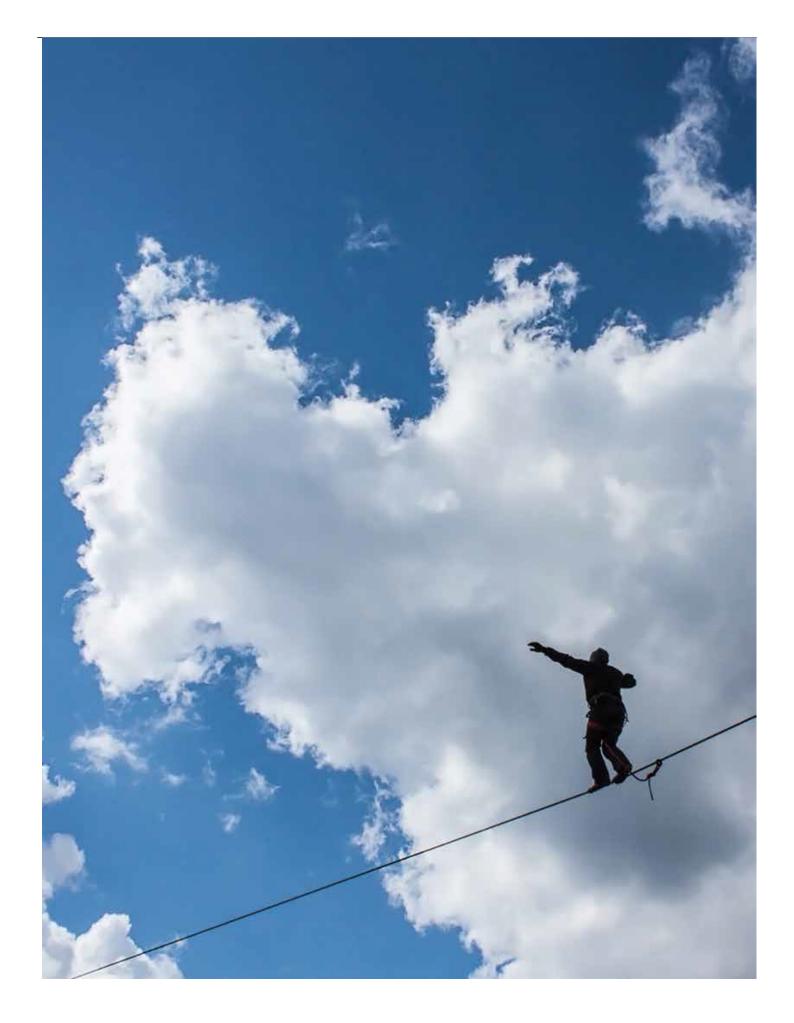
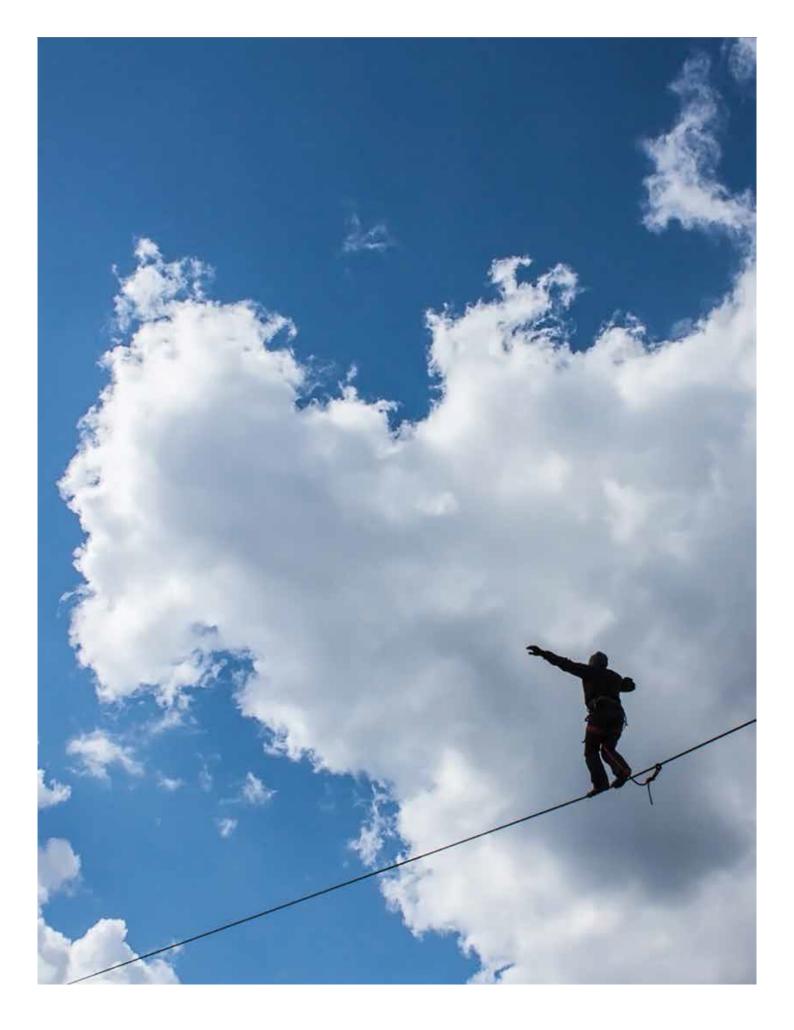


