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Legal Ops Corner: The Evolution of the Role of General Counsel

Law Department Management



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The times have been changing. Until very recently, the leaders of virtually all companies viewed their law department's value in narrow terms. The value-add of in-house lawyers flowed from their specialized – i.e., legal – knowledge. That expertise made them uniquely qualified to explain the legal consequences of various courses of action. Their guidance had a strong bias toward highlighting potential risks, and they tended to avoid providing prescriptions and recommendations. They also did work (e.g., drafting contracts) that required their legal knowledge. Across all of these activities, law department legal professionals were there to counsel and execute, not advise. Within many

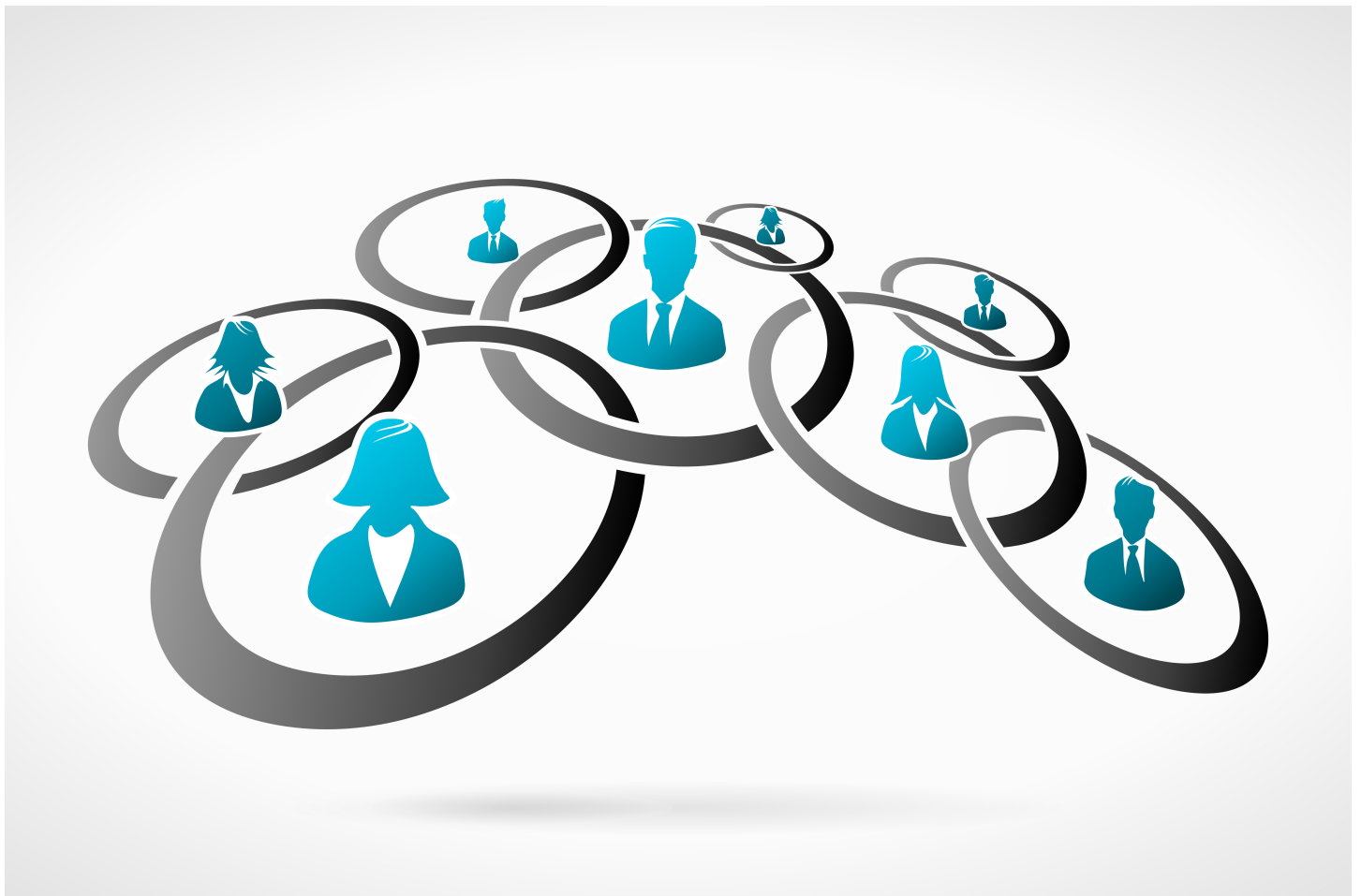
companies, the prevailing belief was that a law department was there to help maintain the status quo rather than to assess the appropriate prioritization of its various activities.

