

THE EUROPEAN LAWYER



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FIGHTING THE GIANTS

INDEPENDENT LAW FIRMS SURVEY:
EUROPE'S LOCAL PLAYERS
PUNCH ABOVE THEIR WEIGHT
IN AN ON-GOING BATTLE
WITH GLOBALS

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José Miguel Júdice has spent the past three decades championing the modernisation of the Portuguese legal profession – and in the process taking his law firm to the top of the country's league tables. He talks to Jonathan Ames

Evolution in Portugal

Lisbon-headquartered PLMJ is one of Europe's quintessential independent law firms. Founded at the end of the 1960s by António Maria Pereira and Luis Sáragga Leal, José Miguel Júdice joined the firm in 1976, and at the time he was only the fourth lawyer in the practice.

He has subsequently become a fixture on the Portuguese legal landscape, helping to expand PLMJ into a firm of

about 200 lawyers with offices across the country. In addition Mr Júdice has adopted the role of ardent proponent of modern management techniques and regulatory reform for the Portuguese legal profession.

Indeed, his interest in the structural side of the profession is rooted in a strong legal academic background. Mr Júdice took a degree from the University of Coimbra Law School in 1972 and was admitted to the Portuguese Bar five years later.

He was an assistant professor of political science and constitutional law at the University of Coimbra from 1972-1979 and assistant professor of public international law and political science at the University of Lisbon Law School between 1979-1981. He is currently visiting Professor at the Universidade Nova de Lisboa's Law School and Economics School.

Mr Júdice's keen interest in professional governance has taken the form of long-term involvement with the Portuguese Bar Association – he was general counsel for the

organisation from 1995-1998 and president from 2001-2004.

Despite a lifetime of involvement in almost every aspect of law firm practice, Mr Júdice is not exclusively a legal profession junkie. He also runs a small family hotel business, including Michelin-starred restaurants.

PLMJ is headquartered in Lisbon with branch offices in Porto, Faro and Coimbra

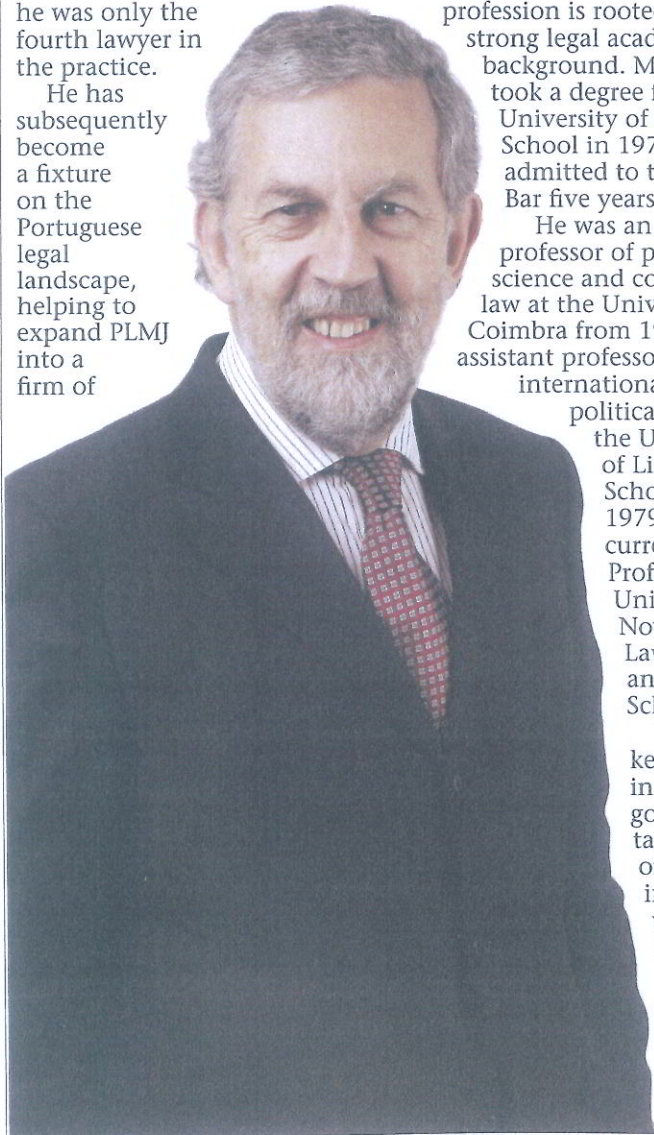
You have a reputation for innovative thinking in law firm management in Portugal. How have you seen the profession evolve in that field over the past three decades?

