



STUDY

LEGAL SERVICES TRENDS 2024

This report highlights crucial factors in the selection of an external law firm by businesses.

Santamarina
+ Steta



LEGAL SERVICES TRENDS

In the fast-paced and ever-evolving 21st century, it's not just technology and sciences that experience the effects of emerging trends, but also professional services, including the legal sector. In this dynamic context, the 2024 Legal Services Trends Study by **Santamarina + Steta** provides valuable insights, specifically focused on the needs, expectations, and preferences of businesses and their legal departments when seeking external legal counsel.

This report highlights how expertise and specialization, recommendations and references, practice areas, reputation, and effective communication are crucial factors

in the selection of an external law firm by businesses. These attributes, along with cost efficiency, are prioritized when corporate legal departments choose their legal advisors, offering guidance on how law firms can better meet their needs. The analysis delves into the characteristics that businesses value when selecting a law firm, providing these firms with an invaluable opportunity to adjust their strategies and services based on the demands of their corporate clients. By focusing on these aspects, law firms can more effectively attract and retain their clients, positioning themselves at the forefront of an increasingly competitive and demanding market.

KEY ATTRIBUTES



1

EXPERIENCE AND SPECIALIZATION

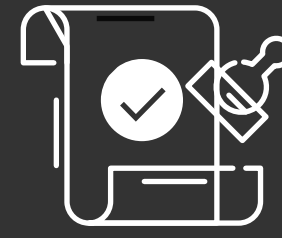
Clients seek law firms with extensive experience in their respective practice areas. Specialization in a particular area of law can provide clients with confidence that their matters will be handled with the highest level of competence and expertise.



2

RECOMMENDATIONS AND REFERENCES

The opinions and references of other clients are crucial in the selection of an external law firm. These testimonials serve as evidence of a firm's skill, professionalism, and effectiveness, providing potential clients with an unbiased view of what to expect.



3

PRACTICE AREAS

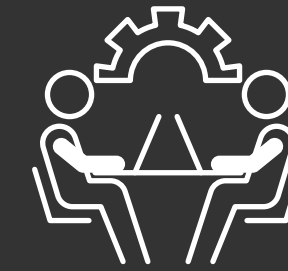
The diversity of a law firm's practice areas is another key factor. Clients prefer firms that can handle a wide range of legal matters, providing comprehensive service.



4

REPUTATION

This attribute is particularly important for CEOs when hiring an external law firm. A strong and respected reputation can have a significant impact on a company's perception and public image.



5

EFFECTIVE COMMUNICATION

A law firm should be capable of maintaining timely and clear communication with its clients. A firm that communicates in a timely and clear manner can ensure that clients remain informed and at ease throughout the legal process.

MAXIMIZING LEGAL VALUE

MEETING DAILY NEEDS WITHOUT EXCEEDING THE BUDGET

A key finding of the 2024 Legal Services Trends Study in Mexico, conducted by Santamarina + Steta, is that more than half of the respondents (53%) emphasize the importance of addressing their companies' daily legal needs without exceeding the established budget.

This means that companies highly value law firms that can provide high-quality service while being cost-effective. In the current context of high competitiveness, firms that can deliver such services will have a significant advantage.

However, it's not just about services; technology plays a crucial role, as noted by Jorge León Orantes, Chairman of **Santamarina + Steta**: "Digitization and new technologies are redefining the legal sector in Mexico. They have enabled greater accessibility to legal services and improved efficiency through task automation. However,

they also pose new challenges such as data privacy and security issues. Lawyers need to adapt to these changes and stay up-to-date with the trends. I see a future of more digitally advanced legal services, but it also requires adaptability and a constant commitment to learning and professional excellence."

**"THE FUTURE OF PROFESSIONAL SERVICES
IN GENERAL, INCLUDING LEGAL SERVICES, IS
UNDERGOING A PROFOUND TRANSFORMATION
THROUGH THE UTILIZATION OF NEW
TECHNOLOGIES, DIGITIZATION, AND, OF
COURSE, THE USE OF ARTIFICIAL INTELLIGENCE
TOOLS."**

