

SNACKING ITS WAY THROUGH THE CRISIS - KRAFT FOODS

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Working in-house has many advantages, says Pilar Marchán, but when times are tough, company culture can go a long way to ensuring you work at your best

La labor del abogado interno tiene muchas ventajas, afirma Pilar Marchán, Directora jurídica de Kraft Iberia por la proximidad con el negocio. Pero, cuando el contexto económico se complica, las empresas buscan conseguir la máxima productividad de todos sus empleados. Kraft ha vivido recientemente grandes cambios desde EEUU. Marchán afirma que han sido estos cuatro años de adquisiciones, integraciones y reestructuraciones lo que la han mantenido más activa y satisfecha

Working with snacks and chocolate might be every child's dream, but it's not only children who appreciate this sweeter side of life. Pilar Marchán, Chief Counsel for Kraft Foods Spain and Portugal, knows only too well the advantages of working in such a sweet industry.

The company has just executed the spin off in the North American grocery activities. Its global snacking businesses, including Kraft Foods Europe, are now under the Mondelez International umbrella, forming a global snacking powerhouse. "This is a great time for us, particularly during the crisis," she says. "It has meant a massive amount of work to manage the complete separation – all the agreements, all the relations, how we should act with outside counsel, ex-colleagues, etc."

The background

Marchán herself began at the then Arthur Andersen, Spain in 1990, which merged with Garrigues, where she spent 13 years, first in tax and then corporate.

Her move in-house came purely from the lure of an opportunity to work for a company that she had consistently been hearing great things. In particular, the type of work they did and most importantly the culture. "It's a very vibrant and fun company to work in, you are close to the consumers and, in addition, the legal team is truly integrated within the business, giving both legal and strategic advice."

The department

For Marchán and her three lawyer team, while the split has, and will, have implications for their side of the business, what has been keeping them most busy has been a four-year rollercoaster of acquisitions, integrations, restructurings and divestures.

In 2006 they acquired United Biscuits Southern Europe, in 2007 the French biscuit brand LU, necessitating the divestiture of part of the biscuit business to Panrico in 2010, and finally in 2010 they acquired Cadbury.

On top of this, the department's day-to-day work involves managing the company's legal issues in Spain and Portugal. Marchán deals with the majority of matters internally, because, she says, her in-house team understand the business, what it does and what it sells. "Internally we have much more knowledge than any outside counsel and I'm to this day yet to find a comparable expertise in an external food law expert." The team also works very closely with the in-house counsel at the company's European headquarters in Zurich.

Marchán is also responsible for compliance. "Compliance is a huge challenge," she says. "Kraft has great values and a whole set of compliance policies that have to be complied with by all the employees. We have to train them and answer their questions."

In relation to food law, while the regulation itself in Spain and Portugal is not very different, the way the regulation is interpreted is. "In Portugal the authorities are more formal. While in Spain the authorities have been very active over the past two years."

What internals want

Although keeping the majority of matters in-house, Marchán outsources some litigation and anti-trust matters, for example. Her approach to externals, however, is different in each jurisdiction. "We have no in-house in Portugal so deal with matters from our base here in Madrid, and we work with our outside counsel of choice – mainly Garrigues, Lisbon," she explains. In Spain, however, the company has a global engagement with DLA Piper.

Having been in private practice, Marchán is very clear on what she needs from her externals – expertise, confidence, proactivity in quickly anticipating what is ahead and taking steps to understand the business and its objectives.

“I don’t want a second opinion, I want options and solutions, and in a concise and practical format.”

Marchán is clearly very passionate about her job, and credits her enthusiasm and motivation to those around her. In these tough times, this type of culture is invaluable, she says, and while they are remaining both optimistic and realistic, they are also enjoying the fruits of their labour.

Pilar Marchán is the Chief Counsel for Kraft Foods Spain and Portugal.

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