My Journey Outside and Inside of the Legal Department

Skills and Professional Development





CHEAT SHEET

- Teamwork. Legal departments work as a team, not as individuals.
- *Credibility.* The credibility of in-house counsel is based on its ability to investigate the client's needs and present different alternatives, as well as risks.
- **Business law.** The role of a business lawyer is to understand the needs of the business and determine if the solution can be found internally or externally.
- **One vision.** A business succeeds or fails as a result of its people. Getting everybody engaged, aligned, sharing a vision, and holding each other accountable enables the team to achieve results.

I joined International Paper as a finance lawyer, working on large credit facilities, inter-company cash movements, structured financing, and other similar topics. My background, as a young lawyer in private practice, had been in that area. My company, with presence and operations all over the world, was an exciting place to practice law. During those years, I spent most of my time assisting the tax and treasury departments of the company, working on high profile projects and learning from some of the best professionals I have met in my career, from all sides of the spectrum: experienced in-house lawyer peers, tax planners, cash managers, outside counsel and outside tax consultants, among others.

It is never about one person knowing all the answers, but rather a strong and robust network of counsel that ensures that every business situation is investigated with the company's resources to the bottom of the issues in question.

I learned so much in that phase of my career! For me, it was the perfect transition from being on the "outside" to becoming "in-house." In those years, I realized that our jobs as in-house counsel are commonly misunderstood from the outside. The nature of the work we do, to the hours we put in, and even the levels of quality and excellence of the work-product at a Fortune 500 legal department are not realized by outsiders.

Throughout those years, I learned that the legal department works as a team, not as individuals. It is never about one person knowing all the answers, but rather a strong and robust network of counsel that ensures that every business situation is investigated with the company's resources to the bottom of the issues in question. I learned that companies like mine have plenty of resources and, when it comes to legal analysis and compliance, we are always expected to get it right.

During those first years in-house, I learned that an internal business client would not pay as much attention to whether I knew the answer from the get-go or if I had consulted with a peer or outside counsel to get to the same answer. My credibility as in-house counsel was not built on the basis of my credentials, or even personal knowledge, but in my ability to timely investigate the client's needs and present different alternatives, while also conveying the risk profile of each one. That way, the business client can make a decision to address a specific situation.

From subject-matter expert to business lawyer

As I got more and more excited about my job, I wanted to know more about the company and our businesses. At one point, I was feeling that in my role it wouldn't make any difference to me if the company made widgets or was in the paper and corrugated packaging industry. So, one day, in part due to my inexperience and naivety, I approached one of my bosses in the legal department and asked her opinion on pursuing an MBA. Her answer surprised me. She said, "If you really want to get closer to the business, why don't you try to become a business lawyer? That way you'll know more about the business and whether you like it or not."

So, I did. Not too long after this conversation, a business lawyer position opened in the legal department, and I applied. I was lucky enough to get it. And, once again in my career, I joined a group of colleagues whose jobs I really did not understand.

