



LATIN LAWYER ELITE

2016 LEADERSHIP REPORT

CRITICAL ISSUES AS DISCUSSED BY LATIN
AMERICA'S TOP LAW FIRM LEADERS

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Published by
LATINLAWYER
87 Lancaster Road
London, W11 1QQ, UK

ISSN 1466-6316
© 2016 Law Business Research Ltd

Printed and distributed by
Encompass Print Solutions
Tel: 0844 2480 112

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CONTENTS

AN INTRODUCTION TO LATIN LAWYER ELITE	2
THE DEBATE	3
INSPIRATION FROM THE KEYNOTE SPEECH	5
HOW TO MAXIMISE PERCEIVED VALUE	7
CONVINCING PARTNERS THAT BUSINESS DEVELOPMENT MATTERS.....	12
THE CHALLENGES OF RETAINING TALENT.....	15
SAYING GOODBYE TO THE OUTGOING GENERATION AND PREPARING THE NEW.....	19
LATIN LAWYER ELITE FIRMS OF 2015	24

An introduction to Latin Lawyer Elite

Since the global financial crisis, clients' spending habits have changed. Law firms are now competing in a buyers' market, where the provision of legal services is shifting as work becomes more commoditised alongside the rapid invention of new technology. Clients want firms that are more than just a service provider – that know how to respond to RFPs and can show they are efficient and transparent. Increasingly young GCs, who have often never been part of a law firm, are asking more questions about diversity and corporate social responsibility. With this in mind, getting the business model right matters more than ever; while clients might not be overly bothered about the process, they do care about the outcome.

Latin Lawyer has closely followed the Latin American profession for nearly two decades. *Latin Lawyer 250* is now in its 18th year and features 280 Latin American firms. Over our many years of extensive research into the region's legal markets, the concept of institutionalisation has grown in importance. The discussion of how to ensure a firm's longevity inevitably comes up in our conversations with law firm leaders, as does the need to adapt to the changing face of the profession, be it through moving away from the hierarchical pyramid structure or ditching the hourly rate for good. A topic of particular importance for Latin American firms right now is how to remain competitive as the flow of international firms into the region grows ever stronger.

Of course, it's all very well talking about these issues, but the real challenge is how to implement strategies that tackle them head on. In recent years, *Latin Lawyer* has grown increasingly aware of a group of firms across Latin America that are doing just that: investing time, money and thought into how to stay at the top in increasingly competitive markets, which all pose their unique set of challenges. Not only that, they are doing a pretty good job of succeeding.

To drive the discussion forward, Latin Lawyer has created the Latin Lawyer Elite, a group of leading Latin American law firms that do not merely excel in the work they do and the service they provide clients, but whose leaders also give care and attention to creating a strong institutional law firm. These firms are performing the cutting-edge legal work in their countries today, and building a law firm for tomorrow.

Through this project, Latin Lawyer hopes to help raise standards across the Latin American legal profession. Our intention is to produce content that helps firms identify their best fit in this changing market and find ways to add value, by drawing on the experiences of those who are at the top of their game.

Latin Lawyer Elite law firm leaders were invited to attend a leadership event in São Paulo, with a programme designed to get to the heart of matters through interactive roundtables with senior Latin Lawyer editors and law firm consultants. With this supplement, we are sharing the results of our inaugural meeting with the Latin Lawyer readership: by bringing together thought leaders to unpick these issues and share their innovative solutions in a collegiate fashion, we hope to provide greater insight to our readers, complete with data and best practices that will help Latin American law firms with their strategic planning. Over the next few pages we dig deep into the issues affecting law firm leaders across the region and provide guidance on topics such as talent management, succession, business development and value definition. Law firm partners across the world are notoriously reluctant to make fundamental changes to their business model. We will attempt to identify the right moment for change and how to avoid costly mistakes, be it switching to new software or overhauling a compensation structure, or taking the plunge and joining up with an international firm or introducing an alternative business structure.

The debate

Participants

DRIVING THE DISCUSSION

Clare Bolton	Latin Lawyer
Rosie Cresswell	Latin Lawyer
Arlindo Eira Filho	McKinsey & Company
Jaime Fernández Madero	Fernández Madero Consulting
Fernando Peláez	F Peláez Consulting
Joe Rowley	Latin Lawyer
Tony Williams	Jomati Consultants

THE LAW FIRM LEADERS

Carlos Aiza	Creel, García-Cuéllar, Aiza y Enriquez, SC
Horacio Beccar Varela	Estudio Beccar Varela
Alexandre Bertoldi	Pinheiro Neto Advogados
Jorge Carey	Carey
José Eduardo Carneiro Queiroz	Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados
Santiago Carregal	Marval, O'Farrell & Mairal
Luis Castro	BLP
Andrés Cerisola	Ferrere
Celso Costa	Machado, Meyer, Sendacz e Opice Advogados
Jaime Herrera	Posse Herrera Ruiz
Francisco Ibáñez	Mijares, Angoitia, Cortés y Fuentes SC
Fulvio Italiani	D'Empaire Reyna Abogados
Vicente Lines	Arias & Muñoz
Carlos Lombardi	Bruchou, Fernández Madero & Lombardi
Simone Musa	Trench, Rossi e Watanabe Advogados (Associated with Baker & McKenzie)
Javier Navarro-Velasco	Baker & McKenzie (Mexico)
Elaine Palmer	BMA – Barbosa, Müssnich, Aragão
Jorge Pérez Alati	Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h)
Javier Petrantonio	M & M Bomchil Abogados
Nicolás Piaggio	Guyer & Regules
Juan Carlos Rocha	Philippi Prietocarrizosa Ferrero DU & Uría
Paulo Rocha	Demarest Advogados
Fernando Serec	TozziniFreire Advogados
Bernardo Simian	Barros & Errázuriz Abogados
Carlos Urrutia	Brigard & Urrutia Abogados
Ricardo Veirano	Veirano Advogados
José Visoso	Galicia Abogados

Programme

12.00 Registration

12.30 Lunch followed by a keynote speech by Tony Williams of Jomati Consultants, formerly managing partner of Andersen Legal and Clifford Chance LLP

Keynote: Meeting client expectations in a changing world. Followed by questions from the audience

14.00 – 18.00 Interactive roundtables with senior *Latin Lawyer* editors and law firm consultants

Business development: spotting the next big thing

The cost of chasing the market
Institutional rainmaking and the role of the managing partner
Having the right partner in the right place at the right time
Staying ahead of competitors

Co-moderated by: Jaime Fernández Madero, consultant, Fernández Madero Consulting, and Rosie Cresswell, editor, Latin Lawyer

Changing of the guard: who are your future leaders?

Identifying and training future law firm leaders
Succession planning for retiring partners years in advance
Ensuring smooth client transitions

Co-moderated by: Fernando Peláez-Pier, consultant, F Pelaez Consulting and Joe Rowley, deputy editor, Latin Lawyer

How much are we really worth?

Applying value to processes, rather than time
Project management: organising resources efficiently
Implementing fundamental change

Co-moderated by: Arlindo Eira Filho, partner, McKinsey, and Clare Bolton, publisher, Latin Lawyer

Protecting your investment

How not to lose associates
Closing the gap between female associate and partner headcounts
Moving away from the pyramid model: alternative career paths

Co-moderated by: Tony Williams, consultant, Jomati Consultants, and Rosie Cresswell, editor, Latin Lawyer

18.00 – 19.00 Cocktails

Meeting client expectations in a changing world

Having practised law at a time when US and European firms enjoyed decades of double-digit growth, **Tony Williams** of Jomati Consultants, keynote speaker at Latin Lawyer's inaugural Elite event, is watching peers get used to the hard fact that the party is now over. In the wake of the global financial crisis, in-house legal teams have adjusted to the new reality by reducing their legal spend. Law firm leaders are discovering that the traditional model of a law firm pyramid is not sustainable in this period of slow growth, but what is the alternative?

Williams was a practising lawyer for 25 years. He is both the former worldwide managing partner of Andersen Legal and managing partner of Clifford Chance LLP, where he worked for almost 20 years. He went on to found Jomati Consultants, from where he has advised a range of international and domestic law firms on a range of management and strategy issues. It's fair to say Williams knows a thing or two about law firm management and the challenges facing the legal profession today. Here, we share some of the more thought-provoking insights from his speech.



The big thing, and I'm surprised it's taken so long, is the client has realised it has buying power and is finally starting to use it. We have seen a generational shift in the nature of general counsel. Until 10 years ago, a GC was traditionally a former partner of the firm that did the most work for the client, who moved in his late 50s for the last 10 years of his career. That has now fundamentally changed or is in process of changing. Many GCs have not been in firms all their careers. They are younger and see themselves as part of the executive team and may have other leadership aspirations. Certainly in the US, some are women and minorities who found firms hostile environments. In private discussion some admit enjoying getting revenge on firms that made them unwelcome. In-house teams used the downturn and supply of

good-quality lawyers to re-examine how they operate. They are reviewing what work they want to do in-house.

Clients look for lawyers with no surprises. They want people who help them to look good in their organisation. Few lawyers understand that work going well or badly can be career-defining for that GC. They can get a promotion or be fired. Major corporations are starting to move to fixed fee and other arrangements. The top reasons are cost predictability and transparency. Firms' willingness to offer those plays a big role.

Frighteningly, the number of clients who spend significantly on legal fees is relatively small. All firms want a number of those clients and want to be in their top

three. I think firms are also realising that a place on a client panel is not a guarantee of work, but a prequalification to be considered. They still have to work that relationship very hard to gain serious work. It used to be about answering the phone. Now, they have to invest in getting to know them, understanding issues, being very proactive, and understanding where they spend money and why. How do you know what a client spends and who they spend it on? Ask them.

Gone are they days where a good relationship between one partner and the GC is sufficient. Protecting long-term relationships takes massive time and effort, and is non-billable. Firms need to establish multiple touch points across the company's geography and age range. Associates must be involved to ensure that range of contacts. Be concerned for clients, not just selling; they can tell. Pretend you are a human being first and lawyer second.

A friend in need is not forgotten. A UK client in the financial space in 2009 told me that in the last two years, half of his clients had been fired by their organisations. I asked what had been done about that. Every one of the practice area's partners should have had 10 people on a list who they made contact with, took for coffee, offered introductions. There was probably nothing they could do, but they will be the only one or two people in the market speaking to them at that moment. The rest are crossing the street. That person will most likely get a job somewhere else and will remember that.

In an era where people are pushing down price, it's important to demonstrate the value you bring. Value is wider than price. When we set up Jomati we gave clients a price promise. We said; "We won't be the cheapest; we don't want to be. But we do deliver value that is a multiple of our fees. If you don't think we deliver value, don't pay us or pay us what it was worth and we won't argue." It makes sure we do a damn good job. It's a very interesting dynamic about how you demonstrate value and confidence. What does the client expect and how do we deliver? Are there elements of the way we do work we can change to grow relationships with clients and be profitable? What if we don't change? How much work will be available if competitors keep nibbling away?

