

The Mexican Legal Market

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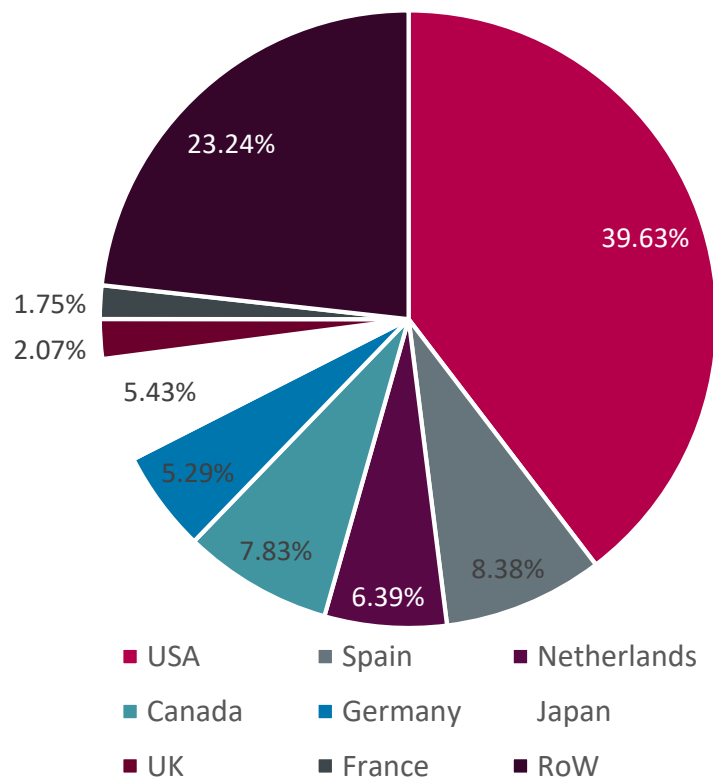
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Mexican Economic outlook

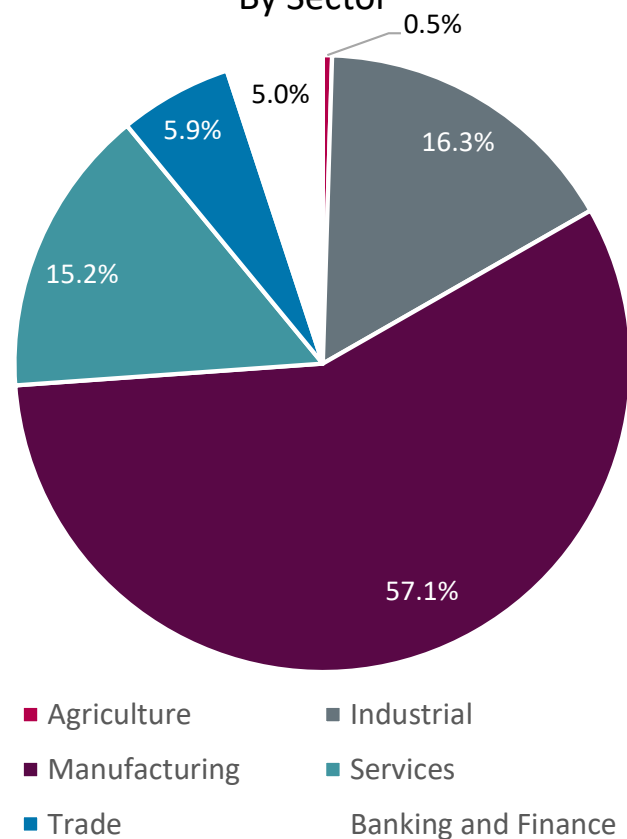
- The Mexican economy has grown driven by a strong manufacturing sector, which has transformed from mostly low-end manufacturing in the late 80's and early 90's and gotten increasingly more sophisticated.
- Mexico currently holds Free Trade Agreements with 45 countries, as well as 32 Agreements for the Promotion and Reciprocal Protection of Investments.
- Mexico is specially dependent of trade with the USA:
 - NAFTA accounted for 48.9% of imports and 83.7% of exports in 2016.
- Donald Trump's rhetoric, along with NAFTA's renegotiation has cast uncertainty on Mexico's economy.
 - However, Mexico has maintained dynamism in it's exports and the effect of the new White House administration hasn't been as profound as it was expected early this year.

Foreign Direct Investments 2012-2016

By Country of Origin



By Sector



The Mexican Legal Market

The Mexican Legal Market is aligned and, in some degree, dependant of the American Legal Market:

- Client referrals from American firms is an important source of revenue.
- Top Lawyers usually hold LLM degrees from American or UK Law Schools.
- Many lawyers have experience working in internships at American Firms.
- Therefore, the management system often resembles the ones found in American Firms.

