

How to Build a World-Class Legal Department

General Counsel Panel Answers 5 Key Questions

*by Robert Barker
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Uncertain global markets ... cybersecurity ... tightening credit sources ... increasing regulatory demands ... antitrust. Obstacles to business success have never loomed larger. And corporate legal departments have never played a larger role in addressing them. As general counsel and other corporate attorneys move beyond strictly law-related duties, expanding their scope of influence to overall business affairs, the need for nimble, talent-rich, business minded legal departments rises in turn.

We reached out to five skilled practitioners who have helped their companies prevail despite shifting market conditions. They generously and enthusiastically shared their formulas for success. Their passion for the work, and for the development of the individuals on their teams, came through loud and clear. We greatly appreciate the candor and perspective offered by a group intimately familiar with what it takes to build a truly world-class law department.

How Do You Define a World-Class Legal Department?

"We are what we repeatedly do. Excellence, then, is not an act, but a habit."
~ Aristotle

"I operate the law department as a service organization. We're not there to give answers, then fold our arms and expect somebody else to accept the business consequences. We own the problem."

The experts share the view that a superior law department should be comprised of skilled legal experts who possess an equally well-honed understanding of business in general, and their business in particular.

David Hill of NRG Energy describes this dynamic as being "sewn into the business." Whether it's M&A, litigation, deal work, contracts, regulatory strategy or other matters, David sees himself and his teammates as partners with his company's non-legal executives.

"I operate the law department as a service organization. We're not there to give answers, then fold our arms and expect somebody else to accept the business consequences. We own the problem equally. Lawyers who point out the potential problems, then sit back and say 'I told you so' when the business gets sued are basically worthless," he adds.

Amy Olli of Avaya adds, "Besides having the right level of skill and insight, lawyers really need to understand the business. This includes the competition, the market, and the company's financials, which helps you better understand the risks." She envisions a fusion of this knowledge with a clear view of legal limitations, synthesized and presented in pragmatic fashion.

Sometimes the need for pragmatism necessitates that lawyers temper their tendency to overthink a situation, says Amy. The nature of legal training leads some attorneys to immerse themselves in the deepest level of detail on every matter, David adds. This can be at odds with the quicker pace business decision-making requires.

According to Bill Solomon of *Ally Financial*, structuring a superior law department starts with finding and hiring the best lawyers.

- Empower them to use their judgment and act decisively. Make sure they know they have your trust.
- Seek out the best data and analyze it rigorously.
- Set clear, yet achievable stretch goals.
- Address departmental problems promptly.
- Communicate regularly with your team to build culture and foster collaboration.

Bjarne Tellmann considers the following elements essential for a world-class legal department:

- Focus on the structure of the organization and make sure lawyers have a seat at the table, preferably one close to the client.
- Look for cultural alignment within the legal department based on mission, values and strategic priorities.
- Mindfully manage costs with appropriate policies and e-billing tools, and consider alternative legal-service providers.
- Leverage technology such as electronic and self-servicing solutions that allow you, for example, to structure memos and other documents from the cloud, reducing cost and boosting productivity.
- Identify the core risks within the business and strategies for addressing them, for example by bringing in specialists or outsourcing.

What Are the Characteristics of a World-Class Legal Leader?

“Great leaders are almost always great simplifiers, who can cut through argument, debate and doubt to offer a solution everybody can understand.”

~ Colin Powell

For David Hill, the role of legal leaders is to empower people within their organizations, rather than get mired in the daily details. “As the General Counsel, you can’t be expected to know all the facts, all the arguments and all the provisions. That is where the lawyers on your team come in. High performers are perfectly happy to be held accountable.”

Hubris and Humility

But taking a back seat can be difficult for legal superstars accustomed to being in the spotlight—and being in control. When David assumed the post of General Counsel at NRG Energy, he set himself to the task of learning all he could about the company’s processes and culture. “Sometimes GCs feel they need to come in and completely remake the law department just so they can put it on their résumé.” However, adding a notch to the belt is not true leadership, he says.

This balance between hubris and humility is expressed by Sabine Chalmers of Anheuser-Busch InBev as the need for both IQ (traditional intelligence) and EQ (emotional intelligence), which is the capacity to understand, empathize, and connect with others. Leaders must be willing to grow and develop as much as they seek this trait in their team members. In Sabine’s experience, those who experience the most growth are those who constantly seek feedback.

Individuals who aspire to leader status must have the self-awareness to acknowledge the things they do well, the things they do less well, and the things for which they’re not yet ready. “They need to surround themselves with people who are interested in their growth,” says Sabine. “And that means being able to hear the good, the bad, and the ugly, and do something about it.”

