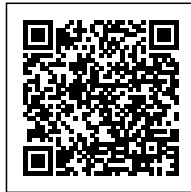


# LESSONS FROM BOTH SIDES OF THE LAW - ASHURST

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**Crossing from private practice to in-house is a well proven path. However, moves in the opposite direction have not always been as successful. The advantage for Gonzalo Jiménez-Blanco, Managing Partner of Ashurst Spain and Head of its International Finance Practice, is that he knows a thing or two about what in-house counsel want from their external law firms.**

El paso de la práctica privada a un departamento jurídico interno es un cambio que parece tener eficacia probada. Sin embargo, el salto en la dirección opuesta no ha tenido siempre tanto éxito. Una excepción a la norma es el caso de Gonzalo Jiménez-Blanco, Socio Director de Ashurst España, que ha logrado una carrera de éxito en el citado bufete proviniendo del mundo empresarial, lo cual, le ha permitido entender mejor las exigencias de sus clientes.

Formerly the General Counsel and Regional Counsel for Southern Europe at BT Ignite España, and Head of Legal at ICO (Instituto de Crédito Oficial), the Spanish state financial agency, this experience without a doubt gave him valuable transferable skills when taking the reins of Ashurst Spain. Ashurst is in fact Jiménez-Blanco's first foray into private practice. "I was 40 at the time, a little late to start, and adapting was a challenge." When Stephen Fox moved back to England five years ago, Ashurst couldn't have found a better connected candidate as Managing Partner for its Madrid office. His father is a lawyer and politician, and he has brothers at Clifford Chance and Allen & Overy.

**The firm**

When it opened in Madrid in 2001, the firm had a difficult start. "No one knew who we were in Spain, and we had to invest a lot of time and effort in developing clients and relationships," says Jiménez-Blanco. "People had to trust us before they would touch us, and that took time."

But 11 years on, and the firm counts 90 percent of the IBEX 35 among its clients, as well as domestic and international clients, ranging from Barclays and BBVA to Coca Cola, Ferrovial, Santander and UBS. "Now we are in a position to say we have delivered," he says, "and we have a track record to prove it."

Ensuring that the London head office is onboard is a priority for Jiménez-Blanco. "They read the papers, they are very aware of what is happening in Spain," he says. But as long as the Madrid office hits its targets, which it did with a growth of six percent in the year ending March 2011, London gives Madrid the autonomy and freedom that it needs. The fact that Ashurst just elected its first female partner to its Management Board, Cristina Calvo, and she's from the Madrid office, is a vote of confidence that they are doing something right, he says.

As for size, with 65 lawyers, Jiménez-Blanco is reasonably happy with where they are. "We intend to grow in a controlled way, but what we cannot, and will not do is to reduce our lawyers - we need the ones we have."

### **In-house**

During his time in-house, Jiménez-Blanco had many dealings with external law firms, both domestic and international. And he really appreciated the difference between them in terms of the famous 'added value'. "It's a tangible difference, you can feel it." Nowhere more so than in their approach. Some he found used inefficient and ineffective selling techniques that produce a negative, damaging reaction in the client. Techniques he actively tries to avoid and has used this to tailor how the firm offers their services to the clients.

### **Insider secrets**

Very simply, says Jiménez-Blanco, clients want to be treated as equals, no jargon, and use what he calls "creative innovation" - going beyond just knowing the law and actually solving the client's problem. "The client doesn't want a superstar lawyer teaching them the law or showing off how much they know. They want to be treated as equals and given solutions, not lectures."

And just as 'the customer is always right', the client should always come first. He remembers waiting on an opinion from a law firm that never arrived. When he called to chase, he was told that the partner was at a conference in Rio. "Clients need to feel that they are the priority, and not be chasing their lawyers for answers," he says. "And lawyers need to be helping their clients when they need it, not attending conferences."

### **Leading through the crisis**

Taking his in-house experience, for Jiménez-Blanco, there are three characteristics needed to lead the firm through this crisis. "Work hard, cultivate your clients, and maintain your team spirit. This combination will always result in success."