My first lesson was that a business lawyer does a lot more than reviewing contracts. Granted, reviewing contracts is critical, and one must get it right, but overall, a business lawyer has a greater role than just one specific task. Because of the exposure and proximity to the business and its players, a business lawyer has the unique opportunity of understanding the priorities of the business and its vision, thereby becoming a true business partner.

It took me a couple of years to fully grasp the importance of business lawyers in a big and sophisticated legal department. I don't know why I had to resort to a different profession to finally have my "Aha" moment, but it came when someone explained to me the difference between business lawyers and subject-matter lawyers (such as environmentalists, litigators, securities, finance, labor and employment, intellectual property, etc.) using a doctor's analogy. He said that the difference is similar to the difference between family doctors and specialists. If you're not feeling well, you don't go straight to the neurosurgeon or the endocrinologist. You go to your family doctor first; the doctor who knows you and also knows a little bit of many different areas of medicine. If he thinks you need to see a specialist, he'll refer you to one.

As a business lawyer, I was the point person between a business unit and the legal department, and in such capacity, I was the initial recipient of a wide variety of calls from business managers. Sometimes they called about a customer supply agreement issue, or a purchasing issue, or an employment issue, or a labor one; sometimes, they involved environmental, credit collection, or other legal compliance questions. To be effective, I learned how to be a traffic cop and, at times, a translator. My role was not to appear in front of my business counterparts as the know-it-all lawyer who was able to master all of the aforementioned areas of the laws. Conversely, my role was to understand what the needs of the business were and to analyze if I was able to find the solution by myself or if I had to refer them to an expert. If I did use an outside expert, I would stay on the team and act as a translator.

Finally, as a business lawyer, I learned that it was my role to stay close to the business, attend meetings, listen to their presentations, and be available to them. That way, I would earn their trust and understand what was important to them.

One day, I found myself having a conversation about my career with the VP of the business unit I served as business counsel. We talked about my future, and he asked me if I was interested in running a business one day. This is something that I had dreamed before, and I said yes, but I didn't know how to make the jump. Yet again, I asked one of my bosses if I needed to get an MBA and got basically the same answer: No! Nothing would replace on-the-job training, I was told, and for that,

you only need someone to give you the opportunity. Due to my experience as business lawyer, my supervisor took the risk and give me such an opportunity. Perhaps, in the future, an MBA might make sense, but for now, there was no better way to know if I would enjoy and be good at running a business than actually doing it.

From in-house counsel to business manager

After formally exiting the legal department, my company had me shadowing various business managers in different facilities to help me gain the confidence I needed to later manage a business. I spent several months on a plant learning from front-line leaders, the plant manager, as well as from support staff. I also attended numerous manufacturing, labor and employment, and even leadership courses. Finally, in August 2017, I was given the opportunity to run a manufacturing facility.

Ever since I left the legal department and joined the business, I started seeing the same operations I supported before from a completely different lens. Realizing that the whole corporate structure simply supports the work of the operators on the floor was my second "Aha" moment!

For that reason, I decided to keep a log and write down the most important lessons I have been learning while managing my plant and on my journey outside the legal department. I have to admit, some of these lessons are the result of not so smooth — even at times painful — experiences. The following is a summary of them:

