

General Counsel Roundtable

What does the future look like for in-house legal?



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For me, the biggest shift in the role of the GC is from being a reactive legal adviser who is there to manage risk to being a function that is more commercially focused, proactive and trusted strategically. Today we are much more forward-thinking and solutions-oriented, rather than just solving urgent problems that land on our desks each morning.

Elizabeth Thompson, former Chief Legal Officer, Gymshark

Foreword

In the spring of 2023, Trowers & Hamlins was proud to bring together a group of experienced General Counsel (GC) and Senior Legal Counsel from a range of industry sectors across the Midlands as part of our GC roundtable event series. The Midlands is home to a diverse group of GCs who play a vital role in guiding their organisations through legal and commercial challenges and we valued this opportunity to discuss the risks, opportunities and challenges facing senior in-house lawyers today.

The insightful conversation that ensued covered what the future might look like for legal departments, with our attendees sharing their views on how to rise to the pressure to deliver more with less, how to better engage with both internal and external stakeholders, how to manage ESG risks and opportunities and how to embrace legal technology.

According to the Law Society, in-house practice is the fastest growing sector of the legal profession, comprising more than 33,000 registered lawyers and representing around one in four solicitors. But the role of the GC and their team is changing rapidly, in the face of an ever more complex regulatory landscape and an expanding remit that increasingly calls on in-house lawyers to step up as the moral compass for their organisations.

What will define the GC of the future? More than ever, they will need to be trusted advisers to business leaders under pressure, providing considered strategic guidance, thoughtful leadership and agile oversight. In return, the chief legal officers of tomorrow can expect a seat at the top table, with growing influence and respect as their role takes on greater significance in the boardroom.

We hope you enjoy reading this summary of what we learned at our latest GC and Senior Legal Counsel Roundtable event following the success of our Counsel Club breakfast roundtables.

Our GC and In-house Counsel programme brings together GCs and Senior Legal Counsel to meet, share ideas and discuss the latest thinking for you and your teams. We also offer a full In-house Counsel training programme that not only focusses on the priority regulatory issues and changes, but also the commercial and business issues impacting your team.

Should you wish to discuss any of the issues raised, sign-up to our GC and In-house Counsel programme or attend future events, please get in touch.



Sara Bailey Senior Partner, Real Estate sbailey@trowers.com 020 7423 8288



Jamie De Souza Partner, Dispute Resolution jdesouza@trowers.com 0121 214 8847

Roundtable guests

Attendees

Anna Nicola – Director TransPerfect Legal Solutions

Neena Janda – Senior Legal Counsel Zappi

Elizabeth Thompson – Former Chief Legal Officer Gymshark

Cleo Stewart – Legal Consultant Chair of Birmingham Law Society In-House Committee

Andrew Partridge – Legal Counsel Reynolds & Reynolds

Emma Ray – In House Counsel and Company Secretary Keys Group

Liz May – Senior Trademark Counsel – Global 3M

Nicole Thompson – General Counsel IMI Precision Engineering

Bal Atwal – Legal Counsel West Midlands Police

Nadine Pemberton Jn Baptiste – General Counsel Gambling Commission

Hosts

Sara Bailey – Senior Partner Trowers & Hamlins

Jamie De Souza – Partner **Trowers & Hamlins**

Elizabeth Mulley – Senior Associate Trowers & Hamlins

Anna Nicola – Director TransPerfect Legal Solutions

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Delivering for the business

The first part of our GC and Senior Legal Counsel roundtable discussion focused on the changing way in which GCs and their teams must now deliver value to their boards. There is little doubt that the role of the modern GC is significantly broader than it once was, reaching far beyond the risk and compliance remit from which the post originated to stretch into business strategy, legal technology, team leadership, ESG, corporate ethics and beyond.

According to a report by the Association of Corporate Counsel (ACC) in 2023, it was found that, on average, 70% of GCs surveyed had made strides in promoting and supporting D&I initiatives within their organizations. The report indicated that GCs experienced greater success in implementing D&I measures within their own teams and in their hiring processes, with 80% reporting positive progress in promoting and fostering D&I.

