

Business thinking *con brio*

Italy

Pavia e Ansaldo

Adaptability without compromise is the key for Pavia e Ansaldo, where a tradition of client service centres on bringing the full talents of its partners to bear

For those who regard client care as one of the great American inventions, the Italian firm of Pavia e Ansaldo has some news. “Client care is not some discovery of recent times,” explains managing partner Roberto Zanchi, “it’s a traditional component of our task – the first duty of a lawyer.” However, this duty has long required more than just a conscientious approach and a willingness to fight your client’s corner. “Among the most important characteristics are time, dedication and availability,” he explains; and the change in the attorney-client relationship has much to do with Anglo-American expectations.

Fortunately, a readiness to adapt is nothing new. Enrico Pavia’s decision to uproot the practice he had nurtured in the port of Genoa since the 1920s and move it to New York soon saw the firm prosper as one of many American post-war success stories. Although the firm, re-established in Italy in the early 1960s, ended its formal cooperation with the overseas office in 2001, the majority of the companies and institutions with which it works either are based in North America or have some affiliation there. The historical connection is significant for two reasons. Stefano Bianchi, who has been with the firm for 15 years, explains that having passed through the third or fourth generation of partners, a firm rightly acquires a great competitive advantage. It never becomes fully error-proofed, but it has already made mistakes and learned from them – after all, if a firm stumbles, it’s the client that gets bruised. No less

importantly, a wider perspective helps to give the firm a realistic view of its own values. Although, as Zanchi observes, “we have to be ready to learn from, and possibly imitate, successful Anglo-Saxon organizations”, such a close working understanding of transatlantic businesses perhaps gives the firm the confidence to take only the best from US and UK practices where Italian rivals with less exposure might feel under pressure either to reject them completely or to adopt them wholesale.

Small world

Local attitudes to client care are unlikely to change in one respect at least. “Nowhere more than in Italy is the relationship with the client so based on individual knowledge and one-to-one contact,” explains Zanchi. “There is a type of client who always wants to speak to a specific lawyer, perhaps even if that lawyer is not an expert in that particular area.” The answer, to Zanchi’s mind, is wider business knowledge. A lawyer looking beyond his or her specialism to a client’s new sector or geographical market can anticipate its needs – and if the lawyer is staying in continuous contact with a regular client, this should not be difficult. If a colleague can help, it is only right, insists Bianchi, that he or she should have to win the client’s trust personally.

To overestimate the unique demands of Italian clients or to see lawyers as many Italian companies may traditionally have seen them – as litigating guard dogs – is to miss a trend which has narrowed the gap both between business cultures and between lawyers and the companies which instruct them. It is not only American clients that expect a response in a New York minute, and an already internationalized business environment is playing by ever more familiar rules – Mia Rinetti, a capital markets specialist and a partner since 2006, points to the harmonizing effect of EU regulations in her field as one factor that allows Italian banks to approach transactions with attitudes and experiences comparable to those of any other institutional investor worldwide. Where even two or three years ago an Italian lawyer would have expected to deal directly with a client’s managing director, he or she is now far more likely to liaise with a head of legal

Right:
Roberto Zanchi



services – a position which is still unknown in many Italian institutions, but is becoming common in the firm’s leading areas of banking and finance, mergers and acquisitions and corporate law.

The Milan partners comment on a tendency among US buyers of legal services to treat lawyers like any other service providers – an approach also noted in the firm’s St Petersburg office, where Russian clients have been quick to seize on what they see as leading international practice. However, the growth of companies’ legal expertise, even in contentious work, has created a more informed and demanding marketplace. “It is a natural development,” states Zanchi, simply. “Maintaining a distance is not always the best solution, and some of the best work we do is side by side with the client, with no need to play some particular traditional role.” Inevitably, clients ask more questions, but this is not something to avoid. “It is not enough to say, ‘I say so because I am your lawyer’,” insists Bianchi. “It is not something diminishing to a lawyer to persuade your clients of your opinions – because you first have to persuade yourself.”

Flexible friends

Within the changing market, certain requirements remain on every client’s checklist. Rinetti has no hesitation in identifying expertise as the main factor in a client’s choice of firm; she feels that this is exactly as it should be and expects the trend towards specialization to continue. “They appreciate our knowledge not only of legal regulations, but also of the business context, particularly in transaction-based work like mine.” However, individual quality is not enough. Some tasks, such as complex due diligence procedures, require a firm to weigh in with a certain depth of qualified legal resources and organizational ability; this may not be the factor that drives a client’s choice, but will rule out a firm from the start for some big-league M&A and capital markets work.

