

THE BUSINESS OF SUCCESSFUL NETWORKING: DLA PIPER

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In the face of the global financial crisis and downturn, recent years have still been a period of growth and consolidation for DLA Piper. In Spain this has included the elevation of Managing Partner Juan Picón first to a regional and now a global leadership role. He is however now back in Madrid helping to retain the office's focus and prepare it for what may be a challenging year ahead, he says

For a firm with 75 lawyers in Madrid, and which has operated in Spain only since 2005, some suggest that DLA Piper has a disproportionately high profile: the result not only of its success in the private equity, banking and finance, project finance and competition sectors, but also that of Picón. Since guiding his entire 50-lawyer team's arrival to D

LA Piper from Squire Sanders & Dempsey in 2006, his rise at DLA Piper has been impressive. But not content with current roles as Joint Global Leader Corporate, EMEA Corporate Group Head and Managing Partner in Spain, since returning to Spain full-time earlier this year he has also resumed fee earning.

"The scale of th

e firm and its ambitions means that DLA Piper has to be run as a business and to make a profit and this requires firm management, but being a lawyer remains important to me," he says.

"The significance of Madrid also now extends much further than Spain for DLA Piper. It is a vital connection point for the entire network as Spanish clients are becoming major global players."

Despite his comfort with the quality of the firm's professional administrative and finance staff, Picón recognises that leadership roles can prove difficult for lawyers. "Managers need to have the respect of their teams but this does not come automatically. Being a successful lawyer does not make you a successful manager."

His appointment as Joint Global Leader Corporate in 2008 came as a surprise, he says. As the first non-Anglo-Saxon in the role he therefore felt the need to spend more time in London and to build closer face-to-face relationships with the corporate teams across the firm. The immediate result was that Picon passed over the Madrid leadership role to fellow corporate partner Javier Lopez Antón, and spent 250 days of the next year travelling between the European, Asian and US offices.

"Within a large organisation what is important is trust. You cannot micro-manage, you have to empower people. To make any organisation a success, you need first to make sure the right people are in the right positions. You then have to help the new breed of leaders flourish, those with the culture and commitment to go the extra mile."

In 2009, Picón was subsequently elevated to the firm's Executive Committee, but also encouraged to keep his corporate management role. Helping to lead a law firm with a turnover of almost \$2.5bn (€1.9bn), and which employs 3,700 lawyers across 30 countries, has also helped him to better understand the pressures and needs of his own global clients, he says.

Incluso con la recesión y la crisis financiera global, estos años han visto a DLA Piper crecer y consolidarse. En España esto ha incluido la promoción del Socio Director Juan Picón, primero a nivel regional y ahora con un papel de liderazgo mundial. Sin embargo, ahora está de vuelta en Madrid, apoyando a la oficina a mantener su línea de trabajo y prepararse para lo que puede ser un año lleno de retos.

"I saw the appointment as recognition that as a group here in Spain we had done something productive. For me it has undoubtedly meant learning on the job but the opportunity to have a role in developing the strategy of the entire firm is not something I could pass up."

In light of the practice challenges now facing the firm domestically Picón has returned to Madrid full-time and resumed the Spanish Managing Partner role. His time away was always going to be temporary, he says. Former managing partner Javier Lopez Antón is increasingly focused on guiding the firm's Latin American strategy and potential market entry into Mexico in the coming years.

Despite his high profile within DLA Piper, at 46 Picón is not yet ready to detach himself from day-to-day lawyering. He believes strongly in delegating responsibility and the Madrid office's new tele-presence facilities means the need for fewer flights, all of which helps to free up his time, three-quarters of which is now spent back with clients' needs, he says.

"At the end of the day I am still a lawyer and I enjoy doing deals. In some respects you also have to keep an eye on the future and your options open. Management changes may occur and personalities clash but if you stay close to your clients and take care of them they will remain loyal to you."

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Proximity

Picón states that the economic situation is the most difficult of his career, but whether as a result of his return or not the Madrid office has already scored a number of high profile corporate deals. Among them, advising CVC Capital Partners in its €236m acquisition of a 35% stake in Galician cable operator R, a deal led by Picón; as was PAI Partners' €654m acquisition of airport ground-services business Swissport from Grupo Ferrovial; while most recently the Madrid office helped with Banco Santander's acquisition of 70% of Bank Zachodni WBK, from Allied Irish Bank for €2.9bn.

