Active and Weight Watchers. A client could receive an Apple watch to help them monitor their fitness regime. If they keep up the good work, the watch is free. If not, they pay a monthly charge for it.

Such perks have different appeal in different markets, Barry notes. Gym use is a big thing in the U.S. and the UK. In China, there is a culture of giving preventative screenings as a gift, and people tend to eschew gym-going in favour of using wearable devices and mobiles to monitor their exercise.

"We spend quite a bit of time in each market trying to understand how to flex the basic business model to meet different needs," he says.

But to enter those markets in the first place, Discovery has also relied on partnerships and joint ventures, often swapping access to its IP in return for stakes in the venture.

This 'capital light' approach to M&A has seen it form ventures with Ping An Health, one of China's largest private medical insurers, AIA in Asia Pacific, Generali in Europe and now Sumitomo Life in Japan. Discovery has also teamed up with John Hancock in the U.S. and Manulife in Canada, has just moved into Germany, will launch in France in 2017 and has other European markets, like Spain, on its radar.

"We are certainly looking around and interested in expanding the current offering," says Barry. "And we've tried to make the model more adaptable – more of a shrink-wrapped package as opposed to a bespoke offering – so we can move from market to market."

The offer, he admits, is more appealing in sophisticated life insurance markets, where you are trying to differentiate your products, than in an emerging market where people may be buying insurance for the first time. "But really it applies everywhere – I mean everyone wants to lead a healthier life."

Growth brings a range of significant challenges, not least regulatory. The model is all about pricing risk dynamically, and that's not something that regulators in certain markets have seen before. Fine-tuning and improving the technology is tricky too. But the greatest challenge of all is around IP.

"To continually add value to our partners, we have got to be at the forefront of developing and improving our IP – that is the single biggest challenge," he says.

"People think that establishing and integrating the programme in each new market is easy. But we've had years of experience in how to do that effectively."

The constant goal: to work with partners to continuously enhance the offering.

"The reason we've used this model is because we could never do it ourselves in these markets. To establish a life company takes a huge amount of capital, an existing brand and so many other things we do not have.

"The partnership model has worked well to date. We know our place. We are not trying to compete. We are the IP provider and we are trying to add value. It makes for a fascinating enterprise."

→

"We have got to be at the forefront of developing and improving our IP – that is the single biggest challenge."

Barry Swartzberg

RICHARD KIM
Partner, Allen & Overy

Partnering for growth – a tricky balancing act

As Discovery quickly expands, it needs to manage its intellectual property, a growing network of complex partnerships, and its capacity to handle huge amounts of data with great care. The corporate and legal challenges are significant, says Richard Kim.

AS DISCOVERY BRINGS ITS GROUNDBREAKING IDEA of 'shared value' to new and diverse markets, skilfully managing the IP that underpins its Vitality health insurance programme is a top priority and it's one the group takes very seriously.

As Richard Kim, managing partner of A&O's Beijing and Shanghai offices, puts it: "They are very focused on the value of IP and IP covers the full range of the Vitality offering."

That includes what sort of incentives best encourage policyholder engagement, how to structure agreements with product partners like Apple, what sort of insurance premium pricing models are most attractive to policyholders and how to dynamically adjust premiums based on collected data.

"The end result of getting this all right is a win-win – the policyholder gets healthier, the premium can go down and the insurance risk decreases, ideally by a bigger margin, allowing for a more profitable policy."

But managing that IP among a complex web of partnerships presents some big legal and commercial challenges, says Richard, who has been working with the Discovery group since 2009 and has helped them grow into China, the Asia Pacific region, Europe and, now, Japan.

Discovery creates exclusive partnerships with insurance companies in their home jurisdictions, for example with Ping An Health in China, Generali in Europe and AIA in Asia Pacific.

But these partners also run global businesses. One important issue is how to ring-fence the partnerships to provide each partner with comfort that another partner will not compete in their home jurisdictions using Discovery's IP. For example, if AIA were to compete with Ping An Health in China using the IP, it would be a problem.

"There's been an enormous amount of focus on how best to tackle these issues and how to get the various partners comfortable that their use of the IP in a particular jurisdiction is protected," he says.

And there's another inherent complication in the model, the success of which depends on the scale of data it can gather into its central database from all the different partners.

"On the one hand the partners have traditional life insurance businesses that may be competitive with each other, but on the other hand, in the wellness space they are, in effect, working together through Discovery to drive improvements to a platform that will benefit everyone. There are some interesting tensions there."

There is also some evidence that people may be becoming more sensitive about handing over reams of personal data, particularly health data. Is that a threat?

Again, Richard sees it as a balancing act. "There are concerns among policyholders about how intrusive this is. But it gets balanced out.

"As the technology gets better, Discovery is better able to use its IP to improve the way it gathers data from policyholders, which in turn provides policyholders with more accurate pricing. Ultimately, it's a choice policyholders have to make, but this is something Discovery must manage sensitively."

Data is an issue in another sense – particularly given the group's rapid expansion.

"As we've helped them move into new territories, the infrastructure and workforce they need back at their HQ in Johannesburg to process and manage the data coming from these partnerships is growing exponentially," says Richard.

A major new partnership deal means that potentially millions of people could be added to the system, and Discovery must be sure it has the infrastructure to deal with that growth.

"They are very determined and entrepreneurial but, at the same time, they understand the challenges that come with the pace of growth and the imperative of always being able to ensure they service all their partners effectively."

As the group looks to move into entirely new territories – the Middle East and Latin America remain uncovered, for instance – making sure they have the capacity to manage those partnerships to a very high standard will remain immensely important work. □

CHAIN REACTIONS

Laura Bailey and Tomasz Mloduchowski, co-founders of the process consultancy, Zerado, give a first-hand account of how Blockchain, and other disruptive technologies, can simplify and build trust in the processes that underpin not only business, but society at large.

LAURA BAILEY
Co-founder, Zerado

TOMASZ MLODUCHOWSKI
Co-founder, Zerado

Blockchain – a simpler way to build trust?

MANY PEOPLE HAVE HEARD OF BLOCKCHAIN – usually in association with the crypto currency, Bitcoin. But many struggle to define precisely what it is, even though it is a technology that will, we are clear, become central to many aspects of how our lives are organised.

In one phrase, Blockchain puts together databases, cryptography and peer-to-peer networking to create a 'Computationally Efficient Trust Engine'.

Historically, wherever society arrived at a need for trust in a transaction or process, an intricate system of checks and balances was established to manage it. That often involved bringing in an intermediary – such as a regulator, a legislator or the law – to provide verification.

Blockchain systems do away with the need for a third party verifier, applying cryptography in a transparent way that allows individual participants in the network to establish complete confidence in the records being held.

This is achieved by making sure that each individual record is accompanied by a digital signature.

The records themselves are efficiently tied together in a transparent and tamper-proof way, to form a block. Blocks are either signed, or validated by random participants in the network – providing clear proof of fairness.

And finally, the blocks are chained together – ensuring that every subsequent block inherently validates the blocks that go before it.

It's machine accessible trust, if you like. And its applications could be extraordinarily far-reaching.

SEEKING SIMPLIFICATION

As a process consultancy, Zerado started by looking at areas of society that have introduced trust in a conventional manner, and asking: how can this be simplified using technology?

But immediately we hit an interesting dilemma around understanding the notion of simplicity.

Traditional and established systems are often considered simple for a very obvious reason – because they are familiar. New-fangled technologies, such as distributed ledgers (of which Blockchain is a particularly efficient implementation), seem, in comparison, to be highly complex.

But if you take a step back and evaluate the actual complexity of the rival processes – by measuring, for instance, the number of actors involved, the relationships between them and the number of steps in the process – it often quickly becomes clear that technologies involving distributed ledgers are not only fundamentally simpler, but actually represent the business reality more accurately.

Here's a good example. One process change that does not need to involve Blockchain, but nonetheless benefits from it, is the business of controlling access to venues such as hotels or co-working spaces.

Historically, such venues had to grapple with relatively complex payment systems, usually involving cash or cheques, and the need to hire an abundance of trusted staff to administer them. Nowadays, a contactless payment occurs in under a second.

When managing meeting rooms or events, users often just bypass the traditional process because it is too cumbersome and inefficient. But this undermines the business model, meaning that there is a real risk that value will be lost.

We have worked on this using contactless payments cards such as identity tokens, meaning it's possible to charge at the point of use, or check if a particular user is entitled to free access. We are also able to use payment cards to issue visitor passes automatically, saving a substantial amount of time.

It's an example of a process automation that became possible thanks to the evolution of payment mechanisms and the Internet of Things.

But adding Blockchain technology adds yet another dimension, allowing us to support multiple domains – such as different office buildings spread, perhaps, across different countries – on one cryptographic system. This allows identities to be safely transferred between different buildings, with the system being able to reconcile these – without running the risk of undue interference between these domains.

It's an important example of how value can be added by bringing together different disruptive technologies – payments, the Internet of Things and Blockchain – to create simplicity that in turn creates added value.

WHERE IT'S BEGINNING TO WORK...

Financial services institutions have shown most enthusiasm to be early adopters of Blockchain where, typically, it is seen either as a potential disruptor or an enabling technology.

Our initial role is often to educate decision-makers and other stakeholders about how Blockchain can be used, and to learn as much as we can about what problems the client hopes Blockchain will solve.

This advisory work is about helping clients to understand where the technology might be applied. But where there's an appetite to actually develop solutions, we get involved in prototyping systems. Today, some of these prototypes are now graduating to the pilot or production stage – which speaks volumes for their viability. The final phase is build – that is, implementing a new business model or entity.

For example, work we have both done with a major Brussels-based financial institution has culminated in the creation of a finance solution specifically targeting a USD2tn gap in availability of trade finance for small and medium-sized enterprises.

...AND WHERE IT MIGHT

That said, some industry experts consider financial services to be a red herring. It's a slow-moving industry with internal governance systems that could stifle innovation, they argue.

Instead they point to a clearer example of a centralised ledger that has substantial trust requirements: government.

They have a point. Typically, governments maintain large databases of information on citizens, businesses, vehicles and other assets. They also have a clearer remit to manage these databases efficiently and cost effectively.

It's clear that this technology has much to offer public administrations, both in minimising cost and streamlining processes.

Indeed, the UK Government Office for Science has recently published a report on Distributed Ledgers[1], which clearly articulates the value this technology can bring to the public sector.

That's exciting for us and we're pleased to be involved in a number of initiatives that will allow Blockchain to serve, not just business, but the whole of society.

→

[1] Government Office for Science (2016): Distributed Ledger Technology: beyond block chain. London.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/492972/gs-16-1-distributed-ledger-technology.pdf

AHMED BALADI
Partner, Allen & Overy

Lawyers as coders

Smart contracts promise great benefits in many sectors, but create complex technical and legal challenges, for developers, users, lawmakers and the courts. To help clients get the best from such disruptive digital technologies, lawyers need to become technology experts too, says Ahmed Baladi.

FROM FINANCIAL SERVICES to a mass of everyday consumer and social transactions, from the distribution of music by independent musicians through to the management of highly complex international supply chains, there's a new buzz – and it's all about smart contracts.