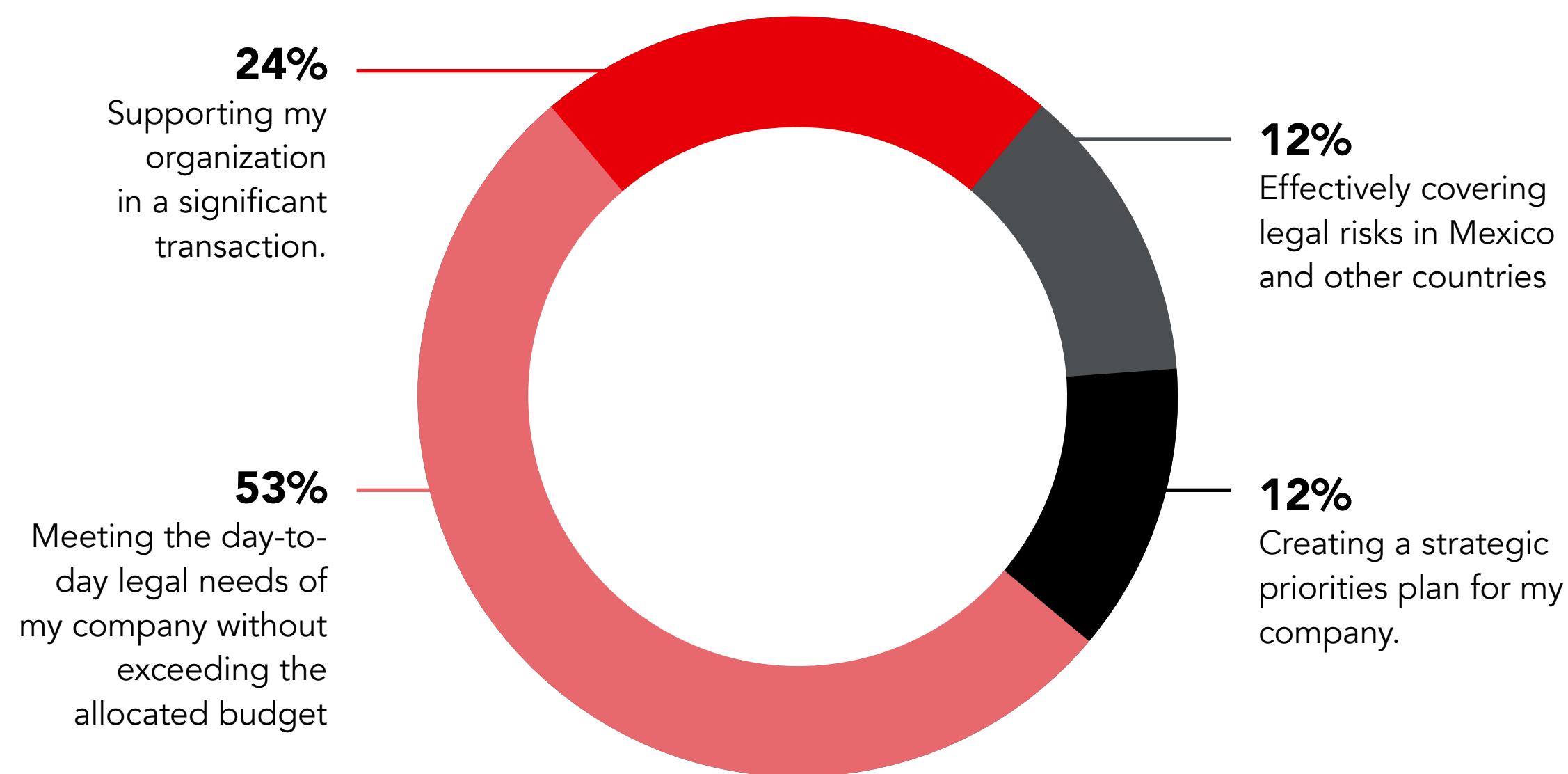
JUAN CARLOS MACHORRO
PARTNER AT SANTAMARINA + STETA

“Much has been said about the potential replacement of activities and professions through the evolution of artificial intelligence, and the field of legal practice is certainly not immune to this phenomenon and fear. There are already proven tools that enable the use of artificial intelligence in many of the tasks performed by in-house legal departments and even external law firms in terms of organization, classification, review, and analysis of documents and contracts, records, pleadings, and a host of documents that traditionally relied on the pen and the attorney’s knowledge. In areas such as due diligence for a company in mergers and acquisitions, for instance, artificial intelligence has been gaining increasing prominence,” shared Juan Carlos Machorro, partner of Santamarina + Steta.

Hence, it is essential for law firms to understand and adapt to this need of companies to get value for their money in legal services.

In doing so, they will not only be meeting the needs of their clients but also ensuring their own success and growth in the future.

WHAT DO YOU CONSIDER TO BE THE PRIORITIES OF YOUR COMPANY’S LEGAL ADVISOR OR EXTERNAL LAW FIRM?



Source: Estudio de tendencias en servicios legales 2023 by Santamarina + Steta. N=160



THE IMPORTANCE OF VALUE

In today's highly competitive business environment, effective cost management is crucial for maintaining financial viability and competitiveness in the market. This also applies to legal services, where companies seek to maximize the value of their investments. The goal is to obtain high-quality service that meets all daily legal needs without incurring excessive expenses.

This approach requires a law firm that not only thoroughly understands the legal landscape and the company's needs but also has a keen awareness of budget constraints and is committed

to providing cost-effective solutions. According to Machorro, "the trend is to generate value-added solutions for clients, not limited to a single profession or specialty, moving from the traditional concept of legal firms to service firms. In these firms, clients can find tailored solutions for their business needs, including legal advice, accompanied by a more comprehensive and holistic advisory in the business world, covering advice on markets, finance, accounting, economics, and, in general, all the tools necessary to support an industrial or commercial project."

