

Introduction

Years ago, I recruited a talented young corporate lawyer with a sterling law firm background into a senior in-house leadership position. At a meeting a few weeks into her new job, she recounted her struggle to build a team, manage difficult clients, handle multiple and simultaneous crises and cut costs. She paused for a moment, before asking me quietly, “Bjarne, is there a manual that will tell me how to do this job?” This elicited a good-natured chuckle. Yet her question planted a seed in my mind: could it be possible to articulate a framework that would, in fact, help in-house legal leaders to accelerate their performance?

The need for such a model has grown in the years since that question was raised. The demands on general counsel (GCs) from the board, senior executives and other stakeholders have increased significantly.¹ In response to these additional demands, thought leaders have raised the bar, painting bold visions of the new role for general counsel. Ben Heineman Jr, former GE general counsel and senior fellow at Harvard Law School, captured the *zeitgeist* in his recent book, *The Inside Counsel Revolution*, in which he calls on GCs to be both partner-guardians and statesmen.²

Heineman’s vision is appropriate given the volatile and complex environment in which companies and their legal advisers find themselves. Globalisation, regulatory expansion and risk convergence have raised the stakes and made the job much more complex. At the same time, corporate cost demands have increased and are placing downward pressure on legal department resources at a time when the internal demand for legal support is increasing exponentially. There is unquestionably a need for GCs to be well-connected strategic partner-guardians, able to advise and guide on projects that underwrite risk, while ensuring that legal resources are aligned globally and organised effectively. To avoid going the way of the dodo, GCs must adapt to these new expectations.

But how, exactly, does one adapt?

That brings us back to my colleague's question: "Is there a manual that will tell me how to do this job?" This book is an attempt to answer to that question in the affirmative, by providing a model to help GCs build outstanding legal teams and accelerate the GC's development.

The macro-political and economic forces driving the changes that GCs are facing come at a time when the legal profession itself is being convulsed by twin revolutions. The first is what is known as the innovation revolution. Driven by globalisation and technological disruption, it is unbundling the work of both individual lawyers and the traditional law firm model, presenting the GC with both opportunities and challenges.

The second revolution, occurring simultaneously, is what can be termed a 'professional convergence revolution', caused by the rapid pace of change. Good ideas are generated when people with radically different skills interact with each other in an ever more connected manner. As author Steven Johnson notes, innovation requires us "to build information networks that allow hunches to persist and disperse and recombine."³ That in turn has increased the demand for 'T-shaped' executives, who combine deep cognitive, analytical, or technical skills with broad multidisciplinary and social ones.⁴ Given their deep legal expertise and role as connectors, GCs are natural-born T-shaped professionals. These professionals are taking on a host of difficult new tasks, in addition to that of legal adviser. Role overload is an ever-present danger because the many new responsibilities that the job entails are too demanding for any one individual to successfully carry out.⁵

To succeed in this new climate, today's general counsel must effectively become her own chief executive – able to communicate, inspire and build outstanding legal teams, identify and anticipate risks, formulate and execute strategy, implement procurement and technology pipelines, control costs, ensure efficacy and nurture culture and talent. The GC must be an outstanding leader and team builder because, without a world-class legal team to support her, even the most distinguished partner-guardian will eventually fail to deliver effective support for clients. Building an outstanding legal team is the GC's acid test as a leader.⁶

While the vision of the GC as partner-guardian and statesman is both compelling and necessary, the current reality for most GCs is quite different. Crushed as they are under a daily avalanche of role overload, cost pressures, recurring litigation, major deals and periodic crises, and facing the many challenges the aforementioned macroeconomic developments and twin revolutions have wrought, most have little time to figure out how to build outstanding legal teams or move toward an ideal state. The partner-guardian vision is definitely the goal but it is not always clear how to get there. This book attempts to give you a model to help you do so.

‘Model’ is used here in the dictionary sense of being “a structural design”.⁷ It will point you in the right direction, but *you* must tailor things to your specific circumstances. An all-encompassing universal manual would have so many decision trees that it would be both endless and useless. Instead, a model such as the one presented here provides a starting point for discussion, a framework for building a team, and tools to implement a structure.

One caveat. This book is not about how to be a top-notch general counsel in the substantive sense. It does not tell you how to forge excellent relations with your CEO, provide sage advice, lead during times of crisis, and be a steady and reassuring hand for your board. It does not tell you how to tackle compliance and legal hazards, ethics, crisis management, citizenship, public policy or governance. Clearly, these substantive skills are essential to your success; but this book assumes that you already have most of them. They put you in the leadership role you currently enjoy.

