

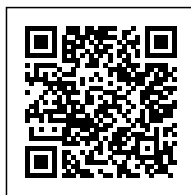
IN SEARCH OF EXCELLENCE

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Twenty-five years ago Emilio Cuatrecasas developed a business plan which he is still following today. He tells Iberian Lawyer how this transformed a small family practice into one of the largest Iberian law firms.

For a lawyer who has left his hallmark on the development of the Iberian legal profession, Emilio Cuatrecasas is at first surprisingly cautious talking about his personal motivation and achievements. While enthusiastic about the growth and

financial performance of the law firm which bears his name, he was less comfortable discussing his personal aims and ambitions.

Con 25 años de edad y tras sólo dos años de ejercicio en el despacho familiar, Emilio Cuatrecasas tuvo la visión, o algunos lo llamarían arrogancia, de replantear la forma de gestionar la firma. Implantó ideas radicales para esa época, relativas al hecho de romper el círculo de socios y abrirlo, de enfocar la práctica jurídica hacia el derecho empresarial (business law) y de adoptar como principio un modelo anglosajón. Quizás de forma inaudita, los socios aceptaron sus consejos y, desde entonces, ha liderado una transformación que ha conducido a la creación de una de las mayores firmas jurídicas de la Península Ibérica.

But Emilio Cuatrecasas is not a typical lawyer. At the age of 25, after only two years in the family practice, he had the foresight, some would say arrogance, to question how the firm should be run. Perhaps surprisingly, the partners, who included his father, accepted his criticisms and he has spent a quarter of a century leading a transformation which has created one of the largest Iberian law firms.

A Bias for Action

Emilio Cuatrecasas joined his father's six lawyer firm in 1977. 'I didn't have a choice. Those were times when parents directed their children's careers'. The firm had a good reputation and client base but the partners were perhaps too

complacent in a rather sleepy Spain. After only two years, he was frustrated. 'I felt uncomfortable. I am someone that needs space to expand and the firm was not showing signs to growing bigger.'

In a leap of faith, the partners agreed for him to study the firm accounts and draft some kind of strategic plan. 'The partners questioned my interest. I was only 25 at the time, but still they gave me the books and files. I spent a month thinking about opportunities, client relationships and client satisfaction levels, and when I finished I presented the conclusions.'

His proposals were radical: opening up the partnership, specialising in business law, and adopting the Anglo-Saxon model. He also realised the major threat posed by the global accountancy practices, believing Cuatrecasas had to expand their tax practice to maintain top-level work. 'The partners felt uneasy about my suggestions but it was a crucial moment for the firm.' He got the go ahead, but with two tough conditions, 'one, I would manage the firm except the old partners and two, I would lose my position if there were any financial losses.'

Emilio took his inspiration from the business and not legal world, the best seller of management guru Tom Peters, *In Search of Excellence*. 'I even cut out the summary from the book and put it on my office wall.'

The ideas Emilio developed from Tom Peters continue to define the firm. 'I haven't got answers for everything' he says, 'the first principle for the firm is let the client judge us.' He also believes strongly in decentralisation and trusting individuals. 'Trust in people not me.' he says.

These beliefs have taken him to extraordinary lengths. In 1991 in a highly unusual move, Emilio and his

father transferred their veto rights over the partnership to the rest of the partners, becoming an elected managing partner with secret voting every 4 years. He remembers this as one of the defining moments of his career: 'It was an unforgettable and very emotional experience.'

But since the beginning his strong convictions have brought challenges. 'We face the need to motivate people every day. It was hard to maintain all of the support staff when going through change; they were not all comfortable with the new dynamic approach.' But he was particularly satisfied that all of the original partners stayed with the firm, working through the last months of their lives. 'That makes me very proud, as they found in the firm what they needed to stay until the end.'

One of the hardest early decisions was to move to new and expensive offices. 'The main reason was to give a new and modern image, which I believe is linked to better performance and providing quality services. This decision was against the usual belief in keeping costs low. We were the first law firm to move to big premises. After us, all competitors did the same.'

An independent outlook

Despite the arrival in Spain of the Anglo Saxon firms, Cuatrecasas has remained staunchly independent. 'When the Anglo-Saxon firms arrived 10 years ago, they presented a great challenge to the Spanish market, in particular because they hired 'our' lawyers. It is hard to compete against your own people and friends.'

But he is very positive about the influence they have had. 'The foreign firms have stimulated us all, it has made us improve, to get better

and now we feel stronger. With the exception of the UK, I would say that Spain sits at the top of the legal market in continental Europe.'

Recently he took particular satisfaction when a former partner and his 5-lawyer team returned to Cuatrecasas from a UK law firm. 'Luckily the Cuatrecasas people came back.' He understands why Spanish lawyers join Anglo-Saxon firms. 'In general they work on a temporary basis, as a learning stage. It is good experience and good for the reputation.' But he is confident that they will feel more comfortable with Spanish firms that can offer a 'work culture that they know best, an environment that they are comfortable in. Partners get paid here like in any other foreign firm' he says.

The challenges ahead

On a personal level, Emilio enjoys the challenges of the job as much as he did when he started out. 'This is a job that allows you to work with very clever and brilliant people. You cannot be a strong boss, instead you have to use persuasion to convince people. I might have an idea but I need to take it to the rest of the firm to persuade them, it is like an internal sales process. This enables us to refine the idea until the final product is agreed. It is a wonderful challenge.'

His main objective going forward is to be 'the law firm of choice in the Iberian region for Spanish and international clients.' Today, Cuatrecasas represent almost 40% of the mid-size and major Spanish businesses. 'The next step, is to develop our international practice and expand in key countries such as France, US, Brazil, China, Mexico and UK.'

He seems years away from retiring, but can imagine the firm functioning well without him. 'Perfectly. I am

replaceable. From time to time, I spend time away from the firm and everything worked even better without me. The institution works like clockwork.'

He still believes strongly in the 'pursuit of excellence' and the need to trust individuals and devolve authority. 'Arguments and disagreements are an illness' he says, 'I would like to leave the concept of unity. Something more valuable than the sum of each individual.' This may explain his initial unease about discussing his personal motivation and achievements. Emilio Cuatrecasas has a management philosophy and business approach that is different to many law firms, and one which suggests that it is the work of every individual which defines the success of the firm.