COST-EFFECTIVE LEGAL SOLUTIONS

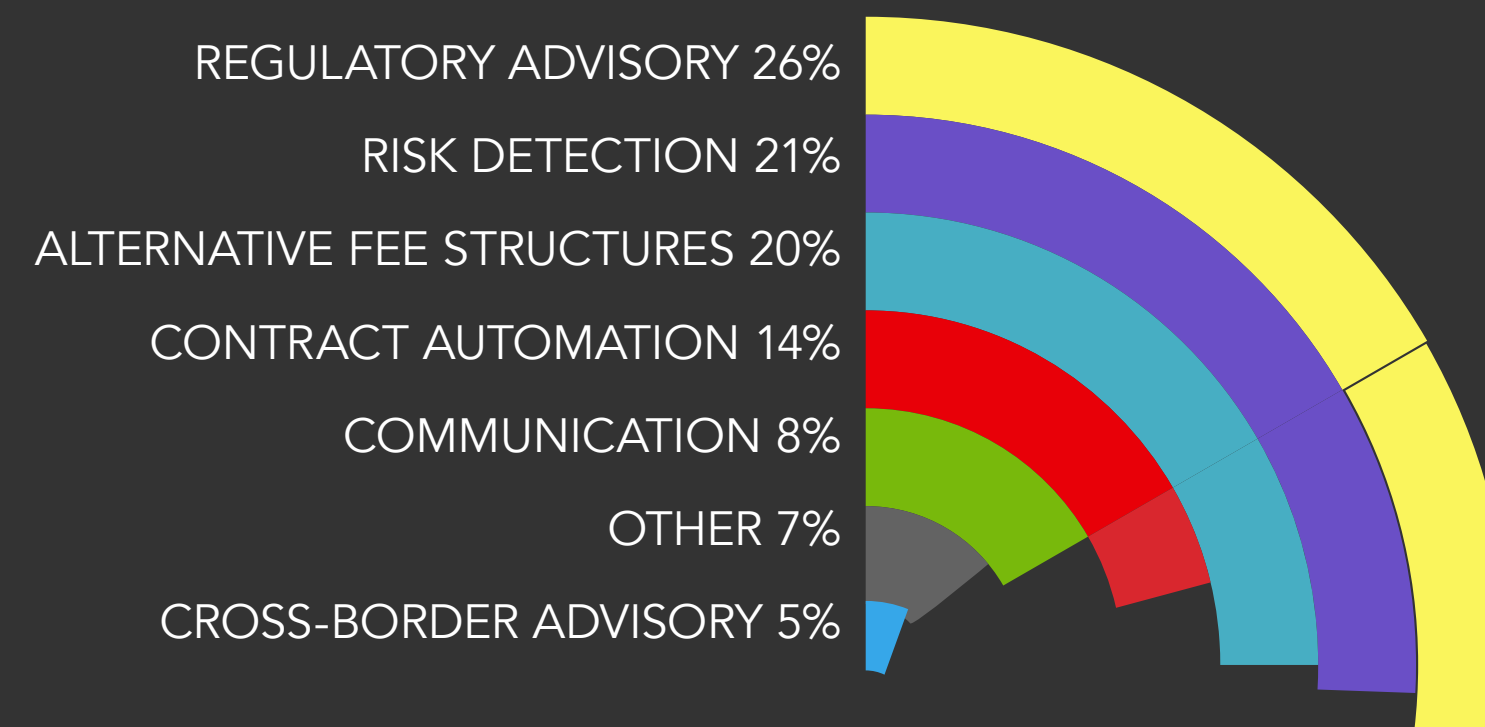
To meet these needs, law firms must focus on providing effective legal solutions that align with each client's budget. This may involve adopting innovative technologies to enhance efficiency, implementing flexible and transparent pricing models, and delivering services that go beyond mere legal counsel, providing added value through strategic consulting and decision support.

Based on the 2024 Legal Services Trends Study conducted by **Santamarina + Steta**, it is essential for law firms to concentrate on maximizing the value and effectiveness of the legal services they offer.

Law firms should go beyond simply solving legal problems and bring additional value to the company. This can be achieved through the provision of services that not only address legal needs but also contribute to improving overall business performance, mitigating risks, and achieving strategic objectives.

Furthermore, a crucial factor for any company when selecting a law firm is its competence and experience in the relevant areas of law. This should be demonstrated through a track record of successful results and a deep understanding of applicable laws and regulations.

WHAT IMPROVEMENTS DO YOU EXPECT FROM YOUR EXTERNAL LEGAL TEAM IN 2024?



ONLY 31% OF CHIEF LEGAL OFFICERS SURVEYED FELT THAT STAYING WITHIN BUDGET WAS A KEY CONCERN.

Source: Estudio de tendencias en servicios legales 2023 by Santamarina + Steta. N=160

According to Claudia Rodríguez, a Partner at **Santamarina + Steta**, it is essential to be aware that clients expect excellence in the advice they receive, with that advice clearly addressing their needs and helping them prevent and/or resolve issues while making informed and strategic business decisions. This holds true regardless of the extent to which we have utilized technology and our mastery, or lack thereof, of technology that could greatly enhance our analyses.

