

# Rebels with a cause

## Portugal

### Simmons & Simmons Rebelo de Sousa

**Simmons & Simmons Rebelo de Sousa has been unafraid to make waves in the pursuit of change. At the start of a new era for Portuguese business, the firm – and the clients it serves – must continue to innovate**

After two soaraway decades, the challenge for many Portuguese companies is to build on what they have achieved. Their success, some commentators say, has less to do with national characteristics than with the effortless adoption of two global ones: a more innovative and more international-facing Portuguese business sector has finally come to exploit its potential. One by one, the country's lawyers have woken up to the advantages of following suit, driven not only by clients' expectations, but also by one of the pace-setting firms in the field.

Pedro Rebelo de Sousa, the managing partner of Simmons & Simmons Rebelo de Sousa, has always found it easy to see the law from the international client's perspective. After a 15-year career in-house that took him from Brazil to New York, he returned to Lisbon charged with chairing the first bank to be privatized after an era of troubled state control. He remembers a legal market which ran on political patronage and cosy rounds of 'canapé marketing', where firms had the ponderous atmosphere of legal chambers and where simply getting your lawyer on the phone was an achievement. The paternalist regime of Salazar and Caetano, responsible for a half-century of economic sleepwalking until the 1974 revolution, was never likely to inspire change, least of all in a naturally conservative profession, but commerce also struggled to re-establish itself in the 'lost decade' that followed. No wonder

that as a new style of business inspired the boom of the 1990s, the new firm sought to be less like its competitors and more like its clients.

#### The mirror effect

The firm began by seizing the same commercial opportunities. Choices made in the early 1990s continue to shape the firm and now look prescient from a global as well as a national perspective. Its five original core sectors – including banking, energy and telecommunications, three of the first industries to be denationalized – still account for more than 80% of its work, and as, in Sousa's words, "Portugal becomes more and more the Miami of Europe", the lifecycle and property practices have opened up a lead on many competitors.

Even more significant in the early days were unprecedented forays into branding and communication. Typically, Sousa rejects the idea of identikit lawyers in favour of "a common denominator which, more than identifying you, differentiates you from the other firms. You need a seamless quality of service and presentation, but that's more a question of logistics – that's form, not substance." Instead, the firm's approach has reinforced the impression of lawyers who look at their weekly diaries and their five-year plans with the same mindset as the businesspeople who hire them. "One of the most important things I learned as a client was the 'mirror effect'," explains Sousa. "You tend to like people who mirror what you are trying to do." In Portugal, the firm was among the first to develop a university recruitment programme and the first to have a logo – two things that most of its clients would not dream of doing without. "The market could see we were trying to change legal practice," Sousa remarks, and companies seeking to shape new industries were quick to see the parallel. The firm was unafraid to force the pace in the way it communicated. Called to defend its client newsletters – another first – before the Portuguese Law Society, the firm ultimately made its point and sharing information has remained central to client care and development ever since.

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## Always in touch

William Smithson joined the Lisbon office from the United Kingdom in 1992 and now runs its financial markets group; his dual perspective on international and Portuguese markets can open the door to an ever-growing number of multinational investment banks and international companies doing deals, selling products or looking to acquire companies in Portugal. “I spend a vast amount of time just talking with clients about the market and essentially holding their hands,” he explains. “In the case of English or American clients, I probably know how their minds are working and I know what the main issues are for them.” He also underlines two demands that will sound familiar to lawyers everywhere: precise, timely advice and a practical approach. “Clients don’t really care what Article 24(b) says...they want solutions. Our memos often have the conclusion at the beginning; then, if clients need to know, they can look at how we got there.” Octávio Castelo Paulo, the head of the corporate practice of the Lisbon office and global head of the firm’s telecommunications, media and technology group, confirms that sizing up the depth of information the client needs – the fine detail or the big picture – starts with a simple principle: the more you know, the more you can help. “I try to develop a culture where, if I am with a client, I can ask questions which go beyond the

legal issues. If I really understand his business and the issues he faces when managing it, I can provide a better solution.”

Sector intelligence and communication across practice areas are built into the framework of the firm’s client teams, in which six or seven lawyers from different departments ensure that every angle is covered and in which partners specialize by business as well as work area. The firm was one of the first to adopt this structure at a time when specialization was largely unacknowledged and possibly even frowned upon – as Smithson observes, the idea that the Portuguese Bar Association would allow lawyers to register as specialists in particular areas seemed far off then. “We’re not just external legal consultants,” explains Castelo Paulo. “We see ourselves as a member of the client’s industry, which means knowing the environment, the trends, the issues, the bottlenecks – everything.” It comes as no surprise to hear that reading the firm-wide information feed, the *Financial Times* headlines and online sector newsletters is as essential a ritual as the first coffee of the morning. In an innovative sector such as telecommunications, it is not simply a matter of gaining a client’s trust through technical understanding – although, as Castelo Paulo puts it, “no one wants to have to explain to his lawyer what broadband is”. Rather, the partners know that the firm wins business and outstrips

Opposite page  
Far left:  
César Sá Esteves

Left:  
Pedro Rebelo de Sousa



rivals by sheer depth of expertise, and they will do whatever it takes to ensure that their junior colleagues acquire it.

