



The General Counsel Report:
Corporate Legal
Departments
in 2020



Executive Summary

As we approach 2020, the legal industry is at a crossroads. Advanced analytics and machine learning are growing more commonplace within legal work. New privacy regulations are causing organizations to rethink their approach to enterprise data and customer relationships. Certain legal functions are growing more commoditized. Law school admissions, while slightly up this year, remain historically low.

Against this backdrop, FTI Technology and Relativity partnered with Ari Kaplan Advisors to survey chief legal officers about the future of the legal industry and the skills and expertise needed for the next generation of lawyers. To understand their perspectives, Ari Kaplan personally interviewed thirty-two general counsel from corporations of all sizes between March and June of 2019. These interviews were conducted with the understanding that individuals and company names would remain anonymous.

The results of these interviews clearly indicate an industry in transition across four key areas: the evolving role of in-house counsel, risk factors and how the modern legal department is addressing them, technology and innovation in law, and advice that general counsel have for their law firms and for future lawyers.



Risk is Driving General Counsel Towards Expanded Roles as Business Strategists

From a BYOD mobile workforce to daily headlines of data breaches, risk is ubiquitous in today's business environment. According to 97 percent of respondents, the general counsel's role today is to help navigate these daily calculations of risk and business strategy, a dramatic shift and expansion of responsibilities.

No More "Department of No"

As the general counsel's role has evolved, respondents emphasized that the law department is no longer binary and able to summarily reject a request or idea. The expectation is that legal is an innovative unit that helps the company to creatively solve problems and achieve objectives.



"Compliance is Revenue"

While risk has grown, compliance is increasingly important and another area where legal can demonstrate quantifiable business value. Regulatory penalties are costly and reputational damage can have long-term consequences. As such, demonstrating compliance – especially around data privacy – can earn customer loyalty.

"Risk = Probability x Damage Should the Risk Occur"

More than half of the respondents reported that data privacy regulations and compliance pose the greatest enterprise risks today, and two-thirds changed their data privacy policies to comply with the General Data Protection Regulation (GDPR). For many, their organizations had "important wakeup calls" in the form of internal or external breaches, leading to formal, substantive plans and additional investments in privacy compliance.



"Agile Apps in the Cloud"

Like other business departments, legal is embracing cloud-based apps, with 75 percent of respondents reporting the use of SaaS tools for legal work. From contracts and e-discovery to case management, general counsel view best-of-breed applications as cost-effective and a means to remain agile.



The Tipping Point of AI

Growing data volumes impact many legal functions beyond e-discovery, which may be why 44% of respondents reported that they are using or planning to leverage AI for other functions, such as reviewing and managing contracts.

“If Only You’d Ask, I’d be Happy to Say”

The above line, from “The Client’s Poem” by Felice Wagner, was cited by a respondent and represents a consistent theme from all participants. Yes, legal teams want practical advice, better communication, and lower fees, but most of all, general counsel want law firms to know what they and their companies value most, and focus on delivering exactly that.



“Don’t be Wed to One Outcome”



From technical skills to thoughts on the value that working at a large law firm can provide, respondents shared a lot of practical advice for current law school students. For some, the legal profession is “a calling,” albeit a highly competitive one at which many do not succeed, and/or struggle to pay back hefty law school loans. Most advised that law school students should gain a broad set of technical and soft skills, an appreciation for how businesses work, and should research all of the career options available to them after law school, from large and small law firms to corporate and government work.

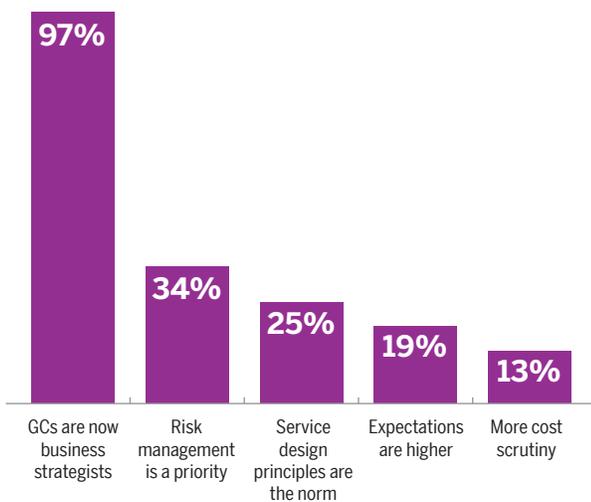
The breadth of challenges facing general counsel leading their law departments into the next decade is significant. They are balancing innovation and advancement with the accelerated pace and practical realities of growing modern businesses in a dynamically shifting environment. This report is designed to help general counsel and in-house legal teams enhance their benchmarking, planning, and performance.

At the Center of it All: The Expanding Role of the GC

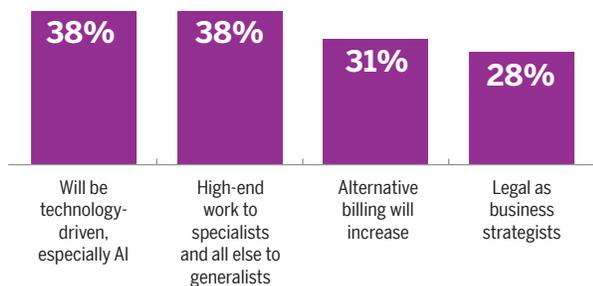
Without much fanfare, the general counsel’s role has transformed from reactive and focused primarily on the legal aspects of the business, into a proactive and integral part of the executive team. GCs partner across disciplines and provide practical advice to reduce risk while achieving business goals.

Key Stats:

How has the role of corporate counsel changed?



Where is the legal profession going?



Keen Insights:

“It wasn’t considered to be a great career step to move from a firm to in-house 10-20 years ago. It now has a much better reputation.”

“Rather than serving as the gatekeeper, the general counsel is now expected by regulators, institutions and the board to help steer the ship if the business is not headed in the right direction.”