Top Mexican Firms have grown at double-digit rates in recent years. Leaders have directed their efforts towards:

- Strategic analysis of their Firm's positioning, along with Strategic Planning processes.
- Aligning their partner remuneration system with the partner's goals and objectives.

Some new initiatives, like AbogadasMX, are pushing for a change seeking gender equality in the legal profession.

Disruptors in the Legal Market

The Global Legal Market is under pressure to change and the Mexican market is not the exception. Two factors are key in this transformation: **Technology and the “Big 4” Accounting Firms new take on the legal services.**

Machine Learning / Artificial Intelligence: while its full future impact is yet difficult to assess, AI already being used in practice and having a real impact on how legal work is done.

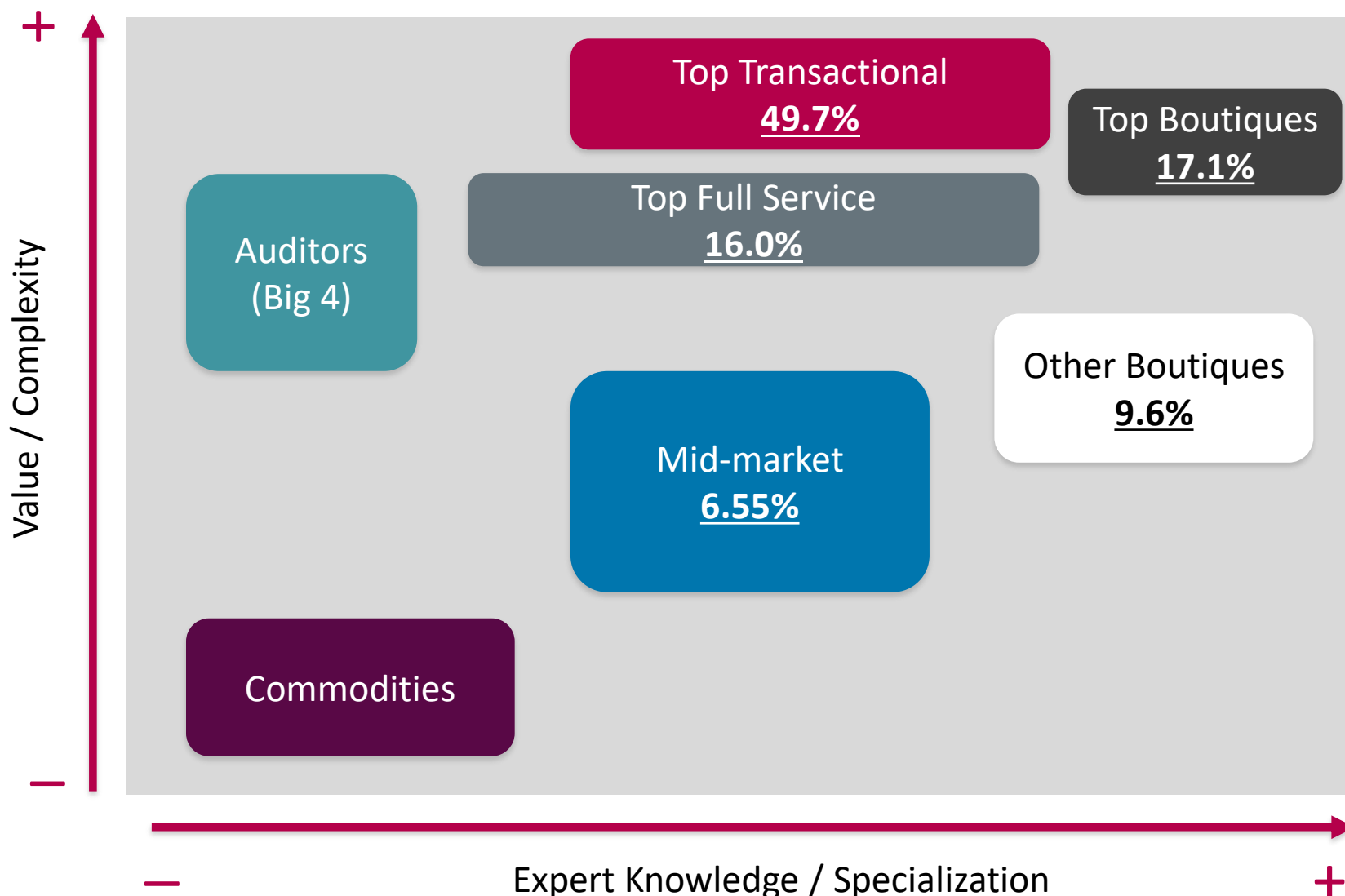
- ROSS, powered by IBM’s Watson AI system, is already being used in firms like BakerHostetler and Latham & Watkins as a legal researcher capable of sifting through thousands of legal documents to bolster the firm’s cases.
- Firms using AI in their work processes include: Berwin Leighton Paisner, Latham & Watkins, BakerHostetler, Slaughter and May, Uría Menendez, Linklaters, Allen and Overy, and Simmons and Simmons.

