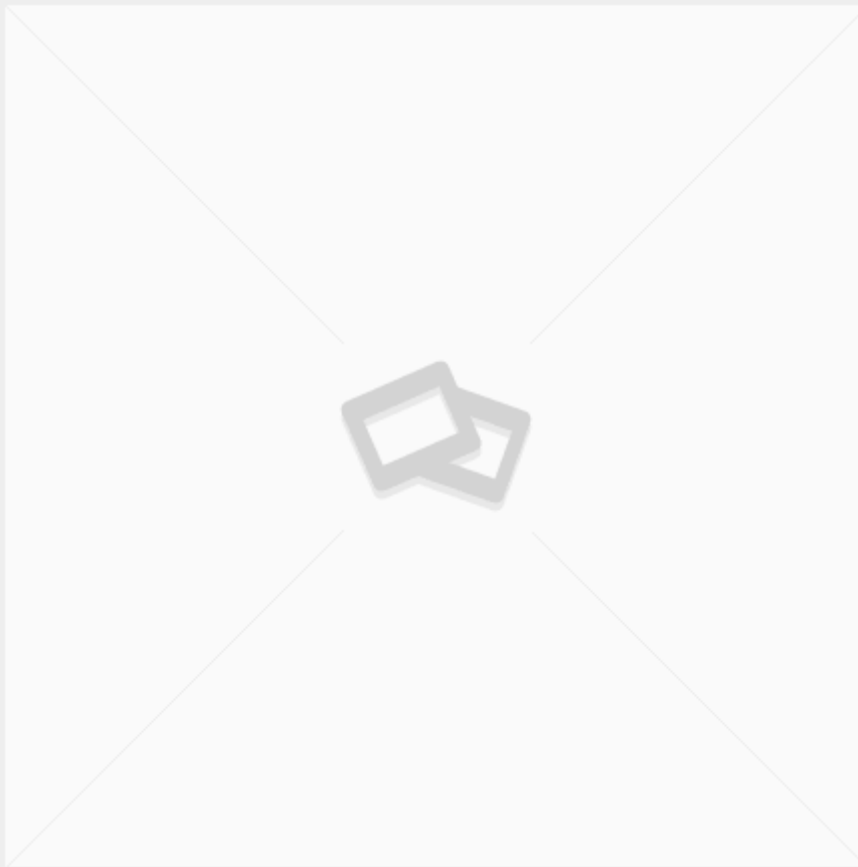


# SACYR-VALLEHERMOSO: LISTENING TO A COMPANY'S NEEDS

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**As head of legal at Sacyr-Vallehermoso, Santiago del Pino, believes that law firms should listen more carefully to the specific needs of each business before selling their services.**

Sacyr-Vallehermoso is one of the biggest companies in Spain, valued at €12.5bn, and you would think it requires assistance from a large number of law firms to cope with the business requirements. You would be wrong. Sacyr- Vallehermoso, a key player in the booming construction and real estate industries, relies heavily on its in-house legal team for support.

En calidad de Director jurídico de Sacyr- Vallhermoso, Santiago del Pino opina que los bufetes de abogados deberían prestar más atención a las necesidades concretas de cada negocio antes de vender sus servicios. Sacyr-Vallhermoso, valorada en 12,500 millones de euros, es una de las empresas más grandes de España. En lugar de tener un despacho como asesor externo fijo, del Pino y Sacyr apuestan por comparar servicios ofrecidos por las distintas firmas de abogados.

The man charged with managing the legal concerns of the company is Santiago del Pino.

Del Pino leads a team of 20 in-house lawyers spread across the five main group activities, including the construction, real estate development and government projects businesses.

The practice areas that most concern him are real estate, administrative law, and commercial law including corporate and financial matters such as M&A.

## Using law firms

Despite the size of Sacyr-Vallehermoso, and the varied nature of the legal work, del Pino and his team seem to work well without having to rely too much on private practice lawyers.

The business, formerly known as Sacyr, SA, is quoted on the Portuguese and the Spanish stock exchange (Ibex 35). It was formed by the 2003 merger between construction company Sacyr and real estate business Vallehermoso.

Del Pino says: "On principle, all legal advice is internal."

He adds: "Only in cases where the lawyer in charge of a specific business thinks an external must be hired, we study the possibility and proceed with the hiring."

Del Pino is prepared to consult external legal advisers when called upon by the company's business and financial managers, which often request advice on a particular deal or transaction.

✘ For these mandates, del Pino prefers firms which have sharply focused practice areas, such as boutique firms, over full-service operations. This saves time explaining to the external lawyers what the business concerns are.

Del Pino says: "We mainly look for very specialised firms. Internal lawyers know better than anyone the business and its legal difficulty; therefore, we have to go to very specialised externals who sometimes have to merely carry out what we had thought and have no means to put into action."

Rather than have a fixed external adviser, del Pino and Sacy-Vallehermoso compare and contrast services from different firms in the market. "

At times, business people or financial people in charge need external legal advising," says Vallehermoso. ✘

He adds: "In this case, we examine offers from different firms, we proceed with the hiring, we supervise the work and we care about the legal work results and fee payment."

Last year, in a major transaction, Sacyr-Vallehermoso acquired Europistas Concesionaria Espanola, the listed Spanish motorways operator. Fernando Vives at Garrigues and Fernando de las Cuevas at Gomez-Acébo & Pombo Abogados were among the senior external lawyers advising.

The same principles go for Sacyr-Vallehermoso's work internationally. The group has a number of interests abroad and is particularly active in Chile (Itinere Chile), France (Eiffage), Italy (SIS), and Portugal (Somague).

In a similar way to domestic work, the legal capacity required for each project is looked at individually.

Del Pino says: "Internationalization is a fact, especially in our field."

"Every business or project is examined each time for the corresponding internal lawyer who determines who is hired along with me and the business person in charge."

Del Pino's requirements are clear. He wants specific legal advice at a reasonable price, and nothing more.

Del Pino says: "External counsel's common mistake is to sell everything it is able to do without waiting for us to explain what we do and what we need."

As a result, del Pino is watchful of firms getting too excited when pitching and attempt to sell all their services rather than listen to the needs of the company.

By listening to clients, he says, lawyers can gain very important knowledge that is not usually available to them through their work in the office.

For those of you in private practice, you have been warned.

## **The in-house life**

Del Pino has worked only three years of his 15 year legal career in private practice, and prefers the working environment of an in-house legal team. He seems undaunted by the pressures on him to understand both the business and its legal framework.

Del Pino says: "The challenges are basically the understanding of the changing environment where it moves and know how to interact with it from the legal view."

"My reflection for others would be: always observe, listen and understand before acting," says del Pino.

Like many in-house lawyers, del Pino enjoys being close to the company's business.

From an in-house perspective he can take part in the development and growth of the organisation, rather than be limited to the individual pieces of work he might work on in a law firm.

Del Pino says: "My main motivation to join the legal department of a company was the interest in knowing all the legal framework of a company and its dynamic environment."

"That knowledge that could not have been possible to obtain from a law firm where only business matters or very specific problems are examined," he adds.

Del Pino believes that the role of inhouse legal adviser is indeed becoming so close to the business that it is taking on aspects of a business managerial position.

"The role is changing since it is losing its lawyer nature and is becoming more like a business executive." Depth in the reflection is being lost but the decision making process is faster, says del Pino. "I am vocationally in love with my occupation but I have always been interested in economics," he says.