“So many of the functional roles that sit on the CEO’s staff are focused on driving the company forward. The GC, however, is responsible for supporting that team and while also being responsible for risk management. There is a tension created by reconciling these two roles. GCs are now more willing to participate in driving the mission of the company forward.”

Key Trends:

An Array of New Skills is Freeing the GC to Refocus: As the responsibilities of legal teams expand, the general counsel is managing a new class of professionals with talents that supplement the historically core strengths of the group. “There are a substantial number of data analysts and project managers in the law department, which reflects a trend and a shift in how the company views the role of the legal department,” advised one leader. These individuals are helping to drive innovation while also building a bridge between the legal team and others with similar disciplines in IT, procurement, and key business units. GCs are also continuously evaluating which tasks require what types of skills and increasingly realizing that lawyers’ talents may not be best-utilized to leveraging technology to solve certain types of problems. By shifting tasks to those best-suited to accomplish them, they are streamlining how organizations approach their entire collection of legal issues.

Legal is Now Embedded in the Business Units: With larger, more broad-based teams supporting legal, the GC can simultaneously provide advice and develop a deeper

understanding of how to effectively apply it to each element of the organization. “The old general counsel did not like to get involved in individual sales, but I looked at my customers and embedded myself with the sales team by attending meetings and partnering with the department’s leaders,” reported one chief legal officer. “If the general counsel embeds himself into the business unit, he can anticipate earlier and come up with a quicker solution so that no one sees legal as the department of no,” the individual added. As the general counsel expands the focus of legal on fueling the business, she is likely to be informed earlier and offer value much sooner. “Since everything needs to be done according to policies and procedures, the lawyers are much more closely aligned with the business units,” another participant explained.

Law Departments Are Rebranding Themselves as Value-Add Businesses: In addition to serving the business units, modern law departments are mirroring them by demonstrating value, applying metrics, and showcasing their success within and outside of legal. “The legal department is graded on how much it has promoted [certain] program[s] and the resulting usage throughout the organization based on benchmarks; if the numbers fall below that number, the legal department takes a hit,” an executive reported. As a result, in addition to providing advice, in-house teams are educating the enterprise on policies and procedures, tracking the return on investment for many projects, and setting long-term strategy beyond pending cases or government inquiries. The legal department is, in essence, operating more like its peers across the organization. “The general counsel can be perceived as slowing down processes unless you identify areas in which you can add value so I provide guidance and keep the process moving,” another GC reported.

Tech-Savvy, Versatile GCs Are More Common: As the role becomes more closely aligned with the CEO and fellow members of the executive team, the general counsel must be able to offer perspective on innovation initiatives, data risks, and digital infrastructure proposals. “The general counsel has needed to become more technically savvy, which is especially important as privacy and security have become bigger concerns,” said one leader. “The GC needs to be much more versatile as he or she addresses many different areas and is part of additional teams,” added another.

Client Service and Business Enablement Are on Par with Legal Advice: As more divisions and individuals rely on the legal department, responsiveness and communication are becoming critical factors in assessing performance. “The clients are much more focused on client service and business enablement as opposed to legal advice,” explained one GC,

who noted that the availability of supplemental talent inside the organization and employed by outside providers, is helping the general counsel look at service delivery more holistically. “I focus on business enablement and business control viewing legal as a business function and making a determination about whether we are reducing risk to a reasonable level that makes sense for the business,” the GC added. Ultimately, the general counsel is simultaneously providing advice and participating in strategic initiatives. This is easier because the awareness of and sophistication in legal matters among the entire leadership team has increased significantly. “CEOs and c-suite leaders are becoming savvy in legal matters so they expect more from the general counsel’s office,” said a respondent.

The GC is a Connector: A traditional general counsel had primary responsibility for protecting the company, but that has become much more of a shared mission, so the legal team is now more focused on creating a collaborative culture. “I believe in collaboration and creating service design and instruments that will drive the business so the general counsel is now a connector that makes legal more accessible,” said a participant. “The general counsel needs to be the ambassador of the team, run the legal department’s business, and not just act as a lawyer,” added a peer, who noted that managerial skills are much more important for general counsel.

Soft Skills Are Essential: Knowing the law and artfully navigating a complex regulatory environment are important elements of the general counsel’s role, but, “To be a successful general counsel today, you need a much broader skillset than you did before,” said one law department leader.

For example, “GCs need to be very skilled at communicating with external audiences, such as shareholders, investors and regulators, as well as employees and customers,” added another. “You must be artful in getting your message across and reading between the lines,” offered a third.

A Focus on Compliance is Critical: Beyond routine contracts and agreements, sophisticated concerns associated with security, privacy, patent protection, and other matters are driving the growth of compliance. “As [these] issues have become drivers of volatility in company valuations, executive teams and boards are making the role of the general counsel more central to the leadership; it is about understanding risk and how the business functions,” said one in-house leader. “It is critical for the GC to de-risk the business even in areas outside of legal,” the lawyer added. For some, compliance is part of their effort to materially contribute to the business. “We have a saying that ‘Compliance is Revenue’ and we emphasize

that being compliant will generate revenue because it assures consumers that we can be trusted as we act responsibly,” offered another participant. “We are trying to create competitive advantages that lead to opportunities, similar to security and non-compliance may prompt customers to shy away from working with us.”

The Rise of T-Shaped Lawyers: While lawyers will still practice, the work they do will change to reflect a shifting economy and a more technology-fueled workplace. “We are moving toward a profession of T-shaped lawyers, who are both familiar with the law, as well as business operations, where they will offer more guidance on business issues and serve a strategic function,” noted one chief legal officer. This new era will require law firms to provide updated training and law schools to reimagine their standard curriculum. “The profession needs to start preparing practice-ready attorneys to work in a new environment; instead of reviewing contracts in class, students must become adept at processes, project management, and AI,” added another GC.

