

Innovation in the Portuguese TMT sector attracting investors

The pace of innovation in the technology, media and telecoms (TMT) market is proving to be both an opportunity and a threat to the clients of major Portuguese law firms. On the positive side, Portugal's improving economic climate is increasingly attractive to industry start-ups and investors who are benefiting from what Carina Branco, counsel at the Portuguese law firm PBBR, considers an 'entrepreneurial buzz'. This is not only in the sense of inward investment, it is also providing a decent springboard for local companies expanding abroad.

"As far as the start-ups ecosystem is concerned, major clients include start-up accelerators, venture capital and private equity investors, as well as foreign small and medium-sized companies coming to Portugal," says Branco. "We also note a tendency for Portuguese start-ups wanting to go international and they are seeking the

support of law firms in this regard."

However, the scale of the changes to the industry do bring risks, particularly for larger, less adaptable companies. "Major TMT clients are challenged by the fast-evolving nature of agile newcomers, some of them led by highly energised founders," says Branco. "They force well-established businesses to face the risk of obsolescence, while imposing a constant need to rethink business models and marketing tactics."

The pressure of innovation is not only faced by clients. Law firms must also keep pace with new technology if they want to maintain a decent foothold in the market. "Law firms continue to face the challenges brought by the trends of innovation, especially in relation to the automation of business and contracts," says Branco. "The increasingly high pressure from clients to bring costs down imposes on law firms a need to continuously monitor sustainability and efficiency."



Carina Branco