Your law department's unique potential

That conception of a law department still holds sway within many companies. And yet, executive leadership increasingly understands that the contribution of the law department is integral to a business's success. Indeed, a law department can be a source of competitive differentiation if lawyers are encouraged to contribute proactively.

This understates the potential of a law department. A law department's "business" is to understand all aspects of the business. Its staff interacts with every other unit within the enterprise: product development, manufacturing, marketing, sales, finance, HR, procurement, and more. Few — if any — other departments have anywhere near that range of direct contact and involvement with so many other parts of the organization.

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It is imperative as a leader to understand the roles of each department within an organization.
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This makes in-house personnel *uniquely attuned* to all the considerations that impact the business. Combined with their legal knowledge and strategic-thinking abilities, law departments can synthesize legal considerations with a holistic understanding of the business. Lawyers also have a strong

command of advocacy tools and can document goals and objectives.

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Listen to this audio excerpt of Steve Harmon and Aarash Darroodi of Fender. They discuss the value of legal leaders as business leaders and having lawyers engaged in and enabling the business.

Audio file

The optimal role of in-house counsel

Good in-house lawyers understand all these dimensions of their position within a company. They grasp that in-house lawyers' highest value is synthesizing their legal expertise with business acumen. Consequentially, these practitioners go beyond merely offering guidance on the legal consequences of various actions. They often have finely tuned models for assessing the probability of outcomes. They also leverage their ability to spot issues — a skilled lawyer often has years of experience developing, by combining their assessment of likely outcomes and their familiarity with the myriad issues a company faces to advise leadership on the best way to achieve business objectives, given the relevant legal considerations. In short, the best GC and legal ops leaders serve as an *extension* of the business and concentrate on *servicing* the business. Unlike firm lawyers, who prioritize *minimizing* a client's legal risk, in-house counsel (and legal ops) should advise which courses of action best *balance* risk with business objectives.

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Skilled in-house lawyers are able to spot issues and find solutions. FGC / Shutterstock.com

Optimization begins with answering five questions

The starting point for maximizing a law department's value-add is for department and legal ops leaders to answer five questions:

The answers clarify a law department's "what" and "why" — what activities it should be doing and to what end.

Having lawyers focus on lawyering

The five questions underscore a key point: for a law department to play an invaluable role in serving a business, law department leaders must ensure their organization does not become over-involved in helping to enable (or even run) the business. Otherwise, lawyers will spend time performing work best left to somebody else. Just because a lawyer can do something does not mean that they should. Even if a lawyer can do that work faster than personnel outside the law department, every moment spent doing non-differentiating activities leaves less time for the law department to add unique value and produce meaningful results.

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Lawyers should allocate their time to focus on their own tasks ensuring valuable and purposeful work.
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Where legal ops fits in

To achieve these objectives, in-house leaders must perfect the art of balancing investments — time, staff, energy, and resources. Here, legal ops are indispensable. The effort requires planning, process improvements, appropriate use of technology (including, at times, adopting new technology), proper workload allocation, and other operational matters. Contracts management is one example of legal work typically ripe for improvement. By spearheading process redesign and (sometimes) acquiring suitable software, legal ops leaders can ensure lawyers do not have to spend (read: squander) time tracking down key information. Administrative chores (e.g., reviewing bills from outside counsel) offer another opportunity.

In both areas, legal ops can minimize the time legal professionals spend on work that does not require their legal knowledge and specialized skills. In other instances, it is better to eliminate an activity — or leave it to another business unit to handle it — than attempt to optimize it. Whatever the case, legal ops plays a crucial role in ensuring in-house lawyers and staff can focus on differentiating work that maximizes the strategic contribution of the law department.

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Elevate

[Elevate General Counsel and Chief Operating Officer Steve Harmon is an internationally recognized leader in the genesis of and continuing evolution of legal operations and the professionalization of the field. He co-founded CLOC \(the Corporate Legal Operations Consortium\) and his 20-plus years of experience includes business development and in-house legal organizations. He was vice president and deputy general counsel at Cisco. His responsibilities included technology licensing, oversight for the legal development of product lines, Global Export Compliance, Trademarks, and Cisco's award-winning legal operations function.](#)

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