

In-house legal teams: Identifying and nurturing value

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On 28 February 2013, the LexisNexis In-house Advisory Board held a discussion on the challenges and opportunities facing the in-house legal profession. The topic for the meeting was how leaders of in-house functions can better understand and develop the value they deliver to their businesses.

The meeting was facilitated by Paul Hughes of Cranfield Business School. Last year Paul led a piece of research commissioned by LexisNexis, seeking to understand the value of the in-house legal function from the perspective of business colleagues and stakeholders

This note summarises some of the questions and thoughts that emerged during the discussion. [We recommend that you read the full research report](#) for a more comprehensive outline of the key issues before moving on to the discussion notes below.

The report focuses on five core capabilities:

- The Legal Expertise Dimension
- The Business Expertise Dimension
- The Independent Function Behaviours Dimension
- The Collaborative Function Behaviours Dimension
- The Ethical Champion Dimension

The Advisory Board discussed ways of identifying, recruiting and developing these capabilities in practice.

Bridging the gap between private practice and in-house

The advisory board recognised that developing genuine business insight is a critical first step before encouraging in-house lawyers to develop closer relationships with business colleagues.

However, the vast majority (>90%) of in-house lawyers are initially recruited from private practice. While they might advertise commercial awareness on the CV, they are less likely to have developed the skills necessary to truly understand their business in a way that helps them add value.

This knowledge and experience gap might include:

- Understanding the business model of a “non-legal” business
- Working with, influencing and motivating people outside a law firm hierarchy
- The operational and procedural side of working in a “non-legal” business

The Advisory Board noted that to some extent this gap might be narrowed through identifying and hiring those with either existing skills, or a personality that is likely to support the development of those skills. This personality might typically be demonstrated by:

- An instinctive curiosity about how the business operates
- An ability to use this insight to ask the right questions of business colleagues
- A natural tendency to then think about what the lawyer can do to help

One board member queried whether individuals who do not possess these skills could be trained. The answer that emerged from the group was that while the core capabilities must be there – not everyone can do this – they can and should be the focus of development and training for in-house lawyers. ([The LexisNexis/Cranfield Executive Leadership course aims to support those in-house teams which are struggling with this.](#))

Managing stakeholder relationships

The advisory board recognised that once these capabilities are in place, the development of relationships with key business stakeholders becomes critical.

In a law firm environment, the clear hierarchies and departmental structures are unlikely to have forced lawyers to really practice identifying and developing stakeholder relationships.

Nevertheless, the ability to identify a) which relationships need to be built; and b) how and when to build them is critical to success - particularly in larger, more complex businesses. Stakeholder mapping was mentioned as a practical way to think about this challenge.

A common scenario is that the leader of an in-house legal function may have developed strong personal business relationships by virtue of status, profile and longevity. The outcome in this scenario is often that the leader is valued by the people with whom he/she has the relationship with, but the legal function he/she runs is not. By contrast other functions are better “sold” within the business, and legal can be easily outplayed in the competition for resources and executive support.

This scenario is by no means universal. One advisory board member makes stakeholder management part of the appraisal process for in-house lawyers. Success is measured through stakeholder feedback and observing business relationships. Other board members encourage or require in-house lawyers to work in business functions at an early stage – for example, a secondment to the strategy department for 6 months, placing junior lawyers in the sales teams for a period, or pushing new recruits through the corporate graduate programme.

However it was acknowledged that while this approach is key to growing value and “untraining” private practice lawyers, it is not widely adopted. Some junior lawyers are even penalised for spending too much time “on the shop floor”. In these cases a shift in focus and mindset is required from the leaders of in-house teams.

Why identifying and nurturing value is critically important

In-house lawyers are facing extremely challenging times. The cliché of “do more with less” is not losing its imperative urgency through repetition in the market. Time, money, energy and focus are often in very short supply.

Against this background, the advisory board considered whether growing the value of the legal team should be a priority. Does it matter, or is it just an irritant?

Today, businesses are undergoing massive transformations. The outsourcing revolution has blown through HR, finance, IT, procurement, sales and almost all other key functions. Externally, the legal profession is also undergoing fundamental changes, and external providers of legal services are looking for ways to deliver more to senior business stakeholders (not necessarily via the in-house legal function).

The advisory board agreed that far from being an irritant, a focus on value is critical to keeping the legal function alive. The twin drivers of change – demands from the business, and competitive pressure from law firms – are forcing the issue.

