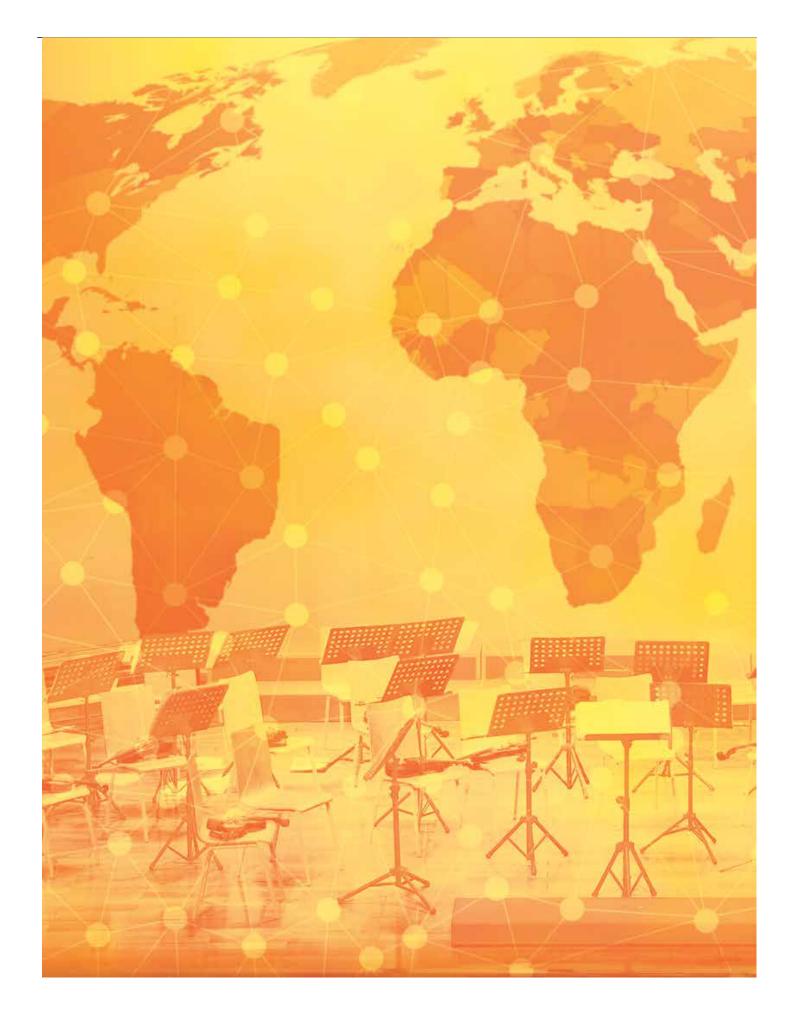
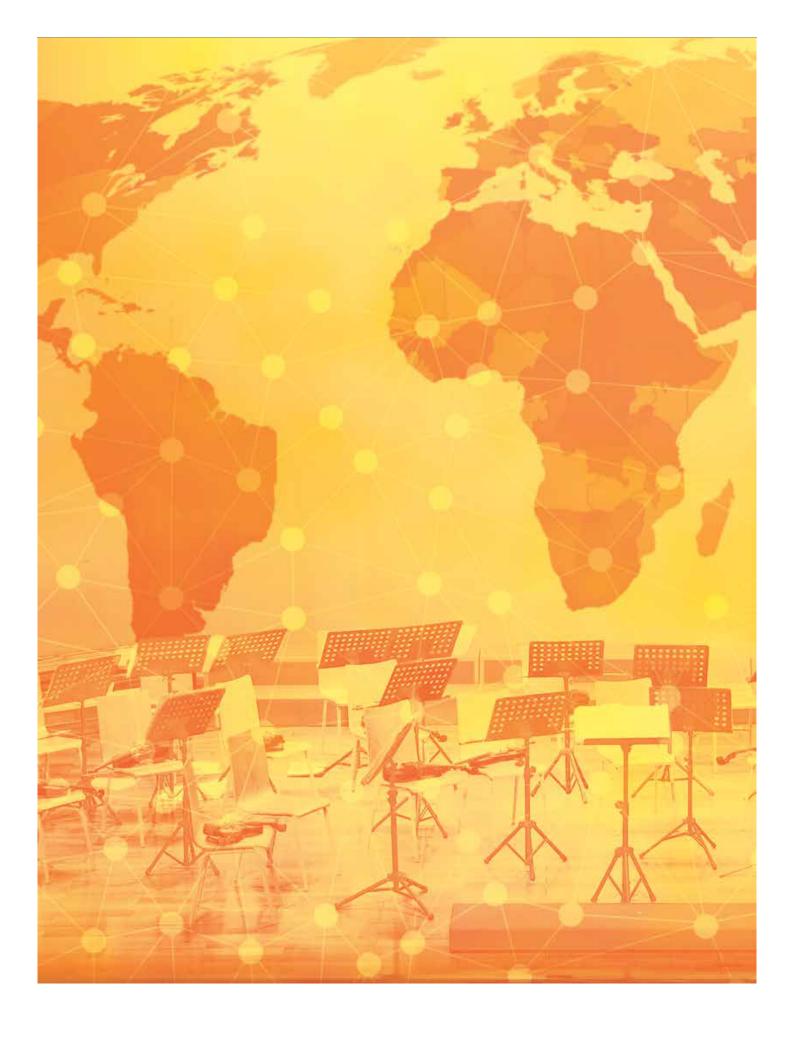
EDOC KELL IN-HOUSE.

