

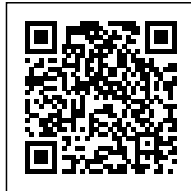
A FOCUS ON THE CAPITAL - JAUSAS

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“ Much of the responsibility of the partners now is to get the pricing right. Clients may say that for the most important matters cost is less of an issue but in our experience it always is.”
Ignacio Ojanguren



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Agustín Bou, Managing Partner and Head of Restructuring of Spanish firm Jausas, is a man with a clear mission. His goal is to expand his firm's capabilities and specifically to develop its practice and profile in the Spanish capital, Madrid.

Agustín Bou de Jausas es un hombre con una misión clara. Su objetivo es expandir su equipo y capacidad humana especialmente en Madrid. Jausas, considerado como uno de los despachos generalistas líderes en Barcelona, con un perfil envidiable en áreas como biotecnología, propiedad intelectual, procesal y concursal, quiere traspasar las barreras de la capital española.

"Recent years have seen us develop specific sector expertise and grow our base in Barcelona much more than in Madrid, but perhaps this should have been the other way round," he says.

Regarded as one of Barcelona's leading full service independent firms, with an enviable profile in areas like life sciences, IP, litigation and restructuring and refinancing – Bou's own area of expertise – the firm is nonetheless keen to downplay the Catalan label.

Jausas is however inevitably linked to Barcelona's pharmaceutical and biotechnology cluster. The firm's founder Agustín Jausas was regarded as a pioneer in the regulatory sphere and it is a tradition continued by his son Hector Jausas, now regarded as pre-eminent in his own right.

"We do not however want to be perceived merely as a regional firm," says Bou. "Many of our longest-standing clients may have their base in Barcelona but their businesses are invariably national and increasingly international in scope – from an outside perspective it is increasingly important however that we are seen as a firm with a national perspective."

The same but different

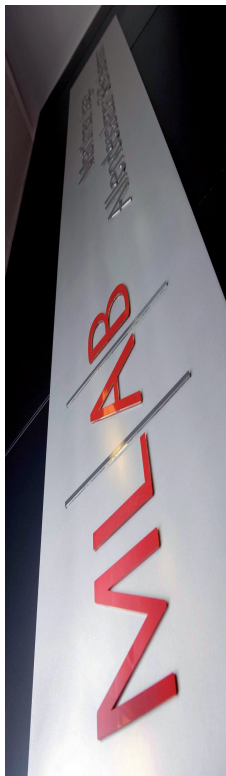
The perception of Jausas as a leading life sciences firm has though clearly served it well and the sector has proved a strong source of corporate and commercial work alongside the regulatory

demands of clients. But the challenges now facing the firm are increasingly common to many others: how best to cross-sell expertise to its established client base, to capitalise on the increasing flow of domestic business and decision-making to Madrid, and to convince international clients that it is capable of executing their national and even pan-Iberian needs.

"We are not unique in the issues we face but I believe we are different in how we see the potential solutions," says Bou. "In order to expand, including in Madrid, we have always been open to exploring all the options: organic growth, merger and cherry-picking."

Originally established in Barcelona in 1964, Founding Partner Agustín Jausas retired in 2002 but not before overseeing the firm's growth through a series of mergers and lateral hires. Bou joined the firm in 2002 seeking, he says, a firm with a more egalitarian approach and where progression was determined by ability rather than family ties. Jausas has also since sought to capitalise on the collapse of firms such as Mullerat in Barcelona in 2005 to make new hires, and in 2007 absorbed IP boutique March & Asociados.

Today the firm counts 11 partners and around 60 lawyers in total. Far from being Barcelona-focused it has been in Madrid since 1993, asserts Bou. And regardless of how the desired future growth is achieved, what remains fundamental is to maintain the firm's cultural approach. "We believe that there is a clear market demand for mid-size firms and that this has been reinforced by the voracity of the downturn," he says.



A happy balance

The firm does not therefore wish to emulate the scale of Spain's largest firms even if it does want to compete with them. "Currently we have an 80:20 split in terms of size between Barcelona and Madrid but we are looking to achieve a better balance."

A recurring issue for many facing such a scenario can however be how to reconcile lawyers' ambitions with the natural limits imposed by the firm itself, recognises Bou. "We do not however want to attract lawyers from large firms simply to build another large firm. We want lawyers who are comfortable with the goals of Jausas as they are already defined."

As the firm has explored its options, what has become apparent is the relative sophistication of Jausas' own structures, he believes. "We are happy to learn all we can, but what has proved to be encouraging is that the way in which we already operate, in terms of managing the firm's finances, our remuneration structures and career development processes, is already ahead of many other firms."

