

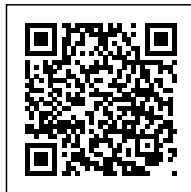
GOING FOR GROWTH

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In Q4 2021, Grupo Visabeira announced that Constructel Visabeira had received a €200 million investment from Goldman Sachs in growth equity. This was clearly a game changer for the business. At the heart of this deal was General Legal Counsel Isabel Fernandes. The lawyer shared with us the crucial role that her team played during this transaction, her career to date, and the changes she has witnessed in the legal market.



Grupo Visabeira announced last year that Constructel Visabeira has signed an investment agreement for €200m in growth equity from Goldman Sachs Asset Management. Can you explain the role that the in-house legal team played?

The in-house legal team has accompanied the initial discussions carried out internally, at the top management level, and with the external corporate finance advisors around the competitive investment process to be launched, which has included the definition of the investment structure as well as the profile of the target investors to partner. Once agreed on the investment offer by Goldman Sachs (considering not only the evaluation made of the company but essentially its notability, credibility besides their dimension and exposition in all the markets we operated in), the in-house legal team led the entire process of Legal Due diligence, being an active part on the discussions around the transaction documents towards the contracting of the investment (with the assistance of external lawyers, tax and finance advisors), as well as on the implementation of all the outstanding pre-completion procedures and measures as contractually foreseen. From the completion date (expected to occur by March 2022) onwards we will be assisting Constructel Visabeira's new shareholders and managing structure on the diverse day-to-day legal needs always envisaging to identify most feasible and value-added solutions crucial for the overall success of the investment.

What impact do you think this investment will have on the Group long term?

I will say that this investment more than the expected impact at the business level, will mark a change in the "corporate culture" of the Portuguese family based multinational and multi sector group, wholly owned by a single individual (who still keep a great majority after the investment). Being able to attract this selective investor, the openness of Constructel Visabeira's share capital to Goldman Sachs investment will definitely mark a change on the corporation current structure, its business positioning and organisational culture by dealing with new stakeholders views and demands (Shareholders, Board Members), and new policies and procedures requirements (e.g. ESG and Compliance levels), which in fact will be crucial for the operation's sustainable growth.

How many people work in the legal department you lead today? Have you grown the team?

Grupo Visabeira's in-house legal team counts currently with 13 lawyers, being only 5 when I joined the department in August 2006 as head of Legal. The legal department structure combines a centralised structure, mainly seated at the Company's head office (Viseu - Portugal), with a decentralised structure: (i) within business relevant departments or sectors (HR; Credit Recovery Department) and (ii) within wider international business presences (France; Mozambique; Angola). All the team is led by me, and I assume a centralised legal function to oversee the whole team, national and internationally, reporting directly to Grupo Visabeira Chairman of the Executive Board of Directors, as well as to lead the relationship with external advisors.

Prior to your current role, you worked at PwC in Maputo for eight years. Can you summarise that experience and what motivated you to leave the world of private practice?

My professional career is characterised by a diversity of performed functions (either as external or in-house lawyer), at the public (*Portuguese Ministry of Justice and Macau Government*) and private sectors, as well as countries/jurisdictions where they have been performed over time (Macau, Mozambique and Portugal). Despite such, I always remember my Mozambican path as one of the most rewarding moments of my professional career!

Arriving in Mozambique just after the peace agreement had been signed, I actively participated in some of the reforms at the time the government identified as priority for the economic development of the Country. On the Education sector I taught law at the first private University in Maputo, which has imposed the need to fix curricular programmes and prepare all supporting notes, since there was no bibliographic references available at the time in the Country for students to have access to. The alignment of a family decision taken by 2006 to return to Portugal with Grupo Visabeira's need to reinforce and lead its legal department, push me to accept the last one invitation and embrace a new challenge in a completely different role (for the first time as In-House Lawyer)! Since then, it has been an enormous privilege to be part of a business group with credentials evidenced in the most diverse sectors of activity in which it operates and above all have had the opportunity to actively participate in its steady growth and contributes for its expansion, both organically and geographically.

How do you select your external legal advisors? How much do you value sector experience?