Border Crossing: Building an International Team to Support a Global Business

Corporate, Securities, and Governance





CHEAT SHEET

- **Know your motivation.** Discern precisely what your needs are in the region and how to make your investment.
- **Structure defines culture.** Before an expansion, give real thought to the reporting structure to ensure ideal communication lines and avoid confusion or duplication.
- *Manage expectations.* For your nascent legal team, find the best candidates that will suit the rigors of the new position.
- *Track educational variations.* Different countries have radically diverging approaches to legal education, so appraise your candidates accordingly.

Even if you've built a solid team at headquarters, expanding internationally is a completely new challenge. The legal landscape varies from one part of the world to another. Differences in culture, educational systems, and compensation expectations all present their own complications. Where do you begin?

What's your motivation?

Start by considering your motivation for expansion. Barrett Avigdor, managing director of Latin America for Major, Lindsey & Africa, explains: "We advise that the general counsel or legal department work closely with the business to really think through what the business's needs are in the region." Ideally, a legal team grows with the business — expanding into new regions as the need arises for local support or specific skills. Think about not only what the business needs today, but where it's going in the future. Consider how the foundation you lay now will scale. What is the right mix of professionals and paraprofessionals to maximize the investment you will make? Do you build from the bottom up to meet simple needs today and plan for greater complexity later? Or do you start at the top and work down, working ahead of the business's immediate needs in anticipation of its growth?

What are you looking for?

Bianca Thomond, head of Major, Lindsey & Africa's in-house practice group for EMEA, cautions: "It's important to plan the hire six months out to truly get a good fit — and you have to define the role. When meeting with and assessing a candidate, they may be one thing today and they may have the ability to grow into something moving forward, so it's important to determine where we think a candidate can develop or can be a perfect match with a client."

Avanade is part of a very dynamic industry — technology consulting — where new and often significant innovations come quickly and require us to understand new technologies. We also have to stay on top of not only the laws and regulations that govern what we do, but also those that pertain to our clients. Because of this, we know we need people who possess an intellectual curiosity, who find it fun to learn new things, and who are capable of learning fast since things change so quickly. These qualities or others that would be equally important in your company's industry are not easily recognized in a typical resume, so it's important to make the time and effort to know your candidates

well. Take the hiring process seriously and don't consider it simply as a necessary and unwelcomed diversion from your day-to-day work. Make your own time count for more by putting trusted frontline filters in place to select candidates who truly exhibit the skills and experience you need and show promise of fitting into your vision and company culture.

Speak to the stakeholders

The Avanade legal team maintains a close relationship with Avanade's business. We act as trusted advisors to the business and enjoy a strong reputation with our internal stakeholders. Our attorneys are members of regional and local business leadership teams as well as thought leaders in business strategy groups. They interact with local business leadership continuously on a wide range of matters. We bring in the business leadership at the beginning of the recruiting process and incorporate their input in developing the profile and goals for the position. "Sometimes the business has different ideas of what they want their lawyer to be compared to what the legal function wants their lawyer to be doing," says Olivia Seet, head of Major, Lindsey & Africa's in-house practice group for Asia-Pacific. "The job description is an extension of the company. In some markets, it may be very candidate-driven. Make your company part of the selling point. You want the candidate to see a future with the company."