We've seen a far greater use of different business models and client-facing technology. I was at a conference a number of years ago when I talked about IT and law firms. I said we've automated the quill pen. We could do things faster and cheaper, but hadn't changed processes. Now processes are being challenged. There is a range of experimentation with a view to producing a good quality product at a more predictable price while retaining profitability for the firm. Firms have resources on contract to call in as necessary rather than part of payroll. In England, they are developing centres in cheaper parts of the country.



We have seen experimentation on fees. I don't think firms appreciate how fundamentally alternative fees change the model. When moving from an hourly rate you shift the cost of inefficiency from the client to the law firm. It's as simple as that. If you get that wrong, you are in deep trouble. If you're right, it's successful. The construction sector moved from cost plus to fixed price in the 1980s. There was massive change as some messed up contracts again and again and went bust. Others survived and thrived. In the UK, 70 per cent of legal work for corporates is done for a fixed or cap fee. I hear lawyers say that doesn't apply for the top end. Last year Slaughter and May acted for Vodafone on its sale of its Verizon stake (one of the biggest M&A deals of the year) on a fixed-fee basis.

The tendency that everything to do with client relations is in the hands of partners has to change. Millennials through social media and college have their own range of contacts that have to be nurtured and developed. Major changes are going on. CEOs and GCs are younger, particularly at NASDAQ companies, where over 30 per cent were born after 1980. GCs in tech companies are so much younger than law firm partners. You have to think about the extent to which millennials find the current law firm model appealing.

Firms in mature markets have to think about brand. Not the logo. It's about a promise: you will get this service at this price. Consistently deliver that and you have a strong, long-lasting brand. Be inconsistent and you don't have a brand or the brand means different things to different people. To what extent does a brand enhance business and protect it? The classic example is the Big Four. They are light years ahead. Lawyers say, "We are lawyers, we can't distinguish ourselves." You can. And some of you here have: as elite firms in Latin America. There may not be a massive gap between you and your competitors, but is there a gap in perception?

The value equation

Create > deliver > capture

Law firms at the top of their game all provide a high level of service, meaning they need to find alternative means of differentiation in order to increase their value. **Arlindo Eira Filho** of McKinsey & Company led a discussion on how to achieve that, in which he underscored the importance of creating value for partners as well as clients in order to succeed

Latin Lawyer's recent law firm fee survey shows Brazilian and Mexican firms charge the most for their partners in Latin America, a finding that will surprise few. What's more striking are the results of the accompanying survey, asking GCs with responsibilities across Latin America how they perceive hourly rates. Most think they are paying too much for legal services in Brazil and Mexico. In other countries – Chile, Colombia and Argentina for example – they believe they are generally getting good value for money.

Assuming firms in the region's two biggest economies don't want to reduce their rates, they need to convince clients they are delivering more value.

But how to define value? Arlindo Eira Filho of McKinsey & Company describes value as a form of cost benefit relationship and stresses that it should not be equated to a low price. "You can have great value being two, three, four times more expensive than competitors, provided you proportionally deliver as much value or benefit," he says. "A Ferrari costs 10 times as much as a Beetle, or maybe even more. Most people would rather have a Ferrari."

Firms should deliver value to clients and their lawyers simultaneously. "The equation includes finding value for people who work in your firm. If you don't attract the best partners, you will be an average firm," Eira says.

There are three steps in the value equation: creating value, by showing the client the firm is bringing something really beneficial to them; delivering value, which requires making sure the firm is structured in the best way to deliver on that promise; and finally, by creating and delivering value, the firm will capture more of it. "This mechanism will invigorate the firm – it will attract more talent, offer better career opportunities, allow it to invest more in knowledge and create a positive spiral in the firm," says Eira.

Creating value

Firms create value through differentiation. The obvious starting point is by being a full-service firm or boutique, or choosing between bespoke projects

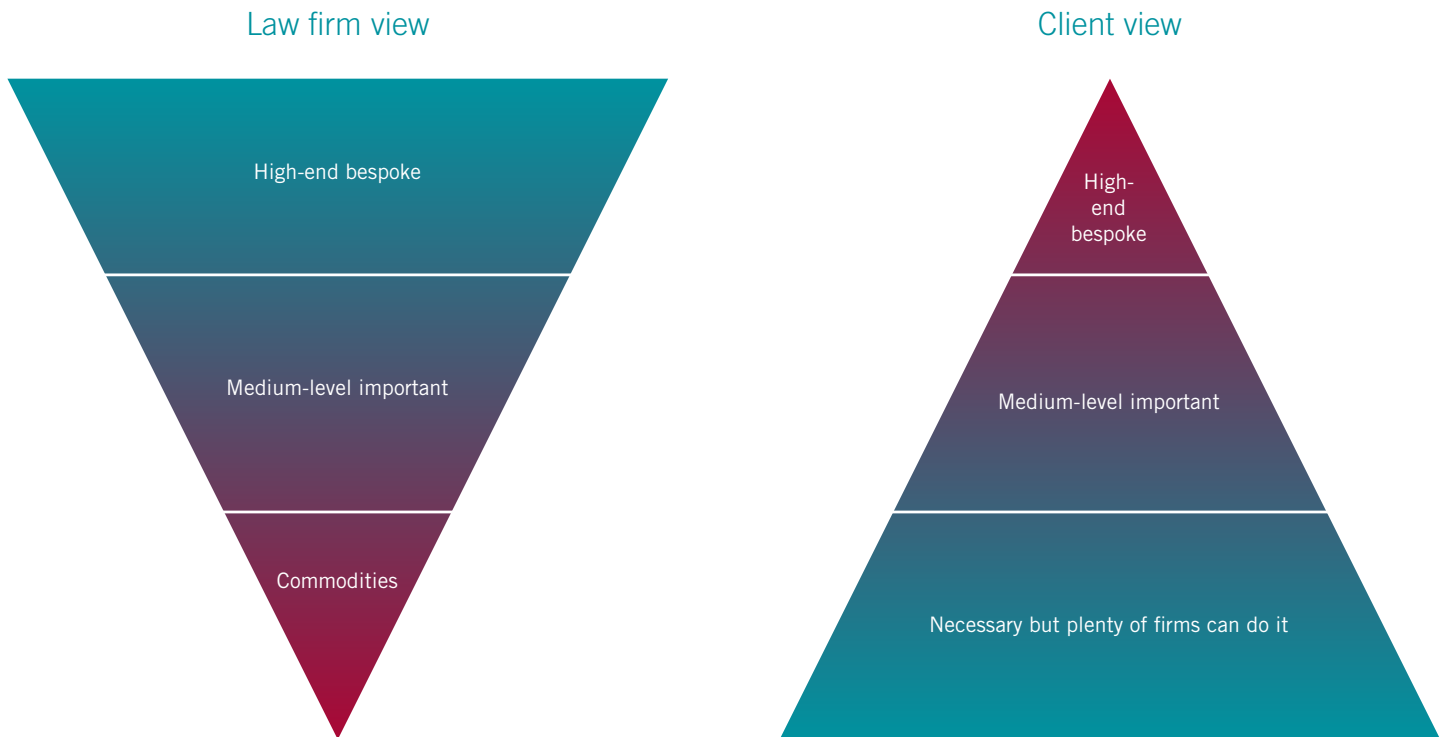
and repeatable volume work, but it gets harder to differentiate within those groups, particularly at the top of each market, where there is a group of highly-regarded multidisciplinary firms competing for the most complex work. It's a given that they all have highly talented lawyers throughout their ranks. Take the Magic Circle of UK firms. The quality of each member of that group is undisputed, but how do their clients discriminate between them. And if firms all look the same, how can they charge more?

"We know we are different, but how exactly?" says José Eduardo Queiroz of Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados. "You have to find a calling and that usually comes from the founders. You have to consistently deliver and pay attention to this characteristic."

McKinsey, for example, is a market-leading management consulting firm that differentiates itself through its interplay of people and brand, which is created by excellent people. The firm emphasised attracting the very best people from day one. "We want to attract the best, because we want to make sure that the people who became partners would be the best in profession. We think that's a great competitive advantage," says Eira.

Considering whether clients hire a law firm or partners is a good starting point for working out how much value they assign to their service provider. In many cases, it's a combination of both. Clients like individual stars with the support of a full service team; having market leading partners in every practice area demonstrates quality across the board, but the firm's brand also adds value. "The partner has expertise and knowledge, but the institution behind it is powerful. There needs to be infrastructure behind the partner," says Luis Castro of BLP Abogados. Firms like to measure this through third party approval, such as law firm rankings. Nicolás Piaggio says Guyer & Regules' differentiator is having top-ranking partners across the board. It's not enough for just the practice area to be highly regarded – the firm invests in ensuring partners are too. "We work very hard on that. We feel people

The value of bespoke legal work, as perceived by law firms and their clients



As presented by Tony Williams in his keynote speech

look for partners, but if a person leaves they won't follow him if he goes alone. Clients need a full-service firm," he says.

A good measure of perceived value is who the actual client is – the CEO or the CFO (the best scenario as it indicates very high value); the general counsel or a member of his or her team (the most likely scenario); or (the worst outcome) the procurement department “who sources legal services as if buying potatoes on street market,” in the words of Eira Filho. Sometimes, firms are part of an approved group of firms from which an in-house counsel can pick. If all those firms have the same perceived value, they will pick the cheapest – which is why differentiation is so important.

But it's hard to differentiate in some practice areas. For example, a lot of capital markets and some banking and finance work has become a commodity in some markets, meaning firms have to compete on price. On the other hand, M&A work remains an area where firms can differentiate, thinks Carlos Lombardi of Bruchou, Fernández Madero & Lombardi. “For instance, if you have a strong track record and solid reputation in M&A deals and worked on early deals in Argentina's banking industry, you have a much better chance of being selected for future transactions,” he says.

Andrés Cerisola believes it's important to differentiate even further, to keep ahead of rivals. Ferrere develops

competitive edges in innovative areas that are harder to replicate, for example, the pharmaceutical industry, food regulation or privacy and big data. “We have tried to create those areas of monopoly where for a client it's almost unthinkable to go to other firm. We are of course anyway subject to price competitive pressure, but when you effectively differentiate your work in something relevant for a client, you are so only to an extent as the client wants the lawyer with that edge,” he says.

Eira Filho says the niche strategy is one of the most successful because the sheer difficulty of competitors catching up provides a shield. The problem is, that there are only so many niches and they stop being so once they start to grow.

There are other ways to differentiate, particularly in service style. “One way to differentiate from others is to try to think from the client's perspective... how the client sees legal issues and how you can be efficient and make a difference,” says Queiroz. Indeed, it's common to hear clients say they would like lawyers to be more business minded. Vicente Lines says Arias & Muñoz tries to focus on efficiency for the client, such as seconding associates rather than billing hours.

Delivering value

Value delivery has to be fully aligned with the firm's internal structure. “You cannot position yourself as a

Average hourly rate for a mid-level partner, 2010-2015



Taken from Latin Lawyer's annual fee surveys

thought leader if your partners spend 100 per cent of their time doing client billable work and they're not spending time on research. You can't purport to be a high-value, differentiated firm with partner ratio of 15:1. It's simply incompatible," says Eira Filho.

