

ENRIQUE MEDINA MALO: "IF I WERE IN THE MILITARY, THIS WOULD BE A MOVE FROM THE MAJOR STAFF HEADQUARTERS TO THE BATTLEFIELDS"

Posted on 08/11/2021



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Since June 1st, Enrique Medina Malo is general counsel and head of Regulatory Affairs in the newly born joint venture between Telefónica and Liberty Global; Virgin Media O2. He was delighted to start this journey, which he defines as "a fantastic personal and professional challenge" and which, he tells us, brings together all the elements that motivate him to do his utmost to contribute to the success of the project.



Although you started your career in the Public Administration, you have spent almost your entire working life at Telefónica. Do you remember how the change came about?

How to forget it. It was an important decision in my life. For a public official, moving to the private sector is a major challenge. I did it because Telefónica asked me to join a project that was very attractive from a personal and professional point of view. To be part of a legal team that was immersed in a profound overhaul, to help them advising in the field of Public Law and with a marked international component. Although I still consider public service the field that has contributed the most to my personal development, it was clearly the right decision. Telefónica has been like a second home for me.

Have you always been an in-house lawyer? If not, were you clear since you left law school that you would be an in-house lawyer? (please explain your answer).

I have never been fortunate enough to work in a law firm, not even the one my father's led for many years. As I pointed out before, fortune led me to Telefónica 15 years ago, and until I joined Virgin Media O2, I have not changed employer, although I have changed my role within the Group on numerous occasions.

I was lucky to feel a true vocation towards Law from a very young age. At the end of Law School, I did not hesitate to begin the preparation of the admission exams to the Spanish Government Legal Service. It is true that working in the Spanish Administration, I devoted myself much more to advisory work than to litigation, maybe that is what led me to the role of in house counsel.

After a little more than fifteen years at Telefónica, where you have been climbing the ladder, you have been appointed general counsel and chief Regulatory officer of JV Virgin Media O2. What does that mean to you?

Above all, a fantastic personal and professional challenge. I had already been based in the United Kingdom between 2011 and 2015, as Telefónica Europe's General counsel, the regional centre of our then six European operating businesses, Spain, the United Kingdom, Ireland, Germany, the Czech Republic and Slovakia. It was a great experience to work closer to the day-to-day running of these businesses.

This appointment has two elements that make it very special. On the one hand, it is a joint decision of the two shareholders of the Joint Venture, Telefónica and Liberty Global. On the other hand, it means leading the General Counsel's Office in an operational business, when all my previous roles were in the corporate centre and that is very challenging. If I were in the military, this would be a move from the major staff headquarters to the battlefields.

What does it mean - so that we can all understand it - this new entity is "an upgrade for the UK"? Only for the UK, or are there expansion plans on the horizon, even if it is distant?

"Reimagining connectivity. Upgrade the UK". Those are the purpose and mission of Virgin Media O2. They answer the why and the what of our existence and activity and summarise the ambition to make the best connectivity available to the people in the United Kingdom regardless of where they are and to provide them with the products, services and content that they consider most relevant based on the data, options and preferences whose management and processing they entrust to us. Always with a sustainable, diverse and inclusive business orientation.

Was its creation triggered, to some degree, by some of the parties, directly or indirectly, by Brexit?

No, the creation of this Joint Venture is motivated solely by the belief of our shareholders in the convergence of fixed-mobile connectivity, scale as a way to compete and customer service as a fundamental ingredient to gain relevance.

How does your Legal department look like?

Virgin Media O2's legal team is divided into four departments. The Corporate Legal Directorate, which, in addition to being responsible for the deputy secretariat of the Board, is responsible for advice on M&A, network, IT, procurement, employment and pension departments. The Commercial Legal Directorate is in charge of assisting our B2C, B2B, digital transformation and privacy activity. The Legal Advice for Regulation, Competition and Litigation, whose naming is self-explanatory, explains. Finally, the Audiovisual Legal Directorate focused on assisting our content department.

At the head of the first three, I have a brilliant and diverse team of lawyers who come from both Virgin Media and O2 and without whom my day-to-day life would be literally impossible.

The Audiovisual Legal Department has been vacant for some time as a result of the creation of the JV, but it's an issue that will be solved shortly.

Now that a few months have passed since your appointment, what personal and professional balance do you make?

It couldn't be better. I am a person who likes change, transformation and being put out of my comfort zone. This new adventure has all the elements that motivate me and enable me to contribute to the success of the project.

In your role as a Compliance officer, what challenges have you had to face in this period?

As I pointed out earlier, there are aspects of my new responsibilities that take me out of my comfort zone. Compliance is certainly one of them. I am a novice in the field, although I have had the opportunity to meet in previous lives with great professionals who have given me a certain sensitivity and guidance. Compliance is one of the fundamental pillars of a responsible business.

