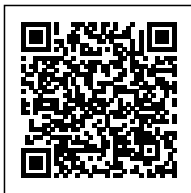


THE LONG PATH HOME: RAPOSO BERNARDO & ASSOCIADOS

Posted on 01/05/2010

ECIJA





Raposo Bernardo & Associados has emerged as a new kind of internationally-minded Lisbon-based law firm, with a focus as much on developing its profile outside of Portugal as within it. The strategy appears to be working. The past year has seen it gain new market share and climb the domestic deal and ranking tables, in the face of almost unparalleled economic challenges.

The firm last year surprised some by representing Tecnicrédito, owner of Banco Mais, in its €1bn acquisition by Banco Banif, the largest Portuguese banking transaction of the year. It also advised MARL Energy on its development of the world's largest rooftop solar power plant, in Lisbon. More recently it assisted pharmaceuticals company Menarini Diagnostics in a successful appeal against the Portuguese Competition Authority, one of the largest competition cases of the year. Established in 1995 the firm's strategy is based on two fundamental concepts, says its founder and Managing Partner Nelson Raposo Bernardo.

'First, is to win clients through a permanent obsession with high technical quality and deepness of analysis, always bearing in mind a practical focus on offering specific solutions to specific problems. Second, has been to create our own network to support Iberian companies in their international expansion, but which can also create business and local activity in the countries where we are established.'

Such a strategy was in part formulated by his experience as a junior lawyer. Nelson practised with PLMJ prior to launching the firm, but also emerged from his time as a professor at the University of Lisbon Law School. The firm's international expansion has added a further layer of complexity. 'It demands a focus more intense than starting a mere partnership,' he says.

Raposo Bernardo ha surgido en el seno de una nueva variedad de despachos con visión internacional y sede en Lisboa, con el objetivo de desarrollarse tanto en Portugal como en el extranjero. Sin embargo, este último año ha experimentado un fuerte crecimiento en su mercado interno, subiendo en los rankings nacionales y en detrimento de algunos de los despachos portugueses de mayor tamaño y antigüedad.

Raposo Bernardo was the first, and remains the only, major Portuguese law firm to open in Madrid (in 2002) and has subsequently expanded to Lusophone (Portuguese-speaking) Africa, to Maputo in Mozambique, Luanda in Angola and São Tomé e Príncipe, Guinea-Bissau and Praia in Cape Verde. Last year the firm opened in Eastern Europe, in Warsaw, Poland, and Bucharest, Romania – where it is again, the first Portuguese firm to do so.

Its competitors in Portugal say it is unusual to see a firm which now counts 70 lawyers with such an extended footprint, only Miranda competes on such an international scale.

'In countries such as Poland or Romania we are now starting to see the fruits of our effort. First, we assembled solid teams, then we began advising our main international clients, and now we are penetrating the local market, generating business that does not even relate to Portugal or Spain,' says Nelson.

Milestones

He admits that the firm's trajectory has been intense, and in the current economic environment it continues to face many challenges, although the most difficult decision remains the one to launch the firm in the first place. 'I was still a very junior lawyer, only 25 years old, with limited experience and looking back, in less than two years we had managed to build both a national and international client base of a quite unusual level.'

Established initially as a corporate and finance boutique, the firm expanded quickly as it rode a wave of inward investment and the expansion of the Portuguese economy in the late 1990s. In 2000 the firm had expanded to 25 lawyers and the decision was made to expand to a full service model and to incorporate two new partners: Abel Sequeira Ferreira and Sofia Ferreira Enriquez, who had both joined the previous year.

The subsequent decision to open in Madrid, and establish a first international office, was driven by the evident increasing integration of the Spanish and Portuguese economies. The ability to develop and maintain a domestic Spanish practice, in the face of the dramatic slowdown in crossborder investment, is the result of having been able to consolidate the firm's presence over the subsequent eight years, he says.

Raposo Bernardo is the only Portuguese firm recommended for its Spanish practice in the major international legal directories. It is a strategic move that, to date, no other Lisbon law firm has deemed necessary.

'We initially opened in Torre Europa, right in the centre of Castellana. In the beginning we focused on assisting Portuguese companies in the Spanish market, but in less than a year we were also advising Spanish and other international companies and reached break-even.'

The firm's African focus has come as a natural consequence of Portuguese business expansion and the liberalisation of the Lusophone economies, he explains. The ending of the civil war in Angola particularly has drawn in tremendous levels of international investment. The network's offices also now facilitate the flow of investment between countries in the region, while more recently it has been able to capitalise on, particularly Angolan, investors beginning to look to Portugal and elsewhere in Europe.