Eira Filho believes research is critical for high-end firms to retain their value. For example, the farming industry spends 15 per cent of its revenue on research and development as if they don't, they face going bust because their patents run out after between 15 and 25 years. But it's less common to hear law firms talking about product development. Philippi Prietocarrizosa Ferrero DU & Uría (Colombia)'s Juan Carlos Rocha says his firm's goal is to promote new practices every three to five years. For example, the late Juan Manuel Prieto, founder of the Colombian arm, identified private wealth as an area for development a few years back. Now, the firm is in the process of studying and researching another practice with a view to launching it by the end of the year.

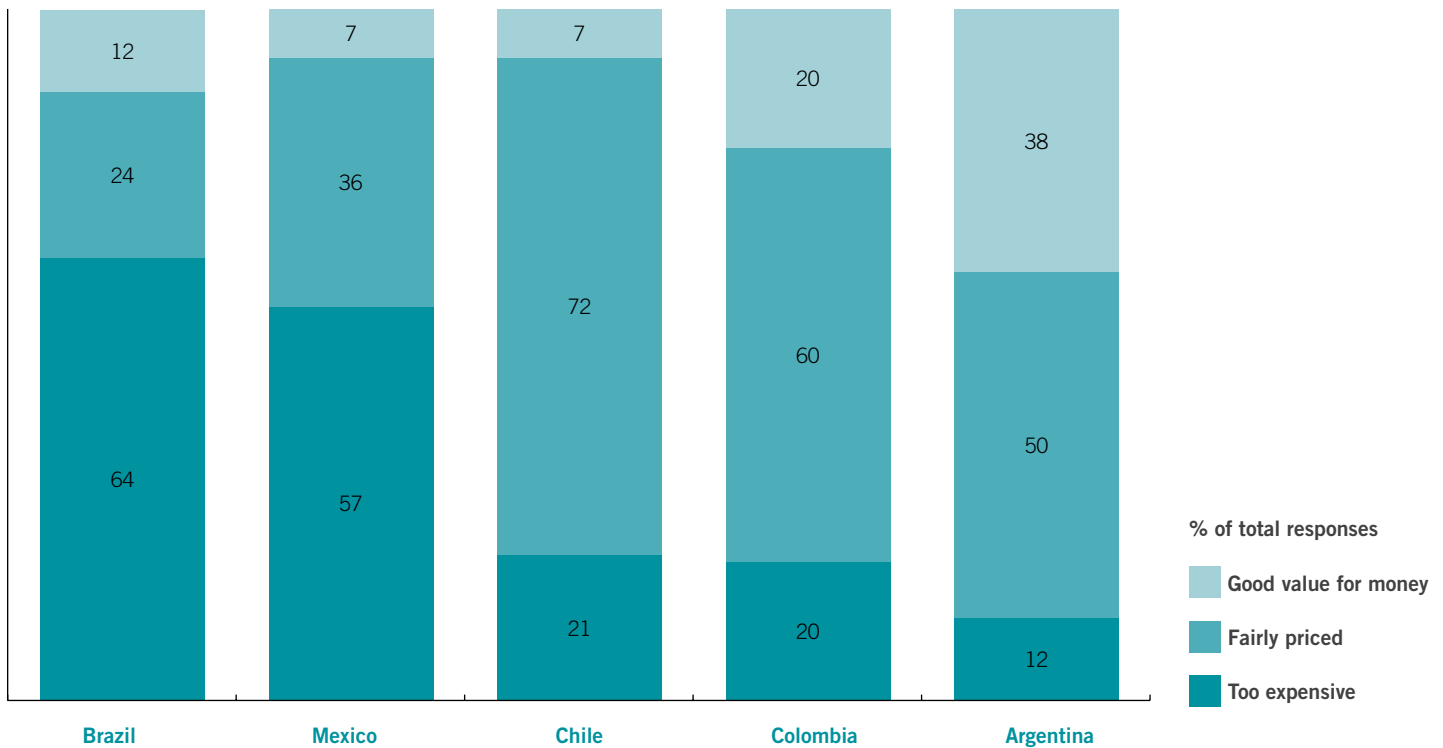
Eira Filho suggests introducing a clear directive to limit the number of hours billed by partners and associates, as a means to free up time to spend on business development. While Mattos Filho doesn't have a limit as such, there is an emphasis on lawyers doing more than client work if they are billing a certain number of hours. Elaine Palmer of BMA – Barbosa, Müssnich, Aragão

points out that many firms' compensation systems are structured to promote activities beyond billing hours.

Top-tier firms favour high-value, complex transactional work, but how do they structure their teams to ensure quality? Typically by emphasising the presence of partners on transactions. In Venezuela, it's seen as essential given the market conditions, while it's equally necessary in Colombia given the high competition among law firms. Santiago Carregal says Marval, O'Farrell & Mairal will usually staff deals with two partners: one more experienced and one younger, with the latter more involved in the day-to-day matters. But firms need to balance their partner-associate ratio correctly and think about how appointing new partners would affect the pyramid. "If a practice group wants to make a partner, we look at a number of different financial and non-financial things, including leverage," says Demarest Advogados' Paulo Rocha. "If it hurts leverage we probably won't do it unless it's very strategic."

There are other considerations when structuring teams. Creel, García-Cuellar, Aiza y Enriquez SC focuses on specialty and expertise. "You can really differentiate yourself in a market like Mexico by being specialised and disciplined, so there is no learning curve costing clients time and money," says Carlos Aiza. "Efficiency results in assurance or certainty and then you can charge a lot more money." It does require some sacrifice in that people can

Client perception of legal service providers' value for money



Taken from Latin Lawyer research in 2015

tire of doing the same thing for 15 years and there is a risk of an area disappearing, like capital markets in Brazil, but the right compensation model can address that.

Capturing value

The final stage of the journey is to capture value, a process that can be maximised through the right type of client relationships and pricing mechanisms.

An institutional relationship with a client is far better than a transactional one. (Transactional in this sense relates to one-off assignments, as opposed to working on transactions for what might be long-term, institutional clients.)

“How often does a client call us and say, ‘There is a new client matter and I would like a certain partner to work on it?’” says Aiza. “They don’t call the partner they want but the relationship or senior partner. That’s very important. That’s reflective of the institution – clients coming to the firm but wanting a specific partner on the matter.”

Simone Musa from Trench, Rossi e Watanabe Advogados (in cooperation with Baker & McKenzie) believes encouraging partners to manage relationship across practice groups is one way of creating institutional relationships. Others note a shift in the nature of client relationships. “Many years ago, relationships were institutional,” says Jorge Pérez Alati of Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h). “Then it changed. These GCs prefer transactions.”

To capture the created value, firms also need to have the right pricing mechanisms. With more GCs putting assignments out to tender it can be tempting for a firm to lower its price to win the work, but attendees were unanimous that the temptation should be resisted. They agree that competing on fees damages value and, in some cases, their firms take a deliberate decision not to participate in beauty contests unless there is a strategic reason to. In these cases, Carey will ask if it is a strategically important client: “In which case we try to win, but we are very reluctant to participate as we never win. We won’t lower rates just to get work,” says Jorge Carey. “We know we won’t win on the basis of price. We try to discipline the market, but it’s very hard and very painful as we lose big deals.”

“At the end of the day price is important but it’s not all about that,” says BLP’s Castro. “Unless you’re dealing with the procurement department, they understand there is value.” BMA also says no to clients and is honest about its reasons. “We are very clear with clients about this,” says Palmer. “We say ‘look for another firm as we can’t meet the prices you expect unless we staff it with junior people which isn’t the best thing for this transaction.’ They come back because we are being really clear.”

By following these steps, firms can raise the value of their services in the eyes of their clients, and thus stand by their fees.



Juan Carlos Rocha



Clare Bolton



Arlindo Eira Filho



Elaine Palmer



Nicolás Piaggio



Santiago Carregal



Jorge Pérez Alati



Luis Castro

More than lawyering

Jaime Fernández Madero of Fernández Madero Consulting and attendees discussed what constitutes effective business development and how to bring the partnership on board

Jaime Fernández Madero of Fernández Madero Consulting says most law firms take the “Monday-morning newspaper approach” to business development: it’s easy to make a judgement with all the information to hand, but far harder to put a plan into action in advance. Law firms typically have an “intuitive reaction” in response to some form of industry, regulatory, political or economic development.

The next big thing can arise from political change, new legislation or even scandal. Argentina’s recent change in government, the opening of Mexico’s oil industry and the corruption probe in Brazil are momentous not only for those countries as a whole, but also for their legal markets. How and when law firms react to such events can determine their ability to succeed.

Leveraging existing strengths helps. For example, Galicia Abogados had the opportunity to work with some government entities on the energy bill, which gave it the edge in Mexico’s burgeoning energy industry. The firm also made use of existing relationships with firms in Houston to post partners to firms in the oil and gas city. They also took courses to learn about the oil and gas industry. “We were fortunate to have some experience already in the firm,” says José Visoso. “It gave us a chance to start working on it and get better.”

Business development is most powerful when the firm has identified its target and stays on message. Fifteen years ago, Colombia was a much less attractive economy for investors and firms did not enjoy the deal flow they do today. Philippi Prietocarrizosa Ferrero DU & Uría (Colombia) set up a pilot project (prior to its cross-border merger) to invest in business development and see what the results would be in three years. The outcome was “fantastic”, says Juan Carlos Rocha. The firm identified two or three key clients in target industries and concentrated on them. It also recognised that rainmaking does not come naturally to all partners and so provided training and identified each partner’s strengths so that everyone was well presented to clients. Today, the firm has a sound business development budget, backed up by positive results in previous years.



Javier Petrantonio



Jorge Carey, Jaime Fernández Madero, Rosie Cresswell



Vicente Lines

A well-implemented business development strategy provides a welcome boost to a law firm's revenue, but to be successful it requires buy-in from all the partners, which is difficult to achieve. Lawyers without rainmaking abilities are not natural salesmen and dislike self-promotion. Some lawyers are most comfortable left alone in their offices to concentrate on the technical aspects of the law. Others don't see business development as part of their professional role, but would also rather not pay for someone else to do it. Partners all have their own ideas about what's best for themselves and the firm, and resistance to an expensive strategy is understandable from those not directly involved.

"There is a cultural clash we have sometimes between leaders who want to go in one direction and partners who are concerned and think maybe it's not necessary," says Horacio Beccar Varela, who faced pushback when trying to substantially increase Estudio Beccar Varela's marketing budget when it became clear that significant political change was around the corner for Argentina.

How can law firm leaders convince their partners that business development is important and institutionalise the practice across the firm?