As one aspect of the application of Blockchain or distributed ledger technology, smart contracts look set to shake up the way transactions have been executed and verified, in some cases, since the 19th century.

Faster completion and lower costs are amongst the prizes that are promised. Greater democratisation of the transactions process – free of the need for contracts to be policed and verified by a third party – has also added to the appeal and hastened the search, across sectors, for how these peer-to-peer systems may be put to use.

Ahmed Baladi, a partner in our Paris office specialising in digital technologies, has no doubt of the huge impact they will make, but is also clear that significant challenges, technological and legal, remain to be overcome.

"Blockchains, and smart contracts in particular, will create a substantial change in the way our clients handle transactions," he says. "But they will also have a huge impact on the work we do as lawyers."

CONTRACTS OF DIFFERENCE

Smart and traditional contracts differ in fundamental ways.

The contracts we are used to are written in natural language; smart ones are written in code.

Traditional contracts can be altered but remain private between the contracting parties. Smart contracts are immutable – written in digital stone – but they are open to anyone on the particular Blockchain where they exist.

And, as we've noted, old-style contracts rely on third party verification before they can be executed. Smart contracts are self-executing, cutting out the middleman.

But traditional contracts operate in a subtler, more nuanced environment – they express complicated agreements and concepts such as fairness and take account of complex rights, such as consumer protection.

Smart contracts, depending, of course, on the sophistication of the code, tend to be binary, and the operation of that code may lead to consequences that our current legal system would not permit.

THE BIG ISSUE IS TECHNOLOGY

It's for that reason that Ahmed sees one principal area of concern – technology.

"To get all the benefits of smart contracts – such as speed of execution – you need to be sure that they are written using reliable code," he says.

"We need to start thinking carefully about the potential impact of defective code both on the companies developing the technology and on the companies and individuals using it. How are they going to handle any potential defect and liability if a smart contract is defective and the Blockchain is no longer reliable?"

It's an issue made all the more complicated by the fact that Blockchains are likely to operate across borders and therefore be subject to different, and sometimes conflicting, governing law regimes. "In other words, if I'm trying to limit my liability in the event that there is a defect in my product, will this limitation of liability be enforceable against everyone involved in the same smart contract?"

There are many other legal questions raised by smart contracts – not least issues of privacy, data protection, transfer of title and remedies. But often these issues are also raised by other disruptive digital technologies such as cloud computing and big data, argues Ahmed, and the law and regulation need to catch up.

"I don't think they are big roadblocks standing in the way of these new technologies, but it is certainly true we do not yet have enough case law or opinions from different courts on these issues – it's still a little too early," he says.

Regulators are, for instance, still deciding which way to view these technologies. Should they fight against them and slow up their deployment? Or should they encourage or even incentivise development and concentrate on finding new ways to monitor them?

But in the end, he believes it will be taken out of the hands of both the courts and the regulator – a function of sheer consumer pressure.

"When it comes to digital technology, users will always prevail and impose their preferences, irrespective of the legal complexities.

"Look at Airbnb or Uber," he says. "Users, consumers and other players in the economy want to take advantage of these new products and services, so it's the responsibility of the lawmakers to adapt legislation, rather than trying to resist these trends."

FINANCIAL SERVICES – A HOT SPOT

Ahmed expects the financial services sector to be a major driving force in the development of smart contract technology, eager to capture the speed and efficiency of the system and the likely cost savings that it will bring.

Few industries handle the same volumes of transactions; and few have to deal with centralised counterparties – like clearing houses – in the same way. The attractions are obvious, particularly, post-financial crisis, as the banks continue to look for new, more efficient ways to operate.

But culture and legacy may be an issue here. He notes that the industry appears to be making bigger strides in developing the technology in Asia than in Europe and the U.S., suggesting that institutions there have fewer legacy systems to deal with and, therefore, an ability to adopt new technologies.

"In more heavily regulated markets where there is a lot of legacy technology we may, instead, see small pockets of adoption in niche areas," he says, pointing to the example of Everledger, which has developed the technology to verify the provenance and certification of diamonds by tracking past trades.

"When it comes to digital technology, users will always prevail and impose their preferences, irrespective of the legal complexities."
Ahmed Baladi

Some banks, particularly in the U.S., have pushed ahead and issued patents individually for the use of Blockchain technology; elsewhere we've seen institutions clubbing together to share the costs of development and the IP in a more open source way, as we've seen with R3, a consortium of more than 40 international banks.

Many believe that open sourcing is the most likely way to secure the scale that these technologies require to be truly useful. It's the so-called network effect, where you get disproportionately more economic benefit the more a new technology is taken up.

Ahmed warns that there is also a danger of users becoming locked into one particular technology.

"There is a risk that users can end up being too dependent on that technology, making it much more difficult to switch to an alternative if they need or want to. In order to remain flexible, clients need to keep that issue firmly in mind when deciding their IP strategies."

A NEW KIND OF LAWYER

He is clear that the adoption and use of smart contracts and Blockchains will speed up the disruption of another industry, closer to home – the law.

Increasingly, lawyers specialising in this area will need to understand coding as deeply as the IT experts, just as IT specialists will need to have a deeper understanding of the law to make sure code is reliable and does not have unintended legal consequences.

Is it, then, a case of lawyers as coders?

"It's a good expression because, for me, there is no doubt lawyers will have to work closely with IT experts if they want to provide more effective advice and add real value for their clients.

"Either you will see young people entering the profession with dual qualifications – engineering and legal – or you will see law firms teaming up with IT consultants and making them part of the team.

"That would be a good innovation, and the sooner the better," he says.

CHINA STEPS OUT

2016 has seen an extraordinary explosion of outbound M&A by Chinese companies. Beijing partner Ling Li – who worked on key foreign investments for a major state-owned energy company before joining A&O's corporate team last year – has seen this trend develop from both sides of the fence. Here she reflects on what lies behind China's growing appetite for overseas assets.

LING LI
Partner, Allen & Overy

CHINA HAS DRAMATICALLY INCREASED ITS PRESENCE in the global M&A market in recent years, with a surge in both domestic and overseas transactions.

In fact, China's share of the market has grown in ten years from a mere 1.7% to a phenomenal 26% in the first half of 2016, some eight points higher than the same period in 2015.

The most staggering growth in recent times has been on the outbound side. In the first half of the year, Chinese companies launched USD120bn worth of transactions, outstripping the value of deals done in the whole of 2015, where transactions totalled USD112bn.

This extraordinary level of activity was partly down to one deal, ChemChina's highly strategic USD46.5bn acquisition of the seed technology giant Syngenta. It is the biggest-ever outbound deal done by a Chinese enterprise.

Despite its significant contribution to the overall value of transactions this year, this deal is indicative of a wider trend and comes at a watershed moment for Chinese overseas investment, insists Ling Li, a corporate partner in A&O's Beijing office.

"When you analyse the deals done in recent months, what's striking is the extraordinary depth and diversity of transactions across a range of sectors involving a mix of state-owned enterprises (SOEs) and, increasingly, privately owned Chinese companies. This is the new normal for outbound Chinese investment and there's little sign it will go into reverse," she says.

If one looks at the ChemChina–Syngenta deal in detail, that deal in and of itself is a game-changer for the agricultural seeds and crop protection industry.

HOW WE GOT HERE

The factors driving an increase in Chinese investment at home and abroad are complex and reflect significant changes within the country as it makes the transition from an investment-led, export-driven economy to an increasingly complex one, says Ling.

"To begin with, outbound activity was dominated by the big SOEs as they were sent out to secure the raw materials needed to ensure energy security and a reliable supply of commodities for China's manufacturers. But that changed following the global financial crisis," she argues.

At that point – with the rest of the global economy frozen – China became the buyer of choice thanks to its huge foreign exchange reserves. To keep the economy fizzing, the Chinese Government also launched a stimulus programme fuelling demand for infrastructure investment and a growth in capacity across many sectors. It was this pump priming of the economy, coupled with Government sponsorship, which set the groundwork for the search by Chinese companies for higher-value assets.

"We saw a shift in emphasis," says Ling. "Companies were less focused on acquiring raw materials, and instead began concentrating more on buying technologies, products and brands that they could bring back to China to boost their competitiveness at home and abroad."

And, she notes, the Government has encouraged this outbound activity. "They have recognised that it's difficult to quickly build new capabilities organically; it's far easier to do it through acquisitions. And the Government has encouraged state banks' support for a ready supply of relatively cheap financing."

CHOSEN MARKETS, CHOSEN SECTORS

Europe has been a very attractive market for Chinese investors searching for these prized assets, with Germany's vibrant SME sector – the so-called 'mittelstand' – a particular target. As a result, Chinese investment in Europe has soared since 2009 and in 2015 was more than three times higher than investment in the U.S. by Chinese companies.

The hunt for assets has spread to more and more sectors in the process, including hospitality, leisure and sports brands, medical devices, healthcare, automotive, food and beverages and financial services.

The process of growth, however, has not always been entirely straightforward and Chinese investors have had to become increasingly sophisticated to make a success of this outbound expedition.

"For some the learning curve has been pretty steep. In the early days, overseas investments had a pretty mixed record and investors have had to work hard to ensure that they get the right returns on their investments," says Ling. "We've seen investors building specialist M&A teams, learning how to work with advisors and developing post-integration strategies to make sure they capture synergies."

It's also meant becoming more nimble – making faster decisions, deploying capital at a faster pace and taking on higher levels of risk. "In many ways this need to be agile and entrepreneurial has handed an advantage to smaller privately owned companies. The big SOEs are now, to some extent, being hamstrung by lengthier approval processes and by fears they might become embroiled in the Government's anti-corruption crackdown," she says.

What has now emerged is a whole host of potential investors: Chinese listed companies searching for a growth story to plump up their stock price; a range of Chinese privately owned enterprises, some of which are of deep depth and breadth; and Chinese private equity and financial investors ranging from private wealth investment clubs to sovereign wealth funds, insurance companies and large funds backed by some of the largest pools of money in China.

ROADBLOCKS?

Ling is convinced that the recent surge in outbound investment is not a blip and will continue. But she says there are a growing number of potential roadblocks in the way of continued growth, both at home and overseas. Chinese companies will have to handle these with great care.

For instance, national security issues are being raised more frequently in a number of overseas markets, most notably in the U.S., but also this summer in both the UK (over the proposed investment by China in the nuclear power sector) and in Australia over the sale of the New South Wales electricity grid.

The number of proposed Chinese acquisitions sent for review by the Committee on Foreign Investment in the U.S. (CFIUS) continues to climb, particularly around key technologies such as semiconductors. Indeed, there was a 52% increase in such reviews in 2014, the last year for which statistics have been published.

→

And the reach of CFIUS reviews is being extended beyond national borders, with deals done in other jurisdictions, such as Europe, being drawn into the net.

This is a reflection of growing tensions in U.S.–China relations with both sides taking steps to safeguard their national security. China is, for its part, insisting that foreign investors in its high-tech industries meet much stricter requirements, for example.

Domestic regulation and policymaking is also becoming more of a factor for Chinese companies, she argues.

