

RISE IN FOREIGN INVESTMENT AND GROWING TECH SECTOR FUELLING LAW FIRM OPTIMISM - LENER

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Growth in foreign investment and domestic M&A, as well as the growth in demand for legal services from new technology clients – such as Uber and Airbnb – means the outlook for law firms in Madrid is positive. However, despite the increase in market confidence, lawyers warn that firms cannot be too complacent, particularly with regards to retaining staff and keeping clients.

"It is essential [for law firms] to treat lawyers and administrative staff well, otherwise they will have a look at what's going on in the market and find many more opportunities than two or three years ago," says Cristina Hernández Lería, a corporate partner at Lener. "Only if professionals feel that they are not merely company resources, but instead form part of a project, with their financial needs covered, while also being able to reconcile work and family life, will firms be able to attract and retain talent. Either firms pamper their professionals or they might not have some of them within the next 12 months and they would have wasted time and effort training their personnel for the benefit of other firms."

The challenge of keeping employees happy while also servicing clients' needs will remain tricky, particularly since many businesses still want to keep their expenses low. In addition, firms are also operating in an environment of rising rent demands due to an increasingly buoyant commercial real estate market.

"The main challenge is to offer good and timely services, while being competitive, cost-effective and taking care of employees – it is not an easy task," says Hernández Lería. "Clients demand fixed or at least capped fees – furthermore, the price depression caused by the crisis has left us with a profitability issue. Since the real estate market is again improving, office rent is increasing slightly."