The proof is in the pudding

Demonstrating the financial benefits of business development is a clear way to convince partners that it's worth the investment. For example, Fulvio Italiani is convinced that marketing becomes even more important when a country is facing serious problems. "In Peru or Colombia the deals you work on are your marketing. In Venezuela there are fewer deals so, we have to have an international presence, but it's hard to convince partners," he says. Today, D'Empaire Reyna's partners share his belief, but it took a radical decision to change mindsets. For a period of five years, the firm's marketing efforts were funded solely by those partners who believed in it. They showed the other partners how just one deal brought in as a result of that effort covered the expense several times over. "It's important to show the specific results of the marketing efforts on the origination of new matters. Now, partners believe it's essential to have a presence in bad times," says Italiani. In Argentina, M&M Bomchil is reacting to the impact of the change in government by anticipating changes that could bring opportunities to clients. "Each partner has their own view of the best way to do that. That's what we are trying to balance internally. We try to reach a consensus and put the firm first," says Javier Petrantonio.

But it's not just a matter of convincing partners that spending money on marketing matters; lawyers also need to contribute to the practice of business



Top
José Eduardo
Carneiro Queiroz

Bottom
Fulvio Italiani

development. The challenge is to align partners to the strategic goal of firm and for partners to realise that not doing their share of business development affects everyone in the firm. "It's very important for all lawyers to participate in a collective effort. If they don't, then the gap between those two groups will become very wide," thinks Carlos Lombardi of Bruchou, Fernández Madero & Lombardi.

José Eduardo Queiroz of Mattos Filho Veiga Filho Marrey Jr e Quiroga Advogados takes a holistic view. "You are great professionals, not just lawyers. You have to sell yourself. Part of that is great delivery, but it's also a great relationship with clients, anticipating needs and having great knowledge of their business activities," he says.

Making showers

Some partners are technically excellent but so lacking in marketing skills that they are better off shut in their office, but the general consensus is that while not everyone will be a rainmaker, most will make a shower or two with the right support. Firms can provide training on techniques that help lawyers feel stronger in front of clients or providing mentoring

from more senior partners. “Not everyone should be doing marketing but ... it is possible to train people to become much better at rainmaking,” says Ricardo Veirano of Veirano Advogados.

Firms can institutionalise business development through various means. For example, Demarest Advogados’ compensation model includes a business development component so all partners have an incentive to sell. “It’s structured with an incentive for the mountain lion not to go alone, but invite partners to help him show the breadth of the practice and have a better chance at a pitch,” says Paulo Rocha.

Showcasing examples of business development, successful or not, creates peer pressure. Tony Williams of Jomati advises bringing associates into the programme too and making it part of partnership selection process. While heading Clifford Chance LLP’s Hong Kong office, he held a “prayers meeting” every Monday morning, where lawyers presented what business development they were working on. “It took a year for associates to take it seriously, but it did create peer pressure and the firm institutionalised the idea that you have to be a damn good lawyer but brutally that is unlikely to be enough in itself.”

This can also be done by linking it to the partnership track. For example, Brigard & Urrutia makes it clear that marketing and client relationship skills are taken into account in the run up to promotions. When someone becomes partner, he or she is required to present a business development plan. “That has proved effective because the person is assigned specific responsibility in line with his or her interests and abilities,” says Carlos Urrutia. Not everyone is convinced though. Pinheiro Neto Advogados’ Alexandre Bertoldi is sceptical about asking partners to present such plans. “Don’t you think they will be frustrated with the firm in few years as it’s hard for plans to materialise?” he asks.

As Arias & Muñoz’s Vicente Lines points out, a collaborative approach to business development requires partners sharing client information, be it through a specific CRM system or otherwise. Law firms can structure their client relationships to create incentives for partners to collaborate with each other, for example by having a client business plan for an entire team rather than one partner, as is the case at Trench, Rossi e Watanabe Advogados (in cooperation with Baker & McKenzie). “It makes people stop and think about how to develop client relationships. Ideas flow and it helps with succession, but it’s not an easy process as partners take ownership,” says Simone Musa.

An obvious way to find out if the firm can do more for clients is to ask them. Guyer & Regules sends out a client satisfaction survey, asking whether



Top
Carlos Urrutia

Bottom
Jaime Fernández Madero

they would recommend the firm to a friend or colleague. If the score is less than six out of 10, the partner has to call the client to see how they can rectify the problem. “Business development is done every day you work and deliver,” says partner Nicolás Piaggio.

“That is a wonderful case of where work and business development meet,” says Fernández-Madero. “You make the client think about whether they would refer to you. The best way to get more clients is for clients to refer.” Jomati’s Williams is also a supporter of seeking feedback, providing firms act on it. “One thing that’s worse than not asking for it is not acting on it. You have to deal with issues if they are raised.” Sometimes that can require leaders to make tough decisions – for example how to deal with the fact a client is not happy with the relationship partner?

As Fernández-Madero notes, established firms cannot afford to be complacent, even if they are at the top of the market. Their future success is in the hands of their leaders, who must avoid getting bogged down in structures and processes and rediscover the firm’s mission, in spite of the challenges.

Difficult conversations about talent

Never has the struggle to retain talent been harder. Millennials with new ideas about work-life balance, the gender gap in partnerships and pressures on the law firm pyramid structure are just some of the challenges facing law firm leaders. While no one had the magic answer to any of these conundrums, they did raise some interesting ideas in a discussion led by **Tony Williams** of Jomati Consultants

Challenging the pyramid model

Lower industry growth and the shift to alternative fee arrangements are putting pressure on the classic law firm pyramid model, making the route to partnership far less guaranteed.

How to treat associates who narrowly miss the partnership is a tricky proposition. Despite firms' efforts of support and help with job hunting the relationship often turns sour.

The roots of the problem are often with the senior partner managing the associate's career. He or she only wants to give good news and doesn't want the associate to leave, so they don't have an honest conversation. "The bad news comes so late and is such a betrayal that the associate has no option but to leave and is very unhappy," says Jomati's Tony Williams.

By starting the conversation years in advance, the firm can help the lawyer overcome any issues standing in their way, or prepare them for the fact they are not partnership material. "We think it's important to anticipate as much as you can and give associates appropriate feedback about whether they are heading to become partners or not. In our view, they will probably react better," says Carlos Lombardi of Bruchou, Fernández Madero & Lombardi.

Mijares, Angoitia, Cortés y Fuentes SC evaluates associates and law clerks every six months. "Two partners meet with them and discuss what they are or aren't doing well. Sometimes we give them what we call a 'yellow card'. If they don't change their performance they have to leave the firm," says Francisco Ibáñez.

To remove the risk of awkward conversations, Carey is clear from the outset. "We have a rule that if you apply to become partner, if you don't get the votes you have to go. If you don't apply you can stay. It's up to the associate to decide," says Jorge Carey.

Some firms are experimenting with alternative career paths, such as non-equity partners, of counsel and directors, as a means to retain talent and utilise the legal skills and client relationships of lawyers who lack the interest in the partnership or the necessary attributes. Lawyers like to feel they are progressing, and this is a different way to achieve that. For example, the non-equity partnership role can be attractive because it has partner in the title, the compensation is significantly better than associates and it offers some involvement in



management duties, but not too much. Meanwhile, firms can charge more for them as they are senior enough to be called partners and it means they keep hold of lawyers they have invested in for years. But there is a stigma attached to these "glorified senior associate" roles, which can serve as a parking lot for those who fail to make partner. There is also research to suggest non-equity partners and counsel are less productive, perhaps because of the stigma and the poor definition of such roles.

A clear definition is important. "You have to be clear about what you are trying to achieve," says Williams. If the reasons are genuine, then it works. For example, if the lawyer has a specialist skill but there is no business case for them to become partner.

BMA – Barbosa, Müssnich, Aragão has equity and non-equity partners, a set-up that Elaine Palmer says now works very well but took some years to get right. She stresses the importance of communication. In the first year, lawyers who had their hearts set on becoming partners were frustrated to join the non-equity group. Today, however, there are lawyers who opt to become non-equity partners. "We have lots of wonderful lawyers who can make partner because of their lawyering skills, but not business development. Now they feel more comfortable as they are not pressured to bring in new business," says Palmer.

At some firms, lawyers taking the non-equity partnership track are unable to switch to the equity track at a later date, in order to manage expectations. Whereas at others it is possible. Veirano Advogados' junior partner position is an intermediary step: lawyers are only elected to that position if there is a strong likelihood of

them joining the equity partnership. Machado, Meyer, Sendacz e Opice Advogados made several women non-equity partner while they received training on skills they needed to join the equity partnership, which most of them have now done with a very successful track record.

Yet firms are divided as to whether they are a good idea or not in practice. “While an alternative career path, such as non-equity partnerships, offers many times practical solutions to difficult problems regarding partnership track, we have decided not to pursue them,” says Carey. “However, this is an issue that keeps coming back every other day, as there are good arguments on both sides of the fence; indeed, there are no easy answers.”



Jorge Carey

The gender gap

Today, most law school graduates are women (and often the best candidates); it's now typical to see gender parity in law firms' associate ranks, but there is a sharp drop-off at partner level.

While firm leaders are still struggling over how to get more women into the partnership, the conversation has undoubtedly moved forward in the last five years. Whereas previously, women were expected to do what they had to do to fit in with the law firm's existing structure, today, some Latin American firms understand that it makes sense for the law firm to accommodate the needs of its lawyers in order to retain talent and send a good message for future associates. Those firms that adapt to the needs of women or men by being flexible could have a competitive advantage.

Plenty of firms want to make women partner, but feel they don't have the right candidates. This is often because women don't feel they have the same opportunities in the firm as men, and so reevaluate their life options.

That is what Ferrere has found. The firm has an above-average proportion of women in its partnership, some of whom are the firm's most profitable partners and occupy leadership positions. Andrés Cerisola says the firm's culture and female role models send an important message. “The fact the culture allows women lawyers to make it, not just to partner, but to leadership positions, drives female associates to work much harder and, therefore, become better candidates for partnership when the time for such decision arrives. We have a pool of talent to promote to the partnership that you wouldn't have if the role models were not there.” He also notes that the women in his firm are their families' main earners, as opposed to wives of wealthy husbands, which leads to totally different attitudes and commitment to their professional careers.

Increasingly, firms have committees to raise awareness and offer part-time or flexitime options (to men and women, although they are most often taken up by young mothers). Law firm leaders attest that lawyers in those positions perform just as well as full-time lawyers, often better. “If you choose correctly, they will make up for the time they are absent from the office by working extra hours



Celso Costa and Simone Musa

from home. They are just as dedicated, it's in their nature,” says Paulo Rocha of Demarest Advogados. Bernardo Simian points to a female associate on his team at Barros & Errázuriz who leaves early two days a week and works more than some full time male and female lawyers. He also notes how the two female partners at the firm can make good use of similar flexible arrangements.

Simone Musa of Trench, Rossi e Watanabe Advogados (Associated with Baker & McKenzie) believes that flexitime and working from home are the best approaches to help women transition to the partnership alongside caring for their families. “That's the turning point for firms – when they have those policies they will have women in good leadership positions.”

But there is no one-size-fits-all solution, and no guarantee of success. Even with flexitime and training, for some women the partnership is not appealing and they choose to go in-house.

While a flexitime arrangement may work for one partner who flourishes in the role and remains at the firm for years to come as a result, for others it may be less successful. “That's where we struggle; to get something flexible and appropriate that is seen as fair by all the partnership,” says Jomati's Tony Williams.