"China's competition authority has been greatly strengthened in recent years to the point where Beijing is now the world's third most important antitrust capital after Washington and Brussels. And, as we've seen in a number of cases, its jurisdiction reaches well beyond China's borders."

While Chinese companies can still gain access to relatively competitive finance, there's been evidence of growing nervousness in Government ranks about the amount of capital flowing out of China. "That – along with the anti-corruption drive – could have some impact on transaction levels," she says.

But she remains confident that Chinese investors will continue to make a growing mark on global M&A markets in the months and years ahead.

"We remain convinced that Chinese investors will become increasingly adept at negotiating the complexities of doing outbound deals and we see no sign of their appetite for overseas assets diminishing.

"So, even if the level of deal activity doesn't quite match the record-breaking heights seen in the first half of 2016, we expect to see further growth this year and next."

"They have recognised that it's difficult to quickly build new capabilities organically; it's far easier to do it through acquisitions."

Ling Li

8

points higher than 2015

USD46.5bn

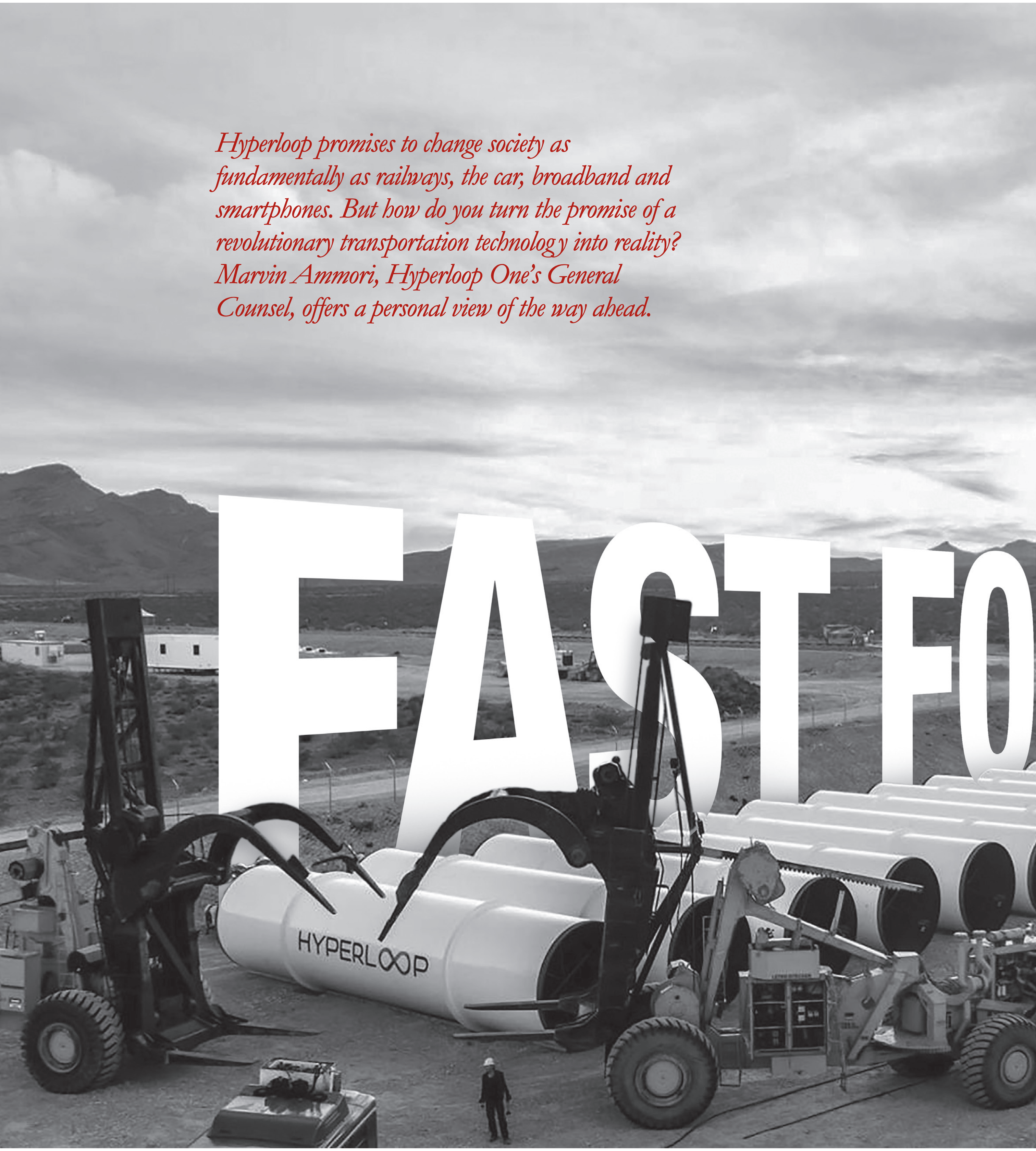
ChemChina–Syngenta deal

USD120bn

in transactions

Hyperloop promises to change society as fundamentally as railways, the car, broadband and smartphones. But how do you turn the promise of a revolutionary transportation technology into reality? Marvin Ammori, Hyperloop One's General Counsel, offers a personal view of the way ahead.

FAST FO



MARVIN AMMORI
General Counsel, Hyperloop One

All change, please!

IT ALL STARTED WITH SOME EXTRAORDINARY future gazing by Elon Musk, the technologist and entrepreneur behind Tesla Motors.

In August 2013, he published a paper describing a revolutionary transportation system that could move people and cargo between San Francisco and LA at the speed of sound, cutting the frustratingly long journey time from hours to minutes.

That was then…

Now Hyperloop One is making that vision real, bringing this technology to life for the global market at a realistic cost.

To understand the significance of this technology, think back to other breakthroughs that have connected vast numbers of people and created huge social change and extraordinary economic value – railways, cars, broadband and smartphones.

Hyperloop is like those.

Existing modes of transport are congested, unreliable and inefficient. Hyperloop One moves passengers and cargo faster, more seamlessly and at a moment's notice, all at a lower cost and with a much better energy profile.

A Hyperloop One passenger system significantly reduces time and distance – potentially linking Stockholm to Helsinki in 28 minutes, and Dubai to Abu Dhabi in just 20. In the process, it turns cities into metro stops.

And a Hyperloop One cargo system can transform logistics, offering the sort of reliability that can enable new on-demand business models. By using Hyperloop to shuttle freight to inland distribution centres, congested port areas can take in more goods with no added road traffic.

LIBERATING, SAFER AND EMISSION-FREE

I'm clear that the environmental and social benefits offered by Hyperloop One will be really significant, too.

For one thing, Hyperloop One helps us to eliminate direct emissions; propulsion is electric. If fed by a renewable energy source, the entire system is emission-free.

Building our networks does not mean huge disruption. We can tunnel or fit into narrow rights of way, alongside existing highways or railway tracks.

But, I'd say the two most important social benefits of the Hyperloop One system are safety and productivity.

The system is designed to travel above ground on supporting columns, or below ground through tunnels. The pods are autonomous, and you don't get any bad weather in tubes. By removing driver error, weather, and hazards like rail crossings, we eliminate nearly 90% of train or automobile fatalities.

→

Many governments are starting to assess infrastructure projects based on their ability to give people more time. Hyperloop One scores well on that one, too. People can go from city centre to city centre faster than they can drink a coffee, with departures every 3-5 minutes. This is a technology that can give people back their freedom.

AMBITIOUS TARGETS

This could all be a reality soon. We've set ourselves the goal of moving freight by 2019 and people by 2021 and, admittedly, some commentators have called these deadlines far-fetched.

Well, they are demanding targets, for sure. But we are confident that we can have a proof-of-operation facility completed, somewhere in the world, for a Hyperloop One cargo system in that time frame. Speed and agility are extremely important to us as a company and I'll give you an example.

We needed a new electric propulsion motor and went to the market. They quoted us USD80m and said we could have it in two years. In less than six months we had built our own custom propulsion system – for a tenth of that price. Our team members are hand-picked for their ability to solve problems with their hands and their minds. Our motto, 'Time is more valuable than money', means that we strive to go from design to full-scale prototypes as quickly as possible. And the truth is you learn more if you build at scale, rather than messing around with small prototypes and computer models for too long.

PARTNERSHIP PAYS

We're confident too because we have a handful of commercial partners in different markets eager to help us move quickly through the regulatory process and safety certification to get this done.

Partnerships have been a strategic imperative for us from day one. The global transportation and infrastructure business is a complex one and we are trying to create the first new mode of transportation in more than 100 years.

Our private and public sector partners include AECOM, Arup, SNCF/Systra, Amberg Loglay and GE, among others. Our partnership programme is designed to cover the complete spectrum of infrastructure needs, including construction and design, financing, regulatory reform and safety certification. We're now exploring projects in a number of markets. For instance, we've signed an agreement with the City of Moscow, which promises wider opportunities in Russia. The greater Moscow region is home to 16 million people, and renowned for traffic congestion. Inner city rents are also out of reach for many people. A Hyperloop One commuter network would allow the City of Moscow to fulfil its goal of developing affordable communities further afield, but still only minutes away from the city centre.

One of our investors and partners in Russia is the Summa Group. They see a potentially far bigger opportunity to build long-distance freight Hyperloop networks, integrating the Eurasian Economic Union with China's 'One Belt, One Road' initiative, often called the New Silk Road. Such a project could slash billions from supply chain costs.

The Russian transportation minister has also suggested working with us on building an initial 70km Hyperloop One run between China's mineral and manufacturing-heavy Jilin province and Zarubino, a port on Russia's Far Eastern coast. Fifteen years from now, Zarubino could be a bustling Hyperloop One terminal – free of truck pollution – for goods from Jilin.

In Scandinavia, we are working with FS Links to study a route linking Helsinki and Stockholm in less than 30 minutes, as part of a network carrying 40 million passengers per year. FS Links' ambition is to create a Nordic super-region, with Hyperloop technology at its heart.

Interest has been huge elsewhere too, thanks, in part, to our Hyperloop One Global Challenge – an open competition to identify locations around the world in which we can develop the first Hyperloop networks.

We've asked teams to make their best case based on commercial, transportation, economic and policy analyses of their markets. So far we have had more than 600 registrants in more than 90 countries, everywhere from the U.S. to Australia, Estonia and Lebanon. We think we can get at least a few dozen highly detailed final entries. Our judges will then pick the best three and plug them into our partner network to begin the early stages of commercial development.

"I'm clear that the environmental and social benefits offered by Hyperloop One will be really significant."

Marvin Ammori

THE KEY CHALLENGES

When it comes to funding and project financing, there are clear recipes and playbooks for how to finance an ambitious transportation infrastructure project. Here, our low-cost structure and the outsized benefits we offer investors work in our favour. The real key will be picking the right partners and crafting the appropriate terms.

We anticipate facing some significant regulatory hurdles and challenges over rights of way and safety certification. Indeed, our engineers tell me that they fear the legal and regulatory challenges far outweigh the engineering ones. Our legal team and outside counsel are working hard to make sure that isn't true.

We believe that we can address such challenges through hard work and by partnering with forward-thinking nations and organisations.

We understand that we have to be regulated, but regulation should be appropriate.

LEGAL INNOVATION

Lawyers are absolutely essential to achieving our ambition.

