BOUTIQUES EMERGING FROM MARKET RESTRUCTURING

Posted on 20/05/2013

Category: Archive

Lisbon and Madrid have seen the launch of a number of specialist firms in recent months, reflecting changing client demand but also increasing tensions within some larger firms

Market changes are prompting law firms, and partners, to review their strategic objectives. The latest announcement that Sérvulo Partner Fernando Ferreira Pinto has launched his own Lisbon-based firm, Ferreira Pinto & Associados, reflects a trend in the restructuring of the Iberian legal market, which is driving the increase in a new tier of niche law firms.

Spain too is seeing the emergence of a wave of boutique firms, launched by some very senior lawyers in the market. These departures involve high profile people, however, and so competitors question the reasons for leaving: whether they are based on the search for new opportunities in the market, or a restructuring of a law firm's professionals.

Such a development reflects a continuing evolution of the Iberian market as firms seek to adjust their practice mix in light of weaker transactional and finance demand, rising fee pressure and, say some, as strategic tensions become clearer within the larger firms.

Portugal's Ferreira Pinto initially joined Sérvulo in 2008 through the merger of his then-firm by the same name, intending to better balance both firms in the face of a declining economy. But just over four years on and a recent restructuring of Sérvulo, Ferreira Pinto has exited with three associates. At the time, some competitors pointed to a misbalance between the two firms. Sérvulo has always been viewed as the top public law firm in the country, and filing the corporate gap with a group of a similar standard was always going to be difficult.

High-profile exits have also include Former F Castelo Branco & Associados Senior Partner Victor Marques da Cruz and a team establishing MC&A, and PLMJ Head of Tax Rogério Fernandes Ferreira's departure to launch his own firm Rogério Fernandes Ferreira & Associados. He took with him the majority of PLMJ's international tax practice including four Senior Associates and three Associates.

In Spain, Jesús Almoguera, former Corporate Head at Ashurst and responsible for the launch of the firm's Spanish practice, has recently announced his departure to establish corporate-focused J Almoguera y Asociados.

Former Clifford Chance Corporate Partner Ignacio Blanco and Baker & McKenzie Partner Ernesto García-Trevijano have likewise announced they are joining former Baker & Mckenzie Head of Tax, Felipe Alonso's new firm GTA Villamanga.

Most recently, David Arias, former Head of Disputes at Pérez-Llorca and co-President of the Club Español del Arbitraje, has announced his departure to launch his own litigation and arbitration boutique. An expanding arbitration practice, however, as both an arbitrator and as counsel has presented increasing conflicts and too many missed opportunities, he says.

The changed economic environment, therefore, is presenting a unique opportunity for a new firm model, believes Almoguera – one that is more flexible and personal, and offers the chance to develop a more creative practice which, he says, is increasingly difficult to achieve in a larger firm.

"I see a growing demand from certain clients (some quite big and sophisticated) for external counsel to better understand their specific business need and to respond in a very clear way. A smaller structure offers me the chance to do that, to be less fixated on billing and collections, to be more flexible and actually to be a lawyer rather than a businessman or a manager."

For some this reflects the way in which UK firms are currently reviewing their strategies and making some difficult decisions.

As difficult market conditions continue, where the next departures will come from nobody knows, but there is no doubt, say lawyers, that we will see more in the coming months. The question, however, is whether they will be voluntary or obligatory.