In order to better understand the path ahead for the firm, Picón is now assisting the Executive Committee to finalise DLA Piper's three year business plan. The client research element of the process has proved most revealing, he says. What is evident is the sense that companies are concentrating their most important deals among fewer law firms and placing more importance on proximity and client intimacy.

"Clients have identified cost efficiency, product innovation and intimacy as core issues. But legal practice is not rocket science for the most part. Technical quality is increasingly taken for granted, so the differentiator must be how much better we understand clients' needs, and can better help them succeed in their most important projects."

He does not see any less competition for the most high value work but he does believe there is a limited pool of truly global law firms. "In this respect Madrid becomes more important. It is a contact point for the major Spanish businesses, all of which are expanding internationally, as well as a conduit for other clients with interests across Europe, Latin America and increasingly Africa."

DLA Piper may have recently ended its relationship with Africa-focused Portuguese firm Miranda – which some in Lisbon suggest, felt it was missing out on referrals from other Anglo-Saxon firms – but has already sought to expand its regional lusophone connections through an exclusive referral agreement with Lisbon's ABBC.

Picón insists that DLA Piper has no desire to establish a formal Portugal presence, but the link helps to reinforce connection to its own offices in Brazil, as well as offering new options in Angola and Mozambique alongside its existing DLA Piper Alliance Network members in Kenya, Tanzania, Egypt and South Africa.

"We see a lot of client interest in what we can do for them in emerging markets, which may not have been so attractive only a few years ago. Clients recognise that these are often difficult places in which to do business and are willing to pay a premium if you can offer the required level of expertise, market intelligence and knowledge."

Market storms

DLA Piper also continues to invest in reinforcing its own offices' interconnection, says Picón. It is why he has spent much of the past two years away from Spain. "Our partners know and trust each other and at the end of the day we have a financial interest in each other's success – we provide more than any collection of like-minded firms."

The Madrid office may account for less than one per cent of global revenue but it continues to exceed its annual budgets, and it is this local strength that gives clients the comfort to use DLA Piper outside of Spain, he says. "Of course some offices are more significant financially, and local market conditions have to be understood, but we are more than a dot on the map."

The DLA Executive Committee may see greater growth potential in new markets like Brazil or potentially Turkey, or regions such as Asia and Latin America, but Madrid is also increasingly important for the depth of its client contacts, he insists. But the ability to connect externally also

offers comfort for those lawyers immediately down the corridor.

"We have to run the office efficiently like any other and we remain profitable, but in light of the issues the country now faces we can be reassured by the Firm's diversity in that 99 per cent of DLA Piper's revenues are generated outside of Spain."

In order to react to changing circumstances the firm's management has not however avoided taking tough decisions. As the financial crisis took hold, it made both support staff and lawyers redundant in the US, Middle East and UK.

In Spain too there have been changes. Most high profile was the November departure of the Head of Capital Markets, María Segimón to Watson Farley & Williams. Segimón joined the firm in 2008 from Grupo Ferrovial where she was Head of Corporate, having started her career alongside Picón at Clifford Chance. It was to her Picón entrusted a number of his clients while away from Spain and as someone who places emphasis on friendships the departure was difficult for him, say sources close to the firm.

"María's departure is not something we would have wished for but we have to react to the challenges that confront us. However we perhaps picked the worst time in history to try to establish an equity capital markets practice and the ultimate reality is that as a firm we are profit-focused."

Spanish firms may not have made public redundancies to date but changes are evident across the market, he notes. If clients suffer, law firms inevitably will too. "The leading firms are well managed but nobody can be sure what 2011 will bring. If revenues fall you have to seek greater efficiencies or reduce your headcount. A recurring challenge for some remains however the size of their teams and how to manage under-performing partners."

For the time being, Picón is upbeat about the year ahead. Spanish companies continuing to expand internationally and DLA Piper's own carefully managed expansion – potentially to Mexico and Miami – favours his corporate and Iberian teams. He remains adamant that Spain's raw materials remain intact and in time will also regain international investor attraction. The coming year may prove difficult, and that is why he is back in Madrid, but it will hopefully still see him doing what he enjoys most, doing deals.

"Major transactions are still on the table but for many clients now is not the time to make important decisions. Economically speaking, Spain is in the eye of the storm but this will pass and then I hope we'll see a brighter future."