

Law firms must change their business models to serve clients in a more ‘collaborative’ way

TMT clients are ‘volatile, fast evolving and constantly question their strategy’, so their legal advisers have to be permanently available to solve problems that are seldom ordinary

The fast-developing nature of the TMT sector means law firms will have to change their business models on order to serve clients in a more ‘collaborative, informal and pragmatic’ manner, according to Carina Branco, Counsel at PBBR in Lisbon, Portugal.

“TMT has continued to grow in Portugal; however, major TMT clients continue to be pressured by fast-evolving players eager to penetrate the market, and they also have the pressure of having to be innovative in order to try and cope with the constant evolution,” she says.

“Some of our major clients with very high recurring IT costs are now being challenged by newer solutions that promise to replace old concepts with more flexible, adaptable and balanced cloud solutions.”

As a result, TMT lawyers are having to change their strategies and their business models in order to serve their clients. “All in all, lawyers tend to be very traditional, says Branco.

“However, the issue is not just about technology we use (or resist using), it’s more to do with the way we work,” she explains. “TMT clients challenge us to be more collaborative, more informal, more straight to the point and pragmatic. Why? Because they just do not have the time.”

Unlike clients from other sectors, TMT clients are “particularly volatile, fast evolving and constantly questioning their solutions, their goals and their strategy”, says Branco.

She adds: “It means we constantly have to be there because their problems are seldom ordinary and recurring.” Consequently, the TMT sector is now prompting Portuguese law firms to question their ways of doing business.

“I believe the traditional law firm pyramid has gone, and soon we will have to re-design our business model,” says Branco.

“And probably one of the most dramatic challenges ahead is that the hourly-rate model is under threat.”



Carina Branco

Blockchain could drive a ‘fourth industrial revolution’, but lack of regulation is a problem

Blockchain technology, which acts as an incorruptible digital ledger system, has the capacity to drive what will effectively be the “fourth industrial revolution”, says Marta Gil de Biedma, partner at Ventura Garcés & López-Ibor. However, for clients using blockchain the main problem is the lack of regulation, both at a national and European Union level, she adds.

One of the key issues is which is the applicable jurisdiction with regard to blockchain transactions as records can be located anywhere in the world, Gil de Biedma explains. In addition, there is the question of how to enforce the ‘right to be forgotten’ – one of the main principles of the General Data Protection Regulation – when one of the main facets of the technology is that it is impossible to make alterations to the ledger.

These are just two issues that highlight the difficulty in regulating

blockchain. However, lawyers are currently tasked with assessing what any potential regulations could mean for clients. For example, a fintech start-up may want to use the technology to make acquisitions, or large corporations may be testing blockchain to ascertain whether it can be used to improve the way they do business.

Gil de Biedma says Ventura Garcés & López-Ibor has spent considerable time and resources providing blockchain training for its lawyers. “We believe that blockchain will be part of all our futures,” she says. “That’s why we train our lawyers to become experts.”

She adds: “Blockchain can be applied to all transactions involving currency, goods or property. One example is real estate transactions, which involve considerable amounts of paperwork. However, smart contracts mean there is no need for intermediaries and this reduces costs.”



Marta Gil de Biedma