

PATRICIO MORENÉS HOYOS: "THE KEY TO SUCCESS IS TO ATTRACT THE BEST TALENT ON THE MARKET"

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In situations such as those we have recently experienced, it seems clear that there are sectors that are way ahead when it comes to survival. One of them is food retailing, which has been at the forefront in 2020 and has, in general, done the impossible by ensuring the population is not left without supplies. One of these groups has also successfully overcome complex obstacles and an "internal revolution" that has cleared their financial horizon, the DIA Group.

We have discussed these and many other issues with Patricio Morenés Hoyos (pictured), deputy general counsel of the DIA Group, who is a young and well-prepared lawyer and an expert in Commercial Law, who likes challenges and, since joining the Legal team of DIA Group, has added a lot to the new era of this food retailer whose slogan is "Cada DIA más cerca" (Closer every day).



Let's start at the end. Your arrival at DIA Group is relatively recent, but it has just given you time to experience a very important process for the company that, it seems, will be the basis of its economic recovery. How have you lived it? What is the most important thing you have learned from this experience?

As you say, I joined DIA Group relatively recently (in April 2020). However, time is relative when one embarks on a project of the magnitude that we are currently undertaking. Many managers agree that this is probably the most important European food retailer project in recent years, in terms of size and ambition for change, which naturally translates into a unique intensity of daily work for all those involved.

Within the different aspects of the revolution that we are carrying out, we needed to revisit our debt commitments in order to guarantee a clear maturity horizon in the short and medium-term, so that

we could achieve credit stability that would allow us to focus all our efforts and resources on the client and on the development of the business plan.

In a few (but intense) months, we have replaced the majority of our bondholders (concerning bonds issued for a total amount of €600 million) and renegotiated certain terms of all our syndicated debt (for an amount greater than €900 million), including an extension of its maturity until 2025, the effectiveness of which is subject to the fulfilment of a series of conditions. This restructuring process should also result in a total debt reduction for the group of around €500 million. The previous transactions had a mix of English/Spanish law components and therefore many of the alternatives that were considered for implementation have undoubtedly been very cutting edge, especially on a technical level, and have enriched the experience of those involved. Perhaps what stands out more than anything else is how important it has been, and it still is, throughout this process, to have such strong bonds with a shareholder who believes in DIA such as L1R. Its presence is decisive for the group's future.

You come from the world of law firms and, in particular, from firms such as Deloitte, in your earlier days, Allen & Overy, for almost six years, and most recently KPMG. Why did you decide to make the jump to a private company?

The question is certainly interesting, I confess. Much has been said about the differences between working at a company and working at a law firm.

However, I believe that this difference is becoming less defined, especially in large and sophisticated Legal departments such as ours. In fact, there are more successful cases of colleagues moving from companies to law firms and vice versa. For my part, working at a law firm comes more naturally to me and the new position has not changed my understanding of the profession and approach to matters.

As for the concrete motivating elements of the change, I would say there were several, including:

- **Confidence in the project.**

Confidence that came from the person who offered me the opportunity to be part of this project, Sagrario Fernández Barbé (general counsel). I had already worked with Sagrario when she was the general counsel of Prosegur and when I was at Allen & Overy. Specifically, during 2017, I was leading the on-site M&A operations Prosegur carried out in Asia, travelling on numerous occasions to Singapore.

There, we had the opportunity to meet, understand each other professionally and share the vision of the necessary professional performance for this type of position. I am aware of the strong confidence that DIA and Sagrario have placed in me at all times, for which I am and will always be grateful.

- **The challenge.**

Becoming the deputy general counsel of a listed company of the stature of DIA seemed to me, from the very beginning, a very interesting project and an irrefutable opportunity. Clearly, it also involved taking some risks, and it was obvious that this was a demanding path on which there was (and still is) much to be done.

- **The importance of business experience for Commercial lawyers.**

In my opinion, when a Commercial lawyer spends his whole life in a law firm, without taking the time to reflect on how legal decisions interact with business decisions, they lack a vital piece of the puzzle when it comes to later understanding clients and being able to offer them solutions adapted to their reality. Something I learned when working with my last partner, Javier Bau (who had spent time as an in-house lawyer), is that the response to a client is never only legal and that, in order to be

really useful, an advisor has to be willing to understand the business and organisation. For me, this is vital, and I can't think of a better place to develop it than at DIA.

- **Having an impact.**

DIA is a huge distribution group, with presence in four countries (Spain, Argentina, Brazil and Portugal). Hundreds of thousands of families depend on its viability, including customers, workers, suppliers, etc. Contributing, as a manager, to its success, strengthening and growth will, without a doubt, be one of the most enriching decisions and the one I will be most proud of in my professional career.

Interview by Desiré Vidal.

To read the interview in full please download issue [N.101](#) here.