'It has been important to ensure that as we have built our network we have not lost sight of the need for a deep insight and focus on the markets in which we are already present. We cannot offer our clients the levels of service, and advice, we feel we have to if we do not understand what is happening day-to-day on the ground,' says Nelson.

Today the firm counts over 70 lawyers, including 5 partners in Portugal and 8 in the other offices. It is an emerging force in Iberian, European and wider deal markets, when many of Portugal (and Spain's) largest firms have put further expansion plans on hold.



“ We embrace the idea of commoditisation because our strategy is not built on presuming we know all the answers. ”

Hugo Écija

Nonetheless, he is pragmatic about the domestic Portuguese market perception of his firm to date. 'If a deal happens in Portugal we are here to provide the best advice. But the truth is that the Portuguese market is small and we will struggle to access operations of a large dimension. So that clarifies our ambition: to access deals which do not happen in Portugal.'

Refocus

The firm's partners are clear that neither the global slowdown, nor the precarious state of the Portuguese or Spanish economies, has had any significant negative impact on the firm's practice other than push back its further expansion plans.

'There has been some refocus in the main work areas but not much. Work has increased in areas such as renegotiation, restructuring, arbitration, labour, tax and litigation, but we haven't experienced a great decline in banking, finance, M&A or projects. In 2009 our global turnover grew substantially, so we didn't actually feel the crisis ourselves, at all,' says Abel Sequeira Ferreira.

The firm had however planned to open two new international offices, in Brazil and Turkey, for the second half of 2010 but these have now been rescheduled for 2011, he says. 'Other than that, 2009 worked, I'd say, abnormally well for us. It was our best year ever, in deal dimension, projects won, turnover, media impact and awards.'

The firm's lack of reliance on the biggest-ticket M&A and finance arenas may in any event have helped shield it from the worst excesses of the crisis. But what has also been important has been to face challenges head on and take a pragmatic view to what would and would not be possible in the current business climate, says Nelson.

'We are a highly capitalised firm, we continue to charge relatively high fees but these reflect the quality of our work and the degree of involvement we invest in our projects and clients activities. But what is also important is to be rigorous in selecting those clients that we are happy to work with, and to recognise to whom we can provide added-value and get something back.'

He also places great emphasis on the quality of the team the firm has so far built, which has seen new additions to the litigation, projects and energy teams in the past year. The emphasis continues to be on fresh, sharp, innovative people with an entrepreneurial spirit.

'This results in every person here being personally involved in the entrepreneurial project which is the firm. When the downturn started, and while many firms started letting their lawyers go, we communicated that no-one would be laid-off and that more lawyers would be recruited during 2009 – which happened.'

In fact the firm grew by around a third last year. The relative youth of the team is also curious. Raposo Bernardo himself only recently turned 40. 'This is the only leading Portuguese firm truly made up of younger lawyers, with open and innovating minds,' he says.

Domestic strategies

Despite such a confident outlook, Nelson insists that there remains much to be learnt about understanding clients needs and providing the requisite services. But he also feels that clients are now looking at their legal needs differently in light of the prevailing economic pressures impacting on them.

'In the larger projects, for the most sophisticated clients, we haven't registered any significant change – the demand for quality is still there, clients know what to look for in legal services and what they expect to pay for them. For daily issues there is however a bigger tendency to negotiate fees, to demand more effective value for money to understand what results will be achieved,' agrees Sofia Ferreira Enriquez.

The firm has long distinguished between the needs of major corporate and small and medium-size businesses (SMEs) and consequently has not had to undertake any radical restructuring. 'For SMEs our proposals were already very competitive regarding the quality-value ratio, but in general, it is clearly more common for clients to have a higher demand for value for money.'

Despite the rapid trajectory to date, Nelson insists that Raposo Bernardo will not grow unnecessarily. The economics of clients impact quickly on law firms and in any event, he has no desire to build the largest firm in Portugal. The focus is instead on better developing the firm's expertise and leveraging up the value chain, to increase its profile in transactional markets and to capitalise further on the evident successes of the past year.

'Our domestic market is now Portugal, Spain, Poland, Romania and Portuguese-speaking Africa. Our strategy is inherently international: opening with proven local professionals and developing local teams embodies our 'think global act local' perspective. This has always been one of our core aims and will continue to be so.'