Decide on a reporting structure

"It's really important to think about the reporting line," explains Thomond. "Most of our clients have a solid line into the general counsel and a dotted line into the local business. I think having both helps to ensure clear communication and it can often help the natural tug of war of 'Who do I report to on a daily basis?"

The Avanade legal group maintains a lean structure with a small leadership team. All Avanade legal team members have a direct channel to me and the leadership team, and we actively share ideas through regional and global meetings (virtually and in-person). I've put in place a highly accomplished leadership team that includes a general counsel for each of our main three geographic areas: Europe; North America, which includes the United States and Canada; and "Growth Markets," which is a combination of APAC plus Brazil and South Africa. I have empowered them to build out their teams as they see fit, maximizing their ability to align well with the structure of the business in their geographic areas and respond rapidly to its priorities as true partners of the business leadership. Avanade's assistant corporate secretary, regulatory compliance lead, lead employment counsel, business operations manager, and HR representative also sit on my leadership team.

Set expectations

Once you've determined your need and the profile of the ideal candidate, it's important to find and retain the right people. For Avanade, it's people who enjoy being part of an international team relying on virtual interaction, who are eager to learn and grow, are comfortable with change and a fast pace, and have a passion for technology.

Start the search with day one in mind

To improve your chances of a successful recruitment and retention, think of the start of the recruiting process as the start of the onboarding process. The right recruiters understand the need to convey from the very first discussion clear expectations about the position and impart a strong impression of

the company's culture, values, and working style. Setting clear expectations really helps you identify the right people who are going to know what you and your company expect from them starting day one.

Company culture — a primary filter

Avanade is a global IT services provider with more than 27,000 professionals and legal entities in 23 countries. Avanade has experienced 20 percent average year-on-year growth since Microsoft and Accenture formed Avanade as a joint venture in 2000. Our legal team reflects the international, diverse, and high growth character of Avanade itself. The Avanade legal group includes more than 20 nationalities and practices in 12 languages. More than half of our attorneys and senior leadership team are female, and we are proud proponents of diversity, inclusion, and gender equality. We connect our geographically dispersed teams using the latest Microsoft technology. Our virtual team communicates and collaborates using Microsoft's enterprise cloud (Office 365, SharePoint Online, Skype for Business, and Yammer). We thrive on workplace flexibility, which allows team members to work from home with latitude to meet the demands of the business and our clients in the most effective and efficient way possible. We leverage offshore service centers and outsource bandwidth and specialized coverage to supplement our business's needs.

We look for people who enjoy this international, growth-oriented, technology-driven, and virtually-savvy culture, and can envision their own growth within it. When it's time to begin interviewing candidates, make sure you've effectively and accurately described your own company's culture. That's something your recruiter (whether internal or through a search firm) should be able to articulate. Having a strong understanding of the company culture before an interview is essential to the success of a candidate because a company should be looking for someone who has more than the legal credentials. "What is it like to work at that company? How do people communicate with each other? Are they informal and direct? Are they more formal and indirect? Is it very hierarchical? Or is it a flat structure?" Avigdor asks. "In Latin America, companies tend to be very hierarchical and titles are very important. In a lot of American companies, just the opposite is true, so I try to help the candidate understand a bit about the environment they are going into as well as the culture of the company headquarters."

"In Asia, titles are really important, especially when dealing with the business because the business is standalone with its own Asia CEO, CFO, CHRO, etc., yet the legal team is often global with the chief counsel sitting in the United States," Seet explains. "The business then needs to consider the title they are giving this new Asia lawyer at a regional level and choose a title that is going to have credibility externally such as head of legal, Asia when he or she is interacting with regulators, external organizations, or even internal clients."

"It is essential to understand the organization's culture, including that of the surrounding business units because there is often a dramatic difference in culture within the legal team compared to that of the finance or sales team," Thomond says.

Understand differences in education and training

As you are hiring, you will discover educational and training disparities in each country, reflecting different legal systems and requirements to practice law. For example:

Legal education in the United States involves a four-year undergraduate degree, three years

of law school, and passing the state's bar exam to be admitted into legal practice.