This area of law reminds me of the early days of 'cyberlaw', when lawyers had to determine new frameworks for the Internet, borrowing from and adapting existing law. I believe this area of law – what I jokingly call Hyperlaw – will similarly require adaption, tailoring, creativity and analysis.

Achieving our vision requires legal advice across many domains – regulatory, project finance, transportation and technology. Everyone on our in-house legal team feels that we can be part of changing the world through the legal work we do at Hyperloop One, and many of our outside lawyers have expressed a similar feeling.

THE WAY AHEAD

So how do I see things shaping up in ten and 50 years' time?

Assuming that all goes according to plan, in a decade's time there should be a handful of Hyperloop One passenger or cargo systems in operation, proving how this technology can transform lives in different settings around the world.

But in 50 years' time, Hyperloop One will, I think, have redefined our concept of time and distance. Children will have grown up taking the benefits of Hyperloop One transportation for granted – knowing they can oversleep in Stockholm, but still be in Helsinki before their meeting is over.

And our greatest success could be in the developing world.

Just as 3G mobile phone networks have allowed nations to leapfrog the era of landline telecommunications, Hyperloop One could enable people in remote rural locations – who currently don't have access to a decent road – to connect to urban-quality healthcare and education.

ROGER LUI
Partner, Allen & Overy

GARETH PRICE
Partner, Allen & Overy

Investing in breakthrough

Sustaining a market-leading Projects practice means having the courage to move quickly to invest in breakthrough technologies – ones that are as yet unproven, but which could change the world. Hyperloop One fits that bill exactly, say Roger Lui and Gareth Price.

IT'S BASICALLY AN 800MPH METRO – a futuristic transport system moving freight and people through vacuum-filled tubes at the speed of sound.

So it's fitting, perhaps, that A&O's involvement with Hyperloop One came at high speed and somewhat out of the blue when former colleagues of two of our partners coincidentally joined the Silicon Valley company as it was about to start rolling out projects in diverse jurisdictions across the world.

The legal brief was clear. They needed advisors who could combine first class project financing skills, the ability to convince wary investors to back a breakthrough technology and deep knowledge of the knotty transport challenges faced by planners in very different local markets.

TWO PLUS TWO

"We knew we could tick the box for best global projects practice, but we needed to quickly assemble exactly the right team to meet Hyperloop One's exacting needs," says Roger Lui, a partner in Hong Kong.

"And it looked like an exciting opportunity worth seizing quickly," he says. "This is about us going in to build things with them, an opportunity for us to bring innovation in legal technology in the same way they are bringing innovation in engineering technology to their projects in different countries."

A small team of A&O partners – Jon Bevan, Bimal Desai, Anton Konnov, Roger and Gareth – came together swiftly to prepare a pitch and present it to Hyperloop One.

"In the space of 72 hours we got partners from Dubai, Hong Kong, London and Moscow on to planes and into LA having all researched the business and prepared a presentation. We were all on the ground for less than 23 hours – in and out in a day," says Gareth Price, global head of the Projects group.

"It's a great example of collaboration within the firm – that collective strength that we have where we all know we bring something to the party but we also know that, together, two plus two can equal five."

→

MONETISING TECHNOLOGY – A DIFFERENT TAKE

Hyperloop One had already successfully raised R&D finance. The challenge now is to attract investors across the world to help fund the roll-out of projects in different jurisdictions.

Here the A&O team was able to offer two advantages – deep local knowledge of different markets to help the company broker development deals with governments, public authorities and local partners, and an ability to look at the issue of raising investment from a different, lower-risk angle.

Gareth again: "Tech companies like to say they have invented things. What we told them was – sure you've invented something, but actually what you've done is put together proven, stable technologies in an innovative way, so the risk is lower than it would seem at first sight with a technology that is expected to transport people and goods at 800mph in a vacuum through a tube." The conversation started with project finance but quickly turned into a debate about business models and the challenge of monetising the company's technology in different markets so that the company can remain nimble enough to meet very different local needs.

Hyperloop One's needs are broad. It needs help in establishing a presence in new markets, negotiating joint venture agreements, fitting its technology into different and often complex existing infrastructures, protecting and monetising IP, and assistance in raising finance in innovative ways. We are now involving partners from A&O's wider network beyond the lead client team as the wider firm begins to swing behind the client.

PLANNING AND ENVIRONMENTAL BENEFITS

Gareth is clear that Hyperloop One could, if successful, play an important role in revolutionising city and intercity planning and in decarbonising transportation. "To truly decarbonise you need this kind of modal shift in transportation away from burning hydrocarbons," he says.

And he paints an intriguing picture of how the technology might not only rewrite the economics of logistics, but may also transform our whole idea of the relationship between people, their work, leisure and transport needs.

"Take, for example, the possibility of a Hyperloop One from LA to Las Vegas," he says. "That would turn Vegas into an evening destination for people in LA – it's a 15-minute ride. So all of a sudden you're starting to connect communities in very different ways but with the added benefit of a low-carbon transition.

"And that's before you get to the conurbation benefit within and around cities. If you can connect employment and leisure with housing on a more remote basis but without increasing commuting times, it starts to be very, very exciting," he says.

"We all know we bring something to the party but we also know that, together, two plus two can equal five."

Gareth Price

TAKING THE RISK

Roger admits it can be difficult to assess the likely risks of a technology that remains largely unproven, but says it is important to be bold.

"It's about entrepreneurship and having the confidence in what we know, recognising that we will add value at some point to something quite big. That's what Silicon Valley was built on and we need to show that we have the same attitude and commitment, particularly with this client."

Gareth agrees. "We've been global number one in the projects marketplace for a long time and what we try to do is to look all the time for the 'next thing'. But we do that knowing that we have a solid platform of deals and the reputation that allows us to make this sort of investment of time in creativity.

"Do we know this breakthrough technology – with all the potential transport and environmental benefits it may offer – is going to work? No we don't. But do we know that, by being brave and by looking to new technologies and new clients, we stand the best chance of staying number one? Yes we do." □

WORK IN PROGRESS

The world of work is changing fast, with many of the old certainties being swept away by technology, new business models and employees demanding greater control of their careers. That, Sasha Hardman argues, could be good news for A&O and the people who work here.

SASHA HARDMAN
Global HR Director, Allen & Overy

It's work – but not as you've known it

A JOB FOR LIFE; NINE TO FIVE; permanent, full-time employment; progression, promotion, retirement – the world of work is changing radically and many of these traditional certainties of employment are vanishing fast.

We work in different ways now and all the experts predict that the workplace is heading for further deep transformation in the years ahead.

Already two out of five people believe that traditional employment won't be around in the future, according to PwC's recent Future of Work report, which also found that 46% of HR managers expected around a fifth of their workforce would, in future, be temporary.

More and more people are looking to work anywhere they can set up a laptop and a smartphone, and at times that suit them. The number of people hired entirely online is also predicted to grow rapidly. And as employers try to find smarter ways to match people, their skills, working styles and personality traits to specific jobs and projects, McKinsey has forecast that automated workforce management systems will proliferate, particularly for multinational companies with operations spread around the world.

Welcome to an increasingly agile working world where individuals will sell their skills to those employers who can offer them the chance to build a portfolio of, often temporary, assignments, satisfying both their work aspirations and wider life interests.

It's a world where the balance of power has shifted from the employer to the employee, where old corporate hierarchies are being flattened and where employees are likely to follow a much

→

more varied career path rather than sticking with one employer and slowly climbing the promotion ladder.

And much of this is here, now – or just around the corner.

The PwC report found that 29% of employees are already demanding complete control over their careers and predicted that employees' desire for diversified careers, mobility and greater flexibility will have the biggest single impact on working trends in the next ten years.

Then factor in artificial intelligence, and the strong likelihood that a growing number of more routine or transactional work tasks will be completed by robots. McKinsey has predicted that 40-75 million jobs worldwide could be replaced by robots by 2025.

While that is a scary prospect, many commentators are casting that trend in a more hopeful light. They predict that automation will mean that new jobs, yet to be thought of, will be created, requiring new skills of people in work that capitalise on "the distinctive human capacity for empathy, emotional intelligence and the identification and creation of meaning", as the European Business Review has put it.

THE CHANGING FACE OF THE LAW

Sasha Hardman, A&O's Global HR Director, acknowledges that the legal profession – typically conservative – has maintained traditional workplace structures for decades, even as the industry has globalised and grown.

But all that is changing now, driven by a mixture of powerful influences – technology, client demands for more cost efficient legal services – and by employee demands for greater flexibility and choice in how, when and where they work.

And A&O has taken a lead in exploring new ways to organise and resource itself in a bid to make sense of these pressures.

It has launched Peerpoint, its global resourcing platform – now with 150 consultants in London, Sydney and Hong Kong, opened the Legal Services Centre in Belfast, developed aosphere online legal services and created a project management office. Each responds to client demand, and all offer alternative or new ways of working for the firm.

Over the last year, A&O has also launched a drive to encourage flexible working by giving people greater control over how they structure their own working time and integrate it with the rest of their lives. It has been taken up with gusto in some offices; in London, for instance, remote working has trebled in the last 12 months.

CULTURE CHANGE

But underlying those big reforms is a subtler change in culture.

"The boundaries have been blurred and we're all having to get used to the new workplace dynamics. But, for me, the biggest change in workplace relationships is around trust," she says.

"The relationship between employer and employee used to be a case of: 'I'll tell you what to do, you'll do the task in these hours and then you'll go home'.

"Now it has shifted to: 'We trust you to deliver the results, but when and how you do it, we don't really mind'."

But that cultural shift presents some big challenges, she admits. "We're going to need increasingly sophisticated ways of resourcing what we do across different jurisdictions.

"As a manager and a leader, how do you bring together a team – which in future may include lawyers, IT specialists, process efficiency experts, and project managers working across the world – and inspire, motivate and create a vision for them?"

LOOKING CHANGE IN THE FACE

Addressing those questions has involved taking a long hard look at changing working patterns and aspirations – and the answers are not always easy.

"Take the issue of loyalty," says Sasha. "How do we engender a sense of loyalty when actually there's no guarantee of partnership for lawyers, and when many people don't actually want it anyway because they want a wider range of work experiences which may well involve A&O being just one part of a varied career plan?"

So what are the new reasons why you would want to come and work here? What else about A&O's culture binds people together?

She is clear that three things in particular stand out. "Firstly, we're a community of likeminded people working together for the common good – we're collegiate and collaborative. Secondly, we share a desire to challenge the status quo and change what's gone in the past to create new ways of solving our clients' challenges.

"And, finally, we are all looking to the future – both in terms of making sure we meet the future needs of our business, but also being prepared to ask everyone here, openly and honestly, what is your future and how can we help you equip yourself to achieve your career goals, whether that's here or somewhere else?

"It's about creating an environment where people can develop not just the legal skills, but the resilience, the emotional and cultural intelligence, the versatility and agility to meet the changing demands of a very unpredictable world."

