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Client Choice Guide 2009



How to win friends and influence people

Chile

Carey y Cía

Carey y Cía has won the trust of Chile's political and commercial elite, and the hearts and minds of its top legal talent. The firm's appeal lies in a unique culture that has been carefully cultivated and closely guarded over decades

Few firms dominate their national legal landscapes like Carey y Cía in Chile. Comfortably the largest practice in the jurisdiction, it has consistently set the standards for firms in any number of disciplines. Not only that, but it has also been cited, together with chairman Jorge Carey, as a driving force for modernization that has seen the country's law firms metamorphose from small, family-run enterprises into today's sleek, well-oiled juggernauts.

It would be all too easy, given its decisive market share, for Carey y Cía now to take its foot off the accelerator, but that would run counter to the spirit that has propelled it to this exalted position. "There is a very clear feeling here that we have to work hard to deliver work to the client and always be available to them," explains Francisco Ugarte, a partner in Carey y Cía's corporate, M&A and capital markets group. "But apart from that, over the years the culture of this firm has enabled us to develop a very good sense not only of the right technical solution, but also of what might be the most practical approach – thinking of the client's industry and the market practices at that given time. If you can successfully blend those three components, then you can basically almost guarantee that the transaction will go through. Sometime you see lawyers who are very focused on the technicalities, but lose sight of market trends or how they can make compromises to reach a common ground and be able to close the deal.

"Sure, the fact that the deal goes through can be very rewarding for the lawyer and the firm in the short term," he continues. "However, over the years, it is the knowledge not only that the deal has closed, but that the business itself made sense and will help the company grow and remain profitable, that really signals success. If, a couple of years down the road, you learn that the company in question has closed and the deal that looked very nice on paper didn't make sense in real life – where's the real reward there? So you begin to need both: the closing of the deal and an understanding that the client company is doing well. You feel it on a personal level, but of course it is also good for the firm because you have a more profitable client which will retain the firm for future deals."

The bigger picture

This appreciation of the bigger picture in Chilean business is something that the firm works very hard to maintain – lawyers at all levels receive weekly training from industry or practice experts. And there can be little doubt that this initiative pays off: it bears testament to the level of expertise at the firm that its lawyers are often asked to contribute to policy discussions at the highest levels. Diego Peralta, for instance, the co-head of the banking and finance group, was recently asked to join the 20-strong Capital Markets Advisory Committee set up by the minister of finance, which is charged with seeking opinions on capital markets issues from all stakeholders. It was initially scheduled to convene every six months, but in the current climate is meeting up to twice a month. "It's absolutely the case that we have to stay ahead of what is happening and be able to convey this to the clients," says Peralta. "It can go further than that: sometimes we are actually involved as things happen."

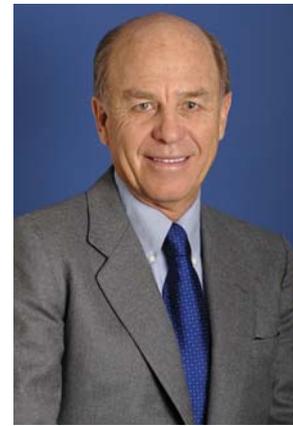
Carey explains that participation at the national advisory level reassures clients as to their lawyers' business acumen, but he is at pains to point out that the firm is never compromised politically. Indeed, neutrality is pivotal to certain aspects of Carey y Cía's success, although its individual members may have clear political preferences. "Good professional relationships with those managing the country allow clients to know they are dealing with serious

Chile

Right:
Jorge Carey

Middle right:
Diego Peralta

Far right:
Francisco Ugarte



lawyers who understand the way that business and government work in a way that may be able to help them get into the Chilean way of life,” he says. “But that said, we are not a political law firm at all. We’ve been around a long time and we are not politicized, and we are not growing under the shadow of a political party or any given government. We try to act as a very professional law firm and to be perceived to be above politics, and that helps us in being retained by governmental agencies and companies, some of which are our largest clients. They hire us because if something were to go wrong, they would be able to claim – correctly – that the motivation was based not on politics but on merit.”

The best young talent

Although he is first to acknowledge that having talented and competent lawyers who occupy such high-powered positions and have contact with the nation’s elite undoubtedly is important, Carey insists that another central plank of the firm’s philosophy is founded on purely altruistic motives – something that is increasingly attractive to the younger generation of lawyers and prospective trainees.

“We get a lot of recognition from the market and from the executive branch of government, including invitations on state visits abroad, which gives us weight, gravitas and clout,” accepts Carey. “But I do not believe that being materially successful or having such weight is necessarily

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the measure of a man, or a firm. It is also very important to be a good corporate citizen and contribute back to your country what you have received from it. So this is what we try to do, and our lawyers – particularly the young ones – appreciate this a lot. All this helps us to retain the most talented lawyers coming up in the legal market. We try to spot the most promising students even before they have qualified and invite them to come to the firm. We talk to them about our values, how much we care about ethics and our pro bono work – not just about making money and practising law, which, of course are also very important”.