The Heat of Battle

While steady, solid leadership is the daily expectation of a General Counsel, a world-class legal leader must also be able to perform at the highest levels under pressure, or even in a crisis. “In difficult situations, you don’t need someone who will only remain calm and keep perspective, but also someone who brings energy and positive thinking to the situation,” notes Sabine. At some point the time for assessing the risk of a given action is over. Then it’s a matter of accepting the facts of the situation and moving quickly and decisively toward action. The best leaders involve others in crisis response, not only to share the burden, “but to build a sense of camaraderie.”

Sabine maintains perspective in the most challenging situations by reminding herself that, “The only real crisis in life is loss of life - when someone loses a loved one. For most of the matters we deal with as lawyers, be it high stakes litigation or regulatory risk, there is always a solution. It might be more or less expensive, but there’s always a solution.”

How Do You Collaborate Successfully with Your CEO, Executive Team and Board?

"Alone we can do so little, together we can do so much." ~ Helen Keller

For Amy Olli, successful collaboration with a company's board and CEO starts with mastering an understanding of the organization, its nature and its personality. Failure to recognize differences in culture can be dangerous, even fatal.

"When I went to CA Technologies after 18 years at IBM, I realized I had walked into a very different culture," she recalls. Successfully navigating the unfamiliar waters meant not only learning the current culture, but also perceiving what company leaders wanted the culture to become, and ferreting out her role in that process.

Toning and Tuning Your Message

Sometimes the key to succeeding with those in the C-suite and around the board table comes down to ensuring that your communication style aligns with those on the receiving end of your message. Amy offers this example: "I'm very passionate and engaged. I've always known that this set me apart, and I really enjoy that about myself. But at one point I was working with executives who just couldn't hear me because all they could see was my hands moving when I talked."

The passion and engagement that had defined and served Amy successfully in the past were not resonating with this board. Amy acknowledged that on one side of her strength lay a liability; being able to alter her style while remaining true to herself was essential to Amy's ability to succeed. She uses the analogy of a dimmer switch to describe the way she learned to "tone and tune my message" to maximize her impact and effectiveness.

Our experts acknowledge a need for General Counsel to be sensitive and responsive to executive preferences in their interaction. Examples might be a CEO who is conflict-adverse, a COO who prefers electronic to face-to-face communication, or a board member who likes being apprised of the smallest legal details of a particular matter.

General Counsel who earn the highest levels of respect and reputation must stand up for who they are and what they believe, while communicating their positions in a way that will be best received by those in the highest echelons of the corporation.

David Hill agrees that the most direct path to a positive and productive relationship with corporate leadership is through understanding the organization. He adds, "The CEO needs to have absolute confidence in the legal function—secure in the knowledge that the GC has absolute responsibility and has smart, competent people who have the best interests of the company at heart."

At the end of the day, that confidence comes from knowing the GC will deliver thoughtful, defensible solutions. "The CEO and board are not interested in problems without accompanying solutions," David offers.

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What Are the Secrets to Hiring the Best Legal Talent?

“Talent hits a target no one else can hit. Genius hits a target no one else can see.”
~ Albert Schopenhauer

“The best lawyers are ambitious, competitive and collaborative. They want to win, but not at any price.”

In that vein, Bill Solomon reflects that, “The best lawyers I’ve hired are inquisitive, creative and determined about solving problems. Give me somebody with the right attitude and aptitude, as long as they are bright enough, over somebody with experience any day. Experience can be developed.”

Bill looks for passion—passion for the law and passion for learning. He notes an important distinction between attorneys who love the law and those who are intrigued by how the law works and how to use it to solve problems. “The best lawyers are also self-starters,” he says. “They need to be ambitious and competitive, but also collaborative.” He seeks lawyers who want to win, but not at any price.

Bjarne Tellmann of Pearson PLC shares Bill’s appreciation for best-in-class lawyers who are intellectually curious and think creatively, beyond the typical strictures of the law. “I think you can get some of the most interesting information from disciplines that have nothing to do with the law. So I encourage my people to be out there networking, blogging, reading, listening to podcasts, and thinking about things.”

Bjarne has instituted a popular policy within his department that allows members of the legal department to invite anyone they’d like to a monthly lunch, paid for by Bjarne. The only caveat is that they share with him three things they learned from the guest upon their return.

“Why Should I Hire You?”

During interviews, which he prefers to conduct at a Starbucks or other informal off-site location, Bjarne often asks what gets the candidate out of bed in the morning and, conversely, what makes him or her roll over and hit the snooze button.

And he likes to close with a question he says is best answered once the candidate has had a chance to relax: “Why should I hire you? What can you do for me?” A thoughtful response suggests that the individual has prepared for the question and has “connected the dots,” linking their personal skill set to what Bjarne and Pearson are looking for.

