

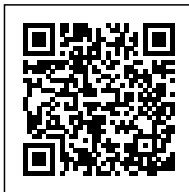
A STRATEGIC CHANGE FOR LAW FIRMS?

Posted on 28/06/2009



Category: [Uncategorized](#)

Tag: [cat-joomla](#)



***Iberian Lawyer* research has seen some law firm leaders suggest that their firms will have to move away from a reliance on transactional-led practices towards more advisory-led work, as clients regulatory and compliance needs increase. Is this correct – how might such a change impact on law firms' structures or profitability?**

'Most firms will see their transactional work decreasing and this will affect their profitability. It means adapting teams, fee structures, client relationships, approaches and skills. Eventually prime work will be regarded more as the possibility of engaging a long term relationship with a solid client rather than waiting for the opportunity of a one-shot transaction.'


Frederico Pereira Countinho, Cuatrecasas,
Gonçalves Pereira

'If by 'advisory-led' work we
mean that firms must be trusted
advisors to their clients, then yes
firms have to concentrate on this. If
what is meant is that firms must do
more routine, less value-added,
commoditised work, then
I strongly disagree.

Charles Coward, Uría Menéndez

'While this crisis lasts, clients will need
reassurance from their lawyers – and not the
hit and run approach typical of transactional
lawyers and transaction-led law firms – that
the choices they make, whether in
restructuring, in refinancing or in M&A, are
the best options available to them. This of
course impacts on the immediate return of
law firms but it should pay dividends in the
long term as clients will recognise the role of
their legal counsel in overcoming this phase.'

Joao de Macedo Vitorino,
Macedo Vitorino

 I believe the change is more profound
than merely passing from transactional
practices towards more advisory-led
work. Many firms previously considered
their client to be the operation rather than
the client itself. The law firms that chose
to maintain their commitment to the
clients, respecting the tradition of the
legal profession, are better placed in this
new world than those that decided to
transform into, solely and exclusively, a
legal business.

Luis Riesgo, Jones Day

'There is now
more advisory
work than
transactions but
this does not
mean that we are
moving away
from one model
to another, we
can adapt to
market needs as I



believe other well-established firms do. For a law firm that bases its profitability on transactions certainly times are tougher, but these firms are few.'

Iñigo Igartua, Gómez-Acebo & Pombo

'Some departments, like labour and litigation, have experienced an increase in activity and others have had to be creative and seize the M&A and business restructuring opportunities that are still around. Some firms, like ours, have taken this opportunity also to execute their international expansion plans and to increase their offer and market presence. Like in all other aspects the current market situation affects law firms in different ways, meaning that it is difficult to foresee a pattern.'

Nelson Raposo Bernardo, Raposo Bernardo

'Firms need to provide their clients with tailor-made solutions to help them to overcome the financial problems they are facing. They need to come up with innovative solutions to reorganise and adjust their clients' businesses. The change from transactional to advisory work has led to pressure on firm's fees which force them to have a more effective contribution to their client's profit and loss balance.'

Rafael Alonso, Hammonds

'In my opinion, this is an over-simplification of the work of law firms. The transactional-led practices will continue, although with a different nature such as restructuring. The strategy depends on the structure and work of each law firm. The current work does not necessarily imply a difference in profitability. With regard to the impact on law firms structures, this depends on how the firms are organised in relation to the volume of work required by the clients. Disproportional growth which does not meet clients demands is always a result of questionable management.'

Bernardo Cremades, Cremades & Asociados