Vicente Lines notes the high number of female partners at Arias & Muñoz, where four of its seven managing partners are female. The firm offers bespoke part-time or flexitime options for partners. He says that partners under such arrangements accept the trade-off

of having a lower profile and reduced compensation. Their personal needs must be aligned with the clients, says Lines. “What can they do with customers that realistically adds value? There are multiple possibilities. For example, we have team members who focus on a few key customers in industry sectors or specialised practice areas deepening the relationship with them, instead of taking on multiple clients and projects. Or their role in the team changes, focusing on the particular lawyer’s strengths and differentiated availability (for example, moving them from day to day work to special projects, seconding them part-time, or moving them to of counsel roles).”

The gender gap is attributed mostly to the fact that women tend to come up for partnership at an age when they are contemplating or embarking on motherhood. Faced with two new sets of conflicting demands, some feel they have to choose. But Celso Costa of Machado Meyer thinks reducing the picture to reproduction alone is wrong. “When we have to deal with new clients and new business, we see women tend to have less opportunities to develop commercial skills. Most of my team are women. Their deliverables are wonderful, but after some time I start to see that they face additional difficulties in getting closer to clients. That’s possible to overcome with training and more intensive support.” Musa thinks that firms should act more firmly on making sure that talented women are identified early on in their careers and prepared for leadership positions.

Pinheiro Neto Advogados’ Alexandre Bertoldi notes that the structure of the legal profession has barely changed in the last 150 years and is shaped around men. “Everyone agrees there is no option without women working as they are at least half talent the pool. The qualities law firms give more value to are male, so it’s natural we end up choosing more men.” BMA’s Palmer agrees that culture plays a large part. “For major change, men have to change too. Programmes have to be put in place, but so does the culture. We have to have men in committees.”

Bertoldi raises a bigger issue: Where is the pressure to change in an industry that is one of the few in the world that still has such high margins? One potentially heavy pressure is in the form of more women in GC or deputy GC positions, who are asking more detailed questions about the female lawyers working on their team



José Eduardo Carneiro Queiroz and Fernando Serec



Alexandre Bertoldi

– making it harder for firms to hide behind tokenism. Carlos Aiza of Creel, García-Cuellar, Aiza y Enriquez, SC says his firm has large institutional clients that ask every year about what the firm is doing with respect to gender diversity. “GCs are women. Companies want suppliers that adjust for women. Even if the margins are fantastic that forces us to make changes,” he says.

“I have these discussions all around the world. I think we are all struggling. The culture is inadvertently reinforcing the boys’ club culture. By not addressing it, firms are going to lose some real talent,” says Williams.

The march of the millennials

Millennials pose a threat to the traditional law firm model, shifting the conversation about retaining talent from a gender issue to a workforce issue.

Millennials are cut from a different cloth to today’s law firm leaders. The prospect of working hard for a decade to make partner, only to have to work just as hard for the next 30 years, is unappealing. However, that’s not to say they won’t work hard. Indeed, they want a very high level of training and experience as quickly as

possible, but this is also a mobile generation that doesn’t want to be stuck doing the same thing for years. Millennials want constructive feedback and have a great sense of fairness about how they are treated compared to colleagues. They care about issues of diversity and whether their law firm takes pro bono seriously.

This presents a conundrum for managing partners, who need to find a balance between investing talent and accept that more lawyers are likely to move on.

“We are in a permanent struggle to attract talent,” says Philippi Prietocarrizosa Ferrero DU & Uría’s Juan Carlos Rocha. “We are convinced we have to change our way of thinking to understand millennials. It is not easy to connect with these new generations. How do we attract them, convince them there is a career path? We try to get talented people, pay a reasonable amount which is aligned with market conditions but not necessarily the highest.” Williams thinks law firms should redefine measures of success: “If a lawyer is happy and works hard and stays for eight to 10 years, that’s not necessarily a failure.”

Firms should make the most of millennials’ talents while they have them. For example, this is a very interconnected generation, which is in contact with a large network of school and university colleagues thanks to social media. “There is a great opportunity for law firms to involve them in broadening and deepening relationships with clients. Take them to meetings, get them involved; don’t just treat them as backroom staff,” says Williams. Younger lawyers expect to be trained about business development, law firm economics and strategy. They are not as wedded to generational hierarchy. “Getting that involvement of younger lawyers is very powerful for those of us in management positions,” he adds. “We think we are the only ones to understand who is performing well or not. You are probably the last ones to know.”

Firms can tie their training into this. For example, TozziniFreire provides training throughout their lawyers’ careers that even includes an MBA. “Three to four years ago, we decided to take into our own hands the training of attorneys at different levels,” says Fernando Serec. “We created a programme called TozziniFreire’s DNA Programme. Training starts when lawyers are students and continues up until they are senior lawyers.” Guyer & Regules provides mentoring to the younger generation, in the belief that people leave their bosses rather than the firm. “It’s key they respect their boss and have a good relationship,” says Nicolás Piaggio. The firm also offers other training programmes that create awareness in young partners to understand the new role they play.

Firms can also involve senior associates in committees overseeing human resources and IT for example, to give them ownership in the firm and educate them on law firm management.

In today’s reality, it’s a given that some associates will leave, including those with a promising career ahead of them. But that needn’t be the end of the relationship. By investing in and looking after the lawyer, the firm can ensure he or she leaves as a positive ambassador. That positive treatment should begin at the recruitment stage – unsuccessful candidates will remember how they were received for years to come – and continue long after they leave through alumni programmes.

After all, in five years’ time that lawyer could be a general counsel or work for a US law firm.



Changing of the guard

The succession of a managing partner is a critical transition for any firm. **Fernando Peláez** of F Peláez Consulting led a discussion about how to handover to the next generation without rocking the boat

It's a tough gig being a law firm managing partner. Difficult conversations, dealing with egos and swapping stimulating client work for decision-making about mundane office infrastructure are just some of the reasons why so few partners put themselves forward for the position.

It's still common to see firms in Latin America led by a member of their founding family, who has often occupied the role for years. More and more now elect managing partners, but even they can end up in the role for a long time. "If you keep re-electing the managing partner, it's either because they are really good or there is no one to replace him," says Fernando Peláez-Pier of F Peláez Consulting.

"I have been a managing partner for about 16 years," says Horacio Beccar Varela of Estudio Beccar Varela in Argentina. "I challenge successful managing partners in a country where the economy is not doing well to ask if anyone wants his job. Everyone will probably say no; they want to be a lawyer and blame other people for problems."

If managed well, the handover of one managing partner to another can help the firm drive forward new strategy, inject fresh ideas into its leadership and send a message of generational renewal to the younger ranks of lawyers. Inevitably, the existing managing partner will have to step down, and if the firm does not have a suitable replacement it could find itself in crisis mode. Having some form of rotation and change of those holding management positions forces the firm to prepare for the future.

A lack of viable candidates for the role indicates a lack of interest on the part of the partners and, on the side of the firm, a lack of preparation of its lawyers for the role. Some firms are still comparatively young, partnership included, and confronting the issue is not a priority, but it's important to identify and prepare future leaders early on in their careers. "Succession depends on the demography of firm," thinks Carlos Aiza of Creel, García-Cuellar, Aiza y Enriquez, SC. "We are a young firm, but it's important to figure out how to prepare talent for the executive committee and give them exposure."

It falls to the law firm to identify and train a new generation of leaders and build interest among younger partners to devote time to management. There are many ways to invest in the next generation's management skills. Large global firms and international networks offer in-house professional development programmes, while there is no shortage of courses available to send lawyers on. Firms can assign associates specific management tasks and appoint them to committees such as human resources, business development or IT. This helps to identify those with a knack for management and their input can add considerable value. For example, senior associates are often closer in age to GCs, which can facilitate communication and relationship building. They also tend to be more IT-savvy.

Firms can also take steps to make the role more appealing. The managing partner job is not always in huge demand because partners became lawyers to practise law, not to manage. There are concerns about compensation and how easy it will be to return to practice once the term is over. Most new managing partners get a sharp reality check when they take up the role and realise they are not going to be able to spend as much of their time on client matters as they hoped. "You can use the job for business development," thinks Ricardo Veirano, recently elected as managing partner of Veirano Advogados. "You are going to do strategic work as a managing partner and you can do it without losing client relationships." Meanwhile, the right partner compensation model can alleviate worries about the financial reward for dedicating time to the role.

Once a firm reaches a certain size, its management becomes a very demanding job. It's hard for the managing partner to balance everything with their practice, but there are ways for firms to separate the



Carlos Aiza

more mundane, non-legal aspects from the role, leaving the managing partner to focus on the strategic side and management of talent. “We have a general manager to take care of day to day management,” says Carlos Urrutia of Brigard & Urrutia. “There are a host of things that need to be taken care of for a firm to be effectively managed. Having a general manager really accomplishes that. The managing partner can then devote an important amount of time to being a lawyer as well as devoting time to strategy.” In order for this to work, the managing partner needs to provide support for such professionals, ensuring partners understand their role and authority. Arias & Muñoz even likes to receive insight on strategy from its COO who has run her own professional services business as well as worked for large corporations, including HSBC and HP. The firm also values its strategic adviser who was a long-time HP employee and has decades of valuable experience. “It’s very hard for us to accept the views of non-lawyers on targets and segmentation,” says Vicente Lines. “But their view on strategy and segmenting makes a huge difference. Our definition of value proposition is much more focused and has helped us in the last five years revert the trend of results being tied to foreign direct investment.”

Employing non-lawyers for more day-to-day matters frees up time for the managing partner to spend on strategy and managing talent, and of course dealing with egos – perhaps the most time-consuming task of all. A big role for leaders is to get partners out of their offices to do business development or to have difficult conversations when they are under-performing in a particular area, such as mentoring young lawyers. That is not something they can outsource.

“We tend to confuse leadership with management,” says Jaime Herrera of Posse Herrera Ruiz. “They don’t necessarily require the same skills, but at many first-generation firms, founding partners, who are the natural leaders, are also vested with management duties; their challenge is establishing a solid succession plan with younger partners.”

The managing partner role requires a strategic thinker who is good with people, can identify opportunities and has the drive to carry projects forward. Not everyone fits the bill. Peláez-Pier suggests thinking about the needs of firm before selecting an individual. Different people will be better for times of crisis and opportunity, for example. But Pinheiro Neto Advogados’ Alexandre Bertoldi disagrees with that approach. “In my opinion I think you should pick the person who will do right no matter what,” he says. “The most important thing is to fill three roles – be admired internally, represent the firm externally and be a good professional to lead



Horacio Beccar Varela



Fernando Peláez, Paulo Rocha and Andrés Cerisola



Peláez, Rocha, Cerisola and Costa

by example. That’s not easy to find, which is why you need the right person.”

Peláez-Pier also thinks it’s important to involve non-equity partners in the election as it shows their thoughts are taken into consideration and gives them a say on the future of the firm.

Retiring partners

The majority of law firms don't have a clear strategy for the transition of clients to younger generations when the relationship partner retires. This is particularly the case for Latin American firms still run by founders who are years away from retirement.

