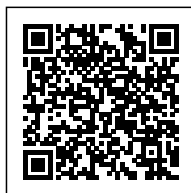


A ROLE FOR BUSINESS DEVELOPMENT IN SELLING LEGAL SERVICES

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Lawyers, marketing and communication departments all have a role to play in communicating knowledge to clients

Law firms must use more than their lawyers' expertise if they are to understand their clients business, participants heard at a recent Iberian Lawyer In-House Lawyer Master Class. The debate, held at IE Law School in Madrid, saw Heads of Legal, law firm partners, marketing and business development professionals debate the requirement for law firms to take a multifaceted approach to winning work and client development. The financial crisis is prompting company legal departments to look at new approaches to managing the legal, regulatory and compliance needs of businesses. Lawyers have not proved immune to budgetary pressures and the result is a demand for greater efficiency. For many Heads

of Legal a step in the right direction is ensuring that the external law firms they use both understand their business and strategic needs.

"Legal departments are not isolated within a business, we have to understand the wider strategy and the drivers behind specific decisions including cost cutting. On the whole we are not however being asked to simply reduce our spend we are being asked to rationalise it," said Santiago del Pino, Head of Legal at Sacyr Vallehermoso

As a result, many legal departments are looking to refine work processes and increasingly to look ahead. "We do not want simply reactive external advice but are placing more emphasis on preventative advice. Fundamental to this is that the law firms we use have to understand our business and what we are trying to achieve," he adds.

Law firm partners emphasised that they are doing their homework. "The issue is perhaps more one of communication between the two sides. Law firms are prepared and know the clients' businesses, the challenge is probably to focus on showing that to the client rather than presenting a firm's general expertise. The good news is that this is something easy to correct," suggested Constanza Vergara Jaakkola, partner with Madrid's Pérez-Llorca.

The question for many law firms is however how much input should non-lawyers play in creating and demonstrating this understanding? The in-house lawyers at the debate said they would welcome input from law firms' marketing and business development specialists. "What is important is that the law firm knows our business. How it generates that knowledge is up to them to decide," stated Del Pino at Sacyr Vallehermoso.

Sagrario Fernández Barbe, Head of Legal at Prosegur, contrasted the approach of some law firms to those of her own company's external financial advisers. "When we deal with banks they already know everything about us. They seem to be more focused towards solutions. Understanding who we are and what we are trying to achieve is fundamental to this."

If law firms are to demonstrate more than mere legal knowledge they have to bundle up their expertise in a form that is both financially attractive and commercially sensible, she believes. "Legal services are a product to sell and in our experience the marketing people are often more adept at doing this than the lawyers."

In any event, a relationship ultimately has to be developed between those lawyers doing the work in both the law firms and legal department, say others. "It is the in-house legal team leading a matter that is ultimately responsible for its success. This includes guaranteeing the skills and justifying the cost of any external lawyers used. There is no benefit if the first thing we have to do is teach the law firm what it is we do and what are the most significant issues," said Oscar García Maceiras, Secretary General and Head of Legal at Banco Pastor.

External legal fees and costs are always a source of tension with finance departments and external lawyers have to be able to bring something that the in-house legal team cannot do itself, he adds. The demand for firms to offer greater commercial and strategic expertise is even more acute for those businesses placing emphasis on developing business outside of Spain and Portugal, said others.

"Value can depend on many factors," stated Sandra Martín Morán, Head of Corporate Legal at Indra. "We are placing greater emphasis in new markets around the world: in some, we are very familiar with what is required and so our demands here are more sophisticated, in others we are starting virtually from nothing in terms of our understanding of both the commercial markets and legal framework."

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