

REVENUE RANKING

Iberian Lawyer offers its annual top law firms revenue ranking in Spain

NEW LAW INTELLIGENCE

In this issue, we focus on the of counsel role in this post-COVID-19 climate, as they are law firms' right hand lawyers

IN-HOUSE PORTUGAL

On-demand courier services have relieved us during confinement. One of them is Glovo. We interviewed its global legal manager

PARTNERS ABROAD

We launch this new section that intends to build bridges with strategic offices and abroad-based partners of Iberian law firms

MARKET UNITED

May was a time of some slow adjustment to a new "normal".

Iberian Lawyer approached the law firms to know how they are managing the back to this uncertain post-COVID-19 scenari. In the pic, Paula Gomes Freire, partner at VdA and Bárbara Godinho, partner at PLMJ in Corporate M&A



TOGETHER WE FIGHT



PAULA GOMES FREIRE AND BÁRBARA GODINHO

As Portugal starts to open its doors for a new start after isolation, the menace of COVID-19 is on everyone's mind. In the Portuguese legal market, there were new challenges, new opportunities of business, clients leaving and a need for reinventing the way people work. If March and April were difficult as offices were closed and people had to adjust to work remotely and still assist their clients, May was a time of some slow adjustment to a new "normal". How did that play out in the firms?

by patricia cardoso

Paula Gomes Freire, partner at VdA in Finance, M&A and Real Estate; and **Bárbara Godinho**, partner at PLMJ in Corporate M&A, join Iberian Lawyer for a group conversation about these unprecedented times and what is ahead.

VdA and PLMJ are two of the three biggest firms in Portugal (alongside Moraes Leitão, Galvão Teles, Soares da Silva & Associados, they represent the "magic triangle") and a joint interview is a clear sign that, although still competitors, this is a moment to think about more important issues such as the safety of all employees and the relationship with the clients.

Before we talk about a united market, can we discuss the adjustments in each firm, during this past couple of months?

Paula Gomes Freire (PGF) - Thank you for taking the time to discuss these issues. I think if there is one thing we can say is that we totally rallied. It was a call to arms and VdA is indeed a firm with a united partnership and a solid leadership team. One good thing is to have a

good sense of priorities. Everything you know and you count on suddenly seems to be at stake and I think that this clarity around your priorities allows you to act swiftly. First and foremost, the health and wellbeing of our people, the continuity of operations and ultimately the sustainability of the firm. What we have done immediately was to set up a 'Crisis Management Group' to meet on a daily basis, to manage the circumstances in a very dynamic manner. Things were moving very fast, changing by the day, although we realised that we needed the firm to be able to work remotely, this was not evident on the first day. Besides that, we also created a dedicated group for COVID-19 related matters. Essentially, to be able to respond to a lot of individual concerns and to be able to develop our contingency plan. So that was the initial stage of the plan that we put in place. The key challenge was to get 400 people to work remotely and throughout the crisis we kept a small team on the premises to make sure the operations continued. Obviously, it is a big challenge from an operational point of view. Technology is amazing and the ability for people to adapt and to embrace new tools was really positive. What we then felt we needed to do as a way forward was really to focus on showing our clients and businesses that we stand by them, that we listen to their concerns. As law firms, we know this crisis is impacting all clients and this is really unprecedented to anyone so to be able to show to our clients that we are here to join efforts, to try to anticipate their needs and to figure out how their business models may be impacted and how it may evolve, this is very important.

I am sure Barbara agrees with that.

Bárbara Godinho (BG) - Yes, absolutely. Our major concerns during this crisis were the same. We needed to keep everything working as usual, we needed to support the clients more than ever and this was our top concern. We are all facing an unprecedented situation, and

we want to help and to keep our team safe. Of course, at this point in time we clearly see that being a full-service firm makes all the difference because we are able and have a multidisciplinary team working that are able to be there for the client to solve all their problems. I think the challenge was that we needed to keep providing our legal service. We felt that clients and everyone in general needed to have full information, a full picture of what was taking place in Portugal in a legal sense. I have never seen a moment like this. The government approved laws and pre-laws on a daily basis. It was crucial to be on top of it and to know what the measures were, to help our clients, our market and our economy to resist. We have created a digital hub on our website with all the information, all teams were involved in giving the right and most updated information, to give clients a full picture on what is happening on the legal side.