To the extent that such substantive matters are discussed – for instance, in the chapters entitled “Risk and talent assessments” and “Culture” – it will primarily be done from an internal perspective of the legal organisation. There are two important implications that flow from this that need to be established up front. First, this book is intentionally written with an inward, legal team, focus; it does not address in great detail the critical company-facing role that the GC and the legal department play in the smooth running of a corporation, including how to cultivate good relationships with the board, the CEO, and other business leaders and staff.

Secondly, this book does not discuss in detail the vital role that the GC has in establishing and maintaining relations with key stakeholders and actors outside the corporation.

Both of the foregoing dimensions are critical to an inside lawyer's success, and their importance should be acknowledged up front. But while these are essential aspects, they are not the focus of this book. Here, we will focus almost exclusively on organisational issues and, in particular, how to build an outstanding legal team – a vital, but often neglected skill.

Frequently, lawyers get to the GC position precisely because they are great, even outstanding, lawyers. But what they sometimes lack are the other skills they need to succeed as GCs in today's environment: how to design and build a world-class team; how to develop a culture and nurture human capital; and how to manage budgets; how to select smart technology and professionalise service delivery systems – all while formulating a compelling strategic framework and managing through change.

This book focuses on these aspects, drawing upon my decades of experience in building and leading global teams, as well as the collective experience of a wide-range of people – all experts in their fields – who have contributed to its content. It is written from the perspective of the general counsel, but it is my hope that the model outlined here will be useful for any legal department leader.

The principal discussion is divided into three main parts, set between some introductory considerations (Part A) and some concluding remarks (Part E):

- Part B opens by dealing with the 'hardware' – ie, the hard, operational components that are needed to accelerate towards Heineman's newly defined global legal organisation of the future. These include aligning your operating and service delivery models with your core legal risks, appointing the right leadership team, restructuring your relationships with external providers, rolling out powerful new technologies, controlling your budget, and optimising your internal to external spend ratio.

The hardware discussion is important because inside lawyers are often not good at these tasks and many do not like doing them. There is a certain tension between managing the substance and managing the hardware. A general counsel sometimes neglects the latter. It may be because he lacks the training to do it properly, but it might also be because he lacks the time. GCs must focus on a seemingly infinite number of substantive issues that necessarily distract them from the business of running a department – and the substantive side of the role exerts a powerful pull. Moreover, even with the best operational support in the world, evaluating the appropriate cost of a matter will, to a certain extent, depend on the GC's substantive knowledge of the matter itself.

But it is the GC's job to navigate this tension appropriately. It is critical that a general counsel calendars time to review and evaluate his organisation with the same seriousness that he takes to perform at the highest level on legal issues.

- Part C focuses on the 'software' – ie, the softer, less tangible but equally critical components of culture and people. This book starts with culture because that is the sea within which your talent swims. If your culture is polluted or suboptimal, you will lose people, fail to attract top talent and prevent those who remain from doing their best work.

We will consider what is meant by culture, why it is important, and whether culture can be built from the ground up. We will also examine how you can continually improve the legal department's subculture, in alignment with the broader corporate culture of the company that it serves. We will then move on to consider the challenges associated with leading and motivating people across generational divides, as well as the skills you need to seek out and nurture in your leadership.

One question that sometimes comes up is whether the hardware phase needs to precede the software. My view is that it usually should, because it is generally easier to develop structural elements than it is to build culture and develop people. Tackling the hardware successfully will give you the credibility you need to take on the software. Of course, in the real world, there can never be

precisely delineated sequencing; you will likely need to do some of each interchangeably. But by emphasising the hardware first, you will obtain results you can use to convince others of the direction that you want to take things.

- Part D considers two highly significant threads that will wind their way through your transformational journey. The first is change management. Ignoring the emotional and other impacts that profound change can have on an organisation is a sure-fire way to blow up your team, your change effort, or both. The second thread is strategic direction: making sure that at all times you know where you are heading. No one should set off into the great wide world without having a clear understanding of what their destination is and a decent roadmap of how to get there.

Volumes have been written on these two threads, and space is too limited to do them full justice here. But the key elements are presented to help you build awareness about the themes that will impact your initiatives. Before you embark, you should gain an understanding of the importance they will play in your success.

Like all models, this one is merely a framework. It will be your job to put in the plasterboard for the walls and build the house. It is also my hope that this book will give you an appreciation of the multitude of variables that will impact your ability to create a world-class legal organisation of the future. Each area will provide you with food for thought as to how it might apply to your specific circumstances, so that you can accelerate your journey toward building the best, most sophisticated and highly valued department possible. Leveraging this framework to develop your team may free you to focus on being the best leader that you can possibly be.