

Today's General Counsel: Maintaining Harmony in the C-Suite and Legal Department



Major, Lindsey & Africa recently co-sponsored a meeting of Boston general counsel at the offices of Vecna Robotics in Waltham, Mass. A panel discussion, moderated by Duc Trang, managing director with MLA Advisory, featured David Reibel, former general counsel at Rocket Software; Stacy Krause, general counsel at Kadant, Inc.; and Elliot Mark, general counsel at Everbridge.

The panel and general counsel attendees tackled the thorny challenges of in-house operating models, building and improving the legal operations function, and talent development to meet ever-demanding client expectations.

Key takeaways from the discussion are outlined below:

Articulating a Clear Engagement Model

- Impactful GCs are not merely risk managers but strategic business partners (business enablers).
- GCs need to set boundaries to avoid individual/team burnout.
- Tools are 'expectation management': What does the Legal Department do and what do they eschew?
- What matters does the GC own and what matters are owned by other functions where the GC may have a view or perspective to share?

Setting Expectations within the Legal Team

- Align the strategic priorities of the Legal Department with the business.
- Identify KPIs (number of deals, governance) that need to be adapted to the organization based on where the business is going.
- Develop a process improvement mindset without hiring more headcounts by using enhanced software (e.g., for contract review, AI applications).

The GC as Chief of Staff

- The GC is often called upon by the CEO to have difficult conversations with other C-suite members and is often seen to be closer to the CEO than other senior management while the rest of the team may lack visibility.
- The GC needs to foster openness and trust—where possible—to develop the team and seek engagement and development opportunities.
- The key is to give rational, thoughtful and unbiased advice.

Talent Development

- It is challenging to develop talent in a flat organization.
- Consider opportunities to tackle new subject matter (e.g., ESG).
- Need to run together as a real team and improve processes together.
- Foster potential for clients to contact other team members as 'go to' experts for subject-matter expertise.
- Project leadership is important (e.g., upgrading a business process or managing outside counsel), especially where there is no scope for internal people management.
- GCs need to let go and delegate, freeing up part of their 'pie chart' for strategy and managing their CEO.
- Development conversations need to be held with all lawyers, not just superstars. Not everyone wants to be a GC so facilitating subject-matter expertise is also important to help retain talent.
- For those team members that do aspire to be a GC, provide opportunity for growth and celebrate if they obtain a GC role in another organization (this is a positive reflection on a GC if they have trained other attorneys who have obtained GC roles).
- Ensure communication across the team.
- In a small organization, lawyers are compared with their peers in other departments which may be an obstacle for internal advancement.

Building & Improving the Legal Operations Function – KPIs – How Do You Measure Legal Department Performance?

- Need to measure this against the company's strategic needs.
- Justifying the existence of the GC and their staff means that KPIs must align with overall company KPIs—they must be objective and measurable (e.g., costs, contract throughput, number of patents issues, favorable litigation outcomes, meeting a GDPR deadline, projects, acquisitions, one-offs).
- Prepare a Quarterly GC Report to the CEO: 'educate and take the credit', listing some of the above accomplishments.
- Important for the team to take time and celebrate their work for the quarter and celebrate the work they accomplished.
- Quantitative cost reductions risk becoming a 'death spiral' so qualitative metrics may be preferable.
- Legal Department PR is viewed as akin to any professional services group which needs a built-in communications strategy (see Sterling Miller's Sharing the Value of the Law Department).

Budgeting External Legal Fees

- With partners at certain firm charging \$1,800 and third-year associates charged out at \$900, a new approach to resourcing is called for.
- Use private equity lawyers (if you are PE-owned) as you are paying for them as well.

- Allocate strategic projects to specific budgets.
- Diversify law firm selection for smaller M&A deals.
- Gathering real data on spend is crucially important.
- Where is the team stuck in its 'pie chart'?
- Get the data in place first to make rational choices.
- Carve out key external relationships from the purview of Procurement (use RFPs for high volume, commoditized work) – rationale – while some outside counsel may be expensive, their knowledge, value, and justification may be well-known to the GC and not appreciated fully by the procurement team.

Let us build on these gems in future conversations!



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