

BUYING INTO THE CULTURE - FRESHFIELDS

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“We believe it's vital to look at the long-term relationships – five, 10 years time – and their importance to your balance sheet. If you treat your clients well, they will stay with you and the return can be tremendous.”
Hugo Écija



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Having a 'we' culture, rather than just a collection of rising stars, could be the secret to keeping a law firm together in turbulent times.

Iñaki Gabilondo de Freshfields España, es rotundo al afirmar que ellos no son un despacho británico, sino internacional. Con una cultura de unión corporativa. Gabilondo afirma que la supervivencia y el éxito no se refleja en los números, sino que lo que conduce al éxito es la “cultura de firma” especialmente frente a situaciones de crisis, lo cual a la larga conlleva resultados positivos.

Iñaki Gabilondo, Freshfields Spain Managing Partner, is quick to point out that they are not a 'UK firm in Spain', they are an international one. “We are commonly misconstrued as the 'Spanish' arm of UK giant Freshfields,” he says, “and while we talk about principles or ideas that are very much 'English', we also have a strong German influence from the mergers with Deringer Tessin Herrmann & Sedemund and Bruckhaus Westrick Heller Löber.”

Freshfields Spain has been established since 1991 and now counts with 12 partners, two counsels and 70 associates, at all professional levels, in Madrid and Barcelona. Gabilondo describes it as a matrix organisation, demonstrated by how they are organised internally – by offices and practice groups not countries – and also by the way they are paid. “If a German partner works for a Spanish client, what they receive I receive too. It is a 'one pot' firm.”

But a lockstep system without a country factor has its downsides – peer and performances pressures. “With the performance based system (eat-what-you kill), you can decide to earn less money and work less,” he says. “We don't have that option.”

The climb

There's no denying that Gabilondo's rise to Managing Partner of Freshfields Spain has been fast. In just over ten years, he has gone from a Senior Associate, International Partner after four years, Head of Finance two years later, and finally Managing Partner in 2010.

Gabilondo compares his career to a river – one that has been happily carrying him along since school. He remembers a conversation at 18 with his father. “I was into sports and a good student, but

had no idea about what I was supposed to do once I finished my studies, like most 18 year olds!" he says.

While his father did not steer Gabilondo in any direction, he did advise on doing something that gave him options. So he chose law, and graduated from the Autonomous University of Madrid at 23, still with no idea what to do next. "I had an offer to stay on as a teacher, thoughts of being state attorney or a judge, but, on the advice of my family, I decided to just try things and see where they led me." He embarked on his military service, and combined this with a number of prácticas in Madrid, including a summer in-house at La Ser radio, which taught him a valuable lesson – that he didn't want to be an in-house counsel.

But it was in accompanying his then-girlfriend (now wife) to a Masters presentation at the IE Law School that he first encountered the concept of 'business law'. "We received no preparation on the international and business sides of law at University, so it was a shock," he says. "And I knew then that the combination of business and law was what I wanted to do, so I took the Masters alongside her."

He then submitted his CV to an advert on a notice board from an anonymous law firm "with an international perspective" looking for candidates – and that's how he began his career at 25, working for Gómez-Acebo & Pombo.

Freshfields and beyond

Six year later, in a moment he describes as "pivotal", Gabilondo was in an asset deal negotiation with a long-term client, BP, of which Freshfields was a part – more specifically Paco Cantos, who now leads the antitrust, competition and trade practice in Spain. The transaction ended successfully and they all went their separate ways.

Six months later he got a call from Paco, and, having assumed there was a problem with a post-completion matter, Gabilondo was surprised to receive a lunch invitation, and subsequently the option to move to Freshfields.

"At the time, late 1998, Freshfields was on a big recruitment drive in Spain, doubling its size and creating departments," Gabilondo explains. "They were cherry picking senior associates to build practices."

Back then, Freshfields was a much smaller firm in Spain. "We weren't in the league tables and had very little exposure," he adds. But it was the international element that really prompted him to make the move, and, he says, it is probably the only conscious decision he has made throughout the length of his career.

