

clients on expectations and perceived input by law firms, according to Iñaki Gabilondo, Managing Partner of Freshfields Bruckhaus Deringer in Spain. And in most cases, this allows for closer and more satisfactory relationships.

Reacting

Law firms are therefore trying to combat the crisis by enhancing and streamlining professional management, overheads and billing and collection, says Isidro Del Saz, Managing Partner of the Madrid office of Roca



and also competing in budgets – sometimes aggressively – to attract new customers or retain existing ones. And as competition is high, retaining clients is essential at a time when new ones aren't knocking at your door, adds Serena Argente Escartin from the Madrid office of Portuguese law firm Capos Bernardo.

"From our perspective, what firms have to do in the current environment is to be efficient, to understand their businesses and to provide practical solution-oriented advice," says Rafael Matejo, Managing Partner of Osborne Clarke in Madrid. And it makes sense that clients' expectations will be driven by an in-depth knowledge of their business in order to provide effective solutions. "They are willing to invest resources if they have explained their business to us," adds Jaime Velázquez, Managing Partner at Clifford Chance in Spain.

An interesting side effect of the crisis has been a noticeable shift in the roles of the lawyers themselves. "There have been important changes in industry as we have evolved from a supply-driven to a buyers' market," says Juan Jiménez-Laiglesia, Co-Managing Partner of DLA Piper in Spain. And law firms are responding by becoming far more flexible in terms of the services provided, and, adds Jiménez-Laiglesia, it is amazing how many lawyers are crossing over into areas outside of their specialities to adapt to client demands.

The lawyer is becoming a part of the client's team and must provide not only legal advice, but also common sense and experiences, and "invest" with the client before the business opportunity appears, according to Francisco Solchaga, a Partner at Araoz & Rueda. Additionally, clients are asking lawyers to help them with ideas to generate business, and looking for innovative strategies and solutions. And added value can mean the difference in the client's perception of the success or failure of the legal service, says Andrés Monereo, a Real Estate Partner at Monereo Meyer Marinello Abogados.

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Rafael Fontana, Cuatrecasas, Gonçalves Pereira



Gonçalves Pereira. "We do, however, have to consider ourselves lucky as a profession, because if you look out the window you see how many companies and people on the streets are suffering. We may not be making the same fees, but we are working."

But, says Carlos Pazos, a Founding Partner of the Madrid office of SJ Berwin, only time will tell who has taken the right decisions and followed the right path.

What clients want

Clients are clearly demanding solutions to increasingly complex problems, often related to the crisis. A multidisciplinary approach, therefore, is becoming more and more of a necessity. This is not only from a legal point of view, but also as an approach combining other industry-oriented practices in financial services, technology, business restructuring, etc. "Moreover," says Joaquín Latorre, a Partner at PwC Tax & Legal Services, "clients are demanding quick 'down to earth' solutions that respond to their real needs and, in many cases, also with an international focus".

And lawyers are seeing an expansion in multidisciplinary demands to assist in Managing wanting a provider.

Some advice, as restructuring and dispute the reform and regulation of tax, labour law, etc., the number of clients in consultancy.

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perceived as one with attractive prices and valuable assets. Market sales channels are also evolving and becoming more sophisticated, with traditional commercial networks being replaced by e-commerce and other new techniques, to maximise sales and reduce fixed costs, according to Rafael Alonso, Managing Partner at Squire Sanders in Spain. And consumer and data privacy concerns are increasing due to the massive growth of e-commerce.

There is also a remarkable capacity of entrepreneurs to generate new business and ideas, says Lourdes Pérez-Luque, a Tax Partner at Dentons in Spain. Some examples include the 'contact centre' industry that is gaining major importance, and venture capital – companies interested in new technologies that are supported by investors.

Finally, if the markets improve, there could be some IPO work with the Government selling part of its interests in AENA (airport holding company) and the Lotteries, says Alejandro Fernández De Araoz, a Partner at Araoz & Rueda.

Moving forward

Madrid's legal market is still deep in a period of uncertainty, as characterised by a decrease in many firms' turnover for the third year in a row.

But Madrid has a remarkable volume of business, says Francisco Palá Laguna, Managing Partner of Ramón y Cajal Abogados, which is one of its opportunities and

strengths. And the good news is that the outlook for the year ahead is promising, say lawyers, as long as they capitalise on the new practice areas and ensure to continue addressing any structural or management issues to give themselves the flexibility to survive a market that is still full of surprises.

Given the times, law firms need to better adapt their business model to the market to be able to meet client's requirements when delivering legal services and transactional support, and be increasingly profitable, says Jaime Velázquez, Managing Partner at Clifford Chance in Spain. "The discussion right now is exactly how to approach this issue."

Law firms must also focus on how to structure their services and make them as attractive and useful as possible, providing full legal solutions that the market is actually demanding, says Adolf Rousaud, Managing Director at Rousaud Costas Duran and with experts and professional teams that are more dynamic and competitive.

In any case, the foundations for the future are being established, says Manuel Broseta, Managing Partner of Broseta, and the strength and speed at which we recover growth and development depends on us. Imaginative solutions are very important in order to offer differentiated advice that distinguishes a firm from the competition – and there is no margin for error.

Leading Spain's economic upturn

While Spain is facing tough economic times, a number of recent developments suggest new light at the end of the tunnel, says Luis de Carlos, Managing Partner of Uria Menéndez.

"Despite the evident challenges, we are in a better place than last year," he says. "The fact that interest rates on Government bonds are down is significant, for example, meaning that the State and domestic companies are gaining access to cheaper capital. Likewise we now have a trade surplus – exports are up and imports are down."

Coupled with a reduction of the fiscal deficit and improved confidence in the cohesion of the eurozone, Spain's macroeconomic outlook looks significantly brighter, he believes, with confidence also being seen on the ground.

"Madrid's bid for the 2020 Olympic Games is perceived as among the strongest of the three main contenders and there is significant public and

Government support – we will not know the final decision until September but there is a sense that the city is best-placed in terms of facilities and media reach." Hosting the 2020 games would inject more confidence, business and tourism into the country.

And the Capital is already seeing planned developments move towards the build phase. US-based Las Vegas Sands has agreed upon a €9.8bn investment in the Eurovegas scheme, creating Europe's biggest casino and conference centre. Bids are in for the remodelling of the iconic Bernabeu stadium, home of Real Madrid, while Grupo Vila Mirs' €500m redevelopment of Canalejas, near Puerto del Sol, will see the construction of a new commercial centre and Four Seasons Hotel.

"Madrid's Government is among the most pro-business in the country and working hard to attract foreign investors – among which there is a growing sense that now is an excellent time to look again at Spain," concludes de Carlos.



Luis de Carlos

Mientras que España se enfrenta a retos económicos difíciles, una serie de acontecimientos recientes indican que se vislumbra la luz al final del túnel, según Luis de Carlos de Uria Menéndez. Las perspectivas macroeconómicas del país parecen haber mejorado significativamente.