It is equally important for law firms to have a deep understanding of the company's business and industry. This understanding enables them to provide relevant and effective advice that aligns with the company's goals and strategies. For Rodríguez, "Visibility is key to planning for the future and being proactive in decision-making, rather than reactive."

Despite only 31% of the surveyed Chief Legal Officers considering staying within budget a key concern, law firms still need to demonstrate flexibility and efficiency

in managing legal resources. They must be able to offer solutions that provide maximum value without compromising service quality.

Communication is also a priority. Law firms should maintain open and effective communication with the company, providing regular updates on the progress of legal

matters and being available to answer questions and provide clarifications when needed.

Finally, integrity and ethics are paramount. Law firms must exhibit the highest levels of integrity and ethics in all their interactions with the company. This is essential for building a lasting relationship of trust.

"VISIBILITY IS KEY TO BEING ABLE TO PLAN FOR THE FUTURE AND ANTICIPATE DECISION-MAKING IN A WAY THAT ALLOWS US TO BE PROACTIVE RATHER THAN REACTIVE."

CLAUDIA RODRÍGUEZ
PARTNER AT SANTAMARINA + STETA

PRIORITIES FOR THE LEGAL FUNCTION IN 2024

COST REDUCTION, COORDINATION, AND MANAGEMENT OF EXTERNAL LEGAL SERVICES

In the horizon of the year 2024, companies face increasingly complex and evolving legal challenges. In this context, the 2024 Legal Services Trends Study in Mexico reveals the three most important priorities for the legal function within companies.

First and foremost, the need to reduce the costs of legal services and matters is highlighted. This priority is shared by both men and women,

with 65% of men and 55% of women expressing their concern about optimizing legal expenses. This figure underscores the importance of finding more efficient and cost-effective methods to handle legal matters. As budgets tighten and legal demands increase, companies are seeking ways to maximize the effectiveness of their legal investments without sacrificing service quality.

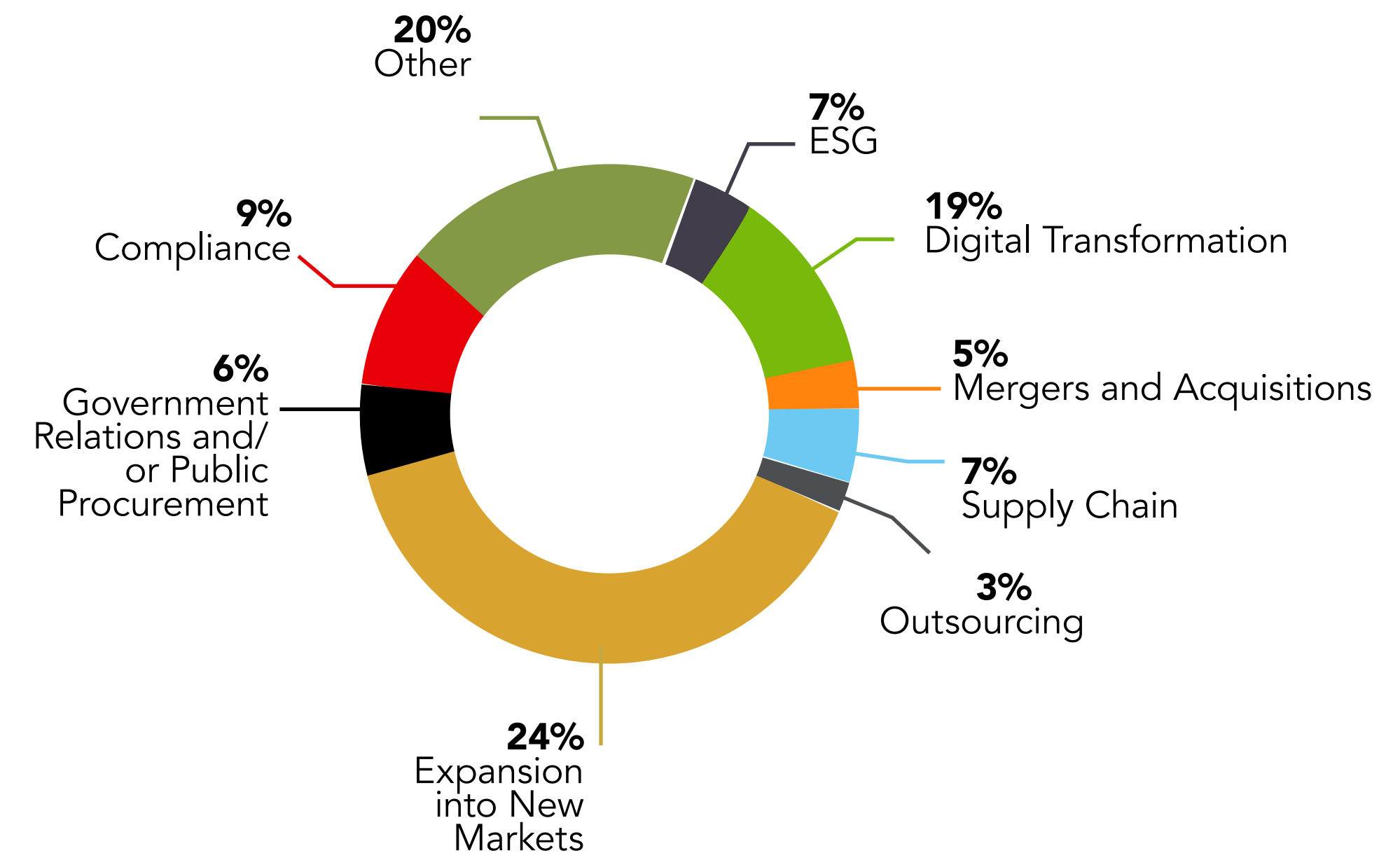
The second identified priority is the coordination of external legal services that support the company. This aspect is mentioned by 35% of men and 32% of women. This need underscores the importance of effective management of relationships