With these attributes taken as standard, the firm must differentiate itself in the eyes of potential clients in other ways. More likely to turn away work than to cut fees in a way which will be detrimental to service, Pavia e Ansaldo seeks to add value with the flexibility of its approach.



Bianchi draws on his own recent transactional experience, citing the example of working with private equity funds and other M&A players: where some more institutionalized relationships allow both sides to settle in, establishing a spontaneous, unforced understanding is vital. “Then, when they are under pressure – in a divestment process, for example, or when they have to file a binding offer – you know their needs and you are in a position to react fast.”

All three partners stress the importance of personal contact in the midst of a sometimes unfamiliar national or institutional culture. “Entrepreneurs before an initial public offering are probably unaware of much of the process and

the regulations, so you have to take them in hand,” explains Rinetti – the firm becomes, in her words, “more like a global consultant”. However, the flow of knowledge works both ways. Pavia e Ansaldo is not only competing with rivals in Italy, but living up to expectations set by others around the world; the payoff for Bianchi is that transactional experts in particular have a lot to learn from investors in the global elite which have dealt with excellent lawyers in the past. All too often, the temptation for a lawyer is to fit the problem to an apparently failsafe solution without first considering what makes this problem different from the last. “You have to remember that clients coming to you for advice may already have a solution in mind because they have already addressed the issue and solved it in some way in another jurisdiction – you can’t be too rigid or too reluctant to adopt their point of view.”

As an illustration of the nexus of national and industry understanding, Bianchi points to the problem of corporate image and reputation, which will be assigned a different value depending on whether the client sees itself through the eyes of the public or the sector. Called in to advise, the firm will be expected to apply an understanding of anything from capital markets to pharmaceuticals to advertising – or all three at once – but it will also need to respond to the client’s tactical position and be able to explain the wider consequences in the Italian markets and the media. “If you are facing a battle in the press, you will not consider the involvement of lawyers in litigation or in transactions in the same way as if only your reputation among clients or competitors were at stake.”

The injunction to ‘know your client’ is sound business sense, but this can be harder than it seems. “International groups are always in flux,” observes Bianchi. “They have to face the market and be competitive and dynamic, so their internal structures and their decision-making processes change constantly.” In addition to a first point of contact in the legal department, the head of human resources, the chief executive officer (CEO) and the chief financial officer may all have a view and an internal position to defend. Add the prospect of external litigation and the faultlines can deepen. “Ask yourself: ‘If I were the CEO, what would

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Far left:
Stefano Bianchi

Left:
Mia Rinetti

I expect?’ But never forget that the CEO is not your client – the company is. You have to create a synthesis of the different perceptions, if you can, and have a kind of intellectual honesty about serving the company’s interests.”

Partner power

Companies which have seen the philosophy in action may wonder how the firm teaches such successful client care methods. Surprisingly, perhaps, it doesn’t – and Zanchi, without ruling out formal training in the future, is not convinced that doing so would improve on the results. While associates in Rome and Milan may expect slightly less client-facing autonomy than their counterparts in London or New York firms, at Pavia e Ansaldo the junior members of client teams get every opportunity to observe their more experienced colleagues and see their work in the round. “Client contact is always mediated through a senior lawyer; he or she sets the standard which the junior lawyer must achieve,” explains Zanchi. The benefit of what amounts to a business development apprenticeship is that both sides take their responsibilities to heart and no one is left unprepared.

Like the informal attitude to feedback, which entrusts the contact partner with sole responsibility for gauging client satisfaction and identifying problems, the approach represents a significant vote of confidence in the firm’s top tier as individuals, but also in their coherence as a team. For Bianchi, establishing lasting client confidence is unthinkable without this: “It’s not easy to show the client the advantages it can gain from a fully integrated, full-service law firm: you need to be very consistent in your understanding of legal problems and to have an approach and style in common with your partners.” With 25 partners in the Italian offices, Pavia e Ansaldo can maintain this harmonized view informally. This suits a firm which is happy, on occasions, to dispense with the mission statement and achieve more over an espresso, but it perhaps belies the main fee-earners’ crucial power to drive client relations and business development in the long term. “One of the most widely appreciated qualities of the way we work is that, unlike most Anglo-Saxon firms and many Italian ones too,

we don’t leave junior lawyers to do important things for the client,” says Zanchi. “So by the time young lawyers become autonomous enough to deal with clients in that way, they have had sufficiently long experience alongside a partner that they know more than we could have passed on by teaching.” It also marks the point at which a member of Pavia e Ansaldo is ready to start playing a part in teaching the next generation of lawyers the importance of client care.

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