Moving Beyond the Billable Hour: As more firms compete for less work, many lawyers will pursue alternative billing structures to gain a competitive advantage. “I see a huge move toward flat fees and blended billing, though I’m not sure what that will do to law firms,” said a GC, who noted that all of the company’s newly hired firms have proactively offered blended rates and flat fee costs for commoditized work, such as contract reviews, patent management, and other routine, day-to-day tasks. The law department leader did express concern about the pendulum swinging too far in one direction. “I’m not actually sure that blended or flat rates are the best model because the firm has to make money too and you are, therefore, not sure what the firm is doing to make a profit.”

Transforming into a Data-Driven Profession: As clients demand quicker responses and an accelerated analysis to maintain pace with the speed of modern business, lawyers will need to leverage data and technology to accommodate. “Legal is headed to the same destination at which the financial services industry has already arrived, i.e., one where data, analytics, and data science will play an increasingly important role in determining performance,” said a lawyer who compared it to the shift in the way insurance companies once determined premiums by estimating insurability on experience, rather than algorithms. “The role of data will make us smarter and faster, while not replacing lawyers or how disputes are resolved; it may even help assess whether a litigation risk is worth it,” the GC added.

There Will Be a Clear Divide Between Specialization and Commoditization: As technology becomes more ubiquitous and data continues to drive rapid decision-making, the profession will divide itself into different segments that perform particular grades of work. “I see a schism happening and continuing, where there will be a group of high-end lawyers that make a fortune and another group that works for a living because of the democratization of the basics of legal practice,” predicted one general counsel. “We are learning how to break apart tasks to the point where many can be performed by low-cost providers and what remains is the work that is really high-end, requiring tremendous experience and intelligence,” the individual added.

Lawyers Will Do More Than Practice Law: As the profession changes, various participants highlighted that lawyers will need to incorporate innovative thinking into their approach, firms will need to invest more in learning about their clients so training will earn a competitive advantage, and more organizations will hire law school graduates, who are not necessarily licensed attorneys, to provide meaningful value. “Alternatives to practicing law have become commonplace to the point that you can almost not call those opportunities alternative,” said one GC. “Many JDs and lawyers are taking roles that are not necessarily legal, but use the skillsets learned in law school,” the individual added.

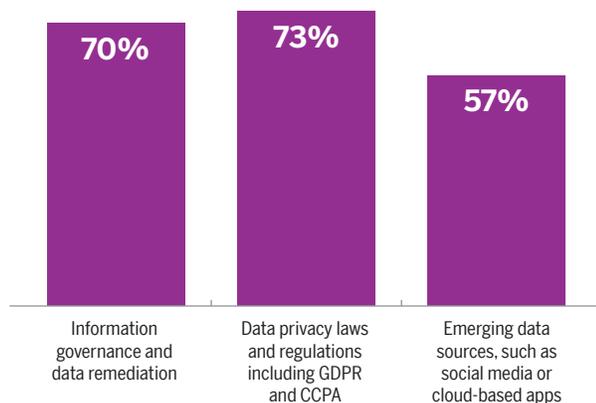
Technology Will Become Mandatory: The consensus among the participating general counsel was that machines will eventually manage commoditized, lower-end work, such as digital arbitration systems that value individual cases, software that completes various stages of document review, and even tools that write or prosecute patent applications. This shift is also likely to increase output and productivity, but will make technological proficiency essential. “If lawyers don’t adapt to modern technology, those lawyers may risk becoming less relevant,” noted one GC. “Law firms remain averse to change and adopting new technology, but now the clients want greater familiarity with it,” added another.

Lawyers Will Generate More Value from Data: In the new era of legal practice, lawyers will need to provide better advice more quickly, resulting in an empirical profession that relies less on social science. “Legal innovations will play a major role going forward, including for data protection; there will be new ways of generating value from the data,” said one GC, who predicts that drawing greater intelligence from data will empower in-house teams to insource additional tasks and increase their influence within their organizations. In addition, “Process management and legal operations trends are making law departments a stronger part of the organization’s business,” said another lawyer.

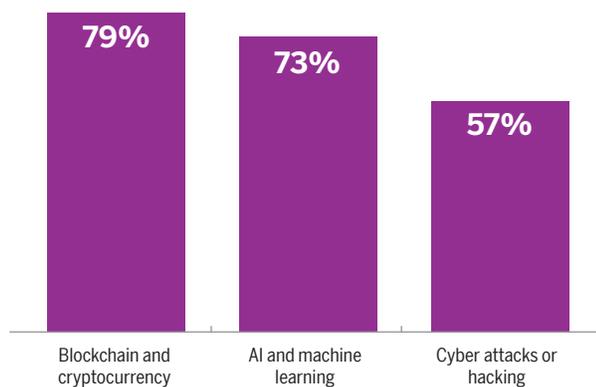
Risk Factors at the Forefront

As GCs have evolved to a more strategic business role, enterprise risk has grown more pervasive. And, while many survey participants highlighted the difficulty in complying with the patchwork of regulations on data privacy and security, reputational risk caused by vocal consumers and customers was cited as a new area of increasing concern.

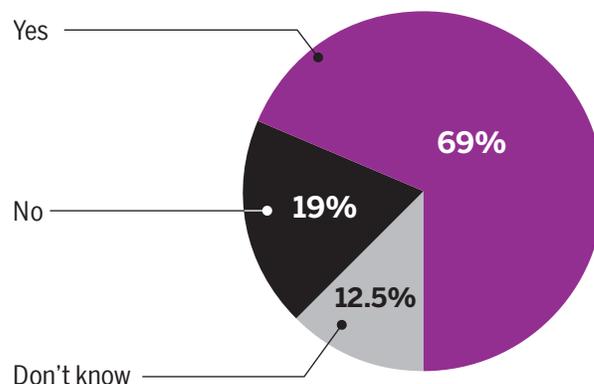
Percentage of GCs that say the company is prepared to handle:



Percentage of GCs that say the company is unprepared to handle:



Has your organization changed its data privacy policies as a result of GDPR?