Most firms today include a mandatory retirement age in their by-laws of between 60 and 65 (although many have exceptions for some partners to continue as counsel), but succession is about far more than that. As well as preparing the partner for retirement, the firm has to develop his or her successor, particularly if the outgoing partner is a rainmaker or head of practice, as they will have a portfolio of important clients. "If you wait until the last moment, it is too late and there is a huge risk of the firm damaging the client relationship," says Peláez-Pier.

In Argentina, the standard retirement age for men in Argentina is 65, and for women 60. But Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h) found that partners approaching that age are still responsible for a large part of the firm's revenue, so the retirement age has been extended for them. This is a common approach for firms, particularly for those in Latin America whose partners have advised long-standing clients (often the heads of important family-owned companies) for many years. While it offers a short-term solution, it should be complemented with a strategy to eventually handover the relationship to other members of the firm.

The key is to make the relationship institutional and ensure the client has relationships with more than one lawyer, across more than one generation. For example, to prepare for the transition process, Slaughter and May has two client relationship partners, one of whom is typically younger and in charge of overseeing day-to-day matters.

Trench, Rossi e Watanabe Advogados (in cooperation with Baker & McKenzie)'s Simone Musa thinks having a "phase-out" programme, whereby the outgoing partner's role is steadily reduced, would provide an incentive to pass on work and clients.

It's also important to determine whether the departing partner has a plan for retirement. If there hasn't been a discussion, the partner could well open a boutique across the street and start competing.



Jaime Herrera



Ricardo Veirano

While it's tough to convince people that the managing partner role is attractive, those who have occupied the position usually come to enjoy the associated prestige and influence it brings. The succession process can be very emotional for those involved. It requires a big transition mentally for the managing partner returning to life as an ordinary partner. He or she needs to understand they have to give room to the new managing partner to take responsibility and play a supporting role, rather than generate obstacles. One way to manage that is to include the outgoing leader in an advisory role, for example by appointing them to the executive committee, as is the case at Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados. "For me, it's extremely valuable to have my predecessor as he is the only one who has been in my position. I can benefit a lot from his experience," says José Eduardo Carneiro Queiroz. At Marval, O'Farrell & Mairal, which has seen numerous generational transitions, the successor works for one-and-a-half years in parallel to the existing partner. "Sometimes it's very important to continue to profit from the experience of these people," says Santiago Carregal.

There is no one-size-fits-all model for the handover of leadership; each firm has its unique sets of needs that must be addressed. However, the result of a proactive approach towards succession is universal: it prepares the firm for a longer, more stable future.



Pérez Alati and Cerisola



Petrantonio and Serec



Javier Navarro-Velasco and Castro



Carlos Lombardi and Paulo Rocha



Palmer, Herrera and Cerisola



Lombardi, Piaggio and Peláez



Lombardi, Bolton and Lines



Veirano and Carey

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Latin Lawyer Elite firms of 2015

The firms profiled here have been selected because of their leaders' commitment to maintaining their competitive edge. While the strategies may differ, they have all put considerable thought into how to stay at the top of the market, be it through an international strategy, greater investment in talent or software, or astute business development. We hope that some, if not all, of these approaches will resonate with our readers.

Argentina

Bruchou, Fernández Madero & Lombardi

At some point, law firm leaders will encounter a fork in the road that requires them to take decisive action. When a new president was elected in Argentina at the same time the regional alliance BFM&L belonged to was seeking integrate further, the firm realised it needed to choose rather than be overstretched. So, it took the difficult decision of breaking off from Affinitas to ensure it has the necessary resources to cater to the wave of investor interest expected under the new administration. BFM&L has been preparing for this moment, making promotions and hiring a number of lawyers to position itself for business in key areas.

Estudio Beccar Varela

Adhering to the adage that a crisis brings opportunity, Argentine firm Estudio Beccar Varela continued to invest during the Kirchner administration, identifying trends that would generate client demand. The leadership's focus on business development saw it go after work from Asia and become a comparatively early mover in the field of white-collar crime and compliance. This commercially minded firm has also hired an institutional relations manager to identify new business. It has also beefed up its partnership in preparation for the new government and becoming the first major firm to open an office in the north of Buenos Aires.

M&M Bomchil Abogados

The secret to M&M Bomchil's excellent reputation in its core practice areas is the attention its leaders pay to developing talent. The firm has a tight-knit partnership committed to providing a dedicated service to clients. The high partner-to-associate ratio also exposes the younger lawyers to their seniors' experience, creating a continuous training programme that helps

this high-brow firm preserve its remarkably deep bench. The firm has done a good job of creating boutique-style practice areas in a cohesive fashion, which is easier said than done and made possible through its largely organic growth strategy.

Marval, O'Farrell & Mairal

Sustaining a leading position in terms of headcount and service offer is no easy feat in the best of conditions, let alone when an anti-business government has stifled growth for years. Yet, Marval, O'Farrell & Mairal defied the odds during the Kirchner years, proving that the right institutional mix can make all the difference. Argentina's largest firm devotes a lot of time to talent management, with a retirement policy that creates room for younger lawyers to move up the ranks. It also has a good eye for business opportunities, harnessing its manpower and experience to ensure it has all bases covered. The firm's large size does not hinder its agility: Marval recently invested heavily in its technology practice group, a good example of how it stays ahead of the curve.

Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h)

Pérez Alati Grondona has seen the benefit of leaving management of the firm to business professionals since early on, hiring the former CEO of Apple Argentina and establishing an executive committee back in the early 1990s. This is one of the handful of firms in Argentina that captured a good portion of what small deal flow there has been in recent years, alongside maintaining its strength in breadth and multidisciplinary teams. Key to its ability to do that in market conditions that have stifled growth is a keen eye for talent management. The firm invests in lawyers' studies overseas and has shown itself to be flexible where necessary, for example relaxing its up-or-out rules on career progression when growth was difficult, while maintaining its promotion rounds over the years.

Brazil

BMA – Barbosa, Müssnich, Aragão

BMA's leaders have channelled their business acumen into simultaneously building their own very successful law firm and helping clients achieve their strategic goals. The firm established itself as one of the top corporate and M&A firms in Brazil in a remarkably short period of time. It also has a meritocratic partnership track, which includes equity and non-equity partner routes. Both have 11 levels to allow for continued career progression, and the firm's annual promotion rounds are a notable sign of its commitment to helping its lawyers to grow. Its training programme for young lawyers has been fundamentally overhauled, designed to help lawyers provide a deeply practical style of advice steeped in theoretical knowledge. It's also notable that BMA's most recent managing partner is female (although her term will have come to an end by the time this goes to press). The firm has also significantly expanded and deepened its social responsibility programme.

Demarest Advogados

One of the older Brazilian heavyweights, Demarest Advogados is nearing the end of a five-year plan to maintain the firm's competitive edge. Real long-term planning among Brazilian firms is far from commonplace, so Demarest's commitment to doubling revenue in its core practices is commendable, even more so because it appears to be working. As part of the strategy, the firm has shifted away from commoditised work and paid attention to partnership compensation, which is calculated according to a scorecard, with adjustable key performance indicators. A migration towards a company structure, complete with COO, allows partners to focus on their client relationships.

Machado, Meyer, Sendacz e Opice Advogados

Machado, Meyer, Sendacz e Opice Advogados is one of the Brazilian heavyweights that has had to confront the issue of succession in recent years – not an easy process for any firm, but particularly difficult when the firm was founded by some of the most prominent players in the legal community, who remain active today. The firm has steadily been addressing this, introducing a new modified lockstep compensation model in 2015 to promote cross-selling. It has also reshaped its training programme, which includes a mandatory internal university where lawyers are educated on broader business matters – such as accounting, negotiation tactics and how companies work. It's also worth mentioning that three of its seven executive committee members are women.

Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados

Anyone looking for an example of a Latin American law firm that is wholeheartedly embracing institutionalisation and succeeding in the process would be wise to take Mattos Filho as an example. The firm, a market leader in Brazil, has embarked on a series of long-term plans (hiring consultants for the process) and delivered on them; its latest is a strategy to become “high-level full-service”. It has embarked on a confident lateral hiring spree, integrating new joiners into a stable partnership structure (thanks to an earlier transition to a modified lockstep system). The firm nets the best younger talent by going to law schools and hiring trainees in large numbers. Mattos Filho believes in excellence in all areas: while it already scores well in diversity, it is taking inspiration from the United Nations' HeForShe initiative to raise the bar further and is a leader in pro bono.

Pinheiro Neto Advogados

The name Pinheiro Neto has considerable cachet across the Latin American legal market and further afield. Thanks to the pioneering tendencies of its founder, who continues to inspire the leadership, the firm can lay claim to something rare among the region's firms: brand recognition. Lawyers compete fiercely to work there, while for some companies it's the only firm that will do. Pinheiro Neto has reached that enviable position through investment in the firm and

its culture, rather than individuals. The firm promotes every year, but eschews lateral hiring. It has had the same partner compensation model for over a decade. Pinheiro Neto also stands out for its commitment to pro bono: it was the first firm in Brazil to pay associates for the pro bono work they do.

TozziniFreire Advogados

TozziniFreire is notable for its partnership being consistently 35 per cent to 40 per cent female. A third of its executive committee are women. It reports that retention of senior associates is increasing, in part thanks to its ability to keep hold of women in senior positions. Alongside this, the Brazilian firm puts money into improving lawyers' job satisfaction; alongside top-notch training on networking and management skills, the firm sponsors health programmes and other initiatives to improve quality of life in the workplace. It also has established policies for social responsibility and inclusion, backed up by an active pro bono practice.

Trench, Rossi e Watanabe Advogados

Trench Rossi sets an example when it comes to gender diversity: around half of the partnership and the management committee are female and the top three earners are women. The firm is also one of the few in the region to have begun talking about sexual orientation and race in the context of diversity. Helped but not entirely driven by its association with Baker & McKenzie, Trench Rossi has state-of-the-art software. It has implemented an e-billing and invoicing system, which is highly effective, but required the firm and its clients to undergo fundamental change. Its partner compensation system rewards partners for client management, rather than origination, with priority clients identified and money reinvested into promotional activity to keep those clients.

Veirano Advogados

In recent years, Veirano's leadership has made it more than clear that the firm is willing to undergo fundamental change to compete among the top tier of Brazilian legal market. The outgoing managing partner embarked on an aggressive lateral hiring spree, moving the firm into new, high-demand areas such as compliance, and took the difficult step of overhauling its associate compensation scheme to bring it into line with the market leaders. The incoming manager is charged

with business development – identifying ways to add value for key clients. The strategy will be helped because each practice area must put forward an annual business plan and an advisory board comprised of non-lawyers and non-clients.

Central America

Arias & Muñoz

Arias & Muñoz is known best for spearheading the regional model in Central America back in the 1990s – a strategy that is being pursued by international and local firms elsewhere in Latin America today. Despite having a history over 73 years the firm's pioneering tendencies continue, proactively evolving in the strategic, legal and operational layers of the business. Arias & Muñoz also stands out for the representation of women in leadership positions: in three of the six countries where it operates the firm has female managing partners.

