

# Iberian Lawyer



  
**MAG**

N.93 • April 2020

## **Virus Alert**

TOP IBERIAN LAWYERS  
AND EXPERTS REVEAL  
NEW TENDENCIES  
IN CYBERATTACKS IN A  
TELEWORKING SCENARIO

## **Ranking**

IBERIAN LAWYERS  
PRESENTS ITS "2020  
TOP TEN SPANISH  
CYBERSECURITY LAWYERS"

## **Spotlight Spain**

CARLOS GONZÁLEZ SORIA,  
INDRA'S HEAD OF LEGAL,  
TALKS ABOUT TECHNOLOGY  
AND CYBERSECURITY

## **Private Equity**

JOSÉ A. NOGUEIRA FROM  
RSN ADVOGADOS GIVES  
CLUES TO DEVELOP  
INVESTMENT CULTURE  
IN PORTUGAL

## **Alternative Legal Services**

TAILORED FIT LAWYERS:  
EFFICIENCY, FLEXIBILITY  
AND FAIR PRICING

Iberian Lawyer asks Portuguese and Spanish law firms how they are dealing with coronavirus within the global emergency scenario. Among other issues, they talk about legal impact, Cybersecurity and smart working

# STOP THE VIRUS



# TAILORED FIT LAWYERS

The arrival last February of the Axiom model in Spain, through its strategic alliance with Ámbar, has reopened the debate around these services and their main characteristics; flexibility, use of technology, transversality, multidisciplinary and expertise at a "fairer" price have been highlighted, especially, as a result of the incidence of coronavirus, that has forced us all to change gears.

por desiré vidal

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From Iberian Lawyer we wanted to know more about these alternative legal assistance services and, to do so, we have spoken with various experts in the sector.

**Javier Fernández-Samaniego**, managing director of Samaniego Law, points out that "when talking about Alternative Legal Service Providers we must distinguish at least five segments," alluding to the article "[First effects of the irruption of ALSPs \(alternative legal service](#)

*providers*)" where these segments are established (see box below).

## EFFICIENCY, FLEXIBILITY AND "FAIR PRICING"

"Today," says Fernandez-Samaniego, "a good number of the problems and challenges facing corporate legal departments can be solved more efficiently with technological solutions and other professionals, not just lawyers. This is particularly true for legal challenges that involve massive information processing, 'modellable' workflows, not-too-complex contracts management, compliance, etc." As for pricing, continues Samaniego Law managing director, "savings can reach up to 75% in LIM (Legal Interim Management) services although, as with investment banking and strategic consulting, there are times when you can also get charged 100-200% more than in a strict hourly rate system." The reduction in workload is an important reason, explains **Natalia Martos**, CEO and founder of Legal Army NewLaw, who points out that ALSPs "provide quick and concrete solutions to business problems, allowing corporate legal counsel to focus on issues that involve decision



NATALIA MARTOS

making or are key to the company's development." As for the fees issue, Martos explains that "since ALSPs only use a closed pricing system previously agreed with the client, the latter has perfect control over the budget and can outsource many of the tasks it cannot cover. In this way, ALSPs are an efficient, reliable and more economical alternative (we are usually 70% cheaper than a traditional firm) for companies that need to outsource part of their legal workload or those tasks that, due to their specialization, require an external expert."

**Laia Moncosí**, co-founder of Lawyers for Projects, emphasizes flexibility. "Not all issues and



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NATALIA MARTOS

### Segments within Alternative Legal Service Providers (ALSP)

- "Big Four" audit firms that have broken into the provision of legal services usually in low-cost geographic locations
- LPOs (Legal Process Outsourcers) "captive" or linked to large legal firms that handle low-cost tasks usually in low-cost geographic locations
- Independent LPOs (not linked to any firm and to whom any firm or legal department may subcontract low value-added tasks)
- "Managed services" providers (subcontractors of all the functions and tasks involved in the day-to-day running of a legal consultancy)
- Companies that offer lawyers for temporary projects or "staffing solutions"

needs of legal departments are of the same nature, nor do they have the same risk and impact on the business. Therefore, it does not seem logical that they are all solved in the same way or paying the same price level." Moncosí also highlights transparency as a decisive factor "99% of our projects have a closed price and without deviations (up to 50% savings compared to the fees of a traditional top firm). But, in addition, they are executed directly and exclusively by our lawyers, without pyramidal structures and we manage the legal services with project management methodologies."

