

# AIR PRODUCTS: FINDING THE RIGHT SHAPE FOR THE BUSINESS' LEGAL NEEDS

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**The in-house legal department at Air Products has moved away from operating along jurisdictional lines to adopt a more regional, business-led approach**

El departamento de asesoría jurídica de Air Products, empresa líder en el sector de gases industriales y medicinales, ha dejado de operar por separado en cada jurisdicción para adoptar un enfoque regional y más comercial. Como Director de Asesoría Jurídica para el Sur de Europa, la responsabilidad de Joaquim Mustarós va mucho más allá de la sede de Barcelona. El objetivo del departamento es responder a las necesidades comerciales y geográficas del Grupo.

As Legal Counsel for Southern Europe for US multinational Air Products, Joaquim Mustarós' responsibilities extend well beyond his Barcelona base. The legal department's ambition to reflect both the geographic and business needs of the Group means also that he is the point of reference for the company's entire European healthcare business. Air Products is one of the world's largest suppliers of atmospheric and speciality gases and equipment. It operates in 30 countries and has around 18,500 employees. Last year the company generated revenues of \$8.9bn with Europe accounting for a third of all sales. In Spain, Air Products operates through Carburos Metálicos and in Portugal through Gasin.

A legal separation is however made between those legal matters that can be handled locally and those that should be managed centrally through its Allentown, Pennsylvania, headquarters, says Mustarós.

"Our focus in Europe is broadly commercial. While we do manage local litigation issues, major corporate-wide disputes, M&A or IP needs are predominantly managed directly from the US. The aim is to provide the most relevant advice to the business and in the most efficient manner."

Within Europe there are six commercial lawyers, say Mustarós. Two work out of Barcelona and focus predominantly on matters in Spain, Portugal and Italy, and an additional four lawyers are located in the UK, focusing on north European issues, as well as specific business needs.

Mustarós likewise has business specific responsibilities, co-ordinating the needs of Air Product's European medical business division. Such an approach has been in operation since 2003 and has worked well to date, he believes.

"The aim always is to find the best means of providing advice to our clients. The approach enables the legal team to share best practice while also allowing individuals to act as a point of reference for specific business issues – the aim is to encourage a very collaborative way of working between lawyers wherever they may be."

Eighty per cent of Mustarós' workload relates to business-wide commercial needs with the rest specific to the healthcare business. "We are expected to take the lead on issues that fall directly within our remit and provide support to our colleagues when they do not."

The legal team also tries to internalise as much legal work as can be realistically achieved, he says. Recent years have seen a major efficiency drive within the business leading to the centralisation of core administrative processes in order to achieve critical mass and to standardise the way functions are performed.

"As lawyers serving an increasingly global business we have inevitably had to adapt, to react to what our clients are doing and to become more business-focused and less ordered along jurisdictional lines."

Such developments have also brought new levels of complexity to legal issues, says Mustarós.

"More matters now have a cross-border element and we have also seen a rise in compliance concerns, but the speed of the business has also increased and there is much more emphasis on response times."

The in-house legal focus is therefore more concentrated towards those areas where value can be achieved and demonstrated. Legal budgets have remained relatively static but there is more analysis not only on what is being spent but also how, and a growing focus on "buying-in" know-how.

"We are looking for external advice less often but the nature of that advice is becoming more

specialised. As a result, we also now look to break down matters into parts and for us to manage internally more elements than may have previously been the case."

The nature of Air Product's business and operation within highly regulated sectors helps such an approach, he believes. "Within Europe, much of the legislation that impacts our core business is EU-driven so on a practical level it means that we really only need to look externally to understand the local legal veneer."

There is however no magic formula to managing a multinational's legal needs, Mustarós insists.

"Ultimately we need to find the right balance between our clients' local and international needs and to understand what is business or jurisdiction-specific. It means that as a department we have had to find our own way, to tailor-make a solution that truly fits the structure of the business."

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