Is this 'storm' near the end or just starting to shake things?

PGF - I think this is just really starting. I think this is a deep and



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Paula Gomes Freire



transformational crisis, the very first chapters are still being written and I don't think that the impacts have already materialised to their full extent. For some clients, depending on the sectors, this may have already hit them very strongly. For law firms and the legal market, the impact is probably slightly more delayed. There is a lot going on and there was a lot going on before the crisis. I don't think the impacts are there yet but I also don't think the law firms will be immune to the profound impact of this crisis in the economy.

As partners, you both deal with some of the most affected sectors, like M&A, for example. How did you handle operations when suddenly things just stopped and some of them were being delayed or cancelled?

BG - I think that not everything has stopped. What has frozen was the decision-making process. Clients are on hold until they have more clarity on what's going to happen on a global and local level. Therefore I think that the transaction level of our firm is facing a slowdown for sure, the transactions are indeed reduced or not taking place but we are supporting our clients in so many other different ways that we are very active at this stage and we can say that we are all very busy, but as Paula was saying it is too soon to see what will happen.

What do you mean by 'different ways'?

BG - We are not closing big transactions, but we are helping our clients to get contracts and signing strategies to have a minor impact on their activities; designing strategies for a more sustainable situation.

PGF - I totally agree that it is the decision-making that it is being halted, people are in a waiting basis and uncertainty situation. We never really know all that much about the future, but in this context, It is obvious to think or to anticipate that the transactional work will be more impacted by the



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situation versus regulatory, on-going advice to clients, development work, even mitigation. That is currently sort of a more on halt situation given the slowdown in the court system as some of the deadlines were put on hold, court systems are also moving slowly but I think that the after crisis litigation, structuring and insolvency will also pick up significantly - that's how I would expect things to unfold.

You mentioned that the government was approving laws on a daily basis. Do you think those measures worked (credit line funds, layoffs, etc...)?

PGF - I think these were important measures to ease off the pressure in the short term. They don't fundamentally address the magnitude of the issue.

BG - I think that is the main point. I think we acted fast and communicated well with the market and companies. The Ministry of Economy has a great role but like all other things in Portugal, you have to fight the bureaucratic issues. The layoffs were simplified and worked well on paper and with simplified procedures, but then you had the papers that aren't correct, the form that is not correct, the money that arrives late to the companies, etc... In other areas with the moratorium

regimes that were also approved, they are certainly a way to help the companies but this will only postpone their obligations as companies will have to pay all their debt in the near future. Probably more effective measures will still have to be adopted and I would also like to see tax law as a tool used in this crisis.

As you are saying, clients and companies have to be ready to pay by the second semester. How are you preparing for that? Are you preparing a payment schedule, advising people to pay now?

PGF - All the indicators are pointing to a recession situation where there will be serious difficulties. I trust that some countries and the EU will come forward with whatever packages may be available to help the economy, but definitely, the second semester and the whole of 2020 will be very difficult here. Companies will definitely need to rely on sound advice from lawyers and their partners to help them navigate this new environment in which we are all together.

BG - What Paula is saying is very relevant. We cannot depend only on the state support, we cannot depend only on our bank system and economy, we will need some help from the EU and I am positive that this will be in place at some point to help our companies. Of course, companies will have to be creative, they will have to find other ways to fund their businesses and I think that in that sense, law firms - especially their corporate teams - will have a relevant role in this respect. We need to help our clients find ways to reinvent their businesses in order to fund their business models.

Reinvention is the word in order. Do you feel like the relationship with your clients is different at the moment, closer, as partners, coming together in times of struggle, helping your clients to survive and thrive?

BG - Yes, I think we were already like that before, and we do see us like close partners to our clients. We work together as a team. This is what makes sense in

a law firm. We take the same risks with them, and we share the same success as them. We need to act together. In moments like these, we are of course more united than before. I find myself calling my clients to check-in, if they are ok, and if their families are well, not to discuss or charge anything for that call. This person is part of our lives and we do care about how their businesses go but also on how they are doing. This is the moment to be there and I think that in the future this will have a positive impact and we will be working even closer to our clients.

