

Global appeal

With a firm grip on Europe, BEA has certainly made an impact on the software industry. Steve Hoare reports on the billion-dollar company

Statistics

Organisation	BEA Systems
Sector	Software
Employees	3,200
Legal capability	30
Annual legal spend	\$2m (£1.2m)
European general counsel	Nigel Cannings
Reporting to	General counsel Bob Donahue
Main law firms	Nicholson Graham & Jones (UK), Olswang (UK), Baker & McKenzie (US), Morrison & Foerster (US), Wilson Sonsini (US), Allen & Overy (Italy), Alain Bensoussan Avocats (France), BLF Law (Germany), Vinge (Sweden), Lexence (Netherlands), Fernandez Castellanos (Spain)

BEA Systems' European general counsel Nigel Cannings says that prior to joining the company his friends described him as an industrial nomad. His original job spec included the promise of "not much international travel". Cannings, though, has continued to live a nomadic existence, advising BEA companies from the UK to the Urals. Despite the pressure this puts on someone with a young family, Cannings is content at what he calls "the biggest software company that nobody's ever heard of".

Cannings also claims that BEA was the fastest software company to reach a billion dollars. Whether or not it is the biggest this or the fastest that, it is certainly impressive. The company was founded in 1995 and now has 3,200 employees worldwide and a billion-dollar turnover that has remained stable through a two-year recession.

The company was considerably smaller when Cannings joined four years ago. His pre-BEA years saw him qualify at Withers before joining Slaughter and May to assist with setting up its IT team. The "crazy hours" saw him move in-house to NCR, before joining software house Prime Response. When the company relocated to Boston he jumped ship to BEA.

"When I started it was like being the in-house counsel at a start-up," says Cannings. BEA had been in the UK for a year and a half but was keen to expand in Europe and an entire new management team had been assembled for this task.

"I spent most of my time chasing my tail, putting out fires, negotiating contracts - very much at the sharp end," recalls Cannings. "For a period of about 18 months we had phenomenal growth. We were setting companies up all over the place and moving into new territories all over Europe."

As the company began to grow through Europe, Cannings appointed more lawyers. He now has one who covers the UK, Scandinavia and Benelux. He has another in France, one for Spain,

Portugal and Italy and one who covers Germany and Eastern Europe. Cannings covers any business in Africa. He also has two part-time lawyers in Madrid and Munich.

The US legal department consists of 25 lawyers dealing with corporate issues, M&A, Securities and Exchange Commission filings and intellectual property. Cannings is in constant contact with his US colleagues. "The relationship I have with my boss [Bob Donahue, based in San José] is collegial. It's an exchange of ideas and information," he explains.

The relationship enables Cannings to concentrate on working with local and European management. That, he says, is the most important part of his job.

BEA began to take off after it bought Tuxedo from networking software house Novell. Tuxedo is 'middleware', which is software that allows different types of computers to work together. The company's latest product, WebLogic Integration 8.1, is just about to be released and has received rave reviews at sneak previews.

"We are a company that was built on acquisition. This means there are a lot of disparate parts of the organisation geographically, which we are pulling together," says Cannings. Although the first four years of the company yielded 45 acquisitions, Cannings and his immediate team only advised on those acquisitions which had a European element.

Cannings is far more likely to speak to his US counterparts about worldwide contracts. The majority of BEA's clients are Fortune 500 companies across the globe. "A lot of what we do is acting as communicators. We ended up as a bridge between various sales forces," he explains.

In Europe, the company is an exclusively sales-focused organisation. This means a lot of contracts, and although there is a large amount of standardisation, the big deals with the big customers require careful thought - and this is where the travel comes in. Cannings flies here, there and everywhere to negotiate important contracts.

Cannings has a preferred law firm in each jurisdiction to assist with local laws. The amount of work that he outsources depends on the country. In Germany, he sends out two or three matters a week to BLF Law. In the UK, he says that he has used his main firm Nicholson Graham & Jones only two or three times in the past month.

But when there is a lack of knowledge in-house things need to be outsourced. "I know absolutely nothing about property," admits Cannings. "Sadly, I missed my property seat when I was in articles and I never really recovered from it. So all our property work is outsourced."

Nicholson Graham & Jones has advised BEA on most of its property issues and also provides regular advice on employment and competition matters. When Cannings needed advice on the office lease recently he turned to Olswang in Reading because Nicholson Graham & Jones was conflicted. The appointment came after a friend's recommendation.

In France, BEA instructs IT boutique Alain Bensoussan Avocats. "It was one of the rare occasions when we didn't pick someone based on a personal relationship. We picked them because you want them on your side as opposed to anyone else's, because they are considered to be the top IT firm in France," Cannings explains.

As a technology company, protection of its intellectual property is vital. "We are constantly reviewing our patent portfolio and keeping in touch with our developers, searching worldwide to ensure we are fully protected," says Cannings. Most of that work is outsourced to patent attorney IPulse.

"One of the things we don't get involved with is litigation," says Cannings. "This is because we don't have any. We manage our business and our legal risk prudently."

Cannings has seen his role shift from that of a lawyer cutting deals all over Europe to becoming more of a business manager, involved in the strategy of the company. "That has been the best shift. I think for any in-house lawyer that's always the thing that people will say they enjoy most about their job," he says.

"Over the years I have taken a step back into a more traditional general counsel role. I'm looking strategically at managing legal risk. I'm company secretary of every single company and I'm director of quite a few of them so I have to be aware of corporate governance issues," says Cannings.

Cannings joined BEA at the beginning of the company's first dramatic growth period when it had just launched a new product. "It was an exciting time. It was fun and we were keeping our fingers crossed for the future," says Cannings. With a new product ready to launch, that is exactly where the company is again today, albeit with a billion dollars in the bank.

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