

# AIMING HIGH - ABREU ADVOGADOS

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## **Six years ago, Abreu Advogados stated its intention to become one of the top three law firms in Portugal. As the firm appoints a new managing partner, Iberian Lawyer asks: Has Abreu achieved its target?**

Back in 2008, the then managing partner of Abreu Advogados, Miguel Teixeira de Abreu, set the firm a simple challenge. "Our goal is to be among the three leading law firms in Portugal," he told Iberian Lawyer at the time. "This is an easy statement to make, but of course the challenge is in delivering." Fast-forward six years and the question is: Has the firm achieved this goal? New managing partner Duarte de Athayde – who was appointed last month, succeeding Miguel Castro Pereira – argues that the firm has achieved its target in accordance with a number of criteria.

"We are [one of the three leading firms in Portugal] in terms of size, we are in terms of quality, and the firm is undoubtedly the top Portuguese firm in terms of international visibility," says De Athayde. Indeed, the firm is the third largest firm in Portugal in terms of size – with 185 lawyers (of which 27 are partners) – behind PLMJ and Miranda Correia Amendoeira & Associados. However, determining which are the three leading firms in terms of quality and international visibility is a trickier task.

### **Well marketed**

One partner at a rival firm in Lisbon says that while Abreu should be admired for its ambition of becoming one of the three biggest firms in Lisbon, and though the firm is "extremely professional at marketing themselves", Abreu does not, in his opinion, have the same level of high quality clients as the more traditional big players, namely PLMJ, Morais Leitão, Galvão Teles, Soares da Silva & Associados (MLGTS) and Vieira de Almeida (VdA).

But De Athayde rejects this assertion. "A few firms have traditionally had work from the Portuguese state – it's hard to win major established clients in Portugal, there is a lot of competition," he says.

"But our strategy is to be very international. We have the same level of high-profile clients."

So, what clients does the firm have? A glance at the Legal 500 reveals that Abreu has advised Banco Espírito Santo in relation to issues such as finance-linked swaps, while other clients include Sony, Credit Suisse, Marriot International, Banco Popular Portugal, Portugal Telecom, and Caixa Crédito Agrícola Comun. The firm has also advised PepsiCo Iberia on cross-border data protection and

competition issues. De Athayde points out that fees paid by clients from other countries are generally higher than those paid by clients in Portugal.

### Still work to do

However, De Athayde acknowledges that Abreu has not achieved its target of becoming a "top three" firm when revenue is taken into consideration: "In terms of revenue, that is a goal we need to achieve still." Abreu is expecting to generate revenue of €22m in 2014 (compared to €21m in 2013), which is believed to be somewhat short of the revenue of some major Portuguese firms. Few firms publicise their revenue figures, though according to reports, firms such as MLGTS, VdA, PLMJ and Miranda Correia Amendoeira & Associados generate revenue somewhere in the range of €25m to €37m, depending on which source you believe.

Abreu is the only leading firm in Portugal to announce revenue figures, so why is this? "It's important to be transparent, it helps to improve the understanding of the way forward – firms hide behind a wall of secrecy," says De Athayde. "If there is no rigour, this can give rise to misunderstanding."

De Athayde was announced as managing partner in November 2014, becoming the fourth person to hold the position at the firm; the role has previously been held by Carmo Sousa Machado (2004-07), Miguel Teixeira de Abreu (2007-2011) and Miguel Castro Pereira (2011-2014), all of whom remain partners at the firm. De Athayde says the position was uncontested: "The change in managing partner is a result of our statutory rules, there is one vote for each partner and the managing partner has a mandate for two years." Why does the firm change managing partner so relatively frequently? "It's a very intense role," says De Athayde.

### Possible new foreign offices

It seems the fact there is a new managing partner will not signal a change in direction for the firm. "We're not changing the strategic goals of the firm," says De Athayde. "We have a clear set of goals, we want to be a leading law firm, we want to increase profitability and increase our market share through internationalisation." By way of illustrating the latter point, De Athayde highlights the fact that the firm recently opened an office in Cape Verde, off the coast of western Africa. "We want to cover all Portuguese jurisdictions," De Athayde says. "We are strong on internationalisation and we will possibly open more overseas offices." That said, the firm also wants to consolidate its position in the Portuguese market by working on "major Portuguese transactions", De Athayde adds. In addition, the firm is also looking to continue covering the heavily commoditised areas, such as mass litigation and immigration.

Abreu is firmly committed to growth. "We don't have a target, but we aim to grow the number of lawyers, our profit and our turnover," De Athayde says. De Athayde says the firm's other objectives include strengthening its "professionalised business structure" – which handles the non-legal aspects of the firm – and attracting and retaining talent. He adds: "We already have a general director and four departments – finance, IT, HR and marketing & communications – with professional and technical staff. It is crucial for us to be an institution that will survive the existence of any of its partners and will linger on and continue to have this professional structure that will support the existence of our firm. It is also crucial to find very qualified professionals to help us work as a business."

Why is it important that the firm recruits this type of support staff? "This frees lawyers up to be what they need to be, which is dedicated to clients – we currently have around 90 non-legal staff," De Athayde says.

Another of De Athayde's objectives is to make the firm more efficient. "In the past 12 months, the team has got stronger, the economy is open and the market is improving," he adds. The firm strengthened in the last year with a number of hires,

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Duarte de Athayde,  
Abreu Advogados



including: Alexandre Miguel Mestre (former Secretary of State for Sport), and Luis Miguel Henrique and Manuela Glória (both from MHG & Associados).

**Flooded with lawyers**

De Athayde says there is now a more positive feel about the work the firm is doing. “We had work during the crisis, but now it is more constructive and is more about building up new businesses,” he says. “There are now some big transactions coming to Portugal.” However, De Athayde says that, in some ways, the legal profession had to endure some difficulties in recent years. “Portugal suffered in that it was outputting people with law degrees, but the market could not absorb them,” he says. “This had the effect of depreciating law as a profession and lowering prices, but now it’s becoming more balanced.” Indeed, it is understood that during the worst part of the crisis, only 6 per cent of law graduates in Portugal were successfully beginning careers as lawyers.

**Fees: Room for improvement**

A survey in the last issue of Iberian Lawyer showed that 37 per cent of partners at law firms in Portugal were intending to increase their fees. What’s De Athayde’s view? “Legal fees are very low, there is room to improve – we need a strong market, it makes no sense to have very qualified professionals charging what they are now.” Though Abreu Advogados was created via a series of mergers, De Athayde says any similar link-ups with leading players in future are unlikely. “I don’t see us merging with another major firm,” he says. “We could integrate teams, but we are very keen to maintain our identity – when we bring in other teams, we are keen to have a model organisation with clear processes so it’s easier to integrate people.” De Athayde says that all 27 partners at the firm have an equal equity stake. “It’s one partner, one vote, from the moment you become a partner, you have an equal standing – some firms are built around one person but this firm is bigger than any one person.”

Abreu Advogados Fact File	
Partners:	27
Lawyers:	185
2013 Revenue:	€21m