

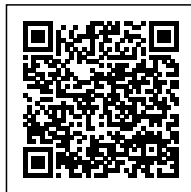
TOO EARLY TO PREDICT AN END TO BIG LAW?

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Some of the world's global law firms have started to report the first signs of growth following the recession. Is it true to say that the economic crisis has caused a major change in the global law firm model or will it soon be back to business as usual for *Big Law*?

'In my view, focus areas of expertise will be the flag that all law firms will now vigorously waive, replacing the 'deji vu' 'one-stop shop' and the 'seamless practice' chorus lines.

The big question is then: when the hard times are deemed over will clients simply go back to old legal business practices? I think not, they have clearly enjoyed this 'buyers market' and grown resilient to higher legal fees on mainstream work. It is then left to law firms to adapt.'

Pedro Cardigos, Managing Partner, Cardigos

✖ Many firms pre-crisis were managed thinking only of profits per partner, origination and service credits, and with a compensation structure that did not create adequate incentives to work for the best interest of the client. Many firms fell into the trap of borrowing large sums from banks to fund what they thought was critical expansion. Of firms that went down that road, some failed, while many others were severely affected by the recession. But it is not easy to change quickly, and many firms will continue to struggle. For these reasons, I don't see Big Law going back to the business as usual pre-crisis approach. However, it has not been the change of model that some people believe.'

Luis Riesgo, Managing Partner, Madrid, Jones Day

'I believe that we will not see business as usual. At least structurally, the greater selectivity of clients and the consequent need for increasingly attractive cost/benefit ratios on the services provided will be a given.'



João Soares da Silva, Managing Partner, Moraes Leitão Galvão Teles Soares da Silva & Associados

"I must say, neither one nor the other. Big law firms are still necessary. Even though the economic and financial scenario has changed, corporations still need to develop their businesses and are therefore in need of qualified legal services. As law firms we have to fulfil such needs while adapting, of course, to the new market scenery."

Luis de Carlos, Co-Managing Partner,

Uría Menéndez

'At this stage, 'Big Law' is mostly a name for very large UK or US-based firms with offices in many other jurisdictions. I believe these will remain successful overall and retain a significant share of the market. They will also remain focused on corporate, finance and capital markets, with some of them doing other things such as disputes or tax. What I expect to change is the set of locations that they see as a priority: my guess is that Barcelona and Lisbon will be off the list and Madrid will become less important. Of course we would all prefer the contrary.'

Pedro Pérez-Llorca, Managing Partner, Pérez-Llorca

'I think we all have to be cautiously optimistic but in my view it will not be business as usual. The "New Normal" has introduced changes in legal practice that are here to stay. Our clients have learned that they can ask for more value billing and the crisis has broken the glass ceiling, with clients now going beyond traditional advisers to look for more cost efficient options.'

Juan Picon, DLA Piper, EMEA Corporate Group Head and Managing Partner, Spain

✖ Big Law will stay. But the world has changed, again, and law-firm models are adapting to new business needs. This may be a great opportunity or a major threat; it depends on your ability to change. The future belongs to those who believe in the beauty of their dreams.'

Rafael Fontana García, Deputy General Director, Cuatrecasas Gonçalves Pereira