ALLISON BROWN
Director – Legal, Employment, Google

SARAH BANATVALA
Legal Counsel, Employment, Google

The Peerpoint experience

A&O'S PEERPOINT INITIATIVE – set up three years ago – is a platform for progressive lawyers to do high-end legal work for clients on a consultancy basis. A Peerpoint consultant may be seconded to a client's in-house team, or work within A&O to see a particular project through. It takes people with particular skills and personal qualities to make a success of being a consultant lawyer.

But what's the experience really like – from the client's and the consultant's point of view?

Allison Brown, who heads Google's employment law team in Europe, the Middle East and Africa, brought in Sarah Banatvala, a Peerpoint consultant, to cover a maternity leave.

Here they talk about how the assignment is going.

ALLISON BROWN

"Innovation is at the heart of what we do at Google and the way we deal with people," says Allison Brown, Director of Employment Law, for the group's Europe, Middle East and Africa region.

"We've grown really fast as a company since I joined in 2007. It's a very different organisation today in terms of size. But innovation is still at its heart."

Google is not a traditional client and that makes it an unconventional place to practise as an employment lawyer.

"It doesn't just make you think about things purely in terms of legal risk and mitigating legal risk. Google puts its people first and that really is essential to all the work that my clients do and how I work with them," she says.

"You're not necessarily called upon to advise on just your typical employment legal scenarios, because Google does unconventional things in unconventional ways," she says.

It was one of the first tech companies to start a conversation on inclusion. It does a lot of work on people analytics and uses data to help drive decision making.

"That approach can lead you down unexpected pathways and can create lots of interesting work for an employment lawyer."

It also means you are looking for particular skills and personal qualities in any consultant you bring in to cover a sabbatical, a maternity leave or a special project, as Allison did with Peerpoint consultant, Sarah Banatvala, in April.

"You're not just looking for someone who can do the work, but someone who can represent you in front of clients. They have to be a good fit culturally – not just technically, but personality-wise too," she says. "I think we were lucky with Sarah and got it right in that regard."

Preparing the way for Sarah to join the team involved some careful work, she says. "We did a lot of work before she joined in terms of putting together an on-boarding programme, because at first the way we work at Google can be quite difficult to adapt to."

There were some important days of overlap between Sarah's arrival and the departure of the colleague she is covering, and they worked diligently on the handover. There was a lot of help too in learning the systems.

"We were conscious we wanted to set Sarah up for success, so the on-boarding programme was really helpful, but also it was helped by Sarah being really open, willing to learn and eager to get into the work quickly. So the transition was made easier by the preparation we had done, but also by the kind of consultant Sarah is."

Allison has a busy, five-strong team. In the past she has relied on her outside counsel to offer secondees to provide cover when members of the team take extended leave or when there is a lot of work on – a solution that's not always cost effective.

"It didn't make sense to me to hire a lawyer on a 12-month temporary contract to cover this maternity leave," says Allison.

"You're looking for someone with a certain expertise and you want a lawyer who can hit the ground running. It's much, much easier to go to an organisation, like Peerpoint, that has a pool of potential candidates – much easier and much quicker."

Although Allison hired Sarah initially for six months, she hopes she will stay on for a year to cover the complete maternity leave. That would give her and the team a sense of real continuity, she says.

Has she ever had times when it has gone wrong?

"If it doesn't go right I think it's about personality, the type of consultant and the level of experience."

→

"It's a path that is actually not very 'me' in terms of my career to date. But actually it's turned out really well – I've managed to find a way of working that is more suited to what I want out of my career and what I want out of life. I wish I had done it sooner."
Sarah Banatvala

"We've been lucky with Sarah because she's got experience in other sectors like banking. Working in this sector is very different, but she's been able to adapt kind of seamlessly. Someone with less experience might find it more challenging to go from one environment to the other," she says.

"Picking the right consultant, I think, is the key."

SARAH BANATVALA

After ten years in private practice with Pinsent Masons and 18 months in-house with Barclays, Sarah Banatvala thought it was time to seek a different balance in life. But making the leap from permanent, full-time lawyer to consultant didn't come easily, she admits.

"Taking myself out of permanent employment in order to become a consultant without any real indication on when or where I would work next was daunting. It's a path that is actually not very 'me' in terms of my career to date," she says.

"But actually it's turned out really well – I've managed to find a way of working that is more suited to what I want out of my career and what I want out of life. I wish I had done it sooner."

She'd been harbouring a dream to spend six to nine months a year working and three months living abroad. And although it hasn't really worked out exactly like that yet – most assignments end up getting extended, she says – she likes the new rhythm in her working life.

"I like the fact that I can pick where I work, what clients I work for and always know there's an end in sight – so when my current assignment with Google ends I'm definitely going travelling." Destination: three months in either Spain or Latin America and a determination to learn Spanish.

The chance to work with Google – covering a maternity leave in the employment law team – was one she leapt at, having already done some work as a consultant in A&O's employment team for the tech giant, and she was eager to work in a new sector after a long time in financial services.

But how easy was it to fit in? "Really easy – although it's strange saying that given my last two roles were in financial services. It's a mixture of me being used to coming into a team and getting on with things, knuckling down and picking up where someone has left off, and the fact that they made sure it was as easy for me as possible."

Google made sure she was able to spend time with the person she was covering, giving her the chance to talk through ongoing matters and the helpful new starter deck. A legal assistant also spent dedicated time with her to get her settled. "That was key because there was a whole new system to get used to."

While Sarah is not an A&O alum, that has not affected the support she gets from the firm. A&O has a strong sense of culture and, in matching consultants to clients like Google, always works hard to help them blend in with that culture easily. Regular contact with the Peerpoint and Employment teams, including the Google employment relationship partner Sarah Henchoz, have really helped. "They keep me looped in and I feel very supported in this role."

There are things she doesn't miss: "In the past there has been a focus on what's your 'brand' to distinguish you from colleagues, and are you going to make partner, whereas this isn't about getting promoted or being a brand. This is about coming on board, getting up to speed quickly, understanding and adapting to how the client works and doing the best job possible in the time they need you for," she says.

Do many of her peers, working in private practice or in-house, envy her new role and aspire to the same kind of flexibility?

"Some of them would like to do it, but I think there's often an element of fear about where the next job is going to come from. I'm at the stage where I feel comfortable that something I am interested in will come up and, if there isn't anything right away, I've got other things to pursue until something comes up.

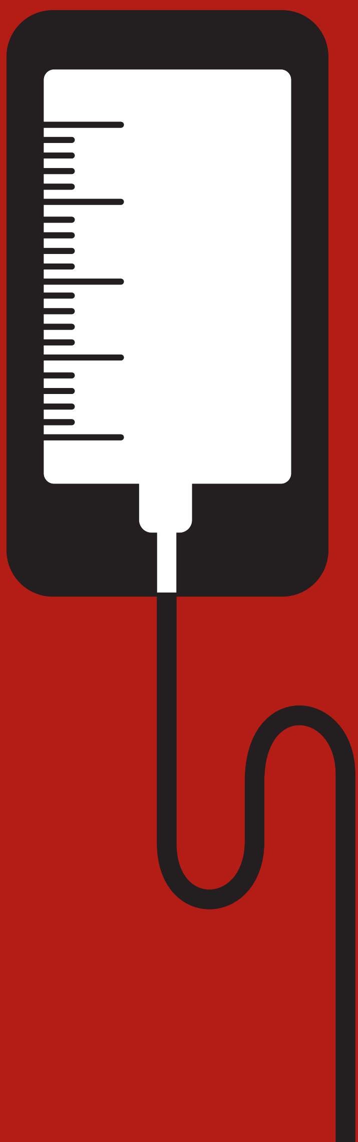
"You enter this knowing it's going to be competitive and that there are a lot of people out there looking for roles," she says.

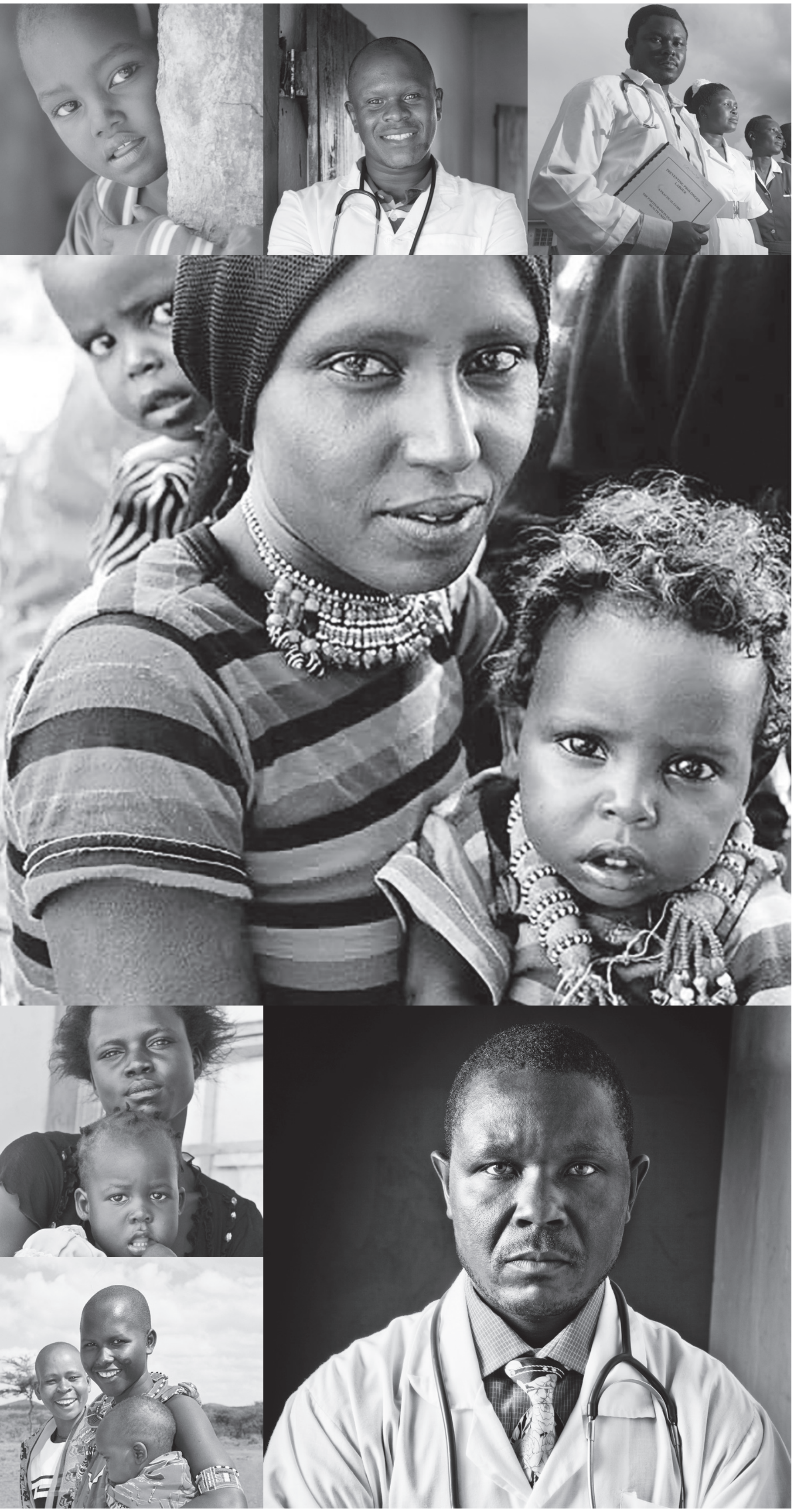
"But equally having two consultancy roles under my belt – at RBS and now Google – I feel it should be relatively easy to find another role. And I have met supportive people along the way who I hope would introduce me if they knew of a role that was going."

