

THE SIMPLE BUSINESS OF VIEIRA DE ALMEIDA

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The key to the continuing success of Vieira de Almeida is clarity of vision and a simple set of objectives, says the firm's managing partner, João Vieira de Almeida

Según comenta Fernando Peláez-Pier, Vicepresidente de la IBA y socio corporativo de Hoet Peláez Castillo & Duque de Caracas, una crisis política se convierte en un reto importante para los abogados de empresa. Ya que comporta una incertidumbre, tanto política como jurídica – devaluando el imperio de la ley y la confianza en los sistemas judiciales. Ante este panorama, la comprensión de los objetivos estratégicos empresariales de los clientes a corto, medio y largo plazo resulta clave para poder ofrecer posibles soluciones frente a tales incertidumbres.

It is clearly no coincidence that Vieira de Almeida's (VdA) new offices are bright, modern and open. The design may help show off the firm's impressive art collection, but the clarity that is such a feature of the building is evident across the firm as a whole, believes managing partner João Vieira de Almeida.

Renowned as a straight-talker, and a keen rugby fan – the firm counts the captain of the Portuguese

national team among its trainees – he places clarity of thinking at the heart of VdA's success.

“We don't need to make this any more complicated than it is. This is a very simple business. You want people to do their best. To do that they have to be motivated, and well-paid, they have to believe that they have a future, and that they are part of a project.”

“There is no magic formula. You simply need to have the people on top believe that the right approach for them is also right for the institution. If it doesn't work for one it won't work for the other.”

Virtuous circles

Founded in 1976 in Lisbon by his father, a former banker and Finance Minister, Vasco Vieira de Almeida, VdA has grown to around 115 lawyers, including 15 partners, with offices also now in Porto and Madeira.

From the outset, the firm has been a member of a notional Portuguese "Magic Circle", asserts João. The membership comprises PLMJ and Morais Leitão Galvão Teles Soares da Silva & Associados (MLGTS), and, some suggest, Gonçalves Pereira Castelo Branco & Associados (GPCB).

“It was years in the making and it is still progressing, but in terms of Portuguese independent firms, the members are pretty clear. What has changed in the recent past is that foreign-owned firms have come closer – now you have Spanish firms trying to catch up.”

✘ VdA's major competition he believes are the two comparable Portuguese firms, PLMJ and MLGTS, as well as the local offices of the Spanish firm Uría Menéndez and GPCB, now merged with Cuatrecasas. It may encounter other firms, including the Anglo-Saxons, but only on occasion, he says.

The firms' strength clearly derives from the depth of its relationships with many of Portugal's leading finance and corporate institutions – notably Banco Espírito Santo (BES) and Portuguese Telecom, among others – and to which much of the firm's work has traditionally been aligned.

“This is a small market. People care a lot about institutional and personal relationships, and you want to make sure your clients remain loyal.”



He accepts however that the importance of such relationships does mean that on occasion the firm is called upon to do work it might not otherwise do for all clients.

“To be honest, we do pick up work that we would rather not do. But many of our top 10 clients have been with us for many years – you want to make sure your clients stick with you, so you do what it takes.”

Proximity

What such a belief has entailed for a number of Lisbon firms in recent years is domestic expansion, notably to Porto – where VdA opened last October.



While a number of firms, VdA included, might have initially resisted the move, a wider domestic profile may yet prove an important counterbalance to any drop in the high-paying international work that many firms have come to rely on.

“This firm is in Porto because of a number of important relationships, but Porto also has its own idiosyncracies – clients there like to know that their law firm is there as well,” says João.

Relative to its competitors, VdA has however taken a different approach to Porto he believes. “Many

firms have large offices offering everything. We have a small office that we intend to keep small."

The firm's ambition there is merely to grow to around 10 lawyers. The emphasis is on proximity, rather than critical mass.

"These days it doesn't really make a difference where things happen. Porto is a two-hour drive, and we're all connected. Our concept is that we are 115 lawyers in Porto, Lisbon and Madeira. We have the locals there to make sure that the client has someone he knows, and can meet immediately, if they want to."

The firm has placed considerable emphasis on ensuring that its Porto lawyers have the necessary local connections, and even recruits trainees locally. "Relationships are crucial in small places like Lisbon, and in even smaller places, like Porto, they are even more vital," explains João.

DNA

Despite the obvious difference in size and spread, João is adamant that VdA remains very much the same firm that his father founded. "This is what I think is our main victory. If you look at the DNA it is the same. But it has obviously taken a lot of energy, from all of us."



From the outside, some say the firm looks to have overcome the succession issue, which some Iberian contemporaries continue to struggle with.

"I think that we were fortunate with our founding fathers. The way they have actually paved the way for the current core group of partners. It has been extraordinary."

He emphasises the relative youth of the current partnership, the majority of whom are in their 40s – "we are the youngest firm around", he says.

"If you talk to the senior partners they see eye to eye with the younger generation. There is no tension whatsoever. Everything is very clear, institutionally speaking. Our senior partners know very well what is going to happen in the next few years. The phasing out has been agreed. Everything is in place. We are very comfortable and they are very comfortable."

