

FIRMS MUST GET CLOSER TO CLIENTS - RAMÓN Y CAJAL ABOGADOS

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With many clients expanding their in-house legal teams to reduce expenditure on external advisers, law firms need to strengthen their relationships with clients in order to develop a better understanding of their businesses, according to José Ignacio Parellada, partner at Ramón y Cajal Abogados in Barcelona.

He adds that this trend is coming at a time when there is renewed business activity across a range of sectors in Barcelona, with M&A and foreign investment returning as important factors in the economic growth of law firms in the region.

Parellada says that in recent years, law firms have been focusing on litigation, insolvency and labour law as companies restructured and laid-off staff, a scenario which presented a big challenge to clients. But law firms are once again focusing on corporate, M&A, Spanish companies' expansion abroad and foreign investment as the economic conditions improve.

"This shift in the trend is making law firms prioritise the medium and long-term opportunities," Parellada says. "The market has stagnated for seven years and there are still financing difficulties for Spanish companies, which offer opportunities for foreign investors."

He identifies industrial, IT and real estate as the sectors likely to see the strongest growth in the coming months, along with M&A. Parellada also expects that there will be more high value transactions in the near future.

In the face of these changes, Parellada stresses the importance of law firms being skilled at advising clients on launching or expanding businesses outside Spain, as well as advising foreign companies investing in Catalonia. However, he adds that many companies have strengthened their in-house legal teams to cut costs. As a result, law firms must adapt, and forge a closer relationship with their clients to better understand their needs and expectations. This needs to be coupled with the necessary adjustments in order to be more profitable and competitive.