She would never rule out going back into permanent employment later in her career. First, though, there are some travel plans to firm up. □

HANDHELD HEALTH

Amref Health Africa and Accenture have worked together to create LEAP, an effective way to transform healthcare provision using relatively simple mobile phone technology to train community health workers. But the benefits of this collaboration are potentially much more profound.





MATTHEW EDWARDS
Managing Director, Accenture

DR GITHINJI GITAHI
Group Chief Executive Officer,
Amref Health Africa

ELAINE JOHNSTON
Partner, Allen & Overy

Making the leap to sustainability

DURING OUR CONVERSATION, Dr Githinji Gitahi, CEO of Amref Health Africa, asks a question that puts it all into very sharp context.

"Africa has only 3% of the global health workforce, but we carry 25% of the world's disease burden," he says.

"How can we up-skill and tool people so that they can move on to the next level and make Africa a place of lasting health change?"

It is a clear description of the mission of Amref, an organisation that has been working to improve healthcare provision, training and education in Africa since 1957.

"Amref has been involved for a very long time in developing capacity not only of healthcare workers in Africa, but also communities themselves so that we can empower people with the information and knowledge they need to make their own decisions," says Githinji.

In the early days this work was all face to face. But, bit by bit, Amref has been finding ways to harness technology to train more healthcare workers and to reach further and deeper into communities.

For the last 11 years, it has worked in increasingly close partnership with leading global professional services company Accenture to develop and build more effective programmes.

In 2005 the partners began building an e-learning platform to train some 22,000 nurses to diploma level in a programme run initially with Kenya's Ministry of Health, but subsequently launched in Tanzania, Uganda and Zambia.

Learning by computer rather than in a classroom was still a relatively new thing at the outset, so advocacy was an important part of the partners' mission as they sought to persuade governments of the power and potential of e-learning.

The rapid penetration of mobile phones across Africa in recent years has now opened the way for a new and more ambitious mobile health project – LEAP.

"Working closely with Accenture we asked ourselves: how can we use mobile phones as a learning platform?" he says. "And obviously there are challenges here. You can't deliver the same amount of content on a mobile phone as you can on a laptop or a PC, especially as the majority of people we are training do not have smartphones but the original, small screen analogue phones."

Amref had the capacity to develop content and to engage governments in the project, he says. Accenture bought their expertise in technology, forming partnerships, financing and project management.

Matthew Edwards, managing director – Accenture, takes up the story: "The discussion turned into a concept, and Accenture worked side by side with Amref to create a truly unique cross-sector partnership comprising Amref Health Africa, Accenture, the Kenyan Ministry of Health, M-PESA Foundation, telecoms provider Safaricom, and Mezzanine, the technology group, to deliver it."

Grants totalling USD4.4m were provided by Accenture, with an additional USD2.1m coming from the M-PESA Foundation.

"LEAP is designed to make health training accessible to all communities," says Matthew. "By leveraging the power of technology, Accenture is helping Amref Health Africa deliver medical and job skills training at speed and scale – a critical component in improving the health and long-term economic sustainability of communities in Africa."

LEAP has been piloted in Kenya, with content being delivered to 3,000 health workers serving 300,000 people living in urban, rural and nomadic communities. The health workers have been taken through a series of government-accredited training modules.

→

Perspectives on partnership

Amref Health Africa looks for particular qualities in the partnerships it forms. So what, for Dr Gitahi, makes for a great relationship?

- **A shared mission –** not necessarily overall, but around the project you are working on together
- **Shared values –** so that both organisations feel comfortable working together and are assured of each other's integrity
- **Co-creation –** the ability to sit down together and address a problem, bringing your joint strengths together
- **Clarity –** each having a clear idea of the other's role, preferably captured in an MoU at the outset
- **Fun –** people who have fun working together create better solutions
- **A common idea of success –** knowing that success looks the same from both sides

The system means their work can be supervised, supported and monitored remotely, allowing them to work with greater confidence. In addition, individual health workers can stay in contact with their peers and learn from each other, all thanks to the power of group chat.

That makes LEAP a powerful tool not only in the provision of day to day community healthcare, but as an early warning system in controlling the outbreak of diseases, such as ebola and malaria.

"Through their training, the healthcare workers know how to recognise syndromes and symptoms and can therefore identify a pattern of disease like malaria," says Githinji.

"If, in a group of 50 workers chatting together, ten or 15 spot the same symptoms in their communities, that information can be shared with each other and with supervisors and act as a red flag warning of a possible malaria outbreak."

"Africa has only 3% of the global health workforce, but we carry 25% of the world's disease burden."

Dr Gitahi

GOING TO SCALE

With the successful pilot completed in Kenya, the next task is to take the project to scale, with plans to introduce the technology in Ethiopia, Uganda, Tanzania, Mozambique and Zambia.

Throughout, Amref has worked closely with Accenture Development Partnerships, bringing the breadth and depth of Accenture's global capabilities and experience to support development organisations across the world. A team has been working both on the ground in Nairobi and in the field alongside Amref colleagues.

"Over the last four years we've been able to develop the vision and strategy for LEAP, manage the development of the technology and learning pedagogy, and monitor the pilot implementation," says Matthew.

But the focus has now shifted, he adds. "Most recently the project team has been working closely with Amref to transform LEAP into a commercially viable social enterprise. That means advising on organisational structure, guiding on branding, developing a go-to-market strategy and building capacity in key commercial areas such as sales, marketing and financial management skills."

The support and guidance has been invaluable, says Githinji.

"When you team with a company like Accenture you start to learn how business is done. And you start to learn that talking about moving away from aid to trade and starting to think about long-term sustainability is not just a boardroom discussion – it is actually possible."

The partners now plan to explore other potential areas for collaboration, specifically looking at which of the UN's Sustainable Development Goals they can address together. They are also looking again at the e-learning programme – their first collaboration – to see if it can be further and sustainably developed.

Matthew says the support of LEAP is part of Accenture's Skills to Succeed corporate citizenship initiative, which is equipping more than three million people around the world with the skills to get a job or build a business.

That initiative is all about using Accenture's corporate strengths to forge smart partnerships that have real and lasting impact.

"Personally, I have found it immensely rewarding to see both the power of true partnership – how businesses and NGOs can collaborate to achieve outcomes which none of us could have achieved on our own – and the transformative potential of digital technology for the most disadvantaged people."

SHARED GOALS

It's just such outcomes that A&O has been seeking to achieve in its two-year partnership with Amref, which concludes in October this year.

Since Amref was selected by A&O staff as the firm's global charity partner, A&O has been providing a mixture of funding and pro bono support for two key sexual and reproductive health projects aimed at 130,000 young people in Tanzania.

The initial target to contribute GBP1m has already been achieved, with GBP1m provided in direct funding and GBP692,000 in volunteering and in-kind support.

Elaine Johnston, a New York partner helping to lead the Amref partnership, pays tribute to the fantastic support people across A&O have given both through fundraising and pro bono volunteering. She's delighted, too, that the firm has helped Amref build its advocacy capabilities around sexual and reproductive health.

"We are delighted to be working with Amref and it's great that we're not only providing funding but also using our legal skills to make Amref's work more sustainable," she says.

"We're particularly proud to have helped build Amref's advocacy skills in Tanzania so that it can work, from community level up to regional and national government, to achieve lasting change in sexual and reproductive health across the country. This is about reducing adolescent pregnancies and making sure thousands of young people get the chance to stay in education, as well as eliminating harmful traditional practices such as FGM and early marriage that adversely affect the lives of women and girls."

That work has involved over 760 hours of volunteering, involving 23 lawyers and seven professional support staff who have developed a toolkit and delivered training on the ground to help Amref staff engage in advocacy to promote the rights of children and young people and to eliminate discrimination and violence against women.

"This has been A&O's largest pro bono project with a global charity partner ever and we've learned many important lessons through our partnership."

For Githinji the partnership has also been truly two-way. "A&O is helping Amref transition itself to a sustainable position, and, through us, it is getting access to the communities in Africa we work with and really engaging with them – that's what makes the partnership so important." □

MAJOR ROAD AHEAD

Abertis has transformed itself from a broad-based infrastructure group, largely focused on its Spanish home market, to a leading global group specialising in operating toll roads. Here Francisco Reynés, the group's vice-chairman and CEO, gives a personal view of the challenges and opportunities that change of strategy is bringing.

FRANCISCO REYNÉS
Vice-Chairman and Chief Executive Officer, Abertis Infraestructuras

The global growth drive

FOR ABERTIS INFRAESTRUCTURAS, the great recession that followed the financial crisis was the turning point in terms of the strategic direction of the business.

It brought with it a panoply of challenges including a restricted supply of credit to public administrations, atypical economic cycles and low inflation in our main markets.

We had to adapt to this new environment quickly and we did it by prioritising international growth and by focusing the business plan on the area where we had the greatest know-how – toll road management.

After a long reorganisation process, today Abertis is the world leader in this sector, measured by the number of kilometres we manage, with over 8,300km all over the world. Today, 70% of Abertis's business is outside Spain, making us a truly global company with operations across Europe, North America and Central and South America.

A HUGE INVESTMENT CHALLENGE

Although the economic environment has improved since the depths of recession, clear challenges remain.

Public administrations are still suffering credit restrictions, but infrastructure requires ongoing maintenance and development if countries want to remain competitive and continue to grow.

And the levels of investment required are vast. For example, the American Society of Civil Engineers calculates that USD1.4tn is needed to fund transport infrastructure between now and 2025 in the U.S. alone.

We believe that meeting this investment challenge should continue to drive public–private collaboration in the sector.

It's encouraging that many countries, such as France, Chile and Brazil, are preparing ambitious infrastructure programmes that will offer interesting opportunities in the short term to fund assets that will remain in place to serve society for generations to come.

Given this investment requirement it's not surprising that the infrastructure sector is becoming increasingly attractive to investors. But it's important to remember investing successfully in this sector also requires significant management know-how and a long-term vision.

In the case of the toll road sector, we often talk of contracts and concessions with a lifespan of over 25 years, preceded by significant initial investment. To succeed in this sector, management companies need the industrial strength and financial solvency to weather the different economic, political and social cycles in the countries where they invest.

PRIORITY ROUTES TO GROWTH

We have clear priorities in terms of selecting which markets to invest in. We target those countries that offer a clear regulatory framework, legal certainty and favourable funding and yield conditions, and where we feel our investment in toll roads can add real value in terms of securing both economic and social progress.

Abertis now operates in 12 countries in Western Europe and America. These are economically developed countries but, in terms of infrastructure funding, they offer significant investment opportunities in existing networks – in other words, brownfield concessions. These are regions where we feel comfortable to operate.

