

The history of one of the first alternative legal services law firms in the Spanish-speaking world

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At the end of 2016, after more than ten years at the helm of the Spanish law firm Bird & Bird (which he opened in 2005 when he was only 34 years old) Javier Fernández-Samaniego decided to open Samaniego Law. At that time, the lawyer already had 20 years of experience gained precisely in the dispute resolution and new technologies team at Bird & Bird, at Linklaters as head of the new technologies and communications law department and as an associate in the Litigation area and head of the Technology and Data Protection law department at the Spanish law firm Cuatrecasas.

### THE IDEA

The idea of entering the market with a new proposal, an alternative legal service provider (ALSP) that could offer clients an alternative to traditional legal services, had been in the making for many years, Fernández-Samaniego tells Iberian Lawyer. But the trigger was his involvement in the DXC Technology deal, the result of the merger of Computer Sciences Corporation (CSC) and Hewlett Packard Enterprise Enterprise Services and the outsourcing of its legal advice to UnitedLex. "It was inspiring because this transaction involved the outsourcing of the legal function with hundreds of lawyers to UnitedLex and the digital transformation of a law firm." In founding Samaniego Law, "What I did was to apply techniques that were already invented by technology consultancy, which was my natural client, to the legal profession", the lawyer recalls.

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## WHAT IS AN ALTERNATIVE LEGAL SERVICE PROVIDER (ALSP)

According to Thomson Reuters an "ALSP is a business that provides legal-related services as an alternative to a traditional law firm. Except in jurisdictions that limit the practice of law to licensed attorneys. ALSPs can also provide certain legal services. In-house law departments and law firms typically use ALSPs to perform tasks such as litigation and investigation support, document review, intellectual property (IP) management, due diligence, and legal project management. The use of ALSPs has recently increased because ALSPs are often more cost effective, efficient, and technologically advanced than traditional law firms. Examples of ALSPs include accounting and audit firms, providers of managed legal services, staffing companies, and legal process outsourcers (LPOs)". According to Thomson Reuters report "Alternative Legal Service Providers 2021" (produced with The Center on Ethics and the Legal Profession at Georgetown Law and the Saïd Business School at the University of Oxford) the ALSP market is valued at nearly 14 billion dollars.

And so it is how, in January 2017, the offices of Samaniego Law open their doors simultaneously in Madrid and Miami. Alongside Fernández-Samaniego there were not only some of his close collaborators lawyers but also other profiles: Manuel Esteban, mathematician and expert in artificial intelligence and digital transformation (now head of the legal tech and management services solutions department), Silvia **Pérez-Navarro**, founder and former managing partner of the head-hunting firm Iterlegis Legal Staffing Solutions (now special counsel and director of projects and lawyer) and María Meshcherskaya, former head of marketing and business development at the Madrid office of Bird & Bird (now director of corporate development).

#### THE OFFERING

This new organisation entered the legal services market as a hybrid between a business law firm, a strategic-legal consultancy and a technological platform that aims to offer clients technological solutions and *ad hoc* teams for each legal challenge. From the very beginning, Samaniego Law is organised into three interconnected business units: a "traditional" business law firm focused on dispute resolution and technology law, a legal interim management service provider, and a legal tech, contract management and digital transformation project management service provider. "Our innovative model is described as ALSP or alternative or virtual, but for us it is the natural model and response to our clients' needs in a technologically transformed world", says Fernández-Samaniego.





#### THE ALSP MARKET IN SPAIN

ALSPs in Spain render some of the services traditionally performed by law firms and three main groups of alternative legal services: flexible legal talent, managed legal services and Legal technology. AL-SPs in Spain leverage different business models and have different structures. sizes and market strategies. They range from small digital-law boutiques or innovative legal start-ups to operators allied with global powerhouses.

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#### THE DEVELOPMENT

Since then, the firm has begun to attract many large clients. "In the first few years we saw how large multinationals trusted our project. That was the confirmation that the model worked", says the lawyer. There is also no lack of media attention. In 2017, the Financial Times selects Fernández-Samaniego as one of the top ten "original legal thinkers". Since then, the firm has coordinated the work of around 30 lawyers who have provided services in more than ten jurisdictions to multinationals operating in different sectors.

Among the milestones in the development of Samaniego Law there is, in December 2020, the alliance for Europe and Latin America with Integreon (the global provider of legal solutions for law firms, corporations and professional services firms), which means that Samaniego can operate with Integreon's platform and technology both in the European Union countries and in Latin America.

The most recent milestone in the firm's history is its announcement of its integration with EY Abogado in January 2022 (here the news). A merger that has not yet become effective. "We have decided to go slower than we had planned for two reasons: the conflicts and restrictions that the audit business generates for the legal business and the fact that we are currently redefining our future". This redefinition of Samaniego Law's future undoubtedly also has a lot to do with the Big Four's current redefinition of its future. A few weeks ago EY has announced its plan to spin off its businesses (here the news). In any case, explains the lawyer, "the definition of our final scenario will occur in the first half of 2023".

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# THE MARKET IN SPAIN

The ALSP market is booming in Spain. Although it is not easy to accurately estimate the value of this market (some say it is around €400 million), there are at least seven operators in the country, with different business models, structures, sizes and market strategies. In Spain, ALSPs range from small digital law boutiques or innovative legal start-ups to operators allied with large global groups. In addition, traditional law firms and Big Four firms are introducing subsidiaries or business units that include ALSP components, entering this segment. "My market view is that there will be a lot of integration in the next few years", says Fernández-Samaniego.

#### THE FUTURE

For the future, Samaniego Law's main objective is to accelerate its business model. The organic growth phase is over and, as evidenced by the announcement made with EY, the firm is committed to growing with an industrial partner and "decisions will be defined in the next six months", says the lawyer. With regard to services, he concludes: "Where I see more development is in legal consulting, which mixes the parameters of technology consulting with strategic consulting".