There was consensus that the vast majority of the work of an in-house lawyer is not about the technical practice of law in the way it is commonly understood. Rather, it is about influencing business stakeholders – asking the right questions. From this perspective, a focus on developing core business capabilities is fundamental to the role of the in-house legal team.

The fastest growing businesses in the US have former in-house lawyers in business roles – this is something to which UK businesses should aspire.

The value proposition of the in-house legal team

There is a maxim in business: “Your customer is your customer’s customer”. It is one thing to develop relationships with business stakeholders – and this is important – but the next step in the journey is to connect with the end users of their product or service.




Do you know your business strategy? Do you understand what happens when something goes wrong? Do you understand what the customer needs from you?




Have you developed a value proposition for your legal team? Have you asked your business what they think this is?



HR functions tend to have undergone this process already. A lesson to be learned is that best practice is not as important as best fit – what do my stakeholders need?

The advisory board meeting ended on a challenging note. If growing value is important, who is going to fix it? Who is going to drive the change in in-house legal teams, if not their leaders?

The LexisNexis In-house Advisory Board

<p>Clive Davies Senior Counsel, Fujitsu Services</p> 	<p>Clive is a senior counsel with Fujitsu Services advising on major service contracts with customers especially in the public sector.</p> <p>Prior to joining Fujitsu in 2007 Clive was the lead IT and outsourcing partner at D J Freeman for 13 years and Olswang for 4 years. He qualified in 1977 and worked as an in-house lawyer for the Alexander Howden Group in the insurance industry, Esso in the petroleum business and ICL in the IT sector before joining D J Freeman in 1990.</p> <p>Clive specialises in advising on major project contracts for IT outsourcing having represented customers and suppliers in-house and in private practice for many years. He also advises on electronic commerce and data protection.</p> <p>Clive has been recognised as a leading IT lawyer in the legal directories for some years and lectures and writes regularly on IT related legal subjects. He is chair of the Society for Computers and the Law, the treasurer of the International Federation of Computer Law Associations (IFCLA), an editor of Communications Law and a member of the Intellect contracting best practice working group.</p>
<p>Kerry Phillip Head of Legal Vodafone</p> 	<p>Kerry Phillip is Head of Legal at Vodafone Limited, with responsibility for all legal matters for Vodafone's UK operating company. Kerry leads a team of 25 lawyers and paralegals .</p> <p>Prior to joining Vodafone, Kerry held senior positions at several telecoms companies including 2 years as General Counsel at Azzurri, 8 years as a senior commercial lawyer at O2, and 2 years as a senior lawyer at BT.</p> <p>Kerry qualified as a corporate lawyer at Linklaters where she spent 4 years (3 in Paris) before moving to BT, where her in-house career began. Kerry is married with 3 children and a dog and loves food, travel, languages and sports.</p>
<p>Jean Hughes General Counsel, North & South West Europe Atos IT Solutions and Services</p> 	<p>Jean Hughes joined Siemens (now Atos) IT Solutions and Services in November 2010 as Head of General Counsel Legal. She is responsible for the legal, contract management and compliance organisation throughout North and South West Europe</p> <p>Prior to joining Siemens, Jean was at eBay where she was UK Director of Legal and Public Affairs. She also took the role of European Commercial Director where she built a pan-European contract organisation. Before that, Jean held a number of senior positions within Fujitsu Services, including heading the legal function for the Public Sector and the Financial Services, Retail and Travel business units.</p> <p>Before moving to work in-house in the technology sector, Jean was in private practice in the City. After qualifying as a solicitor at Baker & McKenzie, she worked at Allen & Overy, Freshfields and Denton Wilde Sapte. While at Freshfields she built and led the knowledge management function for the IP/IT department. During her time in private practice Jean worked in Hong Kong, Singapore and Paris.</p> <p>Jean has a law degree from Cambridge University and has also studied Chinese at Taipei University, Taiwan. She speaks Mandarin, Cantonese and French.</p>