BLP

Right from BLP's inception, its leaders aspired to a modern approach to law firm management, eschewing the chance to appear on the letterhead in favour of a name that has no connection to its founders: the acronym stands for Business Law Partners. The Costa Rican firm did not engage with the concept of Central American regionalisation instantly, but when it did come, it moved very fast and very effectively, appointing top-notch professionals in three further Central American countries so far. BLP stands out for its root-and-branch commitment to pro bono, which is channelled through its own dedicated foundation.

Consortium Legal

Consortium Legal gets good recognition thanks to its offices in all five Central American countries regularly teaming up to lead on multi-jurisdictional transactions. The firm leverages that visibility to build its brand across Central America: as well as being a safe bet for cross-border work, it is a dominant force in local markets. Consortium's path to regionalisation began with mergers across borders and followed a steady transitional course, with local firms keeping hold of their original names at the start and only adopting the Consortium Legal moniker universally more recently.

Chile

Barros & Errázuriz Abogados

One of Chile's heavyweights, Barros & Errázuriz recognises lawyers are not natural managers; it has a professional structure headed by a former CEO of a local company. The firm's comparative youth means it has been able to introduce new measures without the shackles of old-school approaches that more traditional firms find so hard to lose. Barros & Errázuriz has a sophisticated, two-step evaluation system for associates, which factors in pro bono work. Indeed, the firm is a clear leader in this field with leadership from the top: one of its managing partners leads Chile's pro bono foundation.

Carey

Credited with kick-starting the institutionalisation of Chilean law firms, Carey continues to put considerable time and effort into fine-tuning its law firm model, be it through looking after talent or custom-designing its office space. The firm is a staunch believer in organic growth, which helps preserve its culture, and it firmly adheres to a strict up-or-out career track. An equal distribution of profits among all lawyers who have been partners for five years (before that, partner compensation is staggered) helps promote cross-selling, enabling it to maintain its deep bench across an impressive range of practice areas. Carey is also behind a mentorship programme that trains female lawyers on leadership skills.

Cariola, Díez, Pérez-Cotapos & Cía Ltda

Staying relevant for a century requires a succession of strong leaders. The various lawyers occupying the top spot at Cariola, Díez, Pérez-Cotapos & Cía Ltda over the years have all contributed to ensuring the firm maintains its strong position in the market by fostering long-term relationships with clients. This is achieved in part through a partner-associate ratio that allows GCs to feel they are getting attention from the top. By knowing its clients inside out, Cariola Díez has been able to cater better to their demands and create new practice groups accordingly.

Guerrero Olivos

One of Chile's stalwarts, Guerrero Olivos has paid much attention to its infrastructure and software in recent years, investing in

a top-end knowledge management tool that gives lawyers instant access to client documents and historical legal opinions, the introduction of which required the firm to adapt its billing system. The firm has also catered to growth, taking on a new floor of office space, complete with conference rooms and an auditorium. Alongside the hard investments, Guerrero Olivos has also been making managerial adjustments that saw the creation of a new executive committee and steadily expanding and deepening its service offer.

Colombia

Brigard & Urrutia Abogados

In recent years, Brigard & Urrutia has moved towards a company structure, complete with a board of directors that includes a non-legal professional. The Colombian firm has invested heavily in technology, allowing it to manage its billing system and share client documents online. It is also putting considerable thought into diversity, not only for women but for LGBT people and lawyers from outside Bogotá. This is one of Colombia's transactional heavyweights, with a good range of international experience among its lawyers.

Gómez-Pinzón Zuleta Abogados

Gómez-Pinzón Zuleta blends transactional nous with arbitration excellence and has successfully built a full-service offering catering to everything in between. This is no happy accident – the Colombian firm's leaders may have a light management style, but they pay close attention to all aspects of law firm management, be it looking after talent or investing in new technology. The firm has a healthy partner-associate ratio, promoting steadily through the years to keep lawyers committed. It has invested heavily in new office space in Medellín and Bogotá and is in the process of overhauling its billing and disaster recovery systems. Gómez-Pinzón Zuleta is also notable for the leading role it plays in Colombia's pro bono community.

Philippi Prietocarrizosa Ferrero DU & Uría

Philippi Prietocarrizosa Ferrero DU & Uría is the firm to watch right now, as it embarks on a full-scale merger across borders that has so far brought in firms from Chile, Colombia and Peru. While the project

has the backing of Uría Menéndez, this is the first full-scale tie-up between firms in different Latin American countries and the market is looking very closely to see how successful it is. The firms are adopting shared systems across the board – from partner compensation and billing to software and marketing – in what is perhaps the boldest strategy on display to embrace regionalisation and bolster against the international firms establishing a footprint in Latin America.

Posse Herrera Ruiz

Posse Herrera set out a plan to become one of Colombia's top-tier firms and achieved it, through a combination of shrewd investment in talent, a keen eye for opportunities and a willingness to embrace cutting-edge software. In the past three years, the firm has channelled some 15 per cent of revenue into technology and now has sophisticated software that allows it to use historical data to measure the value of work projects, by no means a common practice for firms in Latin America. This gives the firm the edge when putting together alternative fee arrangements, because its proposals have a better chance of being profitable.

Mexico

Baker & McKenzie (Mexico)

Mexico's largest firm is not afraid to make tough decisions in the pursuit of profitability. The firm has aligned its partnership track to a strategy that focuses on high-value added services, and invested heavily in areas it deems key to Mexico's economic climate. The firm has also adjusted its management structure to more efficiently assign tasks to the partner best suited to the job. The process involved some difficult discussions with lawyers along the way, but has undoubtedly resulted in a better offering. The Mexican partnership is among the top three biggest profit generators for Baker's Latin American offices.

Basham, Ringe y Correa

Basham, Ringe y Correa offers a rare showing of stability in one of the region's more volatile legal markets. One of the largest, and indeed oldest, law firms in Mexico, it has a distinctly institutional air and, at over a century old, has successfully gone through more than one generational handover – no easy feat. The firm is also notable for its

strength in breadth, having built up a high level of service across practice areas, in a bid to ensure clients get the same quality across the board. It has also invested heavily in its billing system, centralising information. Pro bono is a strong suit, with the top levels of the partnership leading by example.

Creel, García-Cuéllar, Aiza y Enriquez SC

Achieving fundamental change in a law firm requires commitment and determination. Creel García-Cuéllar's leaders are prepared to make difficult decisions in order that the firm can not only compete effectively, but lead the way. Their clear-sighted vision has resulted in an overhaul of the firm's corporate governance structure and a new partnership compensation system. They also have a knack for business development; having successfully pinpointed tax as a growth area, they invested accordingly to quickly build a market-leading offering among full service firms in Mexico.

Galicia Abogados

In the Mexican market, firms are accused of short-termism, which is why Galicia Abogados stands out for drawing up long-term plans and steadfastly sticking to them. The top-tier firm has a keen sense of the need to hone its service offer; it has identified core industries – for example the financial, telecoms and pharmaceutical sectors – and set about deepening its specialisation in those areas, complete with regulatory know-how. It has also been steadily revamping its internal management structure and places great focus on training its lawyers at all stages, with emphasis on international experience.

Hogan Lovells BSTL

Prior to BSTL's tie-up with Hogan Lovells, foreign firms tended to enter Mexico by absorbing small to medium-sized firms or cherry-picking, which gave rise to a game of musical chairs among the less cohesive. BSTL has long been one of Mexico's larger, most distinguished legal institutions, so its decision to join forces with a foreign firm is being watched closely by Latin American firms of similar standing. Its leaders have a keen eye for institutional growth and have shown themselves willing to accept that fundamental change can be necessary for that to happen. It has been on an intense integration process into Hogan Lovells'

global platform, while taking advantage of its new resources to bring in talent at home.

Mijares, Angoitia, Cortés y Fuentes SC

Mijares Angoitia was one of the first firms in the region to wake up to the rise of the multinationals, which was followed by the concept of regionalisation among law firms and the inflow of foreign names to the market. This Mexican firm, a market leader at home, has been part of the region's leading law firm alliance since its inception, and has helped shape its direction over the years. Most recently, the Affinitas alliance has sharpened its focus on the Pacific Alliance group of countries with its four members committing to further integrate their client-facing services and make a play for China.

Panama

Arias, Fábrega & Fábrega

One of Panama's heavy hitters, Arias, Fábrega & Fábrega stays at the top of the legal market by allowing lawyers to concentrate on what they do best. The firm has a team of non-legal professionals, including a CEO, firm manager and heads of HR, marketing and accounting, who work alongside a partner executive committee that oversees strategy and policy. The firm was quick to realise the benefits of investing in software; it was one of the first firms in Latin America to purchase a cutting-edge business-management programme some 15 years ago. Arias Fábrega also stands out in Panama for its strength in breadth and healthy partner-to-associate ratio.

Peru

Estudio Echeopar

More and more foreign firms are knocking on the doors of Latin American outfits these days, generating intense discussion among local partnerships about whether or not to make the leap. In 2012, Echeopar's partnership voted to become Baker & McKenzie's Peruvian member, a move that would provide huge institutional support but which risked cutting off ties with other foreign firms. Four years later and the firm is in good shape, reporting a healthy deal flow. The issue of how to handle generational transitions looms large over many firm leaders in Latin America, with some acting more decisively than others. By merging with Baker & McKenzie,

Echeopar was also able to facilitate that process more smoothly.

Miranda & Amado Abogados

Youth is on the side of Miranda & Amado. Without the restriction of traditional management habits, the firm's leaders have thrown themselves wholeheartedly into the process of institutionalisation in a bid to remain a market leader. They are aware of the succession issues that can plague firms of a certain age and are tackling the matter well in advance of their retirement. This Peruvian firm has resisted invitations to join forces with foreign firms, favouring referrals from top international firms to maintain its market share of high-value work. Instead, the firm is building its regional capabilities by increasing integration with the Affinitas alliance.

Rodrigo, Elías & Medrano Abogados

Many like to preach on the merits of leading by example, but they don't always stick to their mantra. Rodrigo, Elías & Medrano Abogados' leaders have shown themselves willing to play by the rules, most notably seen in the founder introducing a retirement policy that he was the first to adhere to. (While this may seem obvious, it's remarkably common for law firm leaders to build in exceptions for their benefit or have second thoughts when the time comes.) Rodrigo Elías is deeply committed to building a lasting institution. The current managing partner has introduced innovative and far-sighted reforms that have left Rodrigo Elías better equipped than many of its rivals to continue to grow well into the future. The firm can now justifiably claim to be meritocratic and has rigorous systems in place designed to preserve its very high-quality service offer.

Uruguay

Ferrere

As international firms scramble to establish a footprint in Latin America, Ferrere offers a shining example of how home-grown regional expansion can work. A market leader in Uruguay, the firm has followed a clearly defined strategy to move into Paraguay, Bolivia and Ecuador, staffing its offices with top local talent and partners with experience in US firms. The result is a distinctly institutional offering built out of the firm's strong foundations in

Uruguay. There is a strong focus on regional integration, with the idea that geography will become less of a factor when assigning lawyers to a project.