Another vital point about the firm’s recruitment policy, according to Carey, is the fact that it operates strictly on a merit basis, a principle that permeates all strata of the firm. “Chile is historically a very classist and racist society,” he admits. “But we really strive to have a meritocracy here. We do not, under any circumstances, discriminate on the basis of race, sexual preference or social upbringing. I am the grandson of the founder of this firm and I have two sons here, but it is not a family firm. For my sons to be able to join this firm, they had to go through the same tests as everyone else. They are both graduates of one of the best law schools in the country. I myself was a Fulbright scholar. I am the chairman of the firm but I could be voted out by my partners at any time.”

Although Carey insists that the firm is not a family business in the strictest sense, a lot of effort goes into fostering a spirit of kinship among the workforce. When the firm was considerably smaller at the beginning of the 1990s, lawyers all ate lunch around the same table. Now that the number of attorneys has passed 100, that is no longer possible, but the offices still boast a dining room large enough to hold them all. There is also a strict code about how workers at the firm should interact, with mutual respect the order of the day.

“We spend a lot of time in trying to create the right culture in terms of how you treat your fellow employees,” says Carey. “It’s not accepted here that you treat those who are under you badly. I always tell my lawyers that they can kick up, but never down, and if they do, they run the risk of being fired on the spot. This is the kind of thing that

We try to constantly assess the needs of our clients, we meet with them regularly to understand how they see the service we are providing and how we may improve it

eventually develops as part of the culture of the firm and, I believe, makes us different from many other firms.”

Keeping clients close

Perhaps unsurprisingly, the close relationships that are encouraged within the firm are mirrored in the connections that Carey y Cía’s lawyers forge with their clients. This helps the firm to ensure that it is providing the best service possible, but also goes a long way towards creating the sort of synergy between client and attorney that defines law firms in the highest echelons of the profession.

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explains Ugarte. “In that way we can tailor and micro-manage the services we offer to better satisfy the particular requirements of particular clients. Each client has a key contact partner at the firm who is responsible for maintaining contact. Over the years we have developed such a strong relationship with some clients that we end up being, in practice, very good friends.”

Although Carey y Cía is by some way the largest law firm in Chile, it understands that it needs to keep a constant eye on the changing professional horizon to ensure that it can continue to cover all potential needs. “If you don’t offer a particular service, there’s a chance your client will go and see someone else,” points out Peralta. “So ensuring we maintain our status as a full-service law firm is a way of protecting ourselves. This is why we have developed our white-collar crime practice – because the environment has changed and there is a need for firms like ourselves, who have a large number of international clients, to help manage the new procedures. Likewise we have greatly strengthened our IP, IT, construction and immigration practices over the last four or five years.”

While the firm has indeed grown considerably over the years, that growth has been largely organic and the firm has never expanded through merger. This is something that once again contributes to the firm’s unity and culture of client care.

“As opposed to a lot of firms in Chile which have been through big mergers and bring in lots of lateral hires, we have practically no lateral hires,” says Carey. “The last lateral hire was Diego Peralta, who was the Chilean general counsel for CitiBank/Citicorp, and we were able to bring him over about 12 years ago. We don’t like to hire people from outside because they don’t come with our culture, our ethics and our standards. We have found that for the most part, you either learn these things when you are young or you don’t learn them.

“People appreciate that we have a clear career path here,” he adds. “We don’t bring in politicians or lawyers with a big name to impress people: we don’t believe in that. We believe in getting the best students, training them, keeping them and making them loyal to the firm, and we

have found that that is our secret. We don’t believe in mergers – they lead to an amalgamation of several law firms with different cultures, which eventually affects the quality of the service and the ethos.”

It cannot simply be this circumspect approach to the attractions of consolidation that is responsible for Carey y Cía’s success in terms of both the quality of service it offers and the distinctive culture that has been developed and preserved. Carey, however, plays down the awards and accolades that the firm has garnered in recognition of its prowess. “We have not invented the wheel here,” he says. “If you read literature on how to manage top-tier law firms, you will see that in general we are on the right track.” We have a very clear career path; we have very strict procedures to evaluate lawyers twice a year; we have a system that rewards good service – both towards the client and society; all of our lawyers go to lectures to keep abreast of all of the latest developments and they have to prepare lectures themselves. This is the culture of the firm: to have happy, hard-working, well-trained, considerate employees. We spend a lot of time making sure we spread that culture – perhaps that is why we are winning these awards.”

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