Regions such as Asia and Africa have a greater need for new infrastructure or greenfield developments. These are less suited to the current Abertis business model. But, as a world leader in the toll road sector, we are obliged to analyse all of the opportunities offered by the infrastructure sector all over the world, provided they meet our legal and financial discipline conditions.

One of our priorities when deciding to invest in a country is legal certainty and a clear regulatory framework.

During the long lifespan of concessions it's not unusual to see significant political, economic and social change. Managing that change requires two things in particular: that we remain flexible and adaptable as a company, and that public administrations maintain a stable legal framework in which we can operate.

I would love to see a broader move towards stable and more homogenous regulation offering clear guarantees with respect to public–private collaboration on infrastructure development.

There has been some significant progress on this front, but we believe that much still remains to be done.

MANAGING COMPLEXITY

The fact that toll roads are public assets managed by a private company is an added complexity.

All over the world, Abertis works with different authorising bodies, partners with different characteristics, different types of shareholder, as well as a variety of customers, suppliers and partners.

→

Getting this right can be tricky. But bringing together the different interests of the many stakeholders requires, above all, management based on trust, professionalism, a long-term vision and a clear desire to serve society.

It also calls for a high degree of agility on our part. And I think we are achieving this in three ways.

Firstly, through an open, global culture in which our international divisions have a high degree of freedom to act independently, so that they have the ability to be flexible and adaptable but always within the context of a group of companies that remain in constant communication and are closely aligned.

Secondly, by unifying and simplifying our processes we've been able to generate significant synergies for Abertis as a whole and for our individual business units.

Finally, we have also always opted for innovation. Our recently rebranded Emovis toll technologies division will, I believe, continue to give us tremendous competitive advantage in our chosen markets.

ROAD SAFETY

For anyone operating in this sector one issue remains a significant and worrying problem – road safety. This is a real priority for Abertis and it's one area where I'd like to see significant progress.

I always begin my meetings with each of our business units by going over the accident rates on our networks. Our work with associations such as Together for Safer Roads is just one example of our commitment to addressing this global problem.

We have a clear goal in this respect. As part of our goal to bring both economic and social benefits in the markets we serve, we want to establish Abertis as the world leader in road safety knowledge and best practices.

"Investing successfully in this sector also requires significant management know-how and a long-term vision."

Francisco Reynés

PABLO MAYOR
Partner, Allen & Overy

Partners across the world

Our partnership with Abertis has evolved as the company has built on its Spanish roots to create an international toll roads business in an increasingly active but complex global infrastructure market. It's a relationship based on trust and mutual understanding, says Pablo Mayor.

IN 15 YEARS OF WORKING CLOSELY WITH ABERTIS INFRAESTRUCTURAS, Pablo Mayor, a partner in our Madrid office, has seen the company transform itself from a strong and highly profitable Spanish infrastructure group to a global business pursuing interests across Europe, the Americas and Asia.

As the group has expanded internationally it has also increasingly focused its interests on operating toll road and motorway concessions, establishing itself as a global leader in the sector as well as a top company on Spain's IBEX 35 index.

Through this time of change and growth, A&O's relationship with Abertis has evolved significantly and grown stronger with every year that has passed.

Building the right capabilities to support Abertis has meant following the company's changing strategy closely and adjusting our capabilities accordingly.

GOING INTERNATIONAL

At first that meant supporting the business in its home market, doing important public law work and then gradually offering a broader range of corporate law services, including project financing, M&A support and tax advice.

Some ten years ago the group adjusted its strategy to focus on overseas markets, to the point where it now has just 30% of its interests in Spain, compared with 95% a decade ago.

"The strength of our network of international offices meant we were very well placed to be on their panel of preferred law firms, not least because we have built a very strong understanding of the business as it has developed," says Pablo.

The internationalisation of the group coincided with another key shift in strategy: the decision to focus on becoming a leading operator of toll road concessions around the world.

To fine-tune that focus, Abertis set about spinning off some of its other infrastructure interests, including airports, parking concessions and, in 2015, its telecoms arm, Cellnex, which is one of Europe's largest operators of telecom towers, a significant player in broadcasting services, and an IBEX 35 company in its own right, where Abertis still holds a major stake.

Again, because of A&O's long links with these businesses, the relationship with them has continued now that they are operating as standalone companies.

OPERATING IN A CHANGING MARKET

Infrastructure, in general, is becoming an increasingly sought-after asset class as a wide range of investors, particularly institutions such as pension funds, ramp up their exposure to the sector.

Infrastructure is attractive to these big funds because it satisfies their investment criteria, to meet their liabilities by earning stable and relatively predictable long-term returns. As a result, many are building up their direct investment teams in key markets to seize opportunities.

But as more investors pile into the sector there is an increasing dilemma – namely a surplus of capital chasing a relative dearth of core assets.

To some extent, this is redefining what is perceived as 'infrastructure'.

For example, the investment by pension funds and sovereign wealth funds in top-end deals is incentivising closed-end funds, which have shorter investment cycles, to focus increasingly on mid-market deals and bilateral opportunities away from the regulated infrastructure sector.

Instead they are targeting assets that share some of the attractions of classic infrastructure, but without necessarily having the same monopolistic features – assets such as leasing operations, district heating or oil storage.

CONFRONTING THE CHALLENGE

This broader trend presents a challenge for Abertis, particularly as it is focusing on one specific segment of the infrastructure sector.

The company's strategy is to spread its interests and exposure across multiple geographic markets, with a focus on acquiring assets that offer good, stable, long-term cash flows (many of the concessions have lifespans of between 25 and 40 years).

It has expanded rapidly into key European markets, notably France, Italy and the UK, as well as into the U.S., Chile and Brazil, seeing the number of kilometres of road it manages directly almost double from 3,756km in 2009 to 8,300km in 2014.

Acquiring these prized assets sometimes involves taking part in public tender exercises, but the preferred route is to acquire majority holdings in companies that already run concessions, often working in unison with other infrastructure investors, such as the big pension funds.

"As more investors pile into the sector there is an increasing dilemma – namely a surplus of capital chasing a relative dearth of core assets."

Pablo Mayor

"Either way, Abertis has to manage an intricate network of partnerships and commercial relationships in very diverse jurisdictions," says Pablo. "That can be tricky, not least because the big pension funds may well be a competitor in one market and a potential business partner and co-investor in another."

GLOBAL REACH, LOCAL DEPTH

A&O's strategy to build a network of international offices, offering clients both a depth of local market knowledge and global reach across borders, fits neatly with supporting a company like Abertis.

In jurisdictions where A&O has an office, the firm is able to provide the sort of direct support and resource that Abertis has always been used to in Spain, says Pablo. Elsewhere, A&O works in partnership with its network of more than 230 relationship law firms to provide high-quality support and advice on the ground.

So what kind of support and reassurance is Abertis looking for from the firm, particularly in jurisdictions like Brazil, India and, to some extent, China, where A&O, as an international law firm, is not allowed to offer local law services?

"They expect us to offer them a good understanding of the local market, how it works, an insight into how the public administration operates and how concession contracts work within each jurisdiction. They also want to understand the broader local legal system and if they can trust it," he says.

And there is one other crucial element. "Everywhere, they want assurance that we will provide services of the same high quality as efficiently as possible."

"It takes a long time to build a really strong client relationship and, in the end it depends on establishing a strong sense of trust and mutual understanding," says Pablo.

"We've built our own team to really focus on their needs and we are now at a point where they really trust us, particularly in doing big deals abroad but also on day to day work within Spain. They tend now to see us as colleagues, as part of the team." □

AWARDS AND ACCOLADES

FY2016 was a tremendously successful one for A&O, with work by our lawyers and staff winning widespread recognition.

1,061

A&O LAWYERS
ranked across all Chambers and Partners directories

268

A&O IS RANKED
in 268 categories across all Legal 500 directories – among the highest within the magic circle firms

46

A&O ASSOCIATES
were highlighted as 'associates to watch' across all Chambers and Partners directories

NORTH AMERICA

RANKED FIRST
in Law360's 'Global 20', 2015

TRANSPORTATION DEAL OF THE YEAR
Pennsylvania Rapid Bridge Replacement Project, IJGlobal, 2015

BEST AMERICAS ECA FINANCE DEAL OF THE YEAR
for the Sprint Group Financing Deal, TXF Media Awards, 2015

CENTRAL & SOUTH AMERICA

LATIN AMERICA AND MINING AND METALS DEAL OF THE YEAR
for CSP Ceará Steel Mill, IJGlobal, 2015

AFRICA

ONLY FIRM RANKED TIER 1
in Chambers Global for General Business Law in Morocco for four consecutive years

TIER 1 AND 2
in Legal 500 and Chambers for Banking & Finance and Dispute Resolution in Africa, 2016

TIER 1 AND 2
in Chambers for Corporate/Commercial and Dispute Resolution in Africa for three consecutive years

TIER 1
for Corporate/M&A, Chambers Global Africa-wide, 2016

WESTERN EUROPE

DAVID MORLEY
Special Achievement Award and Editor's Award for former Senior Partner David Morley, FT Innovative Lawyers Awards, 2015 and British Legal Awards, 2015

EUROPE LAW FIRM OF THE YEAR
Chambers Europe Awards, 2016

LUXEMBOURG TAX FIRM OF THE YEAR
International Tax Review European Tax Awards, 2016

GLOBAL LAW FIRM OF THE YEAR
GlobalCapital Derivatives Awards, 2015

DEBT TEAM OF THE YEAR
Financial News Awards, 2016

EQUITY TEAM OF THE YEAR
International Financial Law Review (IFLR) Europe Awards, 2016

PUBLIC LAW – LAW FIRM OF THE YEAR IN BELGIUM
Corporate International Magazine Global Award – Editor's Choice, 2016

BENELUX LAW FIRM OF THE YEAR
Mergermarket Benelux M&A Awards, 2015

MIDDLE EAST

MIDDLE EAST LAW FIRM OF THE YEAR
Infrastructure Investor Annual Awards, 2016

INTERNATIONAL FIRM OF THE YEAR
IFLR Middle East Awards, 2015

IFN Awards

LAW FIRM OF THE YEAR
Islamic Finance News (IFN) Awards, 2015

BEST LAW FIRM IN CAPITAL MARKETS
IFN Awards, 2015

RESTRUCTURING DEAL AND TEAM OF THE YEAR
AlJaber, IFLR Middle East Awards, 2015

ASIA PACIFIC

SYNDICATED ACQUISITION FINANCE LAW FIRM OF THE YEAR
Asia Pacific Loan Market Association Awards, 2016

M&A TEAM OF THE YEAR
IFLR Asia Awards, 2016

DEBT AND EQUITY-LINKED TEAM OF THE YEAR
IFLR Asia Awards, 2016

LAW FIRM OF THE YEAR
Infrastructure Journal Asia Pacific Awards, 2015

BANKING & FINANCE TEAM OF THE YEAR
China Law & Practice Awards, 2015

CENTRAL & EASTERN EUROPE

#1

TIER 1
in Chambers Global for Banking & Finance in the CEE region for five consecutive years

WARSAW COMPETITION TEAM RANKED ELITE
Global Competition Review, 2015

#1

TIER 1
for Corporate M&A, Central & Eastern Europe, Chambers Europe, 2016

CSR AWARD FOR CHILDREN'S PRO BONO LEGAL SERVICE 2016
Legal Week Innovation Awards, 2016

THE EUROMONEY EUROPE WOMEN IN BUSINESS LAW AWARDS 2016

Annelies van der Pauw
Best in Private Equity

Jennifer Marshall
Best in Insolvency & Restructuring

Angela Clist
Best in Structured Finance

UK International Firm of the Year

Law Firm of the Year, Belgium

Best International Firm for Work-Life Balance

OUR CONTRIBUTORS

The 2016 edition of Allen & Overy's Annual Review – Partnership & Agility – has been produced with the generous help of people working across commerce and wider society to make sense of a constantly changing world. They provide an invaluable insight into how leaders of organisations – whether businesses or civil society groups – are harnessing the power of collaboration, shared ideas and co-creation to tackle the disruptive challenges of our times. We are very grateful to them for sharing their perspective of the risks and opportunities that lie ahead.