When I came to the firm, all the staff worked with electric typewriters. Nobody in Portugal even had a fax machine – we were the first. We invested in a big computer system in the 1980s – even before Microsoft.

And we were the first to have a retirement policy pension fund for the partners. In terms of legal practice, we were also the first law firm to invest strongly in specialisation in Portugal and to organise a partnership with smaller law firms all over the country – leading law firms at the local level, with which we share clients, share information technology and administrative costs. And they have our support on more international or highly-sophisticated matters.

We looked abroad for inspiration, deciding that the strategy of internal organisation and governance for being a leading international law firm mostly came from the UK – and that was a good strategy for attracting top talent and keeping clients happy.

This is the main reason for our success. The fact that any



Leadership zone

trainee that comes to our law firm is aware that all the partners will quit at a certain moment in their careers is for them a sign that they have a future. We are a 'partners' law firm, which is quite a different approach from that which is dominant in the south of Europe. For example, our ratio of partners to the total number of lawyers is probably considered not good enough for profitability. But this is our strategy and our partners prefer it – to have less money than they could have if they decided to have a smaller number of partners.

But on the other hand, we have created an institution – and a career path for highly-motivated, ambitious and technically talented young lawyers. That means we attract talent – young lawyers who know for certain that their performance will be analysed in a meritocracy.

Also important is our client-oriented strategy – all the law firms say they have that strategy, but we really have it in our DNA. There are three rules: the first is that clients want a simple 'yes' or 'no' answer to their questions; second, the client would prefer that you answer today with a small and short, less detailed opinion than to have to wait 15 days for a very qualified opinion; and third, you have to be prepared to attend to your clients day and night and at weekends – whenever it is convenient for them.

These rules have been passed from generation to generation at this firm and it makes a difference. We normally don't lose clients. Some lawyers, when they become successful, take up golf, they travel abroad and they become increasingly less available for clients. But at this firm it is different; for example, the other day, I had to

travel to a country in the north of Europe on behalf of a client matter. I have partners who could do the job, but as they called me I changed my life and I did a 24-hour turnaround. It is tiresome, but the client deserves that level of commitment and service.

Nonetheless, there have been hiccups along the way. How have you dealt with management traumas?

In 2007 we lost some of our colleagues as they decided our approach was not acceptable – they wanted a more eat-what-you-kill strategy, while we place greater importance on a modified lock-step system. They went, but we managed to reorganise ourselves and rearrange our structure and we increased our turnover.

The environment is getting increasingly difficult for independent law firms in terms of competition from the global practices. International law firms are taking a much greater interest in smaller markets. All the leading Spanish law firms are strong in Portugal. And the global law firms are fighting for the filet mignon – the high value work – and we need to compete with them.

Other management difficulties are common to law firms all over the world. How do you organise a team when you are dealing with a group of people who are as independent and ego-oriented as lawyers? It is difficult and it is something that you need to address every day.

Firms must also invest in quality staff and in staff training and development. Each year we send young lawyers abroad to do LLMs and PhDs. It is risky because you pay for a young lawyer to go abroad and they see other things and some have doubts about whether or not

they want to come back. But it must be done – it is a matter of competition.

Your firm has remained committed to the concept of independent practice. Why?

In 1997 PLMJ was invited to join Andersen Legal – they made us an offer that we could not refuse, but we refused. Because we didn't want to abandon our independent strategy and we thought that what they wanted to do would breach the rules of the Portuguese Bar Association and we've always been very active in the Bar Association.

Indeed, you've played a significant role in law firm regulation. Why has that been important to you?

I was president of the Bar Association for three years, where it is generally considered that I brought innovation to the field. For example, I changed the by-laws of the association to allow law firm advertising and to reform the training regime as well as reorganising the internal staff.

We also amended the old legislation in the country that governed law firms, which dated back to 1979 and was completely outdated. The old law was drafted when there were only three or four significant law firms in Portugal. We changed the law that allows firms to keep the law firm name when partners leave or die. We created reserved areas of work for the legal profession, which triggered a battle with other professions such as auditors and accountants. We also managed to obtain an undertaking from the Portuguese parliament supporting legal professional privilege in relation to the EU second money laundering directive.

I gave a lot of time to the Bar Association – unfortunately, some of my competitors who could do the same, do not. I lost almost all my clients – not to other firms but to my partners – it was a three-year full-time job. *EL*

PLMJ has 45 partners and a total fee earner contingent of nearly 200

The firm is active in Portuguese-speaking countries such as Angola, Mozambique, Brazil and Macao, through partnerships with leading local firms