One of the biggest trends has been the way in which the chief legal officer role has morphed from one focused exclusively on responding to legal issues as they arise to one that is much more forward-looking and strategic in scope. The crossdepartmental perspective that the GC brings, and their position as a trusted adviser to senior management, means they can take a broad view of risk for the business as a whole and can therefore constructively engage in commercial, strategic planning.

A growing number of GC and Senior Legal Counsel now have seats on the board and the ear of senior leadership. As legal and regulatory risk has moved up the agenda in the last decade, so GCs have moved into a position where they now routinely meet with senior leadership to pre-empt any advice they will require in order to make decisions, to fulfil their obligations and to address challenges.

Increasingly, legal teams are now seen much more as custodians of a brand's reputation, because in this environment issues can explode very quickly. With a unique oversight of the wider business operations, the legal department has a great vantage point to step up and assume a much broader role in navigating corporate exposures on everything from diversity and inclusion to human rights and data

In order to effectively deliver on such a remit, it is important that the legal team demonstrates it is not the enemy, which means its operations need to be cost effective and team members must build effective working relationships and trust with all members of the business.



"You need to be seen to be an enabler and not a blocker to your client to ensure that you are on the same page. Carefully choosing how you communicate your legal advice and the language you use to do this can have a huge benefit in how your client perceives your value."

Neena Janda, Senior Legal Counsel, Zappi

"In terms of managing stakeholders, it is about finding the best possible outcome for your stakeholder while taking into account the reputational impact of that outcome"

Bal Atwal, Legal Counsel, West Midlands Police

Demonstrating value

Achieving a seat at the top table and winning trust and respect as a strategic adviser requires GCs and Senior Legal Counsel to constantly demonstrate their value as more than a cost centre and naysayer. Succeeding in the role therefore increasingly demands skills in stakeholder relations, number crunching and internal communications.

Demonstrating value involves building a deep understanding of the drivers and metrics of the business and then proactively and widely communicating what the in-house team can provide in terms of legal support. That will often involve working closely with specific parts of the business, like branding for example, in order to show the team's worth.

GCs need to show they are present in meetings across the business and that they want to understand all aspects of the organisation. If the business sees that legal is more of a 'yes' function than a roadblock, and they can show that their involvement helps move conversations forward, then legal will be invited to input in more situations and earlier in processes.

A lot of the in-house legal role is now about promoting the contribution that is being made, and increasingly making use of data to do that. Backing up examples with numbers that show how legal was able to make an impact is often a key to driving more collaboration.

Several of the heads of legal that we met pointed out that relationships in-house can be more direct and closer than they are in private practice – it is critical to invest time in building trust with the business. Once that is established, lawyers will be brought into projects more frequently and given a greater opportunity to add value.

GCs need to get better at pushing their teams forward, demanding greater involvement and then better showcasing achievements. Lawvers are not traditionally very good at telling colleagues when they solve a big problem or save the business a lot of money, but GCs can use their voice in communicating to the board on a regular basis around ways in which their teams have supported growth and delivered around the wider corporate strategy.

With escalating pressure to deliver more with less, as budgets are squeezed and headcounts tightened, the modern GC also cannot afford to overlook legal tech tools as a means to demonstrate value. Those present talked about the challenges of identifying the most useful tech solutions given the sheer volume of offerings in the market. Legal leaders now always have to think around how the tech available could benefit their company and how they can put it forward as a business case. While there may be obvious benefits for the legal function, it can be harder to justify the expense for the company as a whole. The role of AI to the in-house legal function, as well as its wider implementation in the organisation, will clearly bring about further opportunities as well as risks.

The key to effectively demonstrating value appears to reside in showing the business that legal is on the same page, acting as enablers rather than blockers. By shouting about what is on offer in terms of legal support, speaking the same language and delivering advice that is short, snappy and straight to the point, legal teams can build powerful relationships that ensure their voices are heard.

A lot of the in-house legal role is about promoting both yourself and the company, and making use of data to do that. Accountants are used to speaking in numbers but lawyers are catching up in this respect — we need to speak the same language. It really helps if our conversations are backed up by data to drive collaboration.

Anna Nicola, Director, TransPerfect Legal Solutions

"I favour getting involved, and getting the legal team involved, in lots of different kinds of projects outside those they would normally be asked to advise on. By joining cross-functional teams focused on innovation, for example, they are viewed as broader contributors valued for their diversity of thought."

