

GOING ABOVE AND BEYOND TO SURVIVE - VESTAS MEDITERRANEAN

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In-house Counsel are having to work twice as hard for the same contracts, and being asked to do more with less, says Ramón Novo Cabrera

En términos generales la desventaja de las energías renovables en relación a las convencionales es evidente por lo que, para evitar riesgos, son muchos los abogados internos que han tenido que incrementar su nivel de diligencia y esfuerzo, aún disponiendo de menos recursos, afirma Ramón Novo Cabrera, de Vestas Mediterranean. Sin embargo, el mismo subraya que la actividad de los clientes clave sigue manteniendo ocupado al departamento jurídico y se vislumbran nuevos mercados de expansión en Latinoamérica.

Renewable energies, in general terms, are at an economic disadvantage compared with conventional energies, says Ramón Novo Cabrera, Head of Legal and Contracting at Vestas Mediterranean (VM). Part of Vestas, the leader in solutions for wind energy technology, VM sells wind turbines in Mexico, Central and South America, Southern Europe, the Middle East and Africa. "The Government in Spain, for example, recently modified the retribution system for renewable energies, causing uncertainty in the financing of future developments," says Novo. In 2009, the then-Government created a system where every project went into a 'preregistry' to avoid the number of renewable projects exceeding the provisions of the Renewables Energy Plan. "The new Government has gone further by not allowing any more projects into the preregistry," he says. With the financial crisis, this makes it much more difficult for banks to finance projects.

Meet the team

Headquartered in Madrid, Novo has organised his team into three 'sub' teams covering America, Western Europe and the Eastern Mediterranean. His lawyers are spread across offices in Paris, Rome, Taranto, Madrid, Athens, Istanbul Mexico City, Santiago de Chile and São Paulo, dealing with the legal aspects of sales and corporate affairs on the transactions side of VM.

While Novo's lawyers come from a varied background, from electric utilities to US law firms, all have one thing in common – a deep knowledge of the law, acquired in previous positions in-house or in private practice. In Spain, Novo looks for a background as an Abogado del Estado, a Judge, Notary Public or other types of training for public service. "I know the training these roles provide, and the knowledge of the law gained is incredible."

It's no coincidence that Novo is himself an Abogado del Estado, starting his career at the Spanish Department of Justice. Following an MBA at Harvard Business School, he worked as an M&A and Commercial Lawyer at Gómez-Acebo & Pombo in Spain, becoming Partner. Novo then went in-house as General Counsel and Secretary of the Board at Union Fenosa, now merged into Gas Natural, before finally moving to VM in 2009.

Keeping it in-house

Novo considers the knowledge of core operations needs to be kept in-house. "My team deal with complicated wind energy solutions, such as turbine sale and purchase agreements, and service and operations contracts. What I value most is that they know better than anybody what VM is looking for when negotiating these contracts, which helps to better value the associated risks."

Novo keeps as much as possible in-house and only outsources in specific cases, namely litigation, and occasionally M&A or other "out-of-the ordinary" deals. Law firms have offered to place lawyers in his department on a short-term basis. But given the training thinks the advantages of this solution are not obvious. "However, other aspects such as litigation are good to outsource as they are not part of our day-to-day operations."

As for preferred firms, Novo works with many worldwide, with no preference other than quality. "We are also all under pressure to cut costs, and we expect our lawyers to do the same."

Crisis points

As his legal budget has of course been affected by the crisis, Novo has been asked to do even more with less internally. For example, using modern telecommunications tools to reduce costs for

internal meetings. These telecoms tools are expensive to install, he says, but the marginal cost is cheap, helping them to stay within budget.

Their key account activity is still keeping the legal department busy, working with some of the largest utilities in Portugal, Italy and France. VM is also expanding, leading to an increase in tender work coming from, for example, the Middle East where an array of opportunities exist.

Novo had also been hoping that activity in renewable energies in South America would take off, as that is where the company's strategy has been taking them. "We know that's where the growth will be."

Therefore, with the crisis in full swing, to achieve the same amount of results and get the same number of contracts, in-house Counsel need to work a lot harder and a lot smarter, says Novo.

Ramón Novo Cabrera is Head of Legal and Contracting at Vestas Mediterranean.

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