**Manuel Deó**, CEO of Ámbar, explains that this is a high-quality legal advice services alternative. "In the case of Ámbar, the client can hire top level lawyers with a senior profile (on average more than 10 years of experience) for a specific project, controlling at all times the specific team that develops the project and with a closed price for each assignment." Deó points out that prices can be up to 30% more competitive on average for



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MANUEL DEÓ

the same quality as a traditional top firm. "We have a lower cost structure that focuses on the elements that really add value to the client. In addition, the use of technology and advanced operational processes allows our model to be more efficient." "ALSPs naturally reject billable hours," adds Natalia Martos, "because it is an opaque form of

billing that the legal services client no longer accepts. Usually, billable hours include firm's structural costs that do not add any value to legal and quality advice. In addition, ALSPs advocate establishing prices that are fair, excluding any indirect or associated costs other than the 'fair price' for the work performed." "In this way," she says, "clients of these services can maintain a relationship of maximum trust with the ALSP, contacting them as many times as they consider necessary and asking for all the changes that are required in the work since there is no 'hour meter'."

All of them agree that ALSPs do not intend to replace in-house lawyers, but to accompany them and, according to Deó, "provide them with additional solutions for different problems and with more resources and technology to make their work more efficient, with better informed decisions and at a lower cost." In general, they believe that in-house are key pieces for the business and



LAIA MONCOSÍ



ÁMBAR TEAM FROM THE LEFT: BELÉN BAUTISTA, MANUEL DEÓ Y ROSA ESPÍN



FOR THE IN-HOUSE WHO MEASURES HIS 'POWER' IN A LARGE HEADCOUNT AND A LARGE BUDGET TO MANAGE OR THE IN-HOUSE ACTING AS A 'MULTINATIONAL OFFICIAL' WHOSE AMBITION IS TO 'LIVE BETTER' THAN IN AN OFFICE, THEIR DAYS ARE, WITHOUT EXAGGERATION, NUMBERED

JAVIER FERNÁNDEZ-SAMANIEGO

that their role in management committees is indispensable for business success. However, Fernandez-Samaniego explains "the in-house whose ambition is to sit on the Board and be a key player in the company's strategic advice and who is not afraid of the 'up or out' will always be an essential piece in companies. For the in-house who measures his 'power' in a big headcount and a big budget to manage, or the in-

house acting as a 'multinational employee' whose ambition is to 'live better' than in an office, their days are, without exaggeration, numbered."

**USERS**

Both companies' legal departments and law firms, lawyers or private clients can be ALSPs users. The report "ALSP: Firm's competition or allies?" presented last February by Thomson Reuters Legal Executive Institute, shows that 60% of corporate legal departments say they already work with ALSPs for at least one type of service and another 14% of the companies plan to start working with them next year. If we look at the graphic 1, it is interesting to note that, for instance, 17% of corporate legal departments use ALSP for research work. The document also elucidates the main reasons why law firms use these alternative suppliers; to provide a more affordable option to their clients and to be able to cover peak demand without having to assume more staff costs.

In this sense, Laia Moncosí tells us that they have been

very welcome, "both by lawyers and clients, in-house legal departments and also law firms. Once the model has been explained, it is clearly identified as a 'win-win' for all parties. The best indicator is that both national reference companies and the firms themselves are trusting us. For the most conservative sectors or companies in any field, change always comes with certain reticence, but not rejection. In any case, and for those who may have more questions, we ask you to ask our clients. We have a very high recurrence rate." "After more than three years in Spanish markets, having been the first company to label itself as 'alternative', we are very pleased with the welcome we receive from multinational clients who have given us their trust. As to our competitors in the traditional sector there has been great support and curiosity to understand our model. One of our main sources of referral work is other firms and we are very fortunate to be part of a community that - as in its day with the arrival of international firms - is open and believes that competition makes us all better.



