

# A NEW LAW FIRM MODEL FOR ALL TIMES

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The global financial crisis is providing new opportunities for a successful group of sophisticated small law firms that aim to prosper in both the good and the challenging times, says Gerard PÃ©rez Olmo, one of the three founding partners of Madrid-based GOLD Abogados.

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desafiantes, dice Gerard Pérez Olmo, uno de los tres socios fundadores del despacho madrileño GOLD Abogados.

'The top boutique firms may not only offer high quality services, as their lawyers have invariably been trained at major international firms – and have perhaps a greater hunger for work – but can also operate on very competitive terms because of their smaller teams and lower overheads,' he notes.

What has proved surprising however in the current environment, he says, has been that many firms that may once have slipped below the radar of major clients are now regularly competing with some of Spain's biggest legal players.

'We are seeing many boutiques coming up against the major firms in the top-tier of the market, where clients have begun to recognise them as an 'alternative' option, as well as in the midmarket where the biggest firms are now increasingly chasing opportunities.'

What clearly helps many small firms also is that they have concentrated primarily away from the bigger ticket corporate and private equity arenas, adds Pérez Olmo.

'The focus is often instead on conflicts, litigation and arbitration, regulatory and competition matters, or infrastructure and energy projects where there has continued to be significant activity even in the face of the economic crisis, or in areas in which the major firms have no tradition of expertise – such as private enforcement of competition law, which remain emerging areas of practice in Spain.'

He nonetheless denies that it is the boutiques that are responsible for driving down legal fees to an unsustainable level and insists that it is firm economics that determines pricing, and perhaps the increasing desperation of some to chase market share.

'The truth is that smaller firms have the margin to be more flexible due to

their lower fixed-cost structures although I have been surprised to see, in some cases, that many much larger firms are offering their services at a rate that would not even be viable for a firm such as ours.