

U.S. lawyer hangs his shingle out

By CAMERON HAY
Staff writer

OSAKA — A U.S. attorney here won admittance to the Osaka Bar Association last week, becoming the first foreign lawyer to set up practice in the Kansai region.

Although over 70 foreign attorneys have been admitted to other local bar associations, all but two are based in Tokyo, attracted by the capital's domination of international finance and virtual monopoly on government business.

However, Osaka's new entrant, Norman Solberg, a former vice president and general counsel at Fortune 500 manufacturer Alberto Culver Co., said he was surprised no other foreign firm had seen Kansai's potential.

"Considering the region accounts for 3 percent of the world's GDP (gross domestic product), I can't understand why more lawyers haven't identified Kansai as a market," he said.

"Part of the reason is that law firms here can only have one office, so faced with that choice they go for the biggest single market — Tokyo. I also suspect some (expatriate) lawyers want to live there, and so persuade their firms that Tokyo is the place to set up."

In part, Solberg's decision was made for him — in 1990 he was approached by Osaka-based Sharp Corp. to work as legal adviser at their head office three days a week.

Solberg, who has worked as inside counsel for four Fortune 500 companies over the last 20 years, saw the offer



Norman Solberg

could neatly dovetail with his own plans to establish a Pacific Rim law practice.

"It had become apparent to me that a lot of Japanese companies have a very low success ratio investing in the U.S., and part of problem is organizational — they have problems interacting with outside advisers. . . . I felt with my experience as an insider in American corporate law, I could help lead them through the maze."

Solberg cited the case of a Japanese firm, which was making a straightforward purchase in the U.S., that paid \$3 million to legal advisers, more than 10 times what the seller on the transaction paid for its legal advice. "I hate to think what the merchant bank in this transaction charged. After fees like that it takes a long time for these investments to show a return."

Although many Western executives see Japanese negotiators as masters of corporate strategy, the view is often

quite different from the inside. Behind calls to internationalize made by their Japanese counterparts during the 1980s often lay a nagging fear that the Japanese were being taken advantage of in overseas transactions.

While most companies sought to introduce international ideas to the corporate culture by employing foreigners at the graduate or middle management levels, part of Sharp's response has been to bring in a seasoned international negotiator to help train executives.

"Sharp is making deals around the world, and I think they were a little dissatisfied with the way some of these were being negotiated. In part, they felt negotiations were not being pursued aggressively enough," Solberg said.

"Senior management saw this arrangement as one where I would be inside the company, offering not only counsel but also training executives in negotiating strategy."

Solberg's experience, he has worked on over 100 mergers and acquisitions in the U.S. and abroad, enables him to offer Sharp's managers with new tools of analysis.

"One thing I ask them to look at, for example, is the return on investment when they supply cutting-edge technology to a foreign subsidiary. It's not enough that they simply make profits. If the profits they repatriate from that subsidiary are not enough to pay for the R&D that created that

technology, then there's something wrong with the deal."

Solberg described support from top management at Sharp as "fantastic," and plans to continue working there part of the week. His admittance to the bar will enable him to work also on the prime purpose of his move — using his position at Sharp as a "springboard for building up a Japanese client base."

In particular, Solberg plans to focus on serving the large number of Kansai-based manufacturers and other in-

dustries.

Unlike nearly all foreign lawyers admitted to bars in Japan, Solberg came here in November 1991 alone, without the support of an overseas firm. Although he has since become counsel with the Chicago firm McDermott, Will and Emery, the original move here involved "going into debt and putting my money where my mouth was," he said.

Solberg will also live apart from his wife and family for at least another year until the practice is established and he

can travel regularly to the States. Although Japan is a now favored destination with young footloose graduates, few middle-aged lawyers walk away from a successful career to start anew in Japan.

"I could have taken another general counsel position in the States, but I'll never have this chance again. Japanese investment in the U.S. is at a special stage, and at the age of 52, it seemed like the right time to take a break and go after this," he said. "Sometimes you've just got to do what stirs your blood."