Consul Group Managing Partner Sergey Pivovarchik believes a lawyer must be passionate about the profession. Sergey refuses to play by other people's rules and takes an aggressively proactive stance towards his opponents. He is ready to invest in his specialists, and his reward is colleagues who want to come to work every morning.

Sergey Pivovarchik fosters independence in his colleagues

The key element of any company is its growth. You have to know where you are going, how, with whom and under what flag. I am the person in the company who thinks about what we can do to make the market hear us, so that we can win our niche and offer the services that are needed rather than “let's do everything”. Before Consul Group I developed consulting firms; my last positions were as development director.

Your own company is like a breath of fresh air. When you work for a large corporation rather than your own firm, you have to play by someone else's rules. But I always wanted to focus on one thing and do something genuinely right for the market: build a narrow practice with deep expertise. I found my field in 2013, when a new chapter and Art. 378.2 were added to the Tax Code, changing the way commercial property is taxed.

You cannot do everything at once. Be a bankruptcy lawyer and a tax lawyer, an expert in international law and in labour or family disputes. I think that is precisely the problem of Russian consulting today. Most consultants will provide any service as long as they get paid. In the US market, by contrast, most lawyers are narrowly specialised. We likewise specialise in serving real estate owners, with particularly deep expertise in property taxation. Over five years something in this tax has changed constantly, and what you knew the day before yesterday may already be out of date today. And yet, it seems, all they did was change one word in the Tax Code.

Law is a profession you have to be passionate about. You have to be in it one hundred percent and love what you do. If you feel so-so about it, you are not a lawyer. Why work at all then, especially when what is at stake is, say, a client's or employer's matter worth

KU04_54-57_motivy_upravlenie.indd 54 3/20/19 4:01 PM



RUB 100 mn. Such a lawyer's attempts to prove his worth turn into losses in the business owners' budget.

We know what we are doing and weigh the consequences. We now have many disputes where the respondent is a regional government or the Federal Tax Service. 100% of them are our own ideas.

We come to clients and say: here is an idea for winning back part of the tax in court. It is an aggressively proactive stance, and there is no other way. We could stop looking for ways to cut our clients' tax burden, stop arguing with, say, the Moscow Government, but that is not who we are.

We always work through every possible way a dispute may unfold. In any project we must be sure we will come out the winners. Then again, we do not get into brawls to build our reputation at clients' expense. If losing would mean very serious consequences for the client and only reputational ones for us, we do not play that game.

People here are simply not prepared to pay consultants. In the Russian market nobody feels they owe you a fee for advice that saved them a fortune. To them it looks as if you spent five minutes getting your head round the issue and handed over a solution. People do not realise that years of experience and practice stand behind your advice. But part of the problem lies with us consultants too: so far we cannot say no.

We may hire a person without yet having a practice for them. Sometimes we take someone on even when there are no projects, if we see that we will need this in future. In that case we are ready to invest in such a specialist, provided they are ready to head the practice and be its driving force.

WELL-EARNED REWARD

In March 2019 the Supreme Court backed Consul Group's clients against the Moscow Government.

Property owners will now be able to recover from the budget RUB 12.5 bn of property tax assessed retroactively.

KU04_54-57_motivy_upravlenie.indd 55 3/20/19 4:01 PM



YOU NEED TO SENSE EVENTS

We treat every project as a living organism that evolves stage by stage.

To deliver quality services, you must always sense how events are unfolding, not only within the project but beyond its perimeter.

This view lets you foresee where you will be tomorrow and what you will have to face.

I believe a key element of the coaching we give our specialists is independence. If you do not let a person make their own mistakes, they will never become independent. Mistakes can be made in controlled projects, where you know that neither you nor the clients will suffer. The employee learns, and the manager assesses their ability to learn. Many Russian companies simply leave people to their own devices and explain nothing. The person does not understand what they are doing. In the end the company loses the person, several months of payroll, and has its reputation damaged with someone. We, by contrast, develop our specialists constantly: want to know something? Gladly. We will get together with colleagues and explain to the person what they do not understand.

Selection into the company works through "chemistry". It matters to us that a person is a professional at what they do, that their eyes light up, that they want to learn and, no less important, that there is chemistry. Maybe it is a collective quirk of all the partners, but each of us needs to understand what the person feels. When you sense a person, it is easier to understand their actions and to find a way out of any situation together. If I do not understand what someone feels, I cannot predict what they will do in a given situation.

The worst thing is when an employee puts on a crown. It cannot be taken off, whatever you do. So such people have to be removed from the team very quickly, because they start poisoning their colleagues' minds and placing themselves above others, and it turns into a bad story.

For a while we held no meetings at all. I am no fan of meetings. A meeting is a chunk of time taken away from your practical tasks. If it carries no real substance, why have it? We have weekly meetings, but often I do not know what to talk about at them. Everything happens online, and tasks are adjusted daily. Some departments do meet fairly often, the development department most of all.

We live in a time when everything is automated. Yes, some software is not very convenient. It cannot be tailored to your business, but it still frees up 50% of working time. As a result everything is planned, and meetings gradually fade into the background. At my meeting we mostly discuss what passed me by over the past week: projects I was not involved in that stood out as new and interesting. We do not solve global problems at a weekly meeting. We are young, we are alive.

Friendship that grows out of partnership is a very precious thing. Friends can run a business together too, if each knows exactly what they have to do. The greatest joy in your own business is having built an excellent team, not only partners but staff as well. Some tasks are urgent, and then nobody has to be asked to stay late. Colleagues plan their own time and may sit until 2–3 a.m., not so that you notice and praise them, but because they are interested and want to get the task done today, not tomorrow. That is the greatest reward for any manager: colleagues who want to come to work every morning.

KU04_54-57_motivy_upravlenie.indd 56 3/20/19 4:01 PM