Keen Insights:

“If the Pentagon can be breached, how can an ordinary company expect to fully protect itself?”

“The top area of legal risk is the effect of social media. It comes up on data breaches where blogs and social channels pick up news prior to a formal announcement. As a result, the company’s biggest legal risk is the distribution of false information from sources over which it has no control.”

“We have a saying that ‘compliance is revenue’ and we emphasize internally that compliance will generate revenue because it assures consumers that we can be trusted and act responsibly.”

“Risk = Probability x Damage Should the Risk Occur.”

Key Trends:

Legal Teams Need to Brush Up on Privacy Risks: Despite widespread concerns about data privacy, some lawyers think there is still a lack of familiarity with the issues. “I don’t think many people understand or know about this topic as it has a very high learning curve; since many people don’t understand what it is, they underestimate the seriousness if something

were to go wrong,” remarked a participant. That said, it is critical that leaders remain informed since “Data security and data privacy are the biggest legal risk for any company because if you have employees, you have data you must protect,” one lawyer said. “Companies die over data breaches so privacy and security are two issues that I worry about all the time,” the GC added. “Given the unknowns and potential for fines, data privacy is the top area of legal risk,” echoed a peer.

There is General Apprehension Around Compliance: As one GC stated, “I have seen many organizations that implement compliance programs but are still struggling to find the most important issues,” one lawyer offered. “Build compliance infrastructure as it is one of the most important proactive steps a company can take to manage litigation and regulatory matters,” the individual added. In addition to maintaining an awareness of regulatory changes and the agility to respond, “We are in a world where companies are being held to a very high standard from a compliance and ethical perspective.”

Global Trade has become a Significant Consideration: According to one survey respondent, “The constantly changing trade environment is very disruptive to the company’s business as it is affecting our margins and requires a huge time dedication of resources to respond properly.” That response must be rapid and reactive. “It also requires contract review and consistent renegotiation so we need to put new procedures in place to comply with the rapid pace of regulatory change, which is especially difficult in a shifting environment with a decentralized series of business units.”

GDPR May Represent a Watershed in Information

Governance: While the General Data Protection Regulation (GDPR) is focused on privacy protection, its implementation date of May 25, 2018 may represent a pivotal moment in information governance. Clearly, companies that were directly impacted by the new rules changed their policies and practices, but many other organizations began to reconsider how they manage their records. “We implemented a new program, which we transitioned from our legal team to our compliance team, updated our privacy terms on our website, and have a data privacy addendum for EU customers, though we have only had one or two data subject access inquiries,” said one general counsel.

“We have done a better job at understanding our data flows and making sure that employees are aware of where their data resides, as well as giving them the opportunity to opt out of certain data retention programs,” added another. “We don’t market to anyone in the EU, but we operate the company as though it does so we have tightened up our protocols when it comes to these issues since we want to stop the problem before it starts,” remarked a third.

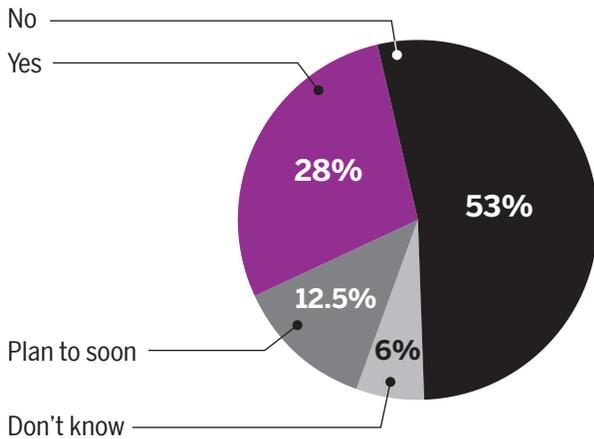
Risk Management is as Much an Art as a Science: Given all of the various issues to address, the participating general counsel shared their most valuable advice for managing risk, though cautioned that it is critical to be practical and efficient when counseling the board. “I struggle with this because you cannot advise the board that the sky is falling in every meeting,” emphasized one GC.

Technology and Innovation

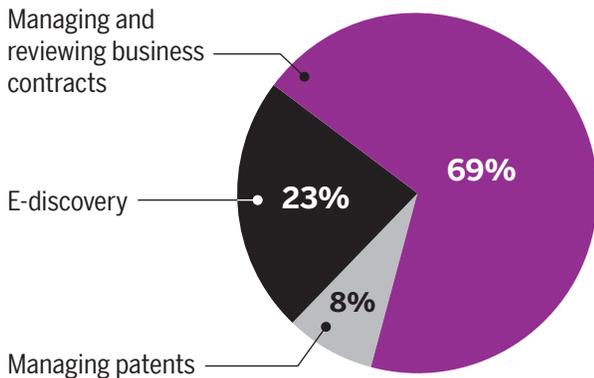
As they strive to bring their law departments into the next decade, participating general counsel described an expansive use of SaaS tools, an increased interest in machine learning and artificial intelligence, a broad familiarity with e-discovery software and services, and defined views on the state of technological competence in legal.

Key Stats:

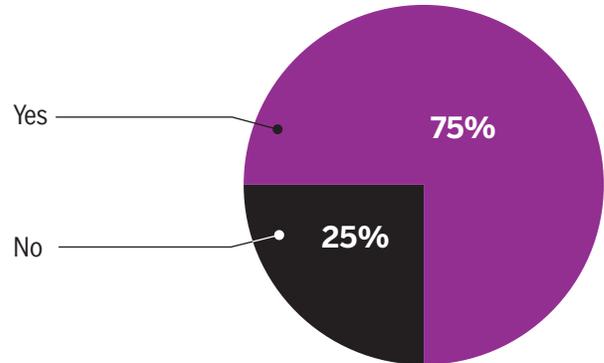
Are you currently using AI for any legal function?



