

GOING PUBLIC - SQUIRE PATTON BOGGS

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After reporting a healthy increase in revenue last year, Squire Patton Boggs' Madrid office has identified public policy law as a practice area that could be set to boom

Could public policy law be the next big thing? This area of practice, while being fairly well developed in the US, is a relatively new concept in Europe and consequently, it is an area of work with huge potential for law firms, says Squire Patton Boggs Madrid managing partner Rafael Alonso. "Our public policy practice will grow in Europe, though public policy law is largely unknown here at present," he says. "In the US, our partners have close relationships with state, regional and local authorities, and they provide strategic advice on projects; they approach decision-makers regarding the drafting of new regulations – we're seeing the start of this kind of work in Brussels." Indeed, the firm is betting big on public policy work – it was partly due to the recognition of the potential of this area of practice that prompted Squire Sanders to merge with specialist public policy law firm Patton Boggs in 2014. Upon announcing the amalgamation of the two firms, Squire Sanders chair and former global CEO Jim Maiwurm described Patton Boggs as the "premier public policy firm in the world".



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Rafael Alonso
Squire Patton Boggs

Cross-selling

Law firm mergers can take time to bed down, but Alonso says the firm's Madrid office is reaping the benefits of the link-up between Squire Sanders and Hammonds in 2011. “We are increasing the number of inbound referrals from our global platform and last year was a particularly good year in this respect,” he says. “The US and the UK are our

main sources of inbound work.”

The bulk of the Madrid office's work is corporate finance and tax-related, though Alonso also highlights the firm's expertise in real estate, litigation and employment. With specific regard to tax, he points out that, while it is often the case that law firms' tax practices support other departments, Squire Patton Boggs' tax practice in Madrid is a key generator of work for the firm. “Our tax practice is leading other practices at both a private and corporate client level,” he says. Indeed, work that is referred between the different practices in the Madrid office has been a significant factor in the firm's growth, according to Alonso. “Cross-selling across practices in the Madrid office works pretty well,” he says.

While most of the Madrid office's work is corporate finance and tax-related, Alonso says that work for clients in the chemical, energy and telecoms sectors has also helped the firm to grow. In addition, cross-border employment work has also been a notable source of revenue for the firm. Indeed, the statistics show that the Madrid office has been growing steadily - the firm now has a total of 35 lawyers (including nine partners). This represents almost a 50 per cent increase in headcount compared to 2011 (at the time of Squire Sanders' merger with Hammonds). “We have been growing in the last five years, this is partly due to improving the utilisation of our fee earners – and also through making lateral hires.” This period of gradual growth resulted in Squire Patton Boggs' Madrid office reporting revenues of €6.6 million in 2016, up 16 per cent from the previous year.

Well-connected

It is understood that a key factor in the office's revenue increase in 2016 was the hire of specialist banking and finance partner Manuel Mingot. Mingot was previously head of the Madrid finance practice at Broseta Abogados, including co-head of its UK desk in London, and also spent time as a partner at Cuatrecasas. Mingot was targeted by the firm due to his good connections and his expertise advising clients in the energy and infrastructure sectors.

It is believed the firm does not have plans for a substantial increase in headcount in the coming year, though Alonso says that the firm does expect to hire another partner. “We are looking seriously at expanding our corporate finance practice, we have begun the process and it's possible we could recruit someone at the beginning of next year,” he says. Alonso adds that the firm does not have a specific number in mind in terms of a target for growing headcount, however he does say that it is possible the firm could recruit more lawyers by the end of the year.

Single point of contact

On the subject of outbound investment work from Spain, Alonso says the Latin American market is a key focus for Squire Patton Boggs. He adds that the firm is representing Spanish clients, as well as clients from elsewhere in Europe, on their interests in the region. “There is an increasing demand from clients who want a single law firm to handle their needs in multiple jurisdictions,” Alonso says. He adds that Spanish construction companies working on infrastructure projects in Latin America – as well as the US – is a major source of work.

It is vital that a law firm finds its identity, according to Alonso. “We plan to be a global firm with a strong local practice,” he says. Alonso adds that, given Spanish companies' desire to expand their

Squire Patton Boggs in Madrid	
Lawyers	35
Partners	9
2016 Revenue	€6.6 million

operations abroad, working with a domestic Spanish client means effectively working with an international client. "We want to provide firms with global coverage, but this is not in conflict with our strategy of providing a full service in each jurisdiction."

US arrivals?

Regarding the outlook for law firms in general, Alonso says he believes that the Spanish legal market is "larger than it needs to be", and consequently he anticipates that a number of Spanish firms will be forced to merge with international firms or large national firms. "I predict consolidation, there may be some boutique firms that are not sustainable without a global platform – it's a very competitive market and there is huge pressure on fees."

There are rumours doing the rounds among partners in Madrid that two US firms are considering establishing operations in the city. But is this feasible? Alonso says it depends on the firm and the practice area in which they operate. "For example, if a leading insurance company demands a presence in Spain, the law firm will follow the client; meanwhile, some US firms are driving Latin American work through Madrid."

So, in a crowded marketplace where law firms have to forge a unique identity, what sets Squire Patton Boggs apart from the competition? Alonso says: "We're a cost-efficient firm and we have a good culture in terms of client relationships – we are good at building relationships both professionally and personally, the personal touch is very important."