I am fortunate to have a very strong team in specific compliance fields such as anti-corruption and bribery and financial compliance. We are already working hard to extend our strengths to other areas such as sector regulatory, supply chain, sustainability, diversity and inclusion.

What progress has Virgin Media O2 made since its official launch in June this year, and how has the Legal department contributed to it?

Basically, I would say three key areas of progress. First, we have followed the stable growth path that each of the businesses had separately. Second, we have established a new corporate governance system that allows our shareholders to have clear visibility of our activity in order to guarantee the most accurate information in their investment decisions, such as the recently announced financing of the transformation of our cable networks to fibre to the home. Third, we have persevered in the innovation of our product portfolio, launching to the market in record time the first convergent proposal of the JV trying to satisfy the needs of every customer of a connectivity company: more data and more speed in their internet access.

The contribution of the legal department has been important. In times of profound changes, there has been no decrease in quality and speed in responding to day-to-day needs and a special dedication in time and resources to corporate and commercial challenges that the launch of a project like this demands.

When it comes to seeking external advice, do you have panels of trusted lawyers, or do you instruct according to the nature of each matter? Do you take factors such as diversity, inclusion and sustainability into account when choosing your law advisors?

The UK market is bright and dynamic when it comes to external legal advice. In my opinion, all legal innovation, whether commercial or organisational, has the UK as its test centre.

It has been nice to find that Liberty Global have very similar corporate culture to the one I was used at Telefónica regarding the legal advice. We have strong internal legal teams, but we are aware of the need to reach external law firms for at least three reasons: First, there are things that we do not know how to do, or we lack the necessary experience. Two, there are issues that, regardless of our experience, we need help because we do not have sufficient manpower or resource to deal with it. Three, sometimes it is convenient to zoom out from a legal discussion because the personal, commercial or corporate vision has contaminated the objectivity that the legal advisor must always have. It is convenient to complement your own vision with that of a third party.

In these cases, we look for the best for each case and in each subject, without predetermined panels. Of course, we promote competition among those who we believe will meet our expectations of excellence.

In relation to the aforementioned factors, diversity, inclusion and sustainability, at Virgin Media O2, which has not yet completed six months, we will maintain the same high standards of quality and

compliance as those of our shareholders. They will undoubtedly be selection and exclusion criteria in the most demanding way.

We imagine that if someone knows about digital transformation processes and the implementation of new technologies for your services and/or products, that is you. What challenges does this part of the business pose for the Legal department? What milestones can you mention in this regard?

Indeed, digital transformation is a complex but exciting process that has been a real challenge for the legal community. The lawyers who assist the business units that lead this transformation face new challenges every day for which there are no written standards. On many occasions, contracts are signed with suppliers or partners located in different jurisdictions and with very different legal systems. The way to determine fulfilment of a given agreement, cases for termination or liability provisions are not obvious sometimes. Our recipe for providing the best service is based on solid training and experience, together with permanent and direct contact with the business units. And with the humility necessary to recognise, as I said before, that we do not know everything, and sometimes it is necessary to reach for external assistance.

The other side of digitisation is internal. Inspired by our shareholders, we are working in areas such as the provision of information to regulators, contract management and corporate structure.

From 1 to 10, give priority to the issues that concern the department you lead.

1. Protection of the business as usual protection: market shares, income, margins
2. Integration of systems, people, products and services.
3. Capture of synergies announced to the market
4. Digitisation of the customer relationship
5. Expansion of our fixed and mobile network
6. Transformation to FTTH
7. Promotion of diversity and inclusion
8. Team training
9. Talent retention
10. New ways of working

You are looking for financial partners to accelerate the deployment of fibre optics in the UK. Was this previously planned? How does this affect your team? What kind of investments/investors do you require?

Investors value infrastructure markets highly. If one thing has become clear as a consequence of the pandemic, connectivity is essential for social and economic welfare.

The investments required for the deployment of next-generation access networks are by the billions, so it makes perfect sense that these interests and needs converge and allow acceleration of deployments, satisfying the legitimate desire for a reasonable return of investors and alleviating the effort of the operators that until now funded these deployments with their own resources. It is a virtuous circle that we see developing on a worldly level.

You also support young investors in different programs.

This work of fostering entrepreneurship and promoting innovation is done through two initiatives of our shareholders: Liberty Global Ventures and Telefónica Open Innovation, including Wayra,

Telefónica Open Future and Telefónica Innovation Ventures and Venture Studios.

Where do you see yourself in five years, and how do you see Virgin Media O2?

My hope would be to continue ensuring that those responsible for our business units sleep peacefully, knowing that all their initiatives have the necessary legal and regulatory support; and that these initiatives contribute to the realisation of our purpose to reimagine connectivity and improve the UK.

By Desiré Vidal

Picture by Marta Medina Malo.

To read the full interview on issue number 109 click [here](#).