PGF - That is a very much shared experience. It's funny that you mentioned that you call your clients because I feel like we all find ourselves wanting to know how our clients are doing, how they are coping with home-schooling, and I think this is a crisis that shows that we are all in this together. It is an overwhelming experience in this sense as it touches everybody. As Bárbara was saying, the only way we know how to operate is to team up with our client and to be there for them in good and bad times, to try and be able to respond to their challenges, to jointly find what needs to be done, what are their needs and to be there in a very

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supportive, constructive and joint manner. This crisis really pushed for that in a very significant way.

Each law firm is usually competing with each other, but do you feel that in this moment in time you are united in the legal matter? Was there a sense of community from the law market?

BG – Absolutely. I believe that at the moment we have good relations between the three big law firms and that is paramount. This kind of life situation creates a bigger need to be in touch, to share information and experiences. We know that our

managing partners were all in contact on a daily basis and I would say this has brought us together. We are now more connected, more united and we all want this to impact as less as possible our law firms but also our clients and our market.

PGF - The Portuguese legal market is indeed a very small market and this sort of spirit of being in this together I think that it is something that characterises our legal market. Even before the crisis, there were various initiatives where law firms joined efforts to do things together. We like to call it the “magic triangle” of the three big Portuguese firms that I think are very competitive but there is



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Paula Gomes Freire



also a huge respect amongst law firms because the competitors are really good and it is great to be in touch with people you respect.

It is possible now to go back to work. What measures are being put in place on a daily basis?

BG - We are all ready to go back to the office, we are actually looking forward to it. We were expecting to return in May, but the government has recommended the mandatory work from home, so for the moment, we are aiming to return to the beginning of June. There are challenges in

adapting the building for our return, we have to have some sanitary and public house measures in place and we also have the challenges inside to allow distance between everyone that will work in the office. We have also decided not to return all at the same time. This will be gradual, this will be at all times aligned with the recommendations of public health authorities and government recommendations and this will be there from day one.

PGF - I agree with Bárbara, we are complying with the guidelines by the health authorities and expect to return to the office on the first of June with a

full plan in line with health guidelines. Our building structure in VdA is quite helpful too because it is horizontal in the sense that we don't need lifts, we have big and wide spaces and that is helpful for planning our coming back. We will also implement social distancing measures and sanitary measures with masks, sanitisers. All the measures that you have seen being implemented elsewhere we will be following them all. Our key priority is to ensure that people are back in our premises feeling safe and sound. I believe that the vast majority of people are eager to come back but the experience of working remotely has been amazing and will impact the future and the way we operate but it certainly does not dispense the need to be together and to share experiences together under the same roof. We are all humans and

we all need to be in touch with each other. All the measures are being put in place in order for everyone to feel completely safe coming back and with a smile (laughs).

BG - This is the big message we are sending. We need to take care of each other and our teams, the way we lead our teams will change forever. We tend not to pay much attention to the way people feel as long as they are working and achieving their goals, but this was very different for all of us. The way people feel is very relevant and we want people to feel safe and if they are don't feel safe to return now they won't be forced to come in and only when they feel that the time is right. Our people are our biggest treasure and we need to keep them safe. 🇵🇹



LEGAL PARTNERS

Talking internationally, how is the example for example in Africa where the situation is expected to get a lot worst? Are you in touch with your legal partners there?

PGF - Of course, we are monitoring very closely all that is happening, the jurisdictions that we are present with our offices and essentially all that we have done in Portugal has been extended to those offices in Africa in the jurisdictions where we operate. The challenge there was being able to map the evolutions of things that were not happening at the same speed or same time and to bridge the distance but I think that we have

managed to keep people very focused and safe. Naturally, you need to continue to monitor and to operate in challenging circumstances.

BG - I think we have a clearer picture here in Portugal than in some other countries where we are present. I also think that they are in a different stage. Portugal is already preparing to come back to the office and trying to have everything in place by the end of this month of May. And in Africa they are in a prior stage, still facing the lockdown very strongly and without knowing when it will end. We need to support them and the challenges are the same. 🇵🇹