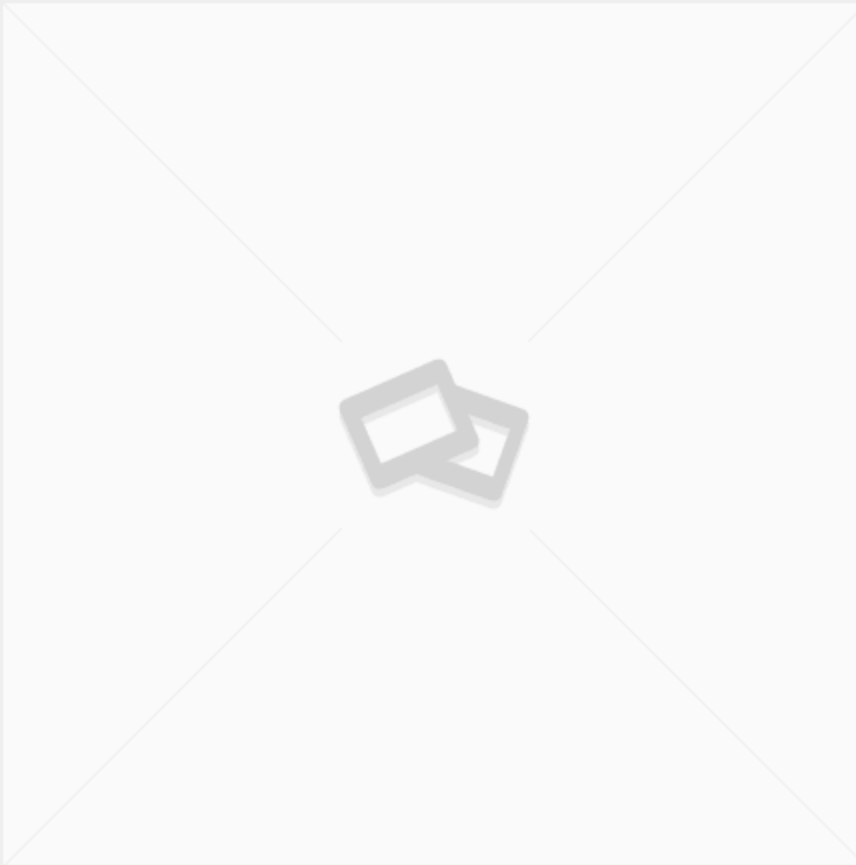


THE NEW FACE BEHIND DLA

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Juan Pic n's move across Madrid from Squires Sanders & Dempsey to DLA Piper made headlines. Not only did he take his whole office with him, but he also got the top job at his new firm. He talks to Iberian Lawyer about his decision to move and his arrival at his new firm.

Juan Pic n se traslada de la oficina de Madrid de Squires Sanders &

Dempsey a la de DLA Piper y ocupa los titulares de la prensa jurídica. No sólo porque se llevó a todo el personal de la oficina con él sino que, además, consiguió el puesto directivo en su nueva firma. El mismo comenta que la naturaleza jurídica más diversificada de DLA le llamó la atención. Los despachos norteamericanos tienden a especializarse en finanzas y M&A, sin embargo DLA es un bufete multidisciplinar y de ámbito mundial. Con su llegada, DLA se sitúa en la liga de los grandes españoles pero el plan de futuro de Picón es crecer y ser el despacho de referencia en España. En este artículo, Juan Picón habla con Iberian Lawyer de su decisión y de su incorporación a la nueva firma.

That Picón chose a career in the law is hardly surprising; his father is a lawyer, as are two of his sisters. Perhaps unusually for a lawyer, he appears confident about embracing change and the risks involved. Although, it is evident from the outset that he knows what he wants from a law firm and that DLA Piper match this criteria.

He started his legal career with Banco Santander's international legal department, although it was not long before an up and coming presence in the Madrid legal market lured him into private practice. Peter Cornell had been with Clifford Chance's Madrid office for just one month when the young Picón joined in 1988. The market was changing fast.

'Peter was a real visionary' , says

Picón. 'It is true that Clifford Chance had a phenomenal client base in the UK, particularly in the finance and M&A arena, but we had to prove to those clients that were used to using Uría and Garrigues that we were as good, so we worked hard to get the reputation we did.'

Peter Cornell, who moved on from Madrid to manage the whole firm, is equally complimentary. "Juan was a good associate and a good friend," he says. 'We worked on a number of high profile deals together and he was always full of energy, enthusiasm and got the job done.'

✖ Clifford Chance proved to be an excellent training ground. As one of only twenty lawyers at the time, Picón was exposed to a wide variety of practice areas and clients. He spent a year in London, where he worked on high-profile privatisations in South America.

US debut

It was following his return to Spain, however, that he caught the eye of Squire Sanders & Dempsey. Already an acknowledged player in the telecoms market, Squires was representing Bank of America Private Equity, GE Capital and La Caisse de Dépôt on their acquisition of Cableuropa. Picón and Clifford Chance were representing US West. After much research, and given the buoyancy of the telecoms market at the time, Squires spotted an opportunity to become the second US law firm with a presence in Spain. It chose Picón to help it realise this goal.

As managing partner he built a team of 25 lawyers, although he found Squire Sanders & Dempsey had its limitations. For many clients, global coverage and representation is increasingly important, he explains, and this was one of the factors that led Picón to favour a move to DLA.