Sabine Chalmers agrees with Bill Solomon regarding the role of experience in hiring members of the legal team. “We tend to index in favor of less experienced lawyers who come from top law firms, assuming that with such a pedigree they know what they’re doing.” Once hired, what matters most, she says, is making the transition to the Anheuser-Busch InBev culture.

Cultural Fit Is Critical

During the interview process, about 90 percent of the conversation focuses on cultural fit, and 10 percent addresses technical ability. Sabine says, “Our culture is very informal—it’s jeans and t-shirts and open spaces—no traditional offices. And we tend to be extremely high-energy, so we look for that.”

She also seeks a quality not always associated with lawyers—optimism. Not, she clarifies, a blind-to-reality Pollyanna approach, “but someone who is highly optimistic about solving problems and about the future of the organization. We ask a lot of questions to find out if they’ve done their homework to know what our culture is about, and if they’re excited about what we’re trying to achieve.”

And of course, whether the company produces beer or anything else, the ideal candidate is one who demonstrates a passion for the product or organizational purpose.

How Do You Measure Legal Department Success?

“Not everything that counts can be counted, and not everything that can be counted counts.”
~ Albert Einstein

Determining the success and value of a company’s legal department can take on the character of art or science, explains Amy Olli. “Some people go to the extreme of measuring everything, while others take a more visceral approach to whether you’re providing value or not. I’ve worked in organizations at both ends of the spectrum.” Wherever they fall on that continuum, Amy believes most good lawyers can find ways to justify their existence, using metrics to demonstrate a desired result.

At Anheuser-Busch InBev, Sabine Chalmers uses a formalized 360 feedback process with highly specific talking points and data points to assess success and identify areas where people may be struggling. “We also have a very robust target-setting process, which starts with our CEO.” Throughout the year, personnel work toward three or four performance targets that are strongly correlated to bonus achievement. Within the law department, the targets address both legal achievements and overall business performance.

Anheuser-Busch InBev also gauges individual growth by moving team members geographically and among functions. “This gives us additional opportunities to test their capabilities and growth potential,” adds Sabine.

Echoing Amy’s “art and science” perspective, Bjarne Tellmann concurs regarding the need for both qualitative and quantitative metrics. “Demonstrating the value of the law department is a tricky thing to do. You need to use a variety of metrics and align with clients on the measures that are most relevant to them.”

Categories of quantitative measurement can include overall legal spend and how those funds are being deployed, contract turnaround time, successful outcomes of litigation or other disputes and additional metrics depending on the industry. Among qualitative assessment methods, Bjarne favors annual anonymous client surveys.

Off-script and Off-site

In order to help members of his department assess their own performance, Bjarne partners with them to create a personalized roadmap that reflects personal aspirations and values. He also hosts informal, unplugged sessions with team members.

During his travels to Pearson locations across the globe, Bjarne frequently selects a small group to meet for coffee. “There’s no script and no agenda, just coffee with five or six people in on off-the-record conversation.” These intimate dialogues have been a rich source of feedback. Bjarne also conducts a quarterly town hall-style videoconference with the company’s worldwide legal department members. He also advocates using diverse approaches to gain a clear line of sight into how team members are thinking, and how well the department is meeting their needs.

As for evaluating the effectiveness of outside counsel, Bill Solomon uses the same data-driven approach that guides his management of internal resources. “We used to look at virtually every law firm, which was painful and not particularly effective. We now pick the firms that represent about 80 percent of our spend a year.” For each of these, he examines everything from docket numbers to case count, settlements, counsel fees and other key metrics.

Wise Counsel for General Counsel: Advice from Our Experts

“The leading role for the lawyer... is diligence. Leave nothing for tomorrow, which can be done today. Never let your correspondence fall behind. Whatever piece of business you have in hand, before stopping, do all the labor pertaining to it which can then be done.” ~ Abraham Lincoln

Our expert panel amplifies Lincoln’s iconic advice with the following:



“Avoid micromanaging. It’s unfair to hold people responsible if you haven’t made them accountable and empowered.”

David R. Hill

Executive Vice President and General Counsel, NRG Energy



“Harness your strength. At Pearson the sun never sets on our global legal team, so there’s always somebody awake somewhere who has an answer.”

Bjarne Tellmann

Senior Vice President and General Counsel, Pearson PLC



“Listen more and talk less. Then ask questions and readily come to conclusions.”

Amy Olli

Senior Vice President and General Counsel, Avaya Inc.



“Seek diversity, including people who approach life differently, work differently and practice law differently.”

William (Bill) B. Solomon Jr.

General Counsel, Ally Financial



“Nurture generalists. The lawyers who thrive in our organization may join us as specialists but they grow into generalists who become very good at understanding the business and solving big problems.”

Sabine Chalmers

Chief Legal and Corporate Affairs Officer, Anheuser-Busch InBev

About BarkerGilmore

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Exceptional Talent.
>> Guaranteed.

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