- In Latin America, the law degree process lasts five years and starts at the undergraduate level.
- In China, anyone with any type of degree can sit for the bar exam. After passing, a candidate must complete one year at a Chinese law firm to be fully qualified as a lawyer.
- Japan did not have a law school system until 2004, when it adopted a similar approach to the United States. Before that, people studied law as undergraduates in preparation for difficult exams.
- Lawyers in Australia complete an undergraduate Bachelor of Laws (LL.B.) or graduate Juris Doctor (J.D.) along with an approved practical legal training course or articles of clerkship.
- Hong Kong lawyers are required to earn a law degree (either an LL.B. or J.D.) and complete a
 postgraduate certificate in law and either a oneor two-year apprenticeship.
- In India, anyone who earns an LL.B. degree can start practicing law.
- In England, lawyers typically complete a three-year law degree, one year of law school, and then a two-year paid training contracts with a law firm.
- In France, lawyers earn a law degree, take an exam, and are admitted to the bar.
- In Germany, it takes 8–10 years to qualify with a Ph.D. and numerous stints in law firms and courts.

When it comes to training to be a lawyer, the style of learning can be as different as the requirements. "I'm an American lawyer and I was educated in a common law system where we're taught by the Socratic method, which is based on asking questions, and the law is based on case law, which means you are constantly problem solving, you're constantly comparing fact patterns," explains Avigdor. "Lawyers in Latin America are raised in a civil law framework, which is rules based — there's a code with a lot of rules in it and the lawyers know those rules and there is an answer. If you ask a typical civil law lawyer a question, he or she will give you an answer that it is either permitted or not permitted based on the code. So for a civil law trained lawyer to do well in an American-based company, he or she needs to be able to develop that problem-solving mindset and skillset."

How corporate legal departments partner with Major, Lindsey & Africa

Finding the right people starts with the recruiting process. To enhance your search for legal talent, working with a recruiting firm can help as they have an extensive network that reaches far beyond that of simply posting a job ad. Major, Lindsey & Africa has offices in 22 locations around the world, including London, Hong Kong, and Sydney, and search consultants who are focused on their markets. Barrett Avigdor, Bianca Thomond, and Olivia Seet are the heads of their respective markets and bring a wealth of knowledge and experience to the process as advisors and search partners.

Avigdor, managing director, Latin America, is a long-time colleague of David Oskandy. She focuses her practice on businesses expanding their legal teams into Latin America. She has served as inhouse counsel for a global technology and outsourcing company, helping to build its Latin American legal team. She has also practiced law for a large national firm as well as a boutique firm focused on business transactions between the United States and Mexico.

Thomond is the head of the EMEA in-house practice. She is an experienced search consultant with more than a dozen years of recruiting experience. She has partnered with a range of US multinationals, FTSE listed businesses, financial institutions, and small/medium enterprises, seeking to bolster their international legal functions or appoint a first-time head of legal/general counsel.

Seet leads the in-house team in the Asia-Pacific region, partnering with multinational and financial services clients to assist them in filling critical and strategic positions within their organizations. Seet has a strong track record of placing first China counsel and first Asia-Pacific counsels for multinational companies. She understands the trends that have emerged over the years, the challenges faced by legal personnel in the region, as well as the practical issues of compensation and local business and cultural practices.

Each of these consultants comes to the table with an understanding of their market that can be invaluable to an in-house team looking to expand into a new region. To learn more about Major, Lindsey & Africa, visit www.mlaglobal.com.

Compensation and benefits

When it comes to compensation, we present an incentive package to the candidate based on a position's level. However, compensation and expectations can also look different depending on the country where you plan to hire. "Every company is different and candidates bring a certain lifestyle that they have worked hard for, so it is difficult to give up their allowances when they move," Seet cautions.

Compensation varies widely among in-house legal departments due to the different qualifications of lawyers entering in-house roles. Developed countries' pay structures exhibit similarities, reflecting their similar levels. For example, Australia follows a model similar to the United States, where total compensation is made up of a base salary plus bonus and often restricted stock units. In developing countries, where talent is harder to find, disparities often arise and incentives for attracting talent take on a bigger role.

"In Latin America, they have a mandated 13-month salary, with an extra month of pay at the end of the year. They also expect non-cash compensation, such as a company car and a company-provided telephone," Avigdor explains. "In Mexico, many companies offer a savings program where the employee sets aside a percentage of their salary every month and the company matches. Unlike a 401k, it's not a retirement plan and the employee can withdraw the money twice a year."

In many Asia Pacific countries, compensation extends beyond salary and benefits. Generally speaking, Japanese-qualified lawyers working in global corporations are well compensated and receive benefits such as incentive bonuses, social insurance, and a retirement allowance as well as reimbursement for commuting expenses. "Depending on your level in the company, in China, you will get a car and driver, possibly a housing allowance, and education assistance for your children," says Seet. "If you are a foreigner in China, it can be very difficult to access the local public schools; therefore, international schools, which have a similar curriculum to one's home country, are highly sought after and carry a hefty cost." In India, lawyers' salaries are defined as cost to company. This will typically be broken down as base salary plus variable, which will be made up of several elements including housing, car, medical, travel, provident fund, and gratuity, as well as a bonus component that varies from company to company.

