

# CLIENTS MONITORING THEIR LEGAL ADVISERS MORE CLOSELY - RAPOSO BERNARDO

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## **From requiring fixed fees to making demands about which lawyers carry out the work, clients are intensifying their drive to get more for less**

Clients are exerting increasingly tight control over their legal spend and demanding a greater say in which lawyers at firms will carry out the work, according to Raposo Bernardo managing partner Nelson Raposo Bernardo.

"Clients now demand that all budgets are very controlled, they require fixed fees and control who will perform the work to make sure budgets are being followed," Bernardo says. Bernardo adds that, in general, clients continue to demand reductions in fees and frequently dispute various terms and conditions: "The aim is to get more service for less money, which can be truly complicated to achieve regarding certain operations, namely of more legal complexity."

Adapting to this climate is challenging for law firms, according to Bernardo, who says firms have to combine reduced rates with an improved service to clients. He adds that clients are under the false impression that law firms have not experienced declines in revenue.

"Sometimes clients do not realise that the business margin of law firms is not as high as in the past

but still believe they can continue to demand reductions, almost like assuming that the margin of law firms is always infinite," he says.

However, on the positive side, Bernardo says that the legal profession is seen as offering good career prospects again after a number of years of no growth. "Lawyers are again expecting to meet their ambitions for a professional career within law firms – after two to three years in a stagnation scenario – which is something so vitally important for our legal market. Furthermore, there has been a slight increase in hiring lawyers," he claims.

Meanwhile, Bernardo says the influx of foreign investors into Portugal presents a major opportunity for the nation's law firms. "The intervention of Troika gave visibility to Portugal as a country experiencing financial difficulties, this gave foreign investors the idea that the country is on sale, meaning serious opportunities for cheap acquisitions."