

CLIENTS WANT FULL-SERVICE FIRMS - BDO

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Companies now prefer to use a smaller number of law firms that are able to provide a wider range of expertise – however, clients still put pressure on lawyers to reduce fees

Clients are increasingly turning to full-service law firms that can meet all their legal needs, rather than seeking advice on single issues, according to Adolfo Soria, partner at BDO.

He adds that some companies are moving towards a narrower selection of law firms that can provide a wider spread of experienced advice. "In the context of M&A transactions, companies are increasingly looking for law firms with a multi-practice offering to provide solutions to all their legal needs, such as corporate, IP, regulatory, and tax, rather than advice on a single matter," he says. "This requires more specialised lawyers with a variety of skills."

Soria likens the situation of the lawyer to a surgeon who is no longer expected just to turn up, conduct an operation and move onto the next patient – instead, lawyers are expected to provide not only wider pre-operation and post-operation services but also care and services to the company on a long-term basis.

"Clients want lawyers with good communication skills who know their business inside out," he continues. "It is not just finding the answer to one question but providing commercially-sound advice for the whole business."

Despite the desire for more sophisticated lawyers, clients remain reluctant to pay more for the enhanced services. The pressure is on law firms to reduce fees, which has prompted innovations such as flexible or capped fees. It has also put the emphasis on law firms to find efficiencies in their service to lower costs.

"Clients are looking at ways for law firms to be more effective to keep costs down," Soria states. "For instance, they want a limited review of the key risks in a transaction rather than hundreds of pages of due diligence covering irrelevant matters."

Soria adds: "Some lawyers may be stars in the M&A practice area but have to accept that some clients want other services for lower fees."