WIM DEJONGHE

Wim is Senior Partner of Allen & Overy LLP, having been Global Managing Partner from 1 May 2008 until 1 May 2016. Previously, he co-headed A&O's global Corporate practice. Wim joined Allen & Overy as a partner in 2001 having previously been a partner at Loeff Claeys Verbeke since 1993. He co-wrote the book M&A in Belgium, the only in-depth and comprehensive legal guide to Belgian M&A transactions. He received his law degree from the University of Louvain (KUL).

02 It's all about navigating uncertainty

ANDREW BALLHEIMER

Andrew is Global Managing Partner of Allen & Overy LLP. Prior to his appointment, he was the Global Co-Head of the Corporate practice from 2010 to 2016. Andrew specialises in public and private M&A and ECM transactions and has broad experience in complex, multi-jurisdictional M&A transactions throughout Western and Eastern Europe, the U.S., Latin America and Asia. In 2013, Legal 500 UK said he is "one of the smartest and most resourceful M&A lawyers around".

02 It's all about navigating uncertainty

MARVIN AMMORI

Marvin is General Counsel of Hyperloop One. He began his career at Kirkland & Ellis LLP, and for five years headed a firm representing Google, Apple, Dropbox and others in their most prominent regulatory debates. Time Magazine calls him "a prominent First Amendment lawyer and Internet policy expert" and he has been named on POLITICO 50's "list of thinkers, doers and dreamers" as "transforming politics". Marvin is a graduate of the University of Michigan and Harvard Law School.

26 Fast forward

LAURA BAILEY

Laura is co-founder of Zerado, an independent consultancy and technology provider, harnessing distributed ledger technology from concept to commercialisation. Previously, Laura was at HSBC where she was responsible for the origination and execution of private equity-backed structured finance transactions, positioning HSBC as a leading financial services provider. Laura's primary role at Zerado is providing commercial direction for applications of Blockchain technology in a range of markets and sectors. Laura studied at Nottingham University and holds two degrees.

17 Chain reactions

AHMED BALADI

Ahmed specialises in outsourcing, IT and data protection with a particular focus on the TMT and Finance sectors. He leads the global Allen & Overy Technology Group. Ahmed has wide experience of digital transition projects including cloud computing, big data, the Internet of Things and Fintech. He is also an expert on multi-jurisdictional and offshore outsourcing projects and data protection/cybersecurity.

20 Chain reactions

SARAH BANATVALA

Sarah is a Pinsent Masons alum with in-house experience at Barclays, RBS, GE and HSBC. She provides advice on all aspects of employment law. Sarah is a CEDR-accredited mediator. She has been working via Peerpoint for Google in its employment legal team since April 2016.

33 Work in progress

ALLISON BROWN

Allison is Director – Legal, Employment for Google in its Europe, Middle East and Africa region, and has extensive cross-border experience. Google currently has operations in 36 countries in Europe, the Middle East and Africa, and Allison manages a team of lawyers who are responsible for all employment legal, benefits and HR data protection law matters in the region.

33 Work in progress

MATTHEW EDWARDS

Matthew is a Managing Director for Accenture Corporate Citizenship. He has a long-standing interest in this area from his work with Amref over the years and is relishing the new challenge. Prior to his role in Corporate Citizenship, Matthew was a Managing Director in Accenture's Financial Services practice with over 28 years of experience.

35 Handheld health

FILIP VAN ELSEN

Filip chairs our global TMT sector group and also heads the IP/IT department of Allen & Overy in Belgium. He advises clients on IT law, outsourcing, intellectual property, cybersecurity and data protection. In particular, he specialises in advising multinational companies on business-critical technology transactions, cloud computing arrangements, big data and data analytics projects where technology produces transformational business change. Filip has won plaudits for his ability to marry his commercial understanding with his legal expertise.

11 Auto intelligence

DR GITHINJI GITAHI

Githinji joined Amref Health Africa on 1 June 2015. Prior to this, he was the Vice-President and Regional Director for Africa, Smile Train International, where he established partnerships with various African governments aimed at providing long-term sustainability. Previously he was Managing Director for Monitor Publications for the Nation Media Group in Uganda, as well as General Manager for Marketing and Circulation in East Africa. Githinji has also held progressively senior positions at GlaxoSmithKline, Avenue Group and in the insurance industry.

35 Handheld health

SASHA HARDMAN

Sasha is Global Director of HR at Allen & Overy. She began her career as a corporate tax advisor at PwC before moving into HR. She has more than 20 years of HR experience in professional services firms. Sasha has a wide range of experience supporting business leaders, including outsourcing, near-shoring, new business development and merger integration. She is passionate about talent development and diversity. She leads a global team across the firm's more than 40 offices.

31 Work in progress

ELAINE JOHNSTON

Elaine is a widely experienced antitrust lawyer whose practice covers antitrust litigation, mergers and acquisitions and antitrust counselling. She frequently appears before the U.S. Department of Justice and Federal Trade Commission and has particular expertise in coordinating antitrust clearances on complex cross-border deals. Elaine led the international A&O team that created the advocacy toolkit for Amref, our most significant piece of pro bono work for a global charity partner. Elaine is a member of the American Bar Association and the New York State Bar Association.

35 Handheld health

RICHARD KIM

Richard is Managing Partner of Allen & Overy's Beijing and Shanghai offices. He advises leading financial institutions, private equity houses and corporate clients on cross-border M&A, real estate investments, private equity investments, corporate restructurings, and equity and debt capital market transactions. Richard is a recommended lawyer for corporate/M&A in the Legal 500 2014 edition and is cited in the 2014 edition of IFLR1000 as "a leading corporate/M&A lawyer".

16 Life changer

LING LI

Ling's corporate practice includes cross-border M&A, joint ventures and capital markets. She has particular experience in advising Chinese companies on outbound transactions. Before joining Allen & Overy, Ling was General Counsel of a large Chinese state-owned enterprise focusing on overseas investment. In 2011, Ling was awarded the In-house Legal Award in Asia Women in Business by China Law & Practice. In 2012, Asian Legal Business voted her one of China's Ten Leading In-house Legal Counsel. Prior to that, Ling worked for a top Wall Street law firm.

22 China steps out

ROGER LUI

Roger has wide experience advising on finance transactions, including corporate loans, pre-IPO financing, equity-backed financing, structured and acquisition financing, real estate financing and project financing. He has experience with power projects in Korea, Hong Kong, China, Vietnam, Laos and the Philippines. Fluent in English, Cantonese and Mandarin, Roger is renowned for his knowledge of the markets across the region.

29 Fast forward

PABLO MAYOR

Pablo is head of Allen & Overy's Public Law and Regulated Sectors department in Madrid. In 1996 he was appointed junior minister of the Ministry of Public Works, responsible for infrastructure, telecommunications and transport. He has been on the Board of Directors of RENFE, AENA and GIF. Pablo advises on telecommunications, media, energy, transport, gambling, infrastructure, public procurement, public law litigation, the negotiation of concession contracts and managing contract resolution. Pablo is highly recommended by Chambers and Partners.

42 Major road ahead

TOMASZ MLODUCHOWSKI

Tomasz is a solutions architect at Zerado where he provides insights on the impact that Blockchain can offer to the finance, banking, health and identity markets. He has been involved in the Bitcoin and Blockchain space since late 2009. Tomasz studied physics at MIT where he focused on computational physics and supercomputing. At Harvard, he audited lectures at the Berkmann Centre. He is an alumnus of the Clinton Global Initiative University programme, and founder of the Warsaw Hackerspace.

17 Chain reactions

GARETH PRICE

Gareth is Global Head of the Projects Group and Co-Head of Energy at Allen & Overy. He works on all aspects of the development, acquisition, disposal and funding of energy and infrastructure assets around the world. Gareth is used to advising on all sides of energy and infrastructure transactions, allowing him to draw on his experiences to promote consensus.

29 Fast forward

FRANCISCO REYNÉS

Francisco is the Vice-Chairman and Chief Executive Officer of Abertis Infraestructuras. As a representative of Abertis, he is the Chairman of Cellnex Telecom and a member of the Board of Directors of Sanef in Paris, Arteris in São Paulo and Hispasat in Madrid. Previously, Francisco was Managing Director of Criteria CaixaCorp. He has also served on the Board of Directors of Gas Natural Fenosa and Aguas de Barcelona, among others. Francisco holds a degree in industrial engineering from Barcelona University and an MBA from IESE.

40 Major road ahead

CHRIS REYNOLDS

Chris is Managing Officer and General Counsel of the Toyota Motor Corporation (TMC), responsible for all legal matters relating to design, manufacturing and sales worldwide. He is also Deputy Chief Officer of the General Administrative and Human Resources Group and, as Chief Officer for the Governance Management Group, is responsible for co-managing the governance practices of TMC. Previously, Chris was General Counsel and Chief Legal Officer of Toyota Motor North America. He is a graduate of Harvard Law School, a former federal criminal prosecutor and a former partner at a major American firm.

08 Auto intelligence

MITCHELL SILK

Mitchell is a projects partner and head of the U.S. China group in the New York office and an industry expert in the energy and infrastructure sectors. He advised, primarily in these sectors, on many of China's landmark project financings and outbound acquisitions and on major project developments, financing, M&A transactions and fund formations across the globe. Mitchell has become increasingly involved in China and other Asian outbound investment in technology-related targets with applications in the energy and infrastructure sectors.

11 Auto intelligence

BARRY SWARTZBERG

Barry joined Discovery Health at its inception in 1992. He was CEO of Discovery Health from 2000 to 2005 and currently serves as Group Executive Director of Discovery Limited, responsible for international strategy at the group level, and Chief Executive Officer of Discovery Partner Markets, Discovery's international ventures arm. Barry is a member of the Discovery Holdings Group Executive Committee and serves on the Board of Discovery, Discovery Insure, The Vitality Group (USA) and Ping An Health in China.

13 Life changer

This document is printed on UPM Fine. A paper sourced from well-managed, responsible FSC® certified forests. The pulp used in this product is bleached using an ECF process.

Designed and produced by Luminous
luminous.co.uk

Copy by Simon Beavis

**allenovery.com/
annualreview**

allenovery.com/annualreview