'For the kind of legal work I wanted to provide clients with, you needed to be global. It wasn't just that we didn't have a London office, though that was a very limiting factor, but we were without a true presence in France and Germany either, and so we were restricted in what we could do.'

In Picón's opinion, good or best friends are only ever just that. They have their own clients and priorities. Conflict is inevitable.

Investment was a second key issue for Picón, as he believes that law firms have to keep growing if they are going to satisfy the career aspirations of the more talented. At Squires, he says he was able to generate a good level of profit with three equity partners and a team of 25 lawyers, but it left no room for growth.

'The approach the US firms have to the market is different. They might invest, but after a short period of time, they expect profits similar to those they get in the US, despite the fact that our charge-out rates are far less,' he says.

Also, the culture of billable hours and leverage is very different. 'In this country, the new generation of lawyers are less keen on doing 2,000 billable hours, not because they are not hard workers, but because they have a different set of priorities and values. They want to have their own life outside the law firm. US firms don't always understand this.'

Moving on

In addition to DLA, Picón also had discussions with a number of other law firms. 'It became very apparent that DLA understands the local markets and the local dynamics very well because the firm is almost everywhere already,' he says.

'The learning curve has been very



steep over a very short time span, but has obviously been shared and understood by the management of the firm from day one. They have the strongest belief in this initiative. They want not only to be global, but also to be full service in every jurisdiction and that requires paramount investment, which they are willing to make. They have a commitment and drive that I don't think many firms have.'

✖ The motivation of the DLA senior management, and in particular the managing partner Nigel Knowles, has become legendary in the UK. More notable than the growth of London's Magic Circle, Knowles and his team have grown from a local base in Yorkshire, a region of England known for its farming more than finance, into a global player.

'These men will eat you for breakfast' warned the front cover of London's Legal Business in 1993, above a picture of the senior management team from Yorkshire, warning London's establishment of their 'rottweiler' image.

While fellow Leeds firms - Hammonds and Eversheds - followed the same path to London and then internationally, including Spain, DLA's growth has been exceptional. A reported global revenue of around €1.27bn last year make them the second biggest law firm in the world, after Clifford Chance, with a profit per equity partner of around €853,000 ranking it ninth in the UK by profit.

The impression created by Knowles had a strong influence on Picón's decision. 'In my time with Squires I met many managing partners and this guy is quite different. The same can be said for the guys in the US. They have this clarity of vision and a strategy that they live for. For me, having this clarity of message was unique so I came back from London believing that this was an opportunity we had to investigate fully.'

While DLA have long since lost the 'rottweiler' label, Knowles is widely regarded as having a determined character, not dissimilar to the way former colleagues describe Picón.

This diverse nature of DLA's practice also appealed to Picón. Many US firms that he had come across in the past were focused only on M&A and finance. DLA by contrast had a 'full service law firm approach' and areas like litigation/arbitration and real estate are key parts of the practice.



Still growing

When Picón and his team joined DLA in Madrid, it catapulted the firm into the senior league. In terms of the number of lawyers it has on the ground, it is now in the same league with foreign competitors such as Linklaters and Freshfields, but DLA still have their appetite for growth.

'The plan is to grow,' he says. 'The vision we have as a law firm is to be a leading player in each jurisdiction where we have an office. This is an attractive proposition which has already led to many lawyers approaching us, because it is rare in the current environment to find law firms that are prepared to invest and not expect a return the next day.'

The management team at DLA believe that Picón will make a success of the office, but that it will take time and further investment. He has just hired a five lawyer anti-trust team, including high profile Juan and José Mariá Jiménez Laiglesia, to join a DLA team led by the respected Antonio Creus. Besides considering more lateral hires, particularly for M&A, he is also committed to opening an office in Barcelona.

People are another theme in Picón's plans for the future. While growth allows a firm to retain its best lawyers, he sees the need for a more flexible attitude to

career development in a law firm.

'We are working on a system which enables different career paths. In my own view, there is no necessity for an up or out system in this market. There are extremely talented lawyers who have a lot to offer, but you need to be in a position to offer them something different these days.'

He describes a system in which there might be a series of different routes or models – a high performance model for example might take an associate to partnership in a short period of time, but demand exceptional results and commitment. A more relaxed model might suit those who are in less of a hurry and wish to maintain a different work/life balance.

He feels the traditional US firm model is also limiting because it places constraints on the amount of time a manager can spend with his people.

'One of the things that I learnt is that you need to devote time to your people, and this is one of the problems with the standard US model. You are expected to bill 1800 hours a year and do all the office and people management on top of this.'

At DLA, his billable hours are reduced which enables him to spend more time with his staff building the business. A more innovative approach to remuneration which rewards crossselling and cooperation also ensures that the firm operates in a collegiate way so that opportunities are maximised.

His clients clearly approve of the move, as all of them have chosen to transfer their work to DLA. But it is not this that Picón regards as his greatest achievement.

'I like doing client work and complicated M&A deals – but to me one of the most rewarding and professional achievements that I have had to date is when I decided to move to DLA with

the other partners of Squire Sanders. We had a meeting with the entire office and, with the exception of one secretary, everybody chose to come with us. This sense of cohesiveness and togetherness we have is pretty unique.'

As a source at a competitor law firm suggests, 'Not surprisingly, most of Picón's national and international competitors have sat up and taken note, but his biggest challenge now is to integrate his incredibly loyal Squire Sanders team with the incumbent DLA operation.'

It appears that this is a challenge he is prepared to take. DLA have gained increased resources and a new leader for their Madrid office, while Picón now has the time and investment to build the practice he has always wanted.