<p>Ian Leedham Senior Counsel (Disputes & Commercial) National Grid PLC</p> 	<p>Ian has been involved in numerous re-organisations, mergers, acquisitions and outsourcing with National Grid and is responsible for a 45 strong team dealing with commercial legal matters, disputes, construction, IP, employment, health & safety, property and Global Records Management and Group IP portfolio. Within the department, Ian has been involved in various legal panel reviews and technology innovation within the Group and assisting other in-house teams. National Grid won the "In-house Legal Department Initiative of the Year" at the Legal Technology Awards 2006 and were recognised in The FT Legal Innovation Awards 2007 and 2008 and the only in-house entry shortlisted in the British Legal Awards Best Use of Technology 2006 and 2008. Ian speaks regularly on innovation and technology in the legal industry which are topics he feels passionately about.</p>
<p>Hank Udow Chief Legal Officer and Company Secretary Reed Elsevier</p> 	<p>Hank joined Reed Elsevier in March 2011 as Chief Legal Officer for Reed Elsevier as well as Company Secretary for Reed Elsevier PLC and Reed Elsevier Group plc.</p> <p>Prior to this appointment Hank was Chief Legal Officer and Company Secretary of Cadbury plc until its takeover by Kraft in 2010. A US citizen who is admitted to the Bar of New York State, he has been resident in London for the past 18 years. Having started his legal career as a securities and M&A lawyer at Shearman & Sterling in New York and London, Hank spent over 20 years at Cadbury where he acquired substantial experience managing global legal and M&A departments, becoming Chief Legal Officer and Company Secretary in 2005. In 2009 the National Law Journal named Hank as one of the 20 most influential general counsel in America.</p>
<p>Steve Cowden, Former General Counsel and Company Secretary, Reed Elsevier Group plc</p> 	<p>Steve Cowden is the former General Counsel and Company Secretary of Reed Elsevier Group plc, a leading business information provider and electronic publisher listed in the FTSE 100.</p> <p>Prior to joining Reed Elsevier in 2001, Steve worked in the pharmaceutical industry for over 20 years, latterly as Group Company Secretary of Glaxo Wellcome plc. He began his career with Beecham Group plc in 1977 and then with SmithKline Beecham plc.</p> <p>Steve is a member of the Law Society of Scotland, the CBI Companies Committee, the International Bar Association, the GC100 and is an alternate member of the Hearings Committee of the Takeover Panel.</p> <p>He graduated Bachelor of Laws with Honours from the University of Edinburgh in 1974 and is a Scottish solicitor, having been admitted in 1976.</p>
<p>Toby Hornett, Legal Director, Canon Europe Ltd</p> 	<p>Toby Hornett joined the Canon Europe Legal Department in 2006, and is now a Legal Director. He manages a small team in various locations responsible for legal support to the B-2-B business unit and also leads competition law compliance and corporate projects.</p> <p>Toby joined the Clifford Chance London office in 1997 from law school, and stayed for three and a half years, including a stint in the Paris office.</p> <p>Toby speaks fluent French, was at Edinburgh University, Guildford Law School and has an MBA from INSEAD.</p>

<p>Tim Bratton General Counsel, Financial Times</p> 	<p>Tim moved in-house when he joined the Financial Times in 2000 and has held his current role since 2003. During that time Tim has also assumed management responsibility for the FT's Company Secretariat team and the role of Director of Intellectual Property. Prior to joining the FT, Tim trained and qualified at Denton Hall (now SNR Denton) where he specialised in intellectual property, information technology and digital media law.</p> <p>Tim manages a 12 person team based in London, Belfast and New York and his team advise the FT globally, combining corporate, commercial and media law expertise. In 2010, the team were runners-up in The Lawyer In-House TMT team of the year award as the result of the legal work undertaken advising the FT's business as it implemented new digital business models.</p> <p>Tim is a regular speaker at in-house conferences and has previously sat on advisory boards for the Legal Week Corporate Counsel Forum and the Chief Legal Officer programme. Tim writes about issues facing the legal profession and in-house lawyers on his blog at www.legalbratblawg.com and his articles are often published in The Lawyer and Legal Week publications.</p>
<p>Liz Kelly Group General Counsel Group Legal & Compliance</p> 	<p>Liz was appointed Divisional Director - Group Legal & Compliance in 2011 and prior to that had various roles in Group Legal. Whilst at Nationwide she has led the legal support on the mergers with Portman, Derbyshire and Cheshire and the acquisition of parts of Dunfermline, developed and implemented a new strategy for Group Legal and has set up a new general Legal panel to advise the Group.</p> <p>Liz was in The Lawyer's "Hot 100 Lawyers list!" in 2010 and won The Lawyers In House Lawyer of the Year award in 2011. She started her legal career at Clifford Chance and worked in the Commercial Department for four years. She then spent a couple of years helping to set up an American firm in London before moving in-house to become Head of Legal for an international sports marketing company. More recently she was the Legal Director and Company Secretary at World Snooker.</p>