

LATERAL HIRES ON THE HORIZON AS SOME FIRMS FACE UNCERTAIN FUTURE - SHILTON SHARPE QUARRY

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With competition increasing in the Spanish legal market, top performing lawyers may want to move elsewhere if more senior colleagues are in the 'comfort zone'

As competition increases in the Spanish legal market, a growing number of law firms could start seeking lateral hires, predicts Alejandro Kress, associate director and Iberia head at Shilton Sharpe Quarry. He believes there could be greater market consolidation globally in 2015, which could lead to an increase in demand for specialist recruitment services in specific areas and locations, including Iberia.

"I think we may see one or two law firms decide to open in Spain during the next 24 months, but one of the biggest questions over the next few years relate to the future of the biggest Spanish law firms and certain boutiques," Kress remarks. "There are a significant number of boutiques, so as competition gets more intense, senior partners within these boutiques will retire and new boutiques will be set up by partners coming from full-service law firms. Some boutiques will be tempted in the mid-term to join growing law firms with the right financial muscle, and at the same time there will be

more partners looking to move to better hedged legal platforms internationally.”

Kress says that, traditionally, Spanish law firms have tended to think they do not need recruiters, or at least, not frequently. “Spanish partners would often conduct the recruitment themselves but the dynamics of the legal market have changed. Now they are starting to appreciate the added value that recruiters can bring to their business strategy. Recruiters know what the real driver is for a move in most scenarios.”

Kress says, due to the traditional approach of Spanish firms, there was very little lateral movement, with lawyers staying in the same firm for decades, especially in large, or mature, Spanish practices. He points out that this has both advantages and disadvantages but, on the negative side, such a policy crucially does little to encourage new business, he argues.

“The business case for recruiting a partner is paramount,” Kress claims. “A partner practising in a firm for 20 years may be in the comfort zone and it is unlikely they are going to be attracting new business, while some top performers will have built a solid book of business and can leave the firm with several opportunities to consider in order to improve their careers – and earnings – versus underperforming partners.

“On the flipside, when looking at growing their practices, some managing partners are still sceptical regarding lateral hires, based on an assumption the book of business is attached to the firm. This is not always the case, new hires create new opportunities, new clients and new revenue.”

Cultural fit is important

Kress highlights the different attitude of the younger generation of lawyers as another influence on the market. Younger lawyers want the top jobs in the top firms but, unlike their predecessors, are less inclined to work as hard, he says. “Some younger associates do not appreciate that they have to start from scratch,” Kress states. “They have the knowledge and the skills to go far in their career but sometimes not the attention span or dedication.”

Kress says that younger lawyers sometimes seem to focus on the bottom-line salary figure and less on the quality of the firm, the brand and the long term career prospects. He also stresses that the cultural fit is a major priority for both law firms and candidates. For instance, issues include: whether a candidate would fit better into a Spanish firm, an international firm, a boutique or a full-service practice; whether they have the right language skills; what type of work they want to do; and whether they are willing to undertake lots of paperwork.

“The cultural fit is important and it links in to the overall business strategy of a law firm,” Kress says. He adds: “Many large businesses now use multiple legal advisers so law firms need to build a long-term strategy based on personal relationships and trust with their clients. You need to have the right people in your firm to do that.”