with external law firms and other legal service providers. As companies become more reliant on these external services to meet their legal needs, the ability to coordinate and manage these resources effectively becomes increasingly critical.

“AT SANTAMARINA + STETA, WE FOCUS ON ACTIVELY MONITORING LEGAL DEVELOPMENTS IN MEXICO AND INTERNATIONALLY. THIS IS COMBINED WITH A STRONG EMPHASIS ON THE ONGOING TRAINING OF OUR LAWYERS, WHICH ENABLES US TO STAY UP TO DATE WITH THE LATEST TRENDS AND CHANGES.”

JORGE LEÓN ORANTES B.
PARTNER AND CHAIRMAN OF SANTAMARINA + STETA

WHAT IS THE MAIN PRIORITY OF YOUR ORGANIZATION?



Source: Estudio de tendencias en servicios legales 2023 by Santamarina + Steta. N=160

DIFFERENTIATED FOCUS BASED ON COMPANY SIZE

The 2024 Legal Services Trends Study in Mexico highlights notable differences in the priorities of companies depending on their size. According to this study, large and medium-sized companies are focusing on strengthening their knowledge and skills to comply with current regulations. In contrast, small companies are prioritizing cost reduction in legal services and matters.

For large and medium-sized companies, the complex and evolving regulations present significant challenges. These organizations typically operate in various jurisdictions and face a range of regulatory requirements. To successfully navigate this environment, these companies focus on enhancing their knowledge and skills

to ensure regulatory compliance. This trend underscores the importance of having a strong in-house legal team and engaging external law firms with extensive experience and expertise in various areas of law applicable to their industry. According to Jorge Leon Orantes, Partner and Chairman of Santamarina + Steta, problem-solving should be tailored and accompanied by training for high-performing lawyers: "At **Santamarina + Steta**, we focus on actively monitoring legal developments in Mexico and internationally. This is combined with a strong emphasis on the ongoing training of our lawyers, which enables us to stay up to date with the latest trends and changes.

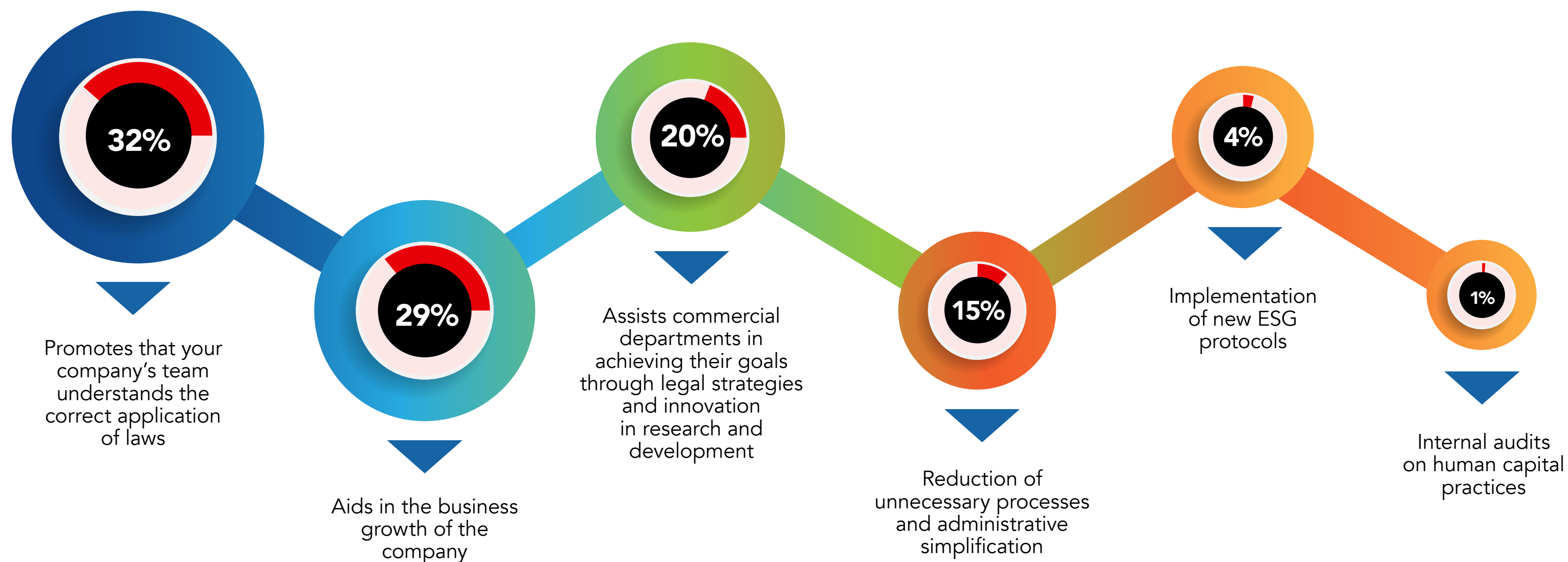
We leverage our international network to exchange ideas and maintain a global perspective, while implementing technology to enhance efficiency in our work. Above all, we maintain a proactive approach, anticipating changes rather than simply reacting to them. This composite approach will allow us to adapt to future regulatory and legal changes.”