BIG 4. The Accounting Firms’ capability to disrupt the legal market should not be understated:

- Multidisciplinary: They are used to working with a multi-disciplinary approach to business problems. Many Legal Problems are, in fact, really a part of a business problem.
- Cost effectiveness / willing to invest & innovate: they know how to deliver at low costs. Investments in tech, project management, and knowledge management give them a competitive edge. Routine work is specially vulnerable, the Big 4 will be a very attractive option for low cost delivery.
- Inmensive Client Suites: deep relationship with their clients, give them the foundations a Legal Business Development plan. Their institutionalized relationships lessen the impact of lateral mobility from partners, as compared with Big Law.

Market Structure is changing

Non-consolidated market



International Firms with presence in Mexico (2017)

1.- Baker & McKenzie

2.- Baker & Hostetler

3.- Chadbourne & Parke

4.- Cuatrecasas

5.- Curtis, Mallet-Prevost, Colt & Mosle

6.- DAC Beachcroft

7.- Dentons

8.- DLA Piper

9.- Gardere Wynne Sewell

10.- Greenberg Traurig

11.- Garrigues

12.- Haynes and Boone

13.- Herrero & Asociados

14.- Holland & Knight

15.- Hogan Lovells

16.- Jones Day

17.- L&E Global

18.- Littler De la Vega y Conde

19.- Mayer Brown

20.- Medina Cuadros

21.- Miller, Canfield, Paddock and Stone

22.- Norton Rose Fulbright

23.- Ogletree Deakins

24.- ONTIER

25.- S.L. Sterling

26.- Snell & Wilmer

27.- Strasburger & Price

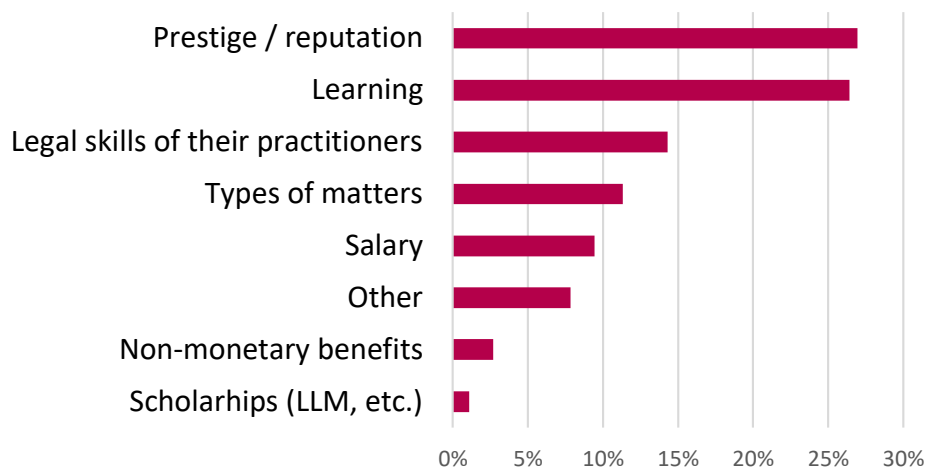
28.- Thompson & Knight

29.- Uría Menéndez

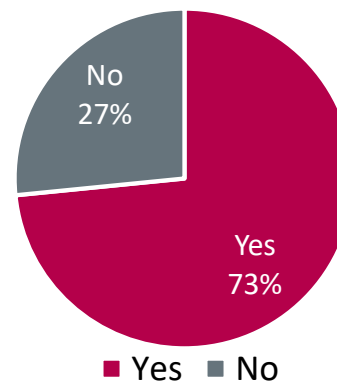
30.- White & Case

KermaPartners: The Millennial-Lawyer satisfaction survey

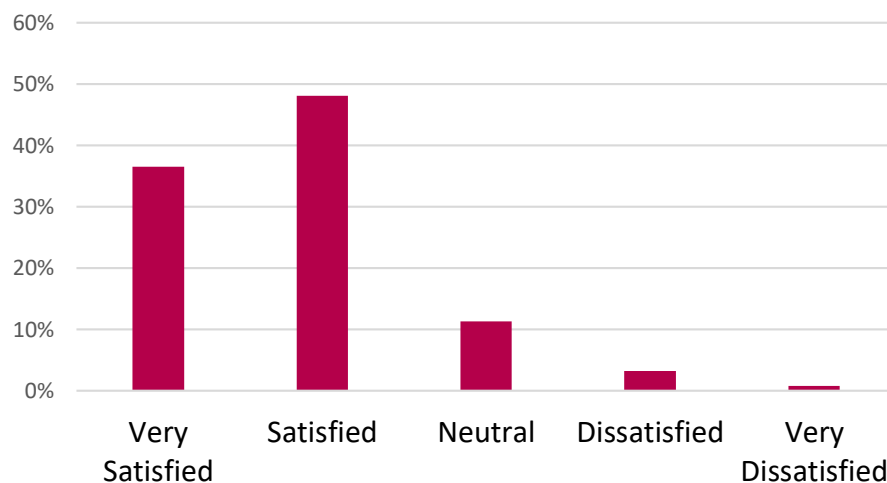
Main reason to work at your current firm