Jiménez-Blanco starts every month saying 'we have to hit this target'. "When you hit it at the end of the month, you have to recognise that this has only happened because the team are working incredibly hard, and you need to make sure you don't take that for granted."

Maintaining team spirit has become even more crucial in the crisis. Even if his lawyers are busy, he knows that they are concerned about the economy, see their clients under extreme financial stress and difficulties, and this has a tangible impact on morale. "You need to ensure that the team feel a sense of involvement in the firm itself and the decision making process, rather than purely being there to just bill revenue."

For the recruitment process, for example, all the lawyers in the firm play a part. "It's very participative. When you hire one lawyer, you are adding to the team, so it's logical that the team should be involved in the decision." This helps, he says, to make the lawyers feel involved in the firm and take ownership and responsibility for its future.

Jiménez-Blanco also insists on his lawyers having an ongoing relationship with their equivalents in Ashurst's other offices. "Many international firms are 'international' in theory," he says, "but in practice their other offices are merely franchises." He wants to ensure that there is always a certain level of contact between counterparts, to serve as a reminder that they are in fact part of something bigger than just Madrid.

This sense of involvement also extends to his role as Managing Partner. While some say it's impossible to combine managing and fee earning, Jiménez-Blanco disagrees. "Maybe for those firms with over 200+ lawyers, this could be true, as that structure of organisation needs a full time manager. But with a smaller size, the two are very compatible, not only for your perception within the firm, but also for your own well being."

Managing Partners also need to be good role models, but also work at the same level as their lawyers. Jiménez-Blanco is adamant that he wouldn't want to abandon his fee earning activities. "I am still a lawyer, an equal, and I still draft documents!" Fee earning, he feels, is what connects him to the activity of the firm, the team, and, of course, the client.

### The road ahead

With no visibility or certainty in the market, law firms are having to re-evaluate their positions on an almost daily basis. "Even if you are doing well, you can't be optimistic, as the current market will not allow you to be."

Jiménez-Blanco is very clear that they will not be entering into any aggressive price

battles. "They are, of course, difficult to avoid given the market conditions, and while we have to be reasonable, flexible and adapt to our clients needs, we are a business not a charity."

Ashurst are now offering success fee arrangements to clients, and mixing fixed fees with variable ones dependent on the client and the case. "We have our own pressures, and need to maintain a level of financial discipline, but at the same time we

recognise that it's not in our interest to get the maximum fee we can from a client if we then lose the client. The long-term relationship is more important."

The biggest challenge for the firm is to be able to get the level of instructions they have got over the past years. Jiménez-Blanco believes that law firms these days need to be "pioneers", identify market trends before they are visible to everyone else and position themselves if they are to maintain their levels of activity.

"In the years of growth, 2005/6, we were good in identifying the public to private market," he says, "advising Cortefiel, Telepizza, Amadeus and many others on huge cross-border financing transactions, competing with the likes of Freshfields, Clifford Chance and Linklaters".

The same happened with non-performing loans in 2008, when the market for divesting of real estate portfolios and distressed assets was just starting. "We identified early on there was potential, and positioned ourselves just as things were taking off, and have subsequently advised on most of the non-performing load transactions that have since taken place."

What has been crucial for the firm, he says is that they are not commodity lawyers. "We compete in an arena of complex high value transactions, stick to our battlefield and fight to maintain our position here."

Clearly the firm has followed a different strategic approach to other English firms, such as Freshfields, Clifford Chance and Linklaters, and is comfortable with a more niche approach. But clearly the model of cultivating what you have and maintaining a smaller structure that allows flexibility, is a contender in the fight for crisis survival.

As the Managing Partner of a major Spanish law firm told Iberian Lawyer, asking that his comments remain off-the-record: "Not only are they very tough competition, in particular within finance, but

“ Much of the responsibility of the partners now is to get the pricing right. Clients may say that for the most important matters cost is less of an issue but in our experience it always is.”

Ignacio Ojanguren



Gonzalo is an exceptional human being." After a long pause, they then smiled, adding "maybe I should just go and work for him!"