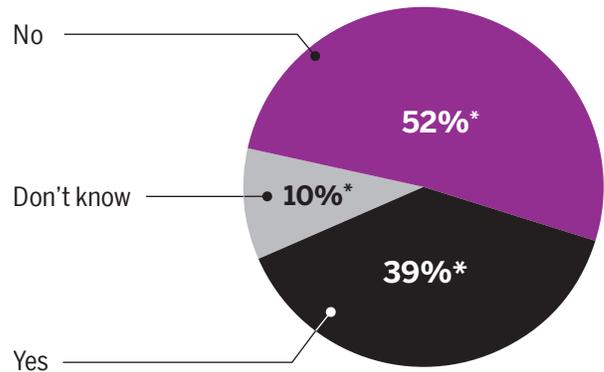
If currently using AI or planning to soon, the main use cases are for:



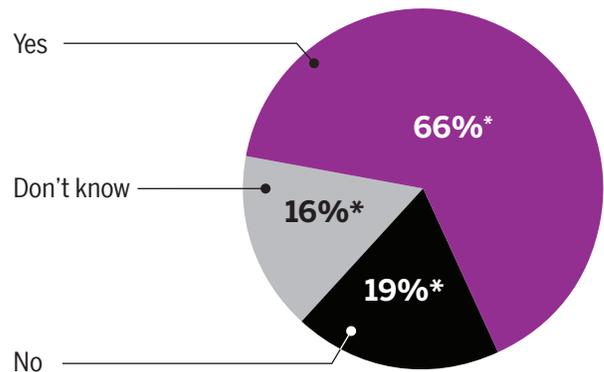
Does your company currently use SaaS or other cloud technologies to perform legal tasks?



Do you think most attorneys have adequate technical competence?

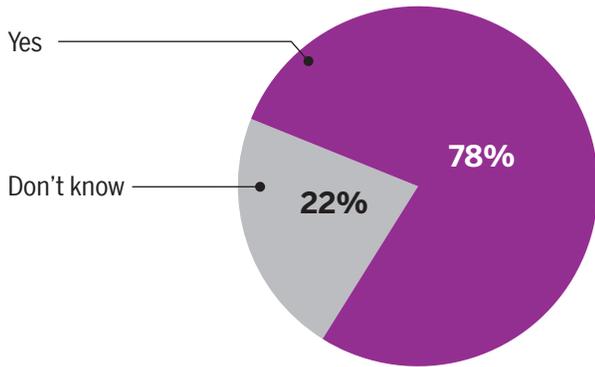


Do you think most paralegals have adequate technical competence?



*Some totals do not equal 100% due to rounding.

Do you think most litigation support professionals have adequate technical competence?



Keen Insights:

“Technological competence used to be a key differentiator and now it’s just table stakes.”

“The entire field of litigation support has grown because of technical innovations. They are the people who know how to run these programs.”

“The cloud is the wave of the future and should cut down on our legal expenses while making us more efficient.”

Key Trends:

SaaS Tools Abound in Law Departments: Three-quarters of the respondents use SaaS or other cloud technologies to perform legal tasks. “Everything we use is in the cloud,” said one general counsel. “We use a large amount of SaaS tools, such as billing and payment, matter management, e-discovery, and IP docketing,” echoed another. In addition to generally leveraging Office 365, among other tools, one chief legal officer emphasized that the cloud is the legal team’s only option. “My entire operation is SaaS-based because we are not permitted to store data locally.”

Early Adoption of Machine Learning and AI: Twenty-eight percent of the participating lawyers use some form of machine learning or artificial intelligence in their activities. “We are developing an app using our own technology to search for relevant patents,” said one. “We are using machine learning in e-discovery to review a large data set, but we are not trying to find specific documents on a defined topic; we need to determine whether the data set contains information that may be important to a customer in certain circumstances,” added another. “We have been using machine learning to assess whether and where we might have gray market issues, ways

to enhance our contracting practices to understand what the common asks are and where we end up to get to our results more efficiently and to reduce the time of negotiations,” explained a third.

Some are also planning to expand their usage. “We use it in e-discovery and more is coming; we are about to roll out an instant NDA product,” noted one participant. “We are using technology to identify clauses that are risky for us and are playing around with a chat bot at the moment, but it needs to be much better trained before we can roll it out,” offered a peer.

Another 13% are in the evaluation process to primarily support contract management functions. “We are trying to roll out machine learning and AI with respect to contract reviews to determine whether we can get to a first draft of an agreement so that our lawyers can spend less time reviewing a given document,” remarked one GC. “We will be using it in 2020 for contract review to study, track, and profile changes, as well as to provide some level of analysis because when you have all of these contracts, you just don’t know what is in them,” added another.

Ultimately, most are taking advantage of AI for time-intensive, redundant tasks. For those who are not, one challenge is identifying a specific use case on which to apply it.

Control and Collaboration around E-Discovery Software and Services:

For 31 percent of the participants, the corporate legal team selects e-discovery software, while the same number gives outside counsel that responsibility. Thirty-four percent build consensus between the corporate legal department, other internal teams, such as IT and security, and their outside law firms or consultants. “There are a few that I won’t use because of sticker shock, but I will usually follow outside counsel’s recommendation; it is just easier that way,” noted one GC. “We rely on outside counsel and the choice depends on what the firm’s review team is using since that is more cost-effective for the company,” another remarked. That said, “The company’s legal operations team leads the selection process and makes a recommendation; I have never had a law firm recommend technology,” countered a participating general counsel. “We want to maintain control in-house,” a peer concurred.

For e-discovery services, the corporation exercises more influence with 41 percent selecting the providers its organization uses. A quarter give that responsibility to their law firms. Thirty-one percent make the decision collectively.

In some cases, the GCs who rely on their outside counsel for references to software and services providers have smaller dockets. “In the few instances that we have had massive

litigation, I am more likely to ask the law firm who it would use and would like to use because the risks and stakes are so high that I want to ensure that we select someone that they are happy with," a respondent explained.