On the other hand, small companies, which often have more limited resources, are focused on reducing the costs of legal services and matters. For these companies, finding ways to manage their legal needs effectively and

cost-effectively is crucial. This may involve seeking external legal advisors who offer flexible and cost-effective solutions or investing in legal technologies that can help automate certain legal tasks and improve efficiency.

These trends indicate that while all companies must navigate the legal and regulatory environment, how they address these challenges can vary significantly depending on their size and resources.

WHAT IS THE CONTRIBUTION OF INNOVATION IN COMPANIES?



Source: Estudio de tendencias en servicios legales 2023 by Santamarina + Steta. N=160

PRIORITIZATION OF COMPLIANCE IN VARIOUS EXECUTIVE ROLES

The study reflects the growing emphasis on compliance in today's business environment. According to the realities of companies, leadership roles demonstrate varying degrees of attention to this crucial area.

In particular, the Chief Legal Officer (CLO) is the position that shows the highest attention to compliance, with 21.2% of responses indicating that this area will receive more focus in the next 12 months. This underscores the fundamental role that CLOs play in ensuring that companies comply with a wide range of regulations and laws. As leaders of the legal team, CLOs are responsible for designing

and overseeing the company's compliance policies and practices and educating other employees about their compliance responsibilities.

The next position that stands out for its attention to compliance is the Legal Director, with 11.5% of responses selecting it as one

of the priority areas. This focus reflects the shared responsibility of legal leadership roles in ensuring company compliance.

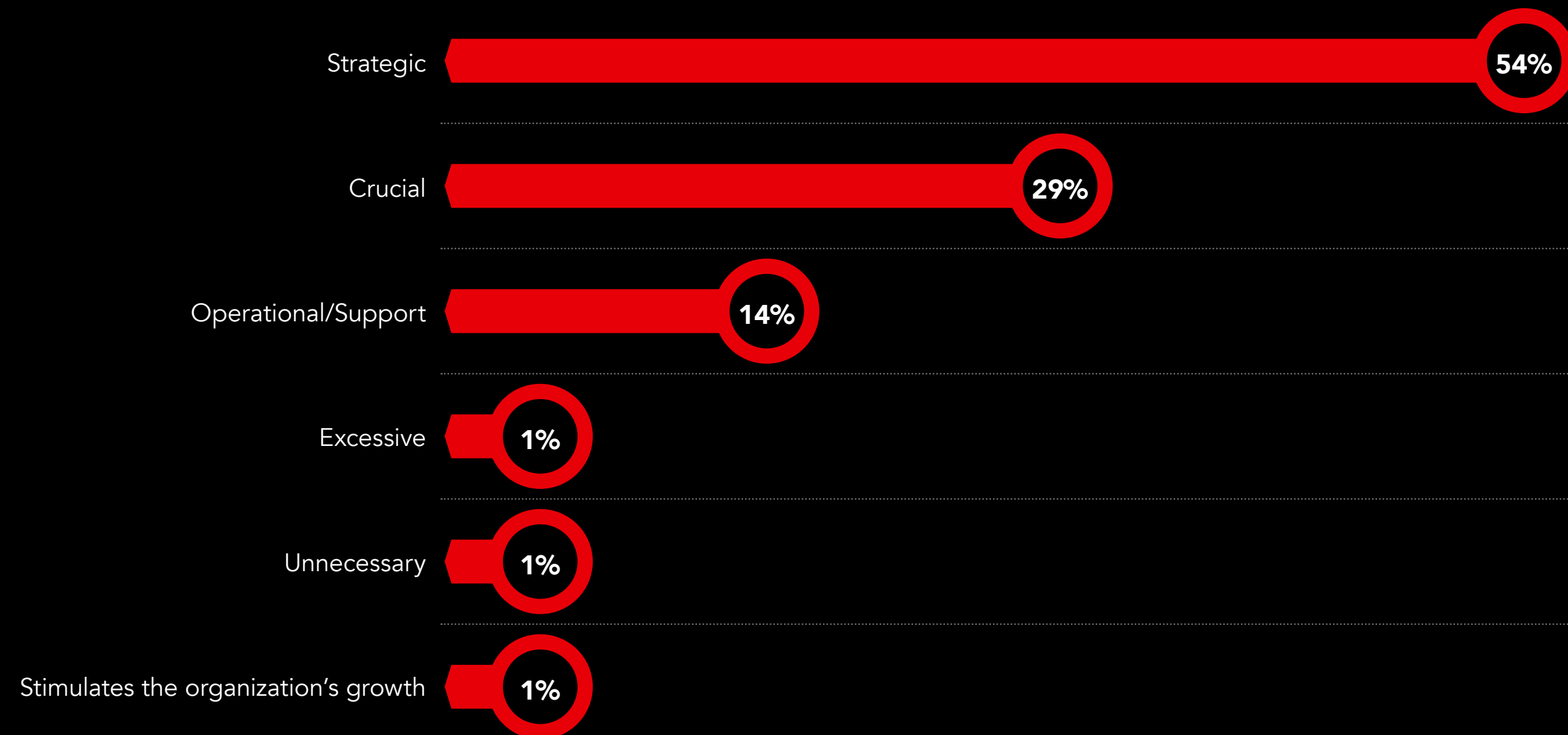
Chief Executive Officers (CEO) and Chief Financial Officers (CFO) also show significant attention to compliance, with 13.5% and 9.6% of responses, respectively.