Such an ease of operation, he says, has to be lived. It is not easy to explain. "This is not just lip service, we truly care about our people. It is something that you live every day." In such an environment, the glue that binds the firm can only get stronger, and integration issues easier, believes João.

"I think that we now have the critical mass to make sure that things work by themselves. We have a formal integration programme – which everyone who joins has to go through. There is a lot of effort to help make people feel part of the team and if they don't they have to go, that's the way it works."

Growth emphasis

Vieira de Almeida's growth in recent years is clearly impressive. The firm has virtually doubled in size in the last five years, prompting it to move offices twice.

Such a trajectory clearly requires strong management and foresight – despite further growth plans, VdA intends to stay in its new offices for the foreseeable future. "Work keeps coming in, and the number of lawyers is going up, so we have had to make sure that the support systems are already in place," says João.

Managing the growth he admits takes up a large proportion of his time. "It has been a very demanding exercise – but as we have done this our focus has been that this firm must continue to

be very cohesive, and strong from the cultural standpoint.”

The firm's policy of small team hires clearly helps. Last November saw the addition of a public law boutique, led by partners Mário Esteves de Oliveira and Rodrigo Esteves de Oliveira. August will see the further addition of a real estate planning team from Sérvulo Correia & Associados, led by Sofia de Sequeira Galvão.

There are further plans to bolster VdA's tax capability, and again, the firm's strategy is a simple one: “We first identify the areas where we need to grow or to reinforce, with more senior people, or bodies, and then we just pursue it until we get there.”

“The way we have been going, integrating small teams two or three times a year, has been a very important factor. We have never had to deal with any major merger, or difficult integration. We look for teams of 5-10 people each time, and that is how it will continue to happen.”

Foreign ideas

An emphasis on domestic growth has meant however that VdA has not yet sought to expand beyond Portugal. Although it retains strong links with firms across Europe and Latin America, there are in any event relatively few places in the world in which a Portuguese firm can bring added value, believes João.

“If you are a Portuguese firm there are not a whole lot of places you can go to. Your clients go to Brazil, as ours have, but there are a very good number of excellent law firms in Brazil – you are not going to make a huge difference there.”

“You can try to go to Spain, but no Portuguese firm has been successful doing that. To be honest, very few Portuguese businesses have been successful trying to do that. And then you have the African Portuguese speaking countries – we are not yet convinced that there is a huge opportunity there.”

His mind however remains open, and he accepts that the firm's current international strategy may change – besides none of VdA's key competitors have yet established a strong presence outside Portugal.

One area in which the firm is seeking to capitalise is the continuing interest in Portugal among Spanish investors, even if this has meant some tough decisions.

In June, VdA announced an end to its eightyear cooperation agreement with Madrid's Gómez-Acebo & Pombo (GAP). The belief being that VdA did not want to take the relationship any further and merge, and indeed that the affiliation was limiting its referral opportunities among the contingent of international firms in Spain.

“It is never easy to end agreements from an institutional or personal point of view. But I am absolutely convinced that it was in the best interests of both VdA and GAP – who are now free to open in Portugal, and is very welcome to do so. As far as we are concerned it opens doors, and we now feel a lot more freedom to do the best for clients when dealing with Spain.”

Vision

Despite the increasing sophistication of the Portuguese legal market, the arrival of Spanish firms and the targeted approach of some international firms, there is little doubt that VdA is as strong today as it has ever been.

“You have to look at the arrival of new players also as an opportunity – the firms that came in made us better. We had to compete with them. You had to show your clients that you had the ability to do

what they were saying they could do," he says.

A successful project however requires a clear vision, he emphasises. "We are independent and will remain independent. We know where we want to be in the market – in the top three – and will do what it takes to remain there, to be part of the biggest projects and transactions."

A new generation

The biggest challenge facing the firm in the midterm believes João, is the gradual adjustment of Portugal's corporate and finance base. He specifically highlights the impact of last year's failed Millennium BCP / Banco BPI and Sonaecom / Portuguese Telecom (PT) takeover bids – in which VdA advised Banco BPI and PT.



"I think that the past year has shown that whether matters are government or private investor-driven there is clearly a role for the major Portuguese firms in major transactions. But I think what will make a difference is the changing network of connections, in Portugal's business, political, and social communities."

Portuguese law firms have traditionally been aligned to one of the major banks – Millennium BCP, BES and Caixa Geral de Depósitos – and their individual spheres of influence, he explains.

"If you worked for BCP you would tend to work for BCP clients, shareholders, and partners. And even politically and socially people would act this way – it is an unwritten rule of engagement. And we were part of that of course."

Company assets are changing hands, increasing transactional activity, and the significant Spanish influence, are all helping to undo the old system, he says.



"There is a new generation replacing the old guard in the banks, and in the companies that used to support, and be supported by them. The old networks no longer work for them. It is a much more transparent, global world."

A result believes João, is that VdA will have the opportunity to work with clients that wouldn't have previously looked to the firm. "That will make a difference. But there are clearly also risks; clients of ours may go elsewhere. And in reality there is really only one way to overcome that, to be better than the rest."

So long as the firm maintains its clarity of vision, then it should be well placed to continue to do so. In any event, João Vieira de Almeida clearly likes a challenge – perhaps it's the rugby player in him.