

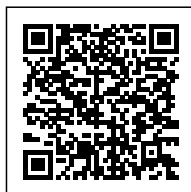
‘CLIENTS AND LAW FIRMS MUST DEVELOP CLOSER RELATIONSHIPS’

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External advisers must form strong bonds with their clients, who want to feel they can discuss

everything with their lawyer, says Luz Saúde's João Ferreira Rebelo

Companies need to build close ties with law firms so that the relationship is mutually beneficial, according to João Ferreira Rebelo, head of legal and compliance at Luz Saúde in Lisbon.

A closer bond with clients enables law firms to have a greater appreciation of how their business works, according to Ferreira Rebelo. "We need a strong and healthy relationship with external law firms, because we need them," he says. "We need their technical expertise, and they need an understanding of the business, and so we have to work together and discuss everything with them." Founded in 2000, Luz Saúde is one of Portugal's largest healthcare providers by revenue. It operates hospitals, outpatient clinics and senior citizens' residences across the country. It became the first private Portuguese healthcare provider to go public in 2014. In addition to its operations in Portugal, the company aims to expand abroad and is currently considering mergers and acquisitions, particularly in Africa and South America. "We are expanding the business, so the largest issues we deal with are M&A processes," says Ferreira Rebelo. "We have acquired many hospitals and clinics in recent years, as well as creating them from scratch."

In addition to handling M&A transactions, employment law is another key focus for Luz Saúde's legal department. "We have more than 10,000 employees, and we have a lot of issues relating to labour law," Ferreira Rebelo says. "Fortunately, we do not have a lot of litigation, and with only a few procedures in the courts, most of these are taken care of in-house," he adds.

The in-house team comprises 11 lawyers and a paralegal, and is divided into three areas: litigation, human resources and other issues ranging from M&A and financing to compliance and ethics. When it comes to selecting an external law firm, Ferreira Rebelo says that he tends to go straight to lawyers he is already familiar with. "Portugal is quite a small country and we typically all know each other, so I don't have a formal bidding process," he explains. "I know the lawyers and partners in various firms here and abroad and I usually contact them and ask for a proposal – I usually work with three or four firms, such as Linklaters and VdA Vieira de Almeida."

'Special relationship'

Ferreira Rebelo acknowledges that his relationship with Linklaters is especially close. "My relationship with Linklaters is special because I am a former Linklaters partner, so I know a lot of people there, and they are very well-recognised firm, particularly in M&A and public law, and, as with other law firms that we use, it is their technical expertise that we need," he says. "I try to work out which is the best lawyer for each case, and which can give me the best technical approach – we have worked with Linklaters outside of Portugal, for example on our IPO we worked with their office in London."

Ferreira Rebelo says the company's most common legal concerns relate to M&A, and, in this respect, external law firms provide added value when it comes to looking at opportunities outside Portugal. "We are studying the market, we currently don't have any hospitals abroad, but we are looking at possibilities," he adds.

Ferreira Rebelo says that, in recent years, there have been some modifications to laws and licensing related to the public healthcare system, and this presents challenges for his team. "The fact that the private healthcare sector is growing means that things change," he says. However, Ferreira Rebelo adds that, as a sector, healthcare was not heavily impacted by the economic crisis. "The private health sector is a special one, and we were less affected than we expected – there was some pressure from insurance companies to negotiate prices, but, if you look at revenues during that period of the crisis, we were not affected, we didn't see fewer patients."

There are a number of other markets that have great potential for Luz Saúde, according to Ferreira Rebelo. "Other markets are different, but also interesting," he says. "In Angola, there are not so many large, general hospitals, while in Brazil, for example, there is a huge population but also a lot of money and the market is growing – they need professionals with technical skills, and that is where we can step in."

João Ferreira Rebelo is head of legal and compliance at Luz Saúde in Lisbon