Guyer & Regules

Guyer & Regules keeps hold of its elite spot in the Uruguayan market by investing where it really matters: in talent. The firm's evaluation system is thorough to say the least – professionals receive feedback from all lawyers who they work with through multiple feedback sessions. It also places emphasis on international experience as a way to add value for lawyers and works hard to preserve its standing in the international community. The firm's attention to detail is exceptional. Regular, in-depth meetings of committees allow for the capture of knowledge which is imparted throughout the firm, helping to maintain impeccable standards across the board.

Venezuela

D'Empaire Reyna Abogados

The most punishing economic environments can require law firm leaders to make dramatic adjustments. D'Empaire Reyna is demonstrably capable of adapting to difficult conditions. The Venezuelan firm has increased the partnership, to give lawyers more ownership during a time when business development is difficult, which also has the benefit of giving clients greater access to their senior lawyers. The strategy has allowed the firm to direct resources where clients need them most – for example, by boosting its tax and labour offerings. While foreign investors may not be looking to Venezuela as a hot spot right now, the leaders of this firm understand the importance of maintaining their profile internationally and continue to promote the name overseas.

Norton Rose (Venezuela)

The firm has long been a market leader in Venezuela, and has maintained that position while its global platform expands around it (from Macleod Dixon joining up with Norton Rose, to the UK firm tying up with Fulbright in the US). In fact, the Venezuelan office has shaped the wider firm's focus on Latin America, helped by its leaders viewing their operation as a regional hub back when the Venezuelan oil industry was booming and few other firms were thinking about regionalisation. Breaking down those barriers early on has helped it keep hold of talent in more difficult times; leading natural resources partners have relocated to Bogotá, while top talent in fields such as tax and labour uphold the firm's reputation at home.

Latin Lawyer Elite essentials

Latin Lawyer Elite firms are all members of *Latin Lawyer 250* guide of leading law firms, which means they have a proven excellent service offer. They are also at the top of their markets according to other indicators. Latin Lawyer has identified and conducted research into five core areas: service offer, institutional strength, international outlook, financial health and social responsibility. To compile the list of firms, Latin Lawyer has drawn on data compiled through our own leading independent surveys into management practices, including diversity, international experience and pro bono; through our research into each legal marketplace as part of *Latin Lawyer 250*; our ongoing news coverage of the leading deals and cases across Latin America; and our research with clients, including through LACCA (Latin Lawyer's sister association, the Latin American Corporate Counsel Association). Points are then awarded. The range of points in each category are divided into three bands, and firms are given a score of one, two or three according to the band they fall into in their jurisdictions. Latin Lawyer's senior editorial team has also assessed the make-up of the list, bringing their accumulated years of detailed, on-the-ground knowledge of firms and the markets they operate in. The highest scoring firms in each country qualify for the list and their place is confirmed following an interview with their leaders about their financials and other institutional information. The process will be repeated, allowing firms to move on or off the list.

Excellent service offer

First and foremost, Latin Lawyer Elite firms are full-service firms, market leaders in their core practice areas and have a broad,

multidisciplinary offering with a consistently high level of service. They have a proven ability to put together teams from across practice groups to service their clients' needs, something we are able to judge after nearly two decades of market research for the *Latin Lawyer 250* and daily reporting of work in our news briefing. Where possible, we give transactional practices and related services particular weight during our considerations because they are complex in nature (and so demonstrate a high level of legal skill) and are a requirement for these firms' client base. As well as providing a quality of service in a particular practice area, firms also demonstrate a willingness to adopt a holistic view towards their top clients: they invest carefully in their key accounts and find innovative ways to add value. Points are awarded according to the number of practice area sections in a law firm's profile in the 2015 edition of *Latin Lawyer 250* and firms score points for appearing in Latin Lawyer's M&A value and volume league tables on data from 2011 to 2014, in countries where applicable.

Institutional strength

Latin Lawyer Elite firms are more than the work they do. A main reason for their exceptional service offer is the time and investment their leaders have put into building an institution. There is no one-size-fits-all institutional model; rather each firm has taken steps to ensure that their model is correctly structured for the type of service they offer and serves to retain and attract leading talent.

There are various recipes for success, but the ingredients tend to be the same. At the top, there is a clear management structure, with leadership from a managing partner or executive committee,

often followed by a series of other committees. A good number of firms have chosen to empower non-legal professionals to allow lawyers to focus on what they do best. Numerous Elite firms have moved towards a company structure and employ a CEO or COO.

They look after talent with clear career progression and retirement policies and have tailor-made compensation systems. Firms make regular promotions and attract the right talent where necessary, without overstretching or growing too fast. The firms ensure their partner-associate ratios are at the right level to staff transactions correctly and invest in broad training programmes, teaching non-legal skills such as negotiating, networking and accounting. There is evidence of an awareness of the benefits of gender diversity, although firms sit at different points of the spectrum, from having strong female representation in the partnership to appointing women to top leadership positions. For some, this is the result of effective retention policies. Some have started thinking about other forms of diversity. Points are awarded for making promotions in the last five years and calculated based on the percentage of partners who have been promoted in that time frame. Using data provided for *Latin Lawyer 250* research at start of 2015, points are also awarded for the percentage of partners who are female and for a firm's partner-associate ratio.

In varying degrees, member firms have shown themselves willing to introduce fundamental changes that are crucial for the firm's future – be it confronting the delicate issue of succession or overhauling its compensation system. Across the board, they all spend significant amounts on information technology, putting in a sizeable percentage of revenue into new software on an annual basis. Firms are moving to the cloud, setting up sophisticated billing systems and storing data online. They are also preparing for the worst, putting money into disaster recovery and cybersecurity systems.

International outlook

We argue that an international strategy is crucial for any law firm engaging with clients that operate on the global stage. Familiarity with other jurisdictions is a sensible starting point for that, and so Latin Lawyer Elite firms all have a consistently high proportion of lawyers who have completed LLMs at foreign education institutions or have taken part in foreign associate programmes. Points are awarded for the percentage of lawyers who have completed an LLM at a foreign education provider and/or lawyers who have completed foreign associate programmes at law firms

outside of their country, using data drawn from annual surveys. Not only that, their leaders have all thought about how to remain relevant in this global market. This could be through ensuring their firm is among the best independent firms in the market in order to win high value referrals from leading international firms, maintaining the firm's international profile through networking, forging ahead with a regional strategy through an alliance or even a full-blown merger or attachment to a global platform.

Financial stability

As well as being in good institutional health, a Latin Lawyer Elite firm should be financially sound and aware, as evidenced by having a keen eye on revenue, profitability and productivity. Those firms operating in difficult business climates have shown themselves capable of riding the wave, reacting and adapting as necessary. Discussion about law firm financial information does not happen openly on a regular basis in the Latin American legal market, let alone when journalists are present. Nevertheless, we felt that conversation on this subject should be an essential part of the research for the Latin Lawyer Elite. During a series of confidential conversations, the more transparent firms were willing to open their books entirely to us, sharing details of revenue, profit and profit per lawyer. The more cautious preferred to provide revenue growth as a percentage and nothing more. What information we did gather has not contributed to our decision-making or been used for comparison, but the process was a useful learning exercise that will hopefully serve as a starting point for more detailed analysis in the long term.

Social responsibility

Finally, Latin Lawyer Elite firms should look beyond their own needs and make contributions to wider society – this is best evidenced through a commitment to pro bono. Latin Lawyer has been tracking pro bono in the region for some years, via a detailed survey and feedback from clearinghouses showing that certain law firms are truly committed to the practice and have taken important steps towards making pro bono part of their daily routine. In every country, there are examples of law firm leaders who understand the duty of lawyers to bring access to justice to those who can't afford to pay for it. Some of those leaders have contributed towards building a pro bono structure in their legal market as well as their firm.

Points are awarded to those firms that have been identified as Leading Lights in our pro bono surveys.

Methodology

In our inaugural year, we have focused on the region's largest economies – Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay and Venezuela – as well as Panama and the Central American region. Our intention is to roll out the group to include other countries in the future.





















































































We have included law firms that are now part of international firms, but note that they all have local roots. The inflow of international firms is a reality; having the participation of local firms that have chosen to go down that route is necessary to help other firms understand how to remain competitive in this changing market, whether independent or not. Meanwhile, other Latin American firms are pursuing interesting regional strategies independently, be it through cross-border mergers or increasingly integrated alliances.

























































































Latin Lawyer Elite essentials

Latin Lawyer conducted research into five core areas: service offer, institutional strength, international outlook, financial health and social responsibility. This draws on data compiled through our own leading independent surveys into management practices, through our research into each legal marketplace as part of the *Latin Lawyer 250*, and from our news coverage of the leading deals and cases across Latin America. Points are awarded to firms, and the range of points in each category is divided into three bands. Firms are given a score of one, two or three (where three is the best score), according to the band they fall into within the Elite firms in their jurisdictions.

Here is how the Latin Lawyer Elite firms of 2015 scored in each category. The darker the image, the higher the score.

Firm/Country	Pro bono	Women in the partnership	Dealmaking	Strength in breadth	Promotion frequency	Partner-associate ratio	International outlook
Argentina							
Bruchou, Fernández Madero & Lombardi							
Estudio Beccar Varela							
M&M Bomchil Abogados							
Marval, O'Farrell & Mairal							
Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h)							
Brazil							
BMA – Barbosa, Müssnich, Aragão	N/A						
Demarest Advogados							
Machado, Meyer, Sendacz e Opice Advogados							
Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados							
Pinheiro Neto Advogados							
TozziniFreire Advogados							

Firm/Country	Pro bono	Women in the partnership	Dealmaking	Strength in breadth	Promotion frequency	Partner-associate ratio	International outlook
Brazil							
Trench, Rossi e Watanabe Advogados							
Veirano Advogados	N/A						
Central America							
Arias & Muñoz			N/A	N/A			
BLP			N/A	N/A			
Consortium Legal (Central America)			N/A	N/A			
Chile							
Barros & Errázuriz Abogados							
Carey							
Cariola, Díez, Pérez-Cotapos & Cía Ltda							
Guerrero Olivos							
Colombia							
Brigard & Urrutia Abogados							
Gómez-Pinzón Zuleta Abogados							
Philippi Prietocarrizosa Ferrero DU & Uría (also listed in Chile)							
Posse Herrera Ruiz							

Firms/Country	Pro bono	Women in the partnership	Dealmaking	Strength in breadth	Promotion frequency	Partner-associate ratio	International outlook
Mexico							
Baker & McKenzie (Mexico)							
Basham, Ringe y Correa							
Creel, García-Cuéllar, Aiza y Enriquez SC							
Galicia Abogados							
Hogan Lovells BSTL							
Mijares, Angoitia, Cortés y Fuentes SC							
Panama							
Arias, Fábrega & Fábrega	N/A		N/A				
Peru							
Estudio Ehecopar							
Miranda & Amado Abogados							
Rodrigo, Elías & Medrano Abogados							
Uruguay							
Ferrere			N/A				
Guyer & Regules			N/A				
Venezuela							
D'Empaire Reyna Abogados			N/A				
Norton Rose (Venezuela)			N/A	