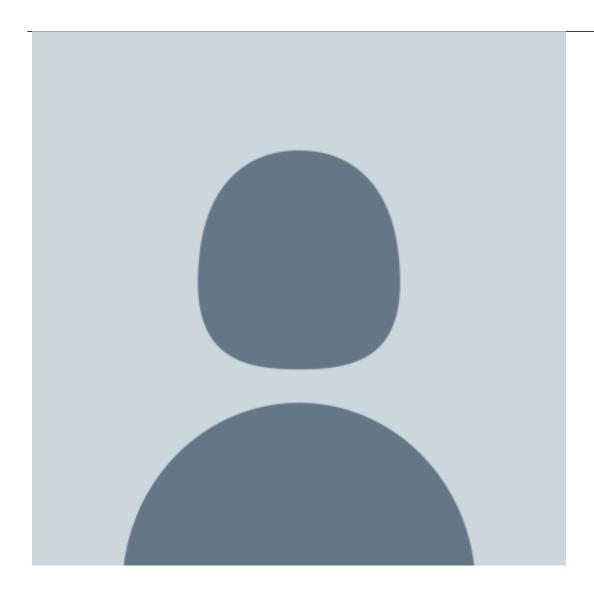
- 1. Managing people is hard and nobody finds success alone. Actually, managing people is harder than what we think. As lawyers, we tend to overlook the fact that managing is actually a science that we can study, develop, and ultimately become better at. Whether it is an associate, a paralegal, an administrative assistant, or a shift supervisor, shipping manager, or a controller, the principle is the same: A good leader is able to manage better by getting the best out of the people, inspiring them to a point where they willingly decide to use their discretionary efforts to add more value to the system. A business succeeds or fails as a result of its people. Getting everybody engaged, aligned, sharing a vision, and holding each other accountable is part of the recipe to enable the team to achieve those good results we look for.
- 2. **Meeting business goals isn't easy either.** For the third time in my career now, I feel that I'm entering a world that I didn't quite understand before. If I ever thought that succeeding in business was "easy," those thoughts are long gone. In today's world, investors and shareowners expect businesses to grow every year and be more profitable. For that to happen, we must work every day to ensure safe and reliable operations, while managing quality, working capital, sales, volume, pricing, etc. A business manager is constantly asked to work on new initiatives and show improvement on many different metrics.
- 3. The "little" things matter. In my first few weeks at the plant, I learned the hard way that what I can see as "little" may be a "big deal" for someone else. On one occasion, I was asked to authorize removing benches from the machine line where the operators sit when they're tired. I thought about it for about 30 seconds and it made sense to me: Operators have breaks and taking out the benches removes the temptation of sitting down too much. So, I went ahead and authorized it. I was stunned that even operators who didn't like or even have benches would complain that we were taking something away from them. Looking back, I don't know whether removing the benches was the right decision or not, but, certainly, whether good or bad, such a decision was poorly executed for failing to recognize that it was not such a "small thing" after all.
- 4. **Good communication is key.** I never expected that a lot of what I do as a business manager is actually delivering messages. My training as a lawyer has been very helpful in keeping a

- mental organization of the information needed to be conveyed. However, to truly master the art of communication, I realized that one needs a lot of practice and even formal training. A good communicator not only gets the points across, but also spots and stops false rumors, and prevents communication crises.
- 5. The simpler the better. In law school, they teach us how to spot issues and apply the relevant rule of law to the fact pattern in question. I have found that this organized and trained thought process helps tremendously in business. Being able to quickly process many different facts and prioritize them in order to focus on the levers that count the most is a great advantage when running a business. In other words, I have found that a lot of times it is very important to digest lots of information and boil the message down to be passed on to the team in a few simple bullets. Whatever business goal we want to accomplish, if it's too complicated, it won't get done.
- 6. You trust (and like) the person who partners with you. This one doesn't require a lot of explanation. I just never was on this side of the equation: being the client. Today, I see very clearly why a business manager trusts and likes counsel who understand the business priorities and takes the time to work with the business to help reach the desired outcome or is able to explain what other options could also be available. You want to feel that your lawyer, or HR manager, or EHS professional is on your team because they really want to help you get better and fix problems, as opposed to police your actions with a "Gotcha!" type of approach.

Would I go back to the legal department?

Every time I'm asked this question, I give the same answer: perhaps. I loved being a lawyer, especially at my company's legal department. I don't believe that you have to sever your ties with the legal profession to be a business manager. They are two very different functions, but they can coexist as experiences that make us more rounded as professionals. For example, as suggested in this article, I believe that our training as lawyers is very compatible with business, and with time and effort, lawyers can be good business leaders. On the other hand, I can see that after a journey outside of the legal department, I could come back as a better lawyer with a broader perspective, being more aligned with the business, and in a position where I would be able to ultimately add more value to the company and its shareholders.

Ignacio Vincentelli



Plant General Manager

Kraft Bag Plant of International Paper (IP)

Before working at the Kraft Bag Plant of International Paper (IP) in Beaverton, Oregon, he was senior counsel with IP. He holds law degrees from Duke Law, the University of Miami School of Law, and the UCAB in Caracas, Venezuela.