

CRISIS HIGHLIGHTS A PROFESSION ALREADY IN FLUX - GARRIGUES

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To respond to the challenges they are currently facing, law firms must adapt their service offerings and the way they interact with clients, says Fernando Vives, Managing Partner of Garrigues

No se puede negar que la amplia crisis económica originada en el 2008 está cambiando su naturaleza, y continuará quizás modificándose de forma incesante. Para responder a los retos de estas variaciones, los despachos deben adaptar sus servicios y la forma de interactuar con sus clientes, opina Fernando Vives, Socio Director de Garrigues.

There is no denying that the widespread economic crisis that has taken root since 2008 is changing, and will continue to change, perhaps forever, the environment in which business is done and commercial relations are forged.

This has had an impact on all economic operators, who must now fall into step with these changing times, for good and not just for the duration of the crisis, if they wish to emerge unscathed and continue to make a profit.

The legal profession is no exception. However, it would be simplistic, not to mention dangerous, to think that the crisis is the cause. In reality, it is nothing more than a catalyst for a state of flux already set in motion by a range of factors such as globalisation, technological development and increasing national and international competition.

One must first look at the globalisation of the economy and the internationalisation of companies. While it is true that the law is intrinsically local – despite the existence of supranational rules that try, with varying degrees of success, to harmonise discrete areas in the context of the European Union – even for law firms globalisation poses a challenge both in terms of how we provide global services to our clients when exploring new opportunities outside of Spain, as well as attracting new clients coming to do business in Spain. This challenge has a crucial impact on the structure of a firm, depending on how it wishes to position itself and the international development model it opts for.

Technological innovation is another sign of the times. For better or worse, it will be necessary to incorporate ever-changing technologies as essential tools for improving productivity and increasing efficiency, as well as a way to gain a competitive edge.

Within law firms, as in almost all professional services firms, and aside from this technological evolution (or revolution), people remain the most prized asset. Attracting and holding on to the best professionals is an ongoing challenge in which significant effort is invested, and rightly so. The cycle of recruitment, training and advancement is key and, needless to say, the existence of a clear and transparent career path undoubtedly acts as a motivating and retaining factor. Training plans at all levels also have a significant role to play and must be closely monitored.

Another perspective concerns client relations, in particular, service quality and strengthening or emphasising the differences that enable a firm to set itself apart from its competitors. Keeping one step ahead of clients' needs, understanding their business, being able to provide advice that goes beyond legal technicalities and setting in place fee scales that respond to market demands, are just some of the ever-more important factors in retaining and cultivating client loyalty.

However, law firms are not, nor can they afford to be, detached from the society in which they operate, and all aspects of corporate social responsibility and sustainability are taking on increasing importance. Transparency, pro bono programmes and measures to strike a better work/life balance, are clear examples of this commitment. At Garrigues, for instance, we broke new ground by

publishing a corporate social responsibility report which, now in its fifth year, is an industry benchmark.

Lastly, and in order to face and address these challenges, law firms require a solid structure and corporate governance that encourages leadership, teamwork and a sense of belonging to a joint project that enables collective efforts to be channelled towards fulfilling the organisation's objectives and avoids falling prey to individualism. The structure of the firm must reflect the commitment and diligence of all of its partners, acting as a source of strength from which its members can draw.

Guided by this vision, and to anticipate and mitigate these changing times, at Garrigues we recently overhauled our partnership system, with the result that almost all of our partners are now full equity partners on an equal footing, seeking to ensure that the whole is greater than the sum of its parts.

Fernando Vives is the Managing Partner of Garrigues, Europe's largest independent law firm.

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