Technological Competence Remains a Challenge: Half of the participating general counsel do not feel that most attorneys have sufficient technical proficiency. "I think that most lawyers have adequate technological competence to serve their clients as expected by the codes of conduct, but that is not the same thing as saying that lawyers are the right people to be the source of innovative solutions for the legal practice," highlighted one GC. "There, we need to be comfortable employing the services of technicians and this is really the first time that lawyers have to look to another discipline to make the practice better and more efficient," the individual added.

One GC even suggested that lawyers obtain a basic understanding of programming. "There is talk about contracts being written in code so an ability to understand code can facilitate that process and potentially help someone write an amendment to software in order to deliver the contract they want." Another suggested that law schools update their curriculum to address this need. "We are not producing practice-ready professionals in this area so I would simply ask our law schools to give students a deep and sound education on technology, AI, blockchain, business processes, design, and the application of all of those elements to core legal tasks."

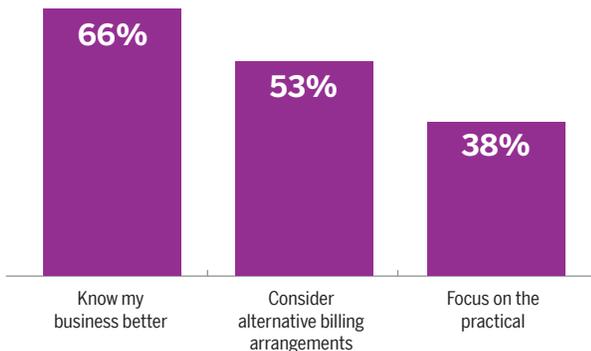
As schools continue to adapt and provide graduates who are more technically adept, they will support the transformation of the profession, particularly since the expectations have changed. "Technological competency used to be a key differentiator, but now it is just table stakes," noted one participant. "Senior lawyers rely on their reputations, while more junior professionals have to rely on their speed and efficiency," advised another.

What GCs Want from Their Law Firms and Advice for the Next Generation of Lawyers

The general counsel who participated in this report offered generous guidance for both law firm attorneys and those hoping to enter the legal profession. They highlighted outside counsel activities that frustrate and delight them, as well as practical tips for the next generation of lawyers.

Key Stat:

What general advice would you give to your key law firm counsel (open ended)?



Keen Insights:

“I understand there are no absolutes. I just want to focus on the simplest, best answer.”

“I want my law firms to disrupt their own business model because I am increasingly going to do it if they don’t.”

“Every law firm lawyer should have a secondment to a client to better understand their perspective.”

“Lawyers and legal professionals have a really important role to play and if we continue to do it in an inwardly focused way, we are forcing ourselves into irrelevance. As the quote from Eric Shinseki says, ‘If you dislike change, you are going to dislike irrelevance even more.’”

Key Trends:

Added Value is Worth It: From rethinking their billing practices to reorganizing their staffing structures, 19% of the participating general counsel specifically asked their outside lawyers for greater value. “If I could change one thing in the world, I would have law firms charge the way other businesses charge,” advised one GC. “I want my outside counsel to offer fee arrangements that don’t measure time but are based on value,” the individual added.

Law firms that thoughtfully staff their matters stand out. “One of the things we have struggled with is the amount of partner time we are seeing on the bills so we are asking firms to push down work to their associates and others,” highlighted an in-house leader, whose law department is moving commoditized work away from firms to legal process outsourcing companies. “You need to think of us as more than a source of revenue,” emphasized another leader. “My primary outside counsel doesn’t bill me every 15 minutes; you need to be a value-add because there is so much competition today.”

Given that level of competition, a few encouraged outside law firms to stand in the shoes of their clients to better understand their perspective. “Treat me like a customer, not like a client; if you don’t think of clients, you will think of how you want to be treated,” advised a participant. “More than anything else, I want delivered value, to pay for outputs not inputs, and to pay for results, not activity.”

Providing value is also directly tied to being proactive. “Think like an entrepreneur and don’t sit and wait for me to call you because I’m probably not going to; if you are going to assume that I will call you because you are a panel firm and you have not reached out to me, it shows that you are not invested in me so I will not invest in you,” explained a general counsel, who suggested that law firms evaluate where their clients can make improvements or change their strategy and then bring those ideas up for discussion.

For some professionals, value has different meanings depending on the matter. “Sometimes in-house legal teams

want to win and sometimes, they want to minimize the costs; outside lawyers should know that before they start a project,” commented a respondent.

It might also require some level of creativity. One suggested charging micropayments for clauses that the law firm maintains for its client. “I would like them to keep my clauses up to date and pay per use; law firms need to start thinking of scalability and selling what they have already advised on at a lower cost,” the lawyer said. “I want quick access to solutions rather than long, time-consuming access to advice since they have handled most matters in the past.”

Ultimately, value conveys the sense that the client received more than it paid. “The best outside counsel that I deal with and those that I prefer thoroughly understand my business; they charge by the hour, but the best ones don’t make me feel like they do,” a GC noted. “If I have a short question and you charge me 15 minutes to answer that question, I am fine, but if I give you a quick call and you charge me an hour, I will have an issue; don’t nickel and dime me.”

One lawyer suggested that law firms rethink their entire approach. “I want them to disrupt their own business model because I am going to increasingly do that if they don’t,” the individual remarked. “Most of them don’t discuss basic project management, never mind applying technological solutions to our issues, and want to manage the whole bundle, including e-discovery; they don’t understand that the client is better served if that bundle is disaggregated.”

Be Practical in Your Approach: 18 percent specifically asked for concrete solutions. “I would like our outside counsel to give much more practical advice than they do and to avoid over-negotiating terms when the return on the time is very small,” said one GC.