SOURCE: THOMSON REUTERS



JAVIER FERNÁNDEZ-SAMANIEGO

However, some predictions -such as the development of LIMs or 'project lawyers' have been developed much more modestly than we had anticipated since we neither have an economy with full employees as in the US nor the mentality of working 'by project' is implanted in the Spanish market yet," points out Fernández-Samaniego. On the landing of the Axiom model by Ámbar, its CEO, Manuel Deó comments that "we are very excited about the appetite and interest that this model has throughout the sector. We knew that clients would react well to this new alternative because Spanish companies have first-rate and very sophisticated legal departments, they know these models perfectly and know that not all solutions will solve all their needs. The legal departments of Spanish companies are very

modern compared to what exists in other countries around us, and they are constantly seeking alternatives to the usual models, innovating and exploring other ways of solving their needs." Regarding reception of these models by the more conservative sectors of the legal profession, Natalia Martos of Legal Army NewLaw says that "as we gain more clients and have more presence, the initial indifference becomes curiosity, most of the time a healthy one. In any case, the most important firms in Spain have respected us from the beginning and our relationship with them is extraordinary because we think we can be complementary and not rivals. Our welcome abroad has been equally warm and we maintain a relationship of mutual respect and growing interest in our new model with Anglo-Saxon and Big Four firms."

## SERVICES

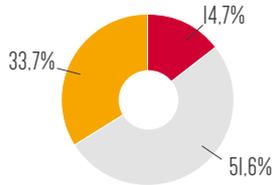
"Each ALSP category solves one type of problem," says Fernández-Samaniego. "Those specialized in managed services, which assume entire divisions of a legal firm in an outsourcing model such as Integreon, Factor (formerly Axiom Managed Services) or UnitedLex, help to reduce personnel costs and streamline oversized legal advice; those specialized in staffing and LIM solve problems in specific work peaks, maternity or paternity leave, etc." As Laia Moncosi tells us, ALSPs not only offer legal advice, they also cover other specialties. "Indeed, the services of Lawyers for Projects go beyond legal and tax advice. In this sense, we also accompany the legal departments themselves in a process of self-evaluation and

definition of a transformation roadmap, which allows them to participate more directly in the company's strategy, to carry out their function more efficiently (maximizing the quality of the service they provide at the lowest cost) and to minimize business risks, in an increasingly complex environment."

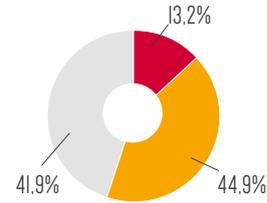
Natalia Martos, from Legal Army, specifies: "we work in the field of consulting for matters that not only require legal specialization but also strategic, technological and business specialization as it happens with Cybersecurity, with the development of disruptive business models or the application of 'legal design' in large corporations." From Ámbar, Deó points out that "we provide high level legal advice, consultancy services, project coordination and management of all kinds of legal issues. To accomplish this, we use the best technology and the most advanced operational processes." And everything seems to indicate that the demand for these services will continue to rise. The Association of Corporate Counsel "2020 ACC Chief Legal Officers Survey" shows that around 20% of private companies CLOs surveyed indicated that they plan to send more work to alternative legal service providers in the next 12 months. This trend is also supported by Thomson Reuters' study on the use of ALSPs by law firms. On the contrary, concern about data security is one of the main reasons given by both offices and companies that do not yet work with ALSPs, according

**Do you anticipate the amount of work you send to law firms and other legal service providers will decrease, stay the same, or increase in the next 12 months?**

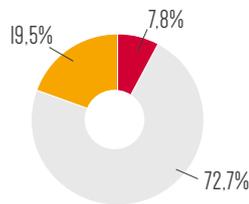
**LAW FIRMS**



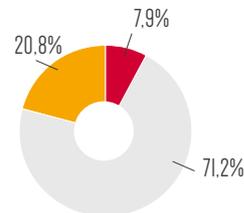
Among those who expect to add lawyers in 2020



**OTHER LEGAL SERVICE PROVIDERS**



Among those who employ at least one legal operations professional



● Decrease    ● Stay the same    ● Increase

SOURCE: 2020 ACC CHIEF LEGAL OFFICER SURVEY

to the above-mentioned TR report.

