

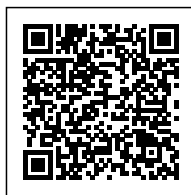
# OPINION DIVIDED ON NON-LAWYERS MANAGING LAW FIRMS

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The results of the latest Iberian Lawyer (overlib linktext="Group of Experts " text="Iberian Lawyer's Group of Experts are 100 of the leading partners in law firms in Spain and Portugal. For every issue of Iberian Lawyer, we ask them a question relating to the practice of law or the management and development of their practice areas." title="Who are the Group of Experts?") survey reveal that the majority of Iberia's leading lawyers believe that as law firms grow, in size and complexity, approaches to management are moving closer to those employed by any major business. What is less clear however is whether we will see non-lawyers as managers in Iberia's major law firms.

Los resultados del último estudio del Grupo de Expertos de Iberian Lawyer revelan que la mayoría de los abogados de primera línea de Iberia opinan que al tiempo que los despachos jurídicos van en aumento, en tamaño y complejidad, el enfoque sobre la dirección de los mismos está acercándose a la visión que utiliza cualquier negocio de importancia. Sin embargo, lo que no resulta tan claro es si llegaremos a ver a directores que no son abogados en los principales bufetes de la Península

Ibérica.

Reflecting the views of many, Francisco Guijarro at Hammonds believes that "Managing a firm entails the same risks and challenges as with any other company". Nonetheless respondents remain keen to emphasise the unique features of a law firm: partners are the financial owners of the business, deliver and develop the service, and "own" the client relationships.

"We do not sell a tangible product, not even a service that can be compared with any other," says Rafael Truan at Díaz-Bastien & Truan.

While many Experts accept that professional managers are required within finance, marketing, human resources and IT, they would not expect to see non-lawyers managing the firm entirely.

### **Do you think that managing a law firm brings unique challenges or, as law firms grow in size and complexity, is it becoming similar to managing any other type of major business?**

"Managing a law firm will always involve handling highly talented professionals, which are by far the main asset of the business, and whose ambitions and performance should be sensitively monitored. In this sense, I do not believe that the main part of the management of law firms will become more similar to that of any other business." Javier Fernández Cuenca, Pérez-Llorca

"The leading law firms in Lisbon have grown rapidly over the last 10 years and are now complex businesses employing many people. While each sector is unique, very often the goals and strategies are the same whether you are dealing with a law firm or any other business." Manuel P Barrocas, Barrocas Sarmento Neves

"There is no yes or no answer; it depends a lot on the 'job description' of the manager and of the law firm itself." Carmo Sousa Machado, Abreu, Cardigos & Associados

"Law firms operating worldwide, with partners of different nationalities, are complex organisations. Their management is similar in many ways to that of companies operating in the service industry such as investment banks or business consultants." José M. Balañá, Lovells

"Your relationship with clients in this profession makes you take management decisions that you might not take in other professions or businesses. Is a law firm a major business? It is first a profession, and then a service, that by reason of size needs to adopt business criteria." Rafael Truan, Díaz- Bastien & Truan



### **Under what circumstances, if any, do you think that we will see non-lawyers managing law firms?**

"Increasingly there will be a divide, in which partners play the role of a general meeting and the non-lawyers that of a board of directors; deciding on matters such as the choice of premises, cash management, staff, pay, and promotion of at least the nonlawyers within the firm." Luís Vinhas, Abreu & Marques Vinhas e Associados



"Non-lawyers managing law firms could break the balance between the business and the professional activity, and likely create a divide with the professionals in a situation where human resources are critical." Luis Crespo, Managing Partner, Deloitte Abogados y Asesores Tributarios

"The management of law firms comprises two distinct aspects: one is the response to the unique

client challenges put before the law firm, where a combination of imagination, co-ordination and up-to-date knowledge is required. The second is business management, which is no different to any other significant organisation. This dual nature suggests ideally a co-habitation of lawyers and professional managers." Carlos de Sousa, Carlos de Sousa e Brito & Associados

"Things are changing and it would be a good thing in my opinion to have non-lawyers within the management." Iñigo Igartua Arregui, Gómez- Acebo Pombo



"In our country, where normally law firms are smaller, I think that lawyers will never lose the capacity to influence the management committee (although it may be presided over by a non-lawyer)." Francisco Prol, Prol y Asociados

For José Maria Alonso, co-managing partner at Garrigues: "Certainly as law firms develop over time they take on many of the aspects of an enterprise, and have to apply enterprise criteria. But to be able to manage a law firm properly, in the sense of setting and leading strategy, it is very important to know the hearts and minds of the lawyers. For this reason I don't think that one could be managed by a non-lawyer."

Charles Coward, head of Uría Menéndez in Barcelona, believes the approach to management depends on the type of law firm, but he does not expect to see non-lawyers managing firms targeting high value-added work, performed by "highly creative and innovative lawyers working with a limited degree of leverage". Lawyers, he suggests can prove challenging to manage, and will usually only accept the authority of someone they regard as an equal.

Pedro Pérez-Llorca believes that non-lawyer management will be more likely within the nontraditional law firms – which have evolved into large multinational corporations, and no longer comprise lawyers who want to essentially be self-employed.

"I have the impression that in such large corporations you receive instructions from London committees formed by people you do not really know. I guess that once you accept that, it may be easier to take the next step and accept instructions from non-lawyers, computers, or other totally respectable entities!"

He repeats the sentiment that lawyers are best placed to manage other lawyers. "I think it brings unique challenges. At least in my firm, where partners tend not to take orders and feel they are stars. I concur."

In firms which remain managed by lawyers, Charles Coward highlights a related issue, the challenge to develop business skills. "This is an environment that is getting ever more complex, sophisticated and competitive, it may be highly advantageous or even necessary for lawyer managers to complement their legal training with business courses, or an executive MBA."