Another GC noted that outside counsel should remember that in-house lawyers typically had their job and understand the array of potential outcomes, but that they still need to take some action, and often to do so quickly. “You could remind me in a sentence or two, but then let’s get to the heart of it by giving me the simplest, best answer; I understand that there are no absolutes,” the lawyer remarked. “I often need quick, general advice to ensure that I am headed in the right direction and some law firms present so many rabbit holes and contingencies, which ensures that the experience will not go well.”

When they said “practical,” a number of senior lawyers expressed an interest in potential solutions with clearly defined advantages and disadvantages balanced with risk but noted that those advantages require an awareness of many factors.

In fact, 41 percent noted that law firms can stand out by developing a greater understanding of their clients. From core business goals and risk tolerance to budget constraints and long-term vision, lawyers who develop this familiarity build deep and durable relationships.

As a foundational step, “You need to understand my business and the company’s place within the industry; it is critical to know the changes in the industry you are serving and how the firm’s work supports the company’s objectives,” noted one lawyer. “I want my outside counsel to explain what the best option is, but they need to understand our risk, how to mitigate it, and how we can move forward based on our tolerance for it,” another added.

An early-stage technique is to spend non-billable time with the client before you need to. “Get in there when things are calm and get to know your client, especially the client’s IT department and how it is structured, because when a crisis hits, no one has time to understand that,” a general counsel recommended.

Meeting Matters: Whether it is simply connecting at an event or creating opportunities to interact, meeting clients directly can have an impact. “It is important to meet with executives in person so I gravitate to local counsel,” said one GC. “I invite my outside counsel into our new employee orientations so they understand who we are and what we do,” added another, who encouraged lawyers to attend company events, such as their cybersecurity tabletop exercises, to strengthen the relationship and even facilitate business development.

In an effort to support the legal department, law firms could also include their clients in training programs and other opportunities. “I have a team of 88 professionals and our outside lawyers have many opportunities to help the general counsel with the entire team’s development, whether it is secondments or inviting them to speak at seminars,” the individual noted. “I want my law firms to worry about how my team is doing and how the law firm can help because what separates a good lawyer and a great law firm from others is their thinking about how they can help the in-house team members develop.”

Communicate Completely: The recommendation to communicate seems simple, but it remains an area with room for improvement. “Let me know what is going on and tell me when I can expect an answer because not responding is the most annoying trait that will get a lawyer fired very quickly,” explained one GC. “The speed of business is fast so good response time is important; I would be willing to pay more for good answers delivered quickly,” the attorney added.

Beyond basic interaction, another GC expressed interest in knowing exactly how a law firm is applying technology given the security, risk, and efficiency implications. “I would like more transparent conversations about their use of artificial intelligence and machine learning, and whether they are using it on any of my matters, including how and where my data is being processed,” the individual said. “I also want to understand the cost/benefit of my law firm using AI/ML because if they are not transparent with me, I am assuming actual qualified lawyers are doing the work and if they are making super-profits on my work and I wasn’t advised of that, I would be pretty annoyed with that firm and would be looking to move.”

Those conversations will often have an impact on the relationship as well. “It is clear that there are a lot of partners who would benefit from having a candid conversation with a client because if you don’t understand the big picture and the politics, I don’t think you can provide the best legal advice,” the GC advised. “Sometimes, the best result from a legal standpoint doesn’t make the best business sense.”

Ultimately, general counsel want their outside counsel to be willing to offer greater value, provide practical solutions, disrupt their business model, communicate better, put themselves in their shoes, know their business, set realistic budgets, understand the objectives, and be creative in their representation.

Law Students Face an Uncertain Future, But There is Tremendous Promise: The general counsel who shared their views offered advice for law students on everything from whether to enroll in school at all to how they can be successful after graduation. Some discouraged the pursuit, but many others simply cautioned prospective attorneys to recognize that their careers are likely to look very different from those who graduated a decade ago.

Be Realistic and Know Your Options: Law school is often about managing expectations. The academic path is challenging and the career options are diverse. “Students need to understand the oversupply situation and honestly assess their capabilities and determination,” recommended one GC. “They also have to realize that many lawyers hate their jobs and want to get out so students should not base their choices on TV shows or movies,” the lawyer added noting that students should speak with three to six practicing lawyers in law firms, legal departments, and government positions because one may be more suitable to their personality than others.

Making decisions early can alleviate potential career anxiety. “Figure out what type of law you want to do relatively early on because litigation is very different from tax law; do something

you enjoy and avoid focusing on mundane tasks just to make money,” noted another participant. And, if you don’t choose well, move. “If you start doing something and don’t like it, change quickly; get out of a job you don’t love right away,” offered a third.

You Need Knowledge Beyond the Law: There was a general consensus that knowledge and experience beyond the law, even if gained while studying it, can yield an array of long-term benefits. “While in law school, try to get as much practical experience working with a business or a law firm as possible; the new associates that have a better understanding of how the business world works tend to be more successful,” said one general counsel. “Develop an understanding of how businesses run to become a better partner to those businesses; knowing the law is only a portion of the job,” another added.

One GC highlighted that law schools are teaching project management and business skills that are more aligned with the ‘t-shaped’ lawyer – holding deep expertise in one area and the ability to collaborate with others in different domains – of tomorrow. “Imagine the legal profession in 10 or 15 years and what kind of legal professional there will be; once you do that, make sure you have a sufficient technical background,” remarked a respondent.

Explore Your Options: Despite the future uncertainty, many of those interviewed suggested that while traditional career options may be limited, there are many other roles prospective graduates can assume. “There are many opportunities that a JD could open up and are worth looking at,” said one GC. Those options are not, however, unlimited. “Think about what you really want to do and see if you want to do that because it is not true that you can do anything with a JD,” a peer countered.

According to the participating general counsel, law students no longer have the freedom to delay this analysis. “There are many people who go to law school to decide what they want to be when they grow up, but it tends to be a knee-jerk reaction and they want the prestige; it is much more demanding and stressful,” said one law department leader. “Think about those issues and get some real exposure to avoid false impressions.”