THE CHIEF LEGAL OFFICER (CLO) IS THE POSITION THAT SHOWS THE HIGHEST ATTENTION TO COMPLIANCE, WITH 21.2% OF RESPONSES INDICATING THAT THIS AREA WILL RECEIVE MORE FOCUS IN THE NEXT 12 MONTHS.

As top executives, these roles have the responsibility to ensure that the company complies with all applicable laws and regulations and to set the tone for the company's compliance culture.

These figures underscore the importance of compliance at all levels of leadership within the company and highlight the crucial role that legal and executive positions play in ensuring compliance and mitigating legal risk.

AS A KEY EXECUTIVE IN THE COMPANY, HOW WOULD YOU DESCRIBE THE ROLE PLAYED BY THE INTERNAL LEGAL DEPARTMENT IN THE COMPANY'S OPERATION?



Source: Estudio de tendencias en servicios legales 2023 by Santamarina + Steta. N=160

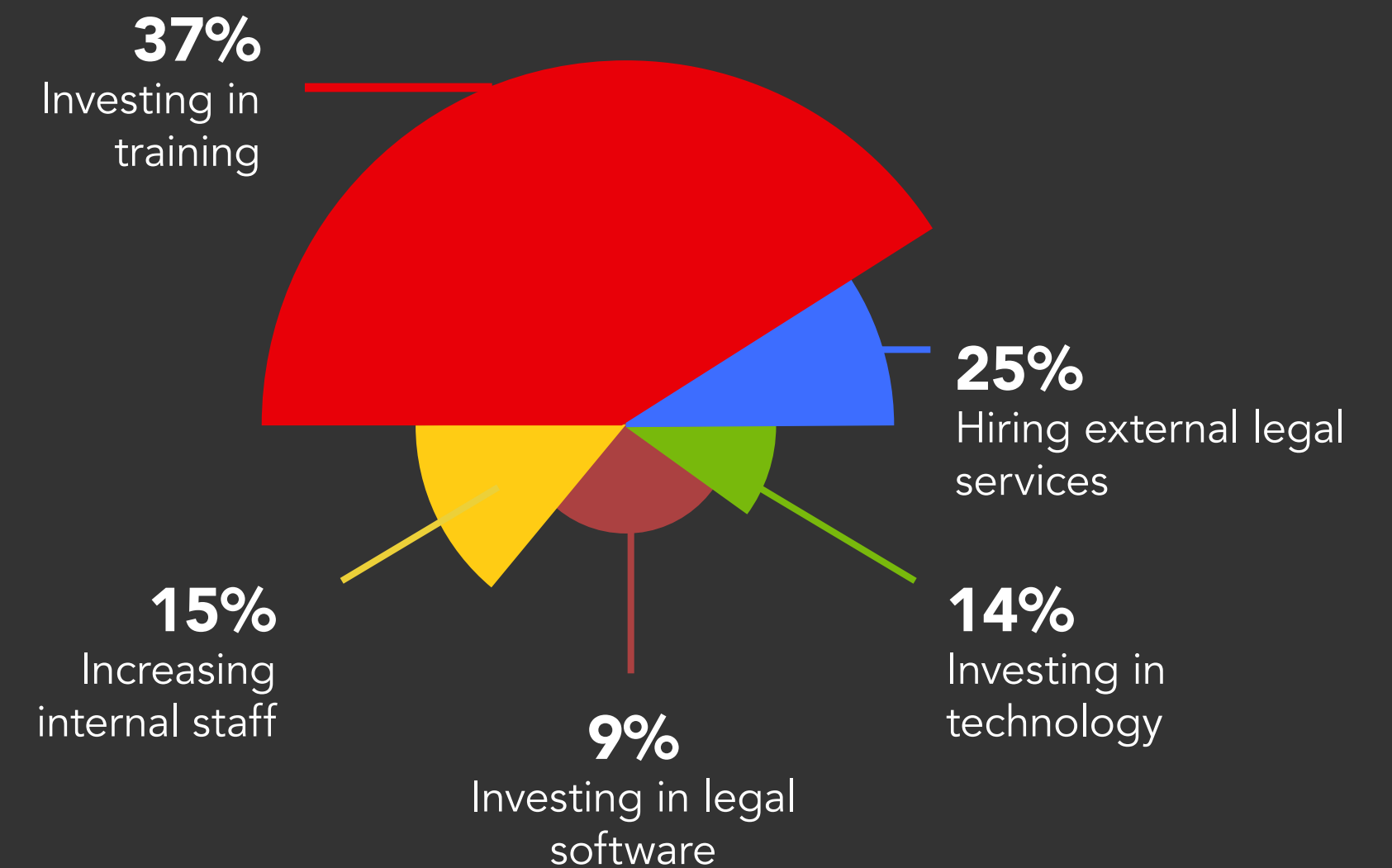


ARTIFICIAL INTELLIGENCE, LEGAL SOFTWARE, AND THE FUTURE OF LEGAL SERVICES

Artificial Intelligence and legal software are transforming the legal services industry. However, according to the 2024 Legal Services Trends Study in Mexico, there is some skepticism among professionals in the industry about the effectiveness of these technologies. According to Roberto Fernández del Valle, a partner at **Santamarina + Steta**, "There will be more and better technological tools that will make the provision of legal

services more efficient. Just consider the possibilities of Artificial Intelligence. Therefore, the human connections of legal service providers with clients, from business leaders to members of organizations such as CEOs, Managing Directors, and legal teams, need to be strengthened. Lawyers will require more sensitivity than ever and be truly connected with our clients, their needs, and their ways of working."

WHAT ACTIONS CAN HAVE THE GREATEST IMPACT ON THE EFFICIENCY OF THE INTERNAL LEGAL TEAM?



Source: Estudio de tendencias en servicios legales 2023 by Santamarina + Steta. N=160

Of those surveyed, 92.7% still believe that a law firm will deliver better results, while only 2.7% consider legal software will provide them. This may be indicative of resistance to change or reflect doubts about the ability of technological solutions to handle the complexity and the need for expert judgment often required in legal work. According to Fernández del Valle, the key is to be very dynamic, flexible, and ingenious.

However, the potential of Artificial Intelligence and legal software to improve efficiency and accuracy in legal work is undeniable. These technologies can automate routine tasks, allowing lawyers to devote more time to more complex tasks that require expert judgment. Additionally, Artificial Intelligence can help identify patterns and trends in large volumes of legal data, which can facilitate data-driven decision-making.

