

CLIENTS DEMANDING BIGGER LAW FIRMS

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“Over the last few years, we have seen an increase in smaller law firms, comprised of high quality lawyers who were for one circumstance or another laid off by larger firms during the recession, or just decided to get out of a bigger set up,” says Gonzalo Navarro, Corporate Law Partner at Roca Junyent in Madrid. “However, things are now changing again, as the Spanish economy picks up, smaller law firms might start disappearing,” predicts Navarro.

This is because clients are no longer just concentrating on insolvency procedures and organising themselves from a legal and corporate perspective, but are now able to invest in opportunities not only in Spain, but also abroad. This increase in international activity has brought a demand for big law firms that can accompany their clients outside the country. Navarro says: “This makes it difficult for smaller law firms, who don’t normally belong to any international network.”

In addition, Navarro says smaller law firms are struggling to compete as the demand for law firms offering full corporate services grows. “It’s difficult to offer full corporate services outside a big firm when you don’t have the infrastructure: the corporate, tax, labour, litigation departments, and so on – all of which are so important for corporate products”. Furthermore, big firms, having scaled back in

the economic downturn, are now looking to recruit and seek opportunities in the legal market. "When big firms want to offer very specialised services – for example, competition, energy, gas or even labour law– they buy boutique law firms with existing clientele and highly specialised lawyers." However, it is this type of specialist expertise that is much sought after and provides smaller firms with a competitive advantage that can help them to survive. "The ones that want to stay in the market need to be specialised so they can offer something unique," claims Navarro.