Establish Expertise: Participants consistently conveyed the idea that lawyers work harder and longer than students think and that they should avoid any misimpressions. “The practice of law is a stressful way to make a living; it is not easy or like a popular tv show so focus on learning how to bring value to your clients and differentiating yourself from the other million-plus lawyers in the world,” said one GC. “Be an expert in something because you cannot survive as a generalist.”

To begin to establish that expertise, students should find an area that appeals to them and become very familiar with it to the greatest extent possible. “Make sure that you are a true subject matter expert in something because at the end of the day, your clients are paying you to solve their problems; the only way to stand out in this hypercompetitive marketplace is to really be an expert in something so that you are sought after,” offered another general counsel.

Become Practice Ready: Many general counsel emphasized that in the legal profession of tomorrow, the practice of law will be very different so students need to be ready to practice in a new way, rather than in the manner that was acceptable in the past. “Your job will be to design and oversee processes, and you need to be skilled at interpreting the results to make balanced judgments based on a deep understanding of client outcomes,” said one lawyer. “You need a way of demonstrating competence in technology and programming to gain an advantage so open your eyes to different routes to the law as there may be areas that you have not considered,” offered another.

Begin Networking Now: Networking matters, so it is critical for law students to step outside of their comfort zone and get to know their peers and many different types of professionals. “I was so focused on the academics, but never understood the importance of building relationships and networks really early on; if there is a career path you want to take, talk to someone who is in that career path,” recommended a participant. “It fascinates me how few students speak to people who are in positions they would like to secure.”

And, don’t view genuine outreach as intrusive. “Never assume that a general counsel or a senior leader at a law firm is too busy to talk with you,” said a GC. “The students with whom I have spoken at various law schools, I never forget; most of them don’t take me up on it, but the ones that do are the ones that really stand out,” the lawyer added.

Sharpen Your Skills: In an effort to position themselves for a successful career, several general counsel recommended that students consider the array of skills that success in a new area of law will require. “You should not focus very deeply on one dimension of law because you will need some general business, technology, and analysis skillsets; developing a broad base of competency is important for the future,” one participant noted. “Think broadly; when you are in school, study technology and economics to come out as a complete, universally educated person,” added another.

Success Does Not Require a Linear Approach: When asked to identify the reasons for their own success, the participating general counsel gave answers that ranged from luck and adaptability to mentoring and curiosity. Some attributed their success to more unique efforts, such as talent stacking and stepping sideways, but all cited tactics that one can emulate. Below is a summary of their advice:

“Hard work, being a perfectionist and having an attention to detail.”

“Being adaptable is critical because law firms change, companies change, and clients come and go; you have to be adaptable to survive and thrive.”

“Serendipity; I’ve been lucky to be in the right place at the right time.”

“Grit, determination, seeing things through and preparing.”

“I try to spend a lot of time working with people who are very different from me across disciplines and industries.”

“A healthy sense of paranoia and a very strong work ethic.”

“I am always curious and willing to learn; I am not afraid of taking on a new challenge and I have always tried to understand my client’s businesses deeply.”

“It is really important to understand your client’s goals and business in-depth, including their risk tolerance.”

“Timing, luck, and great mentors and sponsors; it is a combination of all of those items.”

“Persistence and being willing to accept a lot of different opportunities; I never said ‘no’ to anything.”

“I’ve never been worried about pissing people off; the ability to say what you think and the humility to acknowledge when you are wrong are secrets to success.”

“Networking has definitely helped me along in my career.”

“Talent stacking; focus less on learning everything and more on what new items you can learn that leverages what you already know because if you stack enough talents, you end up with a unique skillset.”

“I haven’t been afraid to take sideways steps in an effort to find a practice that is suited to my skills and what I like.”

“Honesty and ethics have brought me to where I am today; also, you must believe in yourself and stay true to that.”

“I am incredibly lucky to have leaders and mentors, who have encouraged me to develop expertise in things that weren’t the most popular things in which to develop expertise.”

Conclusion

This is a period of transition for the legal industry and especially for the role of general counsel. As the position grows in stature, so do expectations, which include broadening their responsibilities to encompass more of a business strategist role, adopting emerging technology and innovation to combat growing external threats, and running a legal team with a service-oriented approach. Successful general counsel of the future will need a wide array of practical business experience and soft skills in order to keep a seat at the table and help companies navigate through an increasingly complex global environment.

Demographics and methodology

Between March 22, 2019 and June 18, 2019, Ari Kaplan personally interviewed 32 general counsel to discuss the evolution of their roles, the changing nature of legal practice, emerging legal risks to modern businesses, and advice for outside counsel and incoming law students to help them thrive in this new era.

Forty-one percent of the respondents were with companies that earned more than \$500 million in revenue and 53 percent worked in organizations with more than 1,000 employees. They served in various industries, including 34.38 percent from technology and telecommunications, 12.5 percent from banking, insurance, or financial services, 9.38 percent each from manufacturing and energy and utilities, 6.25 percent each from distributors, higher education, life sciences, retail, and transportation, and 3.13 percent from research and development.

About the Author

Ari Kaplan, an attorney and legal industry analyst, is an inaugural Fastcase 50 honoree, a fellow of the College of Law Practice Management, and a finalist for the International Legal Technology Association's Thought Leader of the Year award. He is the author of *Reinventing Professional Services: Building Your Business in the Digital Marketplace* (Wiley, 2011) and *The Opportunity Maker: Strategies for Inspiring Your Legal Career Through Creative Networking and Business Development* (West Academic, 2nd Ed. 2016). Kaplan serves as the principal researcher for a variety of widely distributed benchmarking reports, has been the keynote speaker for events worldwide, and is the founder of the Lawcountability® business development software platform and iPhone app. He is an avid swimmer, a self-taught, beginner-level python coder, and a two-time Ironman triathlon finisher.

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