Young management

When presented with the Managing Partner role at 41, Gabilondo's initial thought was that it was too early. He remembers a conversation with Chief Executive Ted Burke, who, like Gabilondo, was appointed MP of the New York office at 41,

and said that he felt exactly the same at the time. "He said he didn't think he had the time, age or the credentials to take on the role. And that helped me a lot as I realised that all my doubts had been factored into the decision to appoint me."

Gabilondo also had the challenge of having to replace highly respected Klingenberg, who had taken over from John Byrne, founder of the Madrid office, a few years before. "I know that Miguel had his challenges when replacing John, and I had mine replacing Miguel. Each of us has a different style."

"I thought very hard about how to balance the role of being a producer and a manager." So he decided to delegate a number of functions, including the day-to-day management of the human resources, business development, corporate social responsibility, and compliance. And this is partially how he has been able to cope. "You tend to underestimate the administrative burden. You think it will take 25 percent of your time, but in reality it takes around 60 percent – and that's even when delegating."

Gabilondo jokes that he is at his 'expiration date' as the role is for a set three-year term, with the

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Managing Partner, Freshfields Spain



possibility of an extension. "Management ends, it's not forever," he says, "therefore, you need to come back to full time work and you can only come back if you have retained clients. And the younger you are the more relevant that is."

For him, therefore, 'producing' is essential. And it is also the only way he sees to build consensus and bring people within the firm together as Managing Partner. "Lawyers tend to think that you can only speak with authority if you work with clients."

The role

In his personal life, Gabilondo says he makes decisions based on good feeling rather than rigorous analysis. But as Managing Partner, he uses a bit of both.

"When you think about the administrative and strategic part of the role, it's more about planning and analysis, thinking about alignment, the clients, etc," he explains. "But what is also very relevant is the goodwill with other Partners – for team and consensus building."

This side is based on personal relationships more than anything else, he adds. "That's something you don't train for, you don't plan. It happens in a lunch or a meeting." But it is key to keeping a law firm together, he says, particularly in a crisis.

And to drive the Partners and keep up motivation, Gabilondo says you need to start with yourself. "It is impossible to motivate people if you don't believe it yourself. And then if there are people there to support you, it makes you want to support them, it's very circular."

All about culture

This 'we' approach was something he found was already very much embedded into the culture of Freshfields when he joined. And something he very much buys into. "At Freshfields, for example, it's unheard of to say 'my client' – it's 'the client'." And this culture is instilled right from the very start of a career at the firm.

Fifteen days into joining Freshfields, Gabilondo says, he went on an induction course in London of 50 senior associates. "The first message that comes across is: 'You think you're a rising star as you've been hired by Freshfields and that you're going to become a partner. But you're one amongst 50 and we have one of these courses every three months...'"

And as various partners made presentations, Gabilondo realised he wasn't that special and that it was an organisation that was clearly not about 'me' but about 'us'. "They passed that message clearly, although not explicitly," he explains. And those who join and wish to stay must clearly also buy into that culture.

The downside to this approach is that it can result in less effective or efficient decision making. "It's not about what the managing partners decide but about what 'we' are going to do," he says, "so you need full consensus." This means they can be slower than other organisations in reaching decisions and it can be frustrating when he wants to do something and it takes months to get everyone on board.

The year ahead

For Gabilondo, 2013 poses two main challenges. The first is making things happen in Spain. "The country is under pressure, and is a question mark about how the market is going to cope and generate transactions."

The second is keeping the firm together. "Lawyers are notoriously difficult to manage, individualistic and smart, therefore they are over critical, pessimistic, and conservative, risk adverse," he says.

"There are many firms that are now struggling, not necessarily economically but with the task of keeping the firm together – that is the real test."

Survival and success is not about the numbers, he adds, it is the culture that you have that will ultimately drive your law firm through the crisis and beyond and, of course, make the numbers.