It is possible that in the future, we may see a shift in attitudes toward Artificial Intelligence and legal software as technologies mature and their value is demonstrated. However, the study suggests that the trust and credibility

of law firms will continue to be vital elements in the provision of legal services. The intersection of human expertise with technological efficiency is likely to be the key to the future of the legal industry.

“LAWYERS WILL REQUIRE MORE SENSITIVITY THAN EVER AND BE TRULY CONNECTED WITH OUR CLIENTS, THEIR NEEDS, AND WAYS OF WORKING.”

ROBERTO FERNÁNDEZ DEL VALLE
PARTNER AT SANTAMARINA + STETA



CONCLUSION

Santamarina + Steta's 2024 Legal Services Trends study has revealed a legal services landscape in constant transformation. Technological advancements, the need for cost-efficiency, and a profound understanding of specific business needs are redefining the legal services landscape.

Law firms must pay attention to these trends and adjust their strategies accordingly to remain competitive and relevant. Firms that can demonstrate a high level of specialization, a strong reputation, effective communication, and an efficient cost structure will

have an advantage. At the same time, new technologies, including Artificial Intelligence and legal software, are emerging as important tools that can help law firms improve their efficiency and provide better service to their clients.

Furthermore, businesses are increasingly seeking maximum cost efficiency in their legal services, looking for firms that can deliver high-quality service without exceeding the budget. Therefore, it is essential for law firms to find ways to maximize the legal value they offer without compromising the quality of service.

Furthermore, law firms should seek ways to go beyond the mere provision of legal services and add additional value through services that help improve a company's performance, mitigate risks, and achieve its strategic objectives. The study's results also show that a company's legal needs' priorities can vary depending on its size. Large and medium-sized companies tend to focus on strengthening their knowledge and

skills to comply with regulations, while small businesses seek ways to reduce costs.

In conclusion, the future of legal services looks exciting and full of opportunities. Legal experts who can adapt and capitalize on these trends will be in the best position to grow and thrive in the coming years. According to Rodríguez, the future presents significant challenges

and opportunities: "We will have to continue learning constantly about new technologies and tools to use them properly, protecting information security and the validity of acts held in various platforms and databases. For example, physical presence and handwritten signatures will be less necessary for contract execution and the issuance of acts and documents," she commented.



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