**CAREER PLANS**

The ALSP model "is not for everyone," says Fernández-Samaniego. "It is something we know and accept, although values we believe in, such as flexibility and freedom, are attractive to many lawyers. There are 'testimonials' on our website from some of the lawyers who have worked in our firm that are self-explanatory." From Ámbar, Manuel Deó says that "seeing the enormous interest that this model has for lawyers of all kinds of backgrounds and experience, who are calling for a new way of working that is more flexible and independent" fills them

with pride and recognizes that "this project is not for all types of lawyers, only for the best and most confident, who want to regain control of their lives by deciding what to work on, when and with whom." "The main attraction for a young lawyer to join Lawyers for Projects," says Laia, "is to direct his professional career. We offer them the possibility to participate in interesting projects for first level clients, with a higher remuneration (derived from the inexistence of structure costs). And, in addition, to be able to make the lawyer profession compatible with other professional projects and with their personal lives. Among our lawyers, we have surf teachers, art gallery owners or professionals who live in the USA or Dubai."

"In Legal Army we offer a balance between personal life and work. We believe that there is another way of doing things and we encourage talent, giving our team full control of matters from start to finish. In a time marked by the uberization and works with freelancers in collaboration regime, we offer indefinite work contracts with a very competitive remuneration, as well as the possibility of accessing the compensation plan consisting of phantom shares of the company to make them feel part of the business. As benefits we offer teleworking when needed, a modern and pleasant worplace, and most importantly, a Legal Army culture of values," provides Natalia Martos. 🇪🇸

## Philosophy and operation scope

SAMANIEGO

### Samaniego Law

"Having been the 'alternative' firm in Latin America -as recognized by Financial Times in its 2017 awards- our great challenge now is the scalability of the model without trying to lose our independence. Currently, the firm is evaluating with potential industrial and capitalist partners scaling the model following the values that motivated us to launch this adventure", Javier Fernández-Samaniego, managing director of Samaniego Law.

LAWYERS  
FOR  
PROJECTS

### Lawyers for Projects

"We transform legal services by allowing lawyers to work with total flexibility and providing companies with the talent, efficiency and motivation they deserve. Our current focus is the national territory, but we have partnerships with other operators of the same model that allow us to offer services to our clients in much of the world. Continuing to increase our own lawyer base both nationally and internationally is part of our short-term plans to continue ", Laia Moncosí, co-founder of Lawyers for Projects.

Ambar.

### Ámbar

"We seek to create a different firm, one that our lawyers are proud to belong to. Ámbar is not only an alternative legal services firm, it is also a meeting point and a framework for reflection for main and best lawyers in Spain and Latin America and promoting best practices and latest trends knowledge in the disruption and innovation of all types of business models in the legal sector. Ámbar already operates in Spain and we plan to open offices in Mexico, Colombia, Peru and Chile, in exclusive alliance with Axiom, the world leader in flexible and on-demand elite legal talent. And in this way, we can provide a global service to our clients", Manuel Deó, CEO of Ámbar.

LEGAL — ARMY  
NEWLAW

### Legal Army NewLaw

"We intend to be allies of the in-house legal departments so that we can make their lives easier. We aspire to get a share of the Spanish market that, nowadays, is not covered because there is no offer like ours. We have been in business for almost two years and, this year, we are developing the consolidation of Legal Army and completing our digitalization. Our purpose is to consolidate in a solid way in Spain and then scale our business model to Latin America in early 2021", Natalia Martos, CEO and founder of Legal Army.