

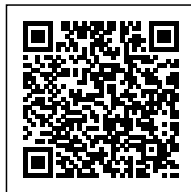
RAISING A GLASS TO COMPLIANCE - PERNOD RICARD SPAIN

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While a huge challenge for the legal departments in the drinks industry, says Marta

Campomanes, compliance is also what makes working within it so exciting

Aunque España viva en una economía en recesión y con un número muy elevado de la población con menos poder adquisitivo, la empresa Pernod Ricard en España permanece a flote y satisfecha por los resultados del último año. El reto del Departamento jurídico, liderado por Marta Campomanes, en este sector tan regulado, es el trabajo diario del cumplimiento normativo a todos sus niveles.

With a depressed economy and a population staying home rather than going out, Pernod Ricard Spain is keeping its head well above water with only a slightly lower turnover than last year. The market co-leader in the domestic spirits industry, its portfolio includes Ballantine's, Chivas Regal, Absolut Vodka and Ricard.

For Marta Campomanes, Head of Legal, the thrill comes from wondering what the marketing department will get up to next.

Campomanes began in private practice with nine years at a bankruptcy boutique, before moving in-house for three years to a Spanish Brewery Company. The decision to go in-house is something that Campomanes is still happy with to this day. "I've been at Pernod Ricard Spain for eight years now, and I couldn't be happier – there's a much wider remit. For me that is what makes it so interesting."

Her legal team at Pernod Ricard Spain is made up of three lawyers, taking on many of the company's legal issues. The drinks industry is highly regulated, so much is dealt with in-house. "Without a doubt, we are the ones better equipped to keep abreast of all the changes in regulation," she explains, "but we do need a high level of legal expertise in areas that are outside our day-to-day remit."

The help

Therefore, she outsources complex litigation matters and occasionally the sale of brands or certain M&A.

Although free to choose any law firm, budget dependent, at times the brand owners themselves have a hand in the decision, consulting Campomanes on which law firm should be chosen dependent on specific expertise. For brand protection and IP matters, for example, Campomanes usually works with Cuatrecasas, Gonçalves Pereira, Elzaburu or Salvador Ferrandis.

But what she looks for most when deciding is a high level of availability. "We need advice, we need it quick, and we want to talk directly to our externals". Also important is having knowledge of the business and the industry. "It doesn't have to be profound, but a little goes a long way in understanding the issues that we face."

With regards to fees, Campomanes negotiates on a case-by-case basis. "These days we have to control expenses, not because our budget has been reduced – it hasn't – but because of the increase in litigation we are facing."

This rise, she says, is mainly due to the recession. Companies are having difficulties paying on time and sometimes are even disappearing overnight. "Also there are more IP infringements, with people importing and selling our products without permission."

The challenge

Campomanes's favourite area of work, however, is marketing. "It's very high risk, but we never know what the marketing department is going to come up with next! While the ideas can be incredible, they are not always within legal boundaries." For example, in Spain in particular, using a woman's body for artistic effect inside a bird cage but bearing no relation to the product. "That has happened and while in Germany the advert was allowed, in Spain, where there is a high protection for adverts involving women, we aren't allowed to run it."

There's not only a mass of regulation they have to follow, but also a Spanish industry-wide behavioural code, as well as an internal one. It's a form of internal self regulation, she explains, and to comply, the company invests in a great deal of training. "We instil in everyone that they have to defer to the legal department to ensure they comply with all the regulation and behavioural codes."

Compliance is therefore one of Campomanes's biggest challenges. We would love to be the department that doesn't just say 'no', she says, but we have to ensure everyone stays within the lines.

"Pernod Ricard is a decentralised company, therefore having a centralised global committee ensures that ethics and regulations, at local and global levels, are in line across the business."

Corporate Social Responsibility is also a challenge, especially regarding responsible consumption. "We sell alcohol," she

says, “so we have to ensure our products are advertised, marketed and sold responsibly. For example, avoiding campaigns involving activities or celebrities whose fans are mostly minors.”

As to which is her favourite Pernod Ricard product, however, Campomanes is as diplomatic as she is enthusiastic: “All of them of course! Why, which is yours?”

Marta Campomanes is the Head of Legal for Pernord Ricard Spain and a member of the Advisory Council of the Iberian lawyer In-House Club.