“We invest a lot in sending our new lawyers on master’s courses and MBAs and on secondments to the United Kingdom, the United States... wherever there are people who can give them the experiences they need,” explains Sousa. Clients appreciate what industry-wise lawyers can offer in terms of practical, make-good attitude and will trust them when steering into uncharted territory. Smithson points out that despite Portugal’s striking progress in the financial services sector in the past 10 years, the testing grounds of Wall Street and the City of London promise greater fast-track exposure than Lisbon can offer, particularly when dealing with products that are still new at home. His team, including lawyers with 18 months’ recent experience of working on industry standard derivative agreements in the United Kingdom, has been asked to review a Portuguese bank’s documentation on the subject. “They don’t have the in-house resources, but they know that they can leverage on our knowledge and they’re confident that we’ve had the international exposure to offer them the right level of advice and service.” The exchange of expertise is often reciprocal. Castelo Paulo cites the longstanding link with a leading Portuguese soft drinks company as one of many examples of a growing secondment programme. The firm charges a cheaper rate and offers some hours for free; junior lawyers discover the client’s business from the inside. As Castelo Paulo explains, “They learn the issues, they understand the culture and, most importantly, they get to know the people.”

#### Soft skills, tough talking

As more junior lawyers discover, building effective client relationships means working through the tough times and enjoying the good. César Sá Esteves, the partner in charge of the employment group, describes the pressure of walking into a labour dispute where disagreement has turned to open conflict. “We are often called in to manage sensitive issues and make decisions which affect people’s personal and professional lives. Clients may be more likely



to say when they are not happy than to praise their lawyers when they are, but they will express their satisfaction if we can release them from a stressful situation.” It may be easier to develop a personal relationship with a day-to-day local client than in one-off work, which may have come the firm’s way through its brand rather than personal reputation. “We try anyway,” Castelo Paulo insists. “The distinction is irrelevant to the quality of service we provide and it’s the same from a personal standpoint.” Rather, the difference is in the approach to client development: “I try to involve longer-term clients more with the office, almost trying to show that, if they want, we can be a one-stop shop for all their legal work.” There are few better



Far left:  
Octávio Castelo Paulo

Left:  
William Smithson

opportunities than the firm's event at the Estoril Tennis Open, a chance to bask in the warmest days of spring, spot surprise contenders for the European grand slams and maybe even put the BlackBerry on silent for a while. "I think we're the only law firm there and it's something we've done for clients for about the last 10 years," Smithson explains. "It's in their calendar, if you like, and it's something they always look forward to. So it's not just about picking up the phone; it's about taking time to get to know your clients and understand how better to look after them. A lot of my clients have become very good friends – it's a personal thing." Castelo Paulo is the first to agree: "Clients also appreciate a relaxed lunch where you don't just talk business. Successful relationships on a personal level only work when they are natural, but you can cultivate them."

However, the partners and their junior colleagues can also expect more hard-hitting feedback. In addition to client partners' half-yearly or quarterly reviews, the firm surveys an annually changing cross-section of its client base – for an in-house lawyer, finding that the questions are asked by a partner from elsewhere in the network or a senior member of the marketing team rather than a familiar contact is the first indication that his or her responses will not be filed and forgotten. "Put simply, clients see that, while paying the same, they can get even better service because we will change whatever is wrong and they benefit from that," explains Castelo Paulo. Client generation and development is also one of three core areas – along with professional skills and performance indicators – on which a lawyer will be appraised as he or she develops within the firm; with each level of seniority, the client care coefficient rises to reflect its importance.

Even as client care becomes more sophisticated, those buying legal services are setting the mark a little higher. "Where perhaps a bank would not have got a second fee quote, now it will – not least because its internal policies probably require it to," explains Smithson. "Panels are very much the name of the game in the United Kingdom and we're beginning to see that here – formalized panels may not exist, but *de facto* ones probably do. But clients have their preferred firms and, at the end of the day, they are

entitled to have them." It is hard to see the firm changing a winning formula, which Sá Esteves sums up neatly as finding a blend of cultural understanding, quality of work and the right price, to which Sousa might add one more ingredient: international endeavour. Irrespective of the amount of work the firm's multinational network may supply, it offers vital potential for Portuguese and overseas clients, and the firm has the flair to use it. "The largest Portuguese clients are now international: as for all clients, we must show them that our strategy is linked to theirs. By anticipating, by being proactive, by being willing to share the risks of new ventures, we can follow them wherever they want to be."

#### **Simmons & Simmons Rebelo de Sousa**

Rua D Francisco Manuel de Melo, 21

1070 – 085 Lisbon

Portugal

Tel: +351 21 313 20 00

Fax: +351 21 313 20 01

[www.prs.pt](http://www.prs.pt)

#### **Contact:**

Pedro Rebelo de Sousa

Managing partner

[pedro.rebelosousa@prs.pt](mailto:pedro.rebelosousa@prs.pt)

#### **Other offices:**

Porto, Madeira