At Avanade, we pay attention to local requirements and accommodate particular aspects where necessary. For example, in locations where a car tends to be a consistent part of compensation, we try to meet that. But, overall, we try to maintain consistency, which is important for unifying the team

as a single global team. The team has to have a sense that everyone is being treated equally in accordance with their level and fairly in relation to their colleagues.

New hires can hit the ground running

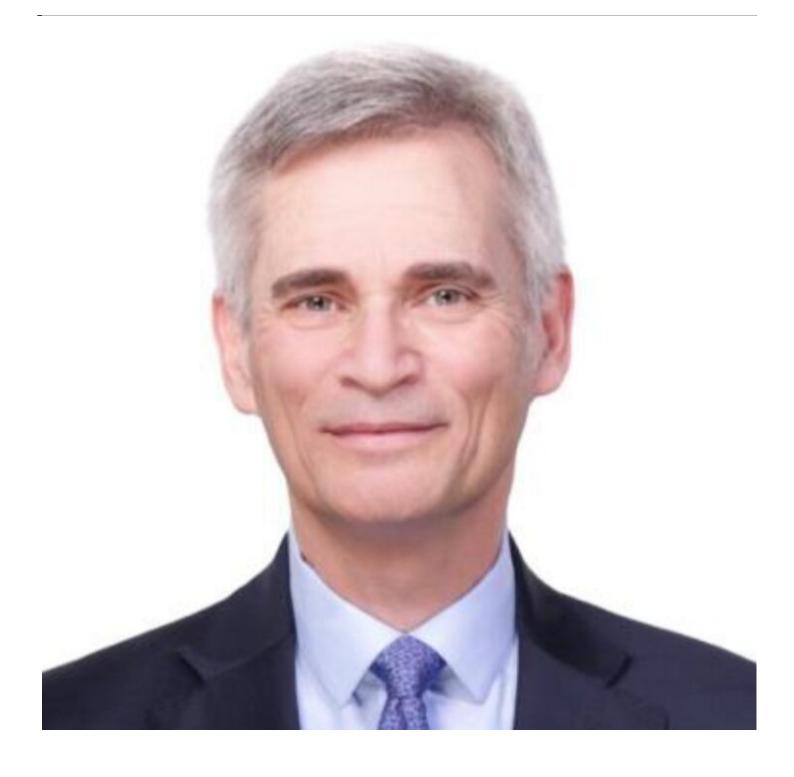
New hires can be productive from day one if you've done your job well in the hiring process. Once your new lawyers are in the door, you need to reiterate expectations as simply and directly as possible. Reward the right types of behaviors that align with those expectations and make sure you've aligned with key internal stakeholders on their need to do the same, whether in the form of praise where appropriate, open discussions on any corrections, or simply setting up standing one-on-one meetings to keep communication channels open.

At Avanade, we emphasize accountability and personal ownership of each lawyer's scope of responsibility. Many of our attorneys are "customer-facing" and play key roles in identifying and assessing company risk to help management make appropriate decisions. We give practical legal advice in simple and direct language, and we emphasize the importance of rich and effective communication with internal stakeholders and external clients.

While supporting the ongoing needs of the business, we also hold ourselves to a continuous process of self-improvement that relies on the lawyers' ability to accept feedback and embrace change with a positive attitude. We strive to improve standards, simplify contract negotiation, optimize business processes, and manage Avanade's cost to serve.

Although lawyers mostly don't think of it this way, recruiting really constitutes a separate skill set that managers need to devote time and attention to develop. Part of this development includes knowing when and how to employ recruiting expertise to conduct a search that will lead you to the best candidate that is right for the position and will thrive and grow in it. Don't settle for anything less as you build your international team.

David Oskandy



Executive Vice President, General Counsel, and Secretary

Avanade

He leads Avanade's global legal group of 57 legal and compliance professionals, which operates within 23 countries. Oskandy also serves as principal legal advisor to Avanade's executive leadership and board of directors. Avanade is a joint venture between two global organizations, Accenture and Microsoft, offering technology consulting exclusively on the Microsoft platform.