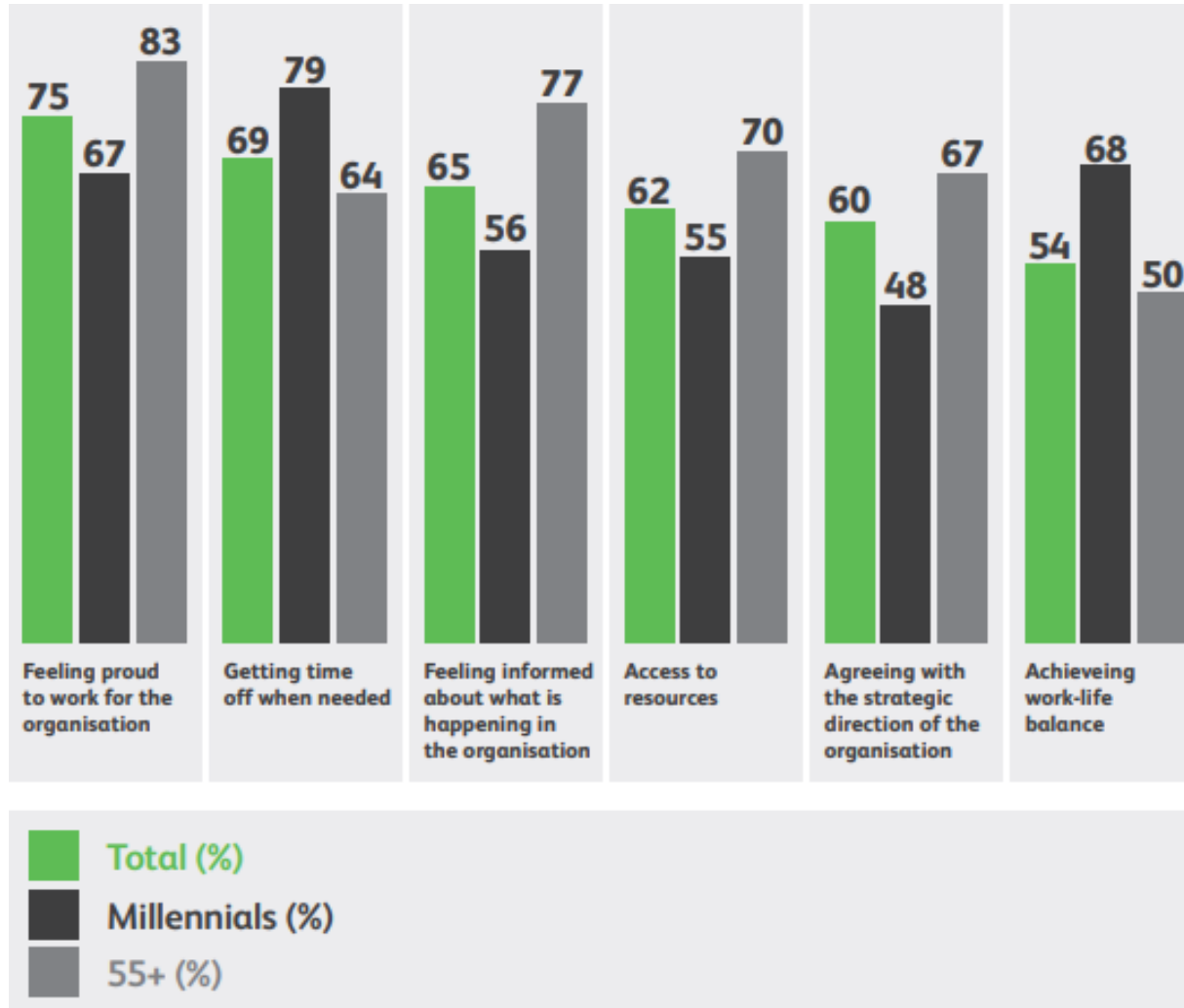
Do you seek to make partner at your current firm?



Overall satisfaction with the practice of law



The Law Society: Career Satisfaction Report



London
Mexico City
Miami
Munich

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