In light of the downturn Jausas has also seen annual revenue growth of around 16 percent in recent years, even with the departure of some senior lawyers, he says.

The start of the year saw M&A Partner Gabriel Nadal depart to lead the local Barcelona office of technology-focused Ecija, while the Madrid office saw lead technology and data protection lawyer Noelia de Migue move to RCD Abogados. Likewise, restructuring Partner Roserá Rafols, who joined from Roca Junyent in 2008, has also now left. Indeed, the firm has seen a number of its lateral hires move on in recent years.

Bou takes such developments as a fact of life. If Jausas is happy to recruit from the market it has to accept that it will also experience losses. "We will not always meet everyone's ambitions and if a lawyer is unhappy it is best that they move on for their own and the firm's benefit. The worst possible situation is that a person stays and becomes a negative influence."

Happiness is part of the firm's strategy, insists Bou. "We feel that it is important to have both a professional and private life. We work hard and clients' needs have to be met, but the choice we have made is to operate in a smaller structure and to perhaps make less money than we might earn in a bigger firm. But at least we get to see our children grow up."

The firm is not fixated on setting ambitious revenue targets but all of the firm's partners are aware of the financial aspects of practice, he says. Jausas recorded revenues of €11m last year and has eight equity partners. "We have no fixed billing rate and work on hourly, fixed and cap fee arrangements depending on the client's preference. We will always try to do the best job at the best rate but accept that not every assignment will be profitable."

In any event, despite the wider economic challenges being faced, one of the strengths of the firm is a willingness to adapt, he believes. Indicative perhaps was the closure of the firm's technology-focused Sant Cugat del Vallès office in 2010, having opened in 2008, as it has looked to streamline costs. "Each of the partners knows the importance of the bigger picture and what are the annual targets."

A more comfortable position

Bou may see a clear benefit in developing a more balanced practice but he also recognises the challenge in making it happen. Nonetheless he perceives room for growth in areas such as tax, labour and litigation, alongside general corporate and commercial expertise in Madrid, and labour, regulatory and tax in Barcelona.

He also believes that comparing firms' revenue is not an adequate measure of strategy but does help reflect the scale of operation now required. "Even in the mid-tier you need a certain scale to compete effectively," he says.

The firm has anyway continued to feature in many of Spain's largest restructurings and insolvencies as the downturn has taken hold. It has also built a strong profile acting against financial institutions, notably alongside Madrid securities boutique Zunzunegui, in actions relating to the collapse of Lehman Brothers, Icelandic banks Kaupthing and Landsbanki, and the fall-out from the Madoff fraud.

"The economic situation, the increased internationalisation of businesses, and the complexity of companies' own structures mean that there is a demand for more sophisticated advice. In addition, clients want lawyers who are interested and understand their business which I think we can do."

After a period of self-analysis Jausas is therefore now comfortable in its positioning and ambition, he says. "We do a lot of work for major multinationals as well as some of Spain's largest publicly-listed companies. We may not be their first choice for major capital markets or M&A transactions but they do use us for most other matters. Being able to provide a consistently good service, efficiently and in line with the legal departments' own way of doing things is where we can provide value – assisting General Counsel to manage their ongoing needs."

The firm does not therefore aspire to be among Spain's "magic circle" and besides, the downturn is proving challenging to even the largest and best-resourced firms. "There is no doubt that the major firms have moved into mid-tier work to keep their lawyers busy, and this has proved a competitive challenge to a firm like ours, but I am not sure how long that can last as a strategy," says Bou. "There is clearly fee pressure, but what is important for us is that we stay close to our clients, that we understand the pressures their businesses are facing, and that we are able to help them adapt – there remains a lot of loyalty from clients to those firms that they perceive deserve it."

He talks eloquently of the impact of the downturn on what he calls the "real economy" rather than merely the banking and construction sectors, and of the challenges that continue to face Spain and the eurozone, but he still sees room for optimism.

"The country continues to attract international investment and Spain's largest firms are learning that there is no benefit in chasing deals of every size. So we are now more certain of the opportunities presented to us and what we have to do to capitalise on them."

The focus remains therefore on doing a consistently good job for clients, on consolidating the firm's expertise in Barcelona and enhancing its coverage in Madrid. An enhanced profile in the capital will inevitably also play favourably internationally, believes Bou. "There is though no desperate rush. What is important is to get the right fit. We have always seen ourselves as a national firm and that is the message we have to promote."