We value proactive and collaborative lawyering rather than reactive lawyering: lawyers that can provide proactive commercial solutions to our current and potential business issues, rather than mere reactive legal advice to problems that have already arisen. As lawyers interact with many clients in the same industries, clients expect Lawyers to leverage on this (without breaching confidentiality obligations), by providing them with insights into how others are solving the same or similar challenges, what technologies other industry players are adopting, etc.. We definitely rely on getting the most of the experience! I have already managed to broad our external advisors pool, working with a diverse panel of lawyers (either national and internationally). Whenever we managed to stablish an "institutional relationship" with specific law firms, we tend to keep their assistance taking advantage of their existent business insight view of the client (assuming that they will have the necessary expertise to address the matter under discussion). Despite the above, we tend always to assess their market alignment with other competitors, therefore, whenever we believe relevant, we also consult other law firms to provide us with a proposal regarding the potential assistance on any specific matter, enabling us to couple with an ever growing pool of service providers (combining different backgrounds and expertise) and not rely too much on an a single advisor assistance (avoiding by this way an extreme dependency on such!).

What changes have you seen in the legal market in the way law firms communicate with GCs?

Since I joined Grupo Visabeira by 2006, I have been witnessing a great evolution from General Counsel as well as external advisors on the way they assume their roles within the respective organisations as well as how they provide assistance to their own clients. From an in-house perspective, the traditional barriers between the legal department and the business came down. Rigid structures have given way to much more fluid structures (legal department is no more a "silo"). The idea that an in-house legal team should function like an internal law firm, treating the business units as their 'client', has given way to a vision of the legal department as a commercial function that can and does drive economic value for the business. On a billing perspective, corporate clients main goal is to achieve value from the relationship with law firms, which puts lawyers under pressure to provide them with predictability and transparency on timelines and fees: the hourly fee arrangement

on the basis of charging clients is under pressure, and alternative fee arrangements – which include flat fee, success fee, capped fee -, are gaining momentum and becoming more popular with corporate clients. The right assessment of the business needs and alignment of In-house team and external advisors views and expectations, along with an ongoing close collaboration and open dialogue are crucial for the success and long-standing partnership between both legal players!

How is the legal tech evolution impacting your organisation and your relationship with external advisors?

There is no doubt that In-House team are always under a tremendous internal pressure to cut costs and bring valuable and tangible solutions for the business, which led them to increasingly focused on working with external advisers that are also committed to value-creation and cost-effective legal solutions. Improvements in legal productivity and efficiency will be fundamental not only to the achievements of the internal team as well as to the ongoing success of the relationship with external lawyers. Therefore legal tech applications, through the deployment of project management tools and software, are definitely a helpful tool to increase efficiency, produce more reliable results and free up more time to be creative and strategic deliver.

COVID 19 was definitely a boost for the implementation of diverse legal tech solutions due to the remote work new reality!

What is your biggest frustration when working with external law firms?

Although In-house legal counsel must rely on external law firms for specific advice, the relationship come always with their own inherent challenges! One of our major concerns is still lack of transparency and predictability around fees! But financial costs are just one area of concern. In addition concerns over quality control and project deadlines are also critical, being in-house teams sometimes forced to manage a disconnect between what is effectively needed and what law firms became able to offer. Saying such my big frustration when externalising services (although thankfully not so common in my particular experience) is when budgets initially fixed are overrun with unreasonable motivation and support! This become much more critical whenever the firm limit their advice to list the ins and outs of our particular problem without presenting, based on their experience, an effective solution on how to efficiently manage the real problem (even listing the inherent risks).

What has been the worst and best day of your career so far?

Due to the diversity of functions assumed in completely different jurisdictions, working environments and practice scenarios, I had the chance to experience, in completely different contexts and backgrounds, "bad" and "good" days, being difficult to contextualize one of them in detriment of others. Saying such, I take the chance to highlight the most rewarding experience (Mozambique) and the most demanding and challenging experience I have faced through my professional career (COVID 19). The Mozambique experience was unique not only on a professional but particularly on a personal basis. Taking advantage that at the time I arrived, the country has just signed the peace agreements and therefore trying to launch the basis for an open and market aligned economy, the unique feeling that you can bring added value, your contribution will be valued by others, therefore, you can make the difference was exceptional! More recently, the pandemic situation have put General Counsels before the most critical and challenging situation! Managing the legal department to ensure strategic, agile, innovative responses to a rapidly change on legal and regulatory regimes, on an ambiguous environment, was a primary challenge. Leading the emotions before the uncertainty caused by pandemic was not less challenging and became a priority task of General Counsel.

By Michael Heron

To read the full interview on issue number 112 click [here](#).