Nicole Thompson, Division General Counsel at IMI Precision Engineering

The corporate conscience

A recent report by Thomson Reuters, titled The Future Boardroom: Business strategy powered by legal, explained the evolution of the GC role by saying:

The modern GC no longer simply considers whether something is legal, but whether it is legal, strategic, and right."

As both internal and external stakeholders become increasingly focused on responsible business behaviours, values and ethics, the drive for positive ESG and sustainability credentials is increasingly falling into the laps of GCs.

For most legal teams, the focus on the ESG agenda has ramped up enormously and become a much greater area of responsibility. With companies looking at a better world agenda, and taking a much broader view on the impact they have on their environment and society, in-house lawyers must often audit supply chains, commit to ESG pledges in contracts, monitor compliance and be in a position to respond to customer questionnaires on ethics and impact.

Again, there is a growing data requirement that legal teams can find themselves at the forefront of, looking for new ways to report to the board and a host of other stakeholders on ESG matters.

The GCs at the roundtable discussed how companies really have no choice but to act on ESG today, because the risk of reputational damage if they fail to get on board or take a misstep is significant. And yet ESG issues are broad, touching every aspect of the business, and they are fast-moving and hard to keep up with. There is a key role for legal in making sure the board is held accountable.

So much of ESG is embedded in legal and regulatory obligations – whether those relate to good governance, following environmental laws, treating employees fairly or delivering on contractual obligations in relation to emissions - but the legal team can also extend its remit and influence by taking the lead on corporate morality.

Once again, it is the function's ability to take a helicopter view of the business and its exposures that puts legal in a good position to step up on ESG. Taking the lead on such a critical issue may add significantly to the GC workload, but it presents great opportunities for legal to raise its voice at the top table.

"ESG is just so huge and as a legal department we are fortunate to have that oversight across a phenomenal range of business functions. That gives us the ability to help join the dots, to help open doors for new conversations and to provide facilitative leadership. Nobody can run ESG on their own, but as a GC and as a legal team we have that ability to help break down the complex issues, identify the risks and provide direction. "

Elizabeth Thompson, former Chief Legal Officer, Gymshark

"Going forward, in-house counsel and their clients would benefit from being more engaged with the wider community, for example, via LinkedIn not only to raise their own but also their client's profile in a positive and meaningful way. Furthermore, it allows them to add value by posting about topical legal commercial issues / updates, which in turn supports peers within the in-house industry. Both in-house counsel and organisations need to be proactive in their approach to continue to grow and move with the times – to help with this, there are various platforms and AI emerging in this field."

Neena Janda, Senior Legal Counsel, Zappi

Conclusion: Skills for the future

As in-house legal teams continue to expand in number, remit and influence, there is no doubt that the tools they need in their toolkits must also evolve to keep pace.

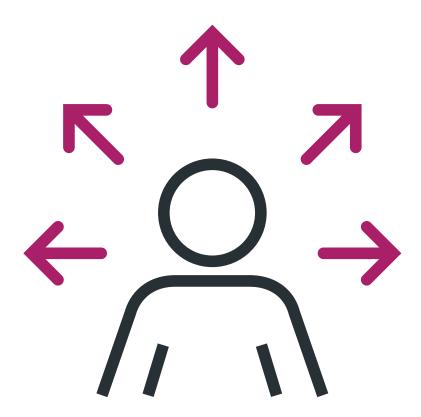
Certainly legal technology will be a greater feature of the in-house team moving forward, with many of those present at the roundtable currently exploring how they can digitise where possible. That has to be done without losing sight of the importance of the human element, while also taking much greater care to ensure professionals are spending time on the right matters and focusing on the right areas where they can truly add value.

What skills will the GCs of tomorrow need?

Undoubtedly, they will have to continue to be much more commercial and strategic in their focus, taking a more holistic view of risk and being prepared to engage much more effectively with stakeholders across their businesses. They will need to be proactive, expert communicators, with a good command of data in order to demonstrate value and effectiveness, and they will need to be inspirational leaders, propelling their teams forward to deliver more for less.

Agility will also be critical: GCs will need good foresight, to see the next thing coming down the track, and will need to be open to digitalisation and change generally.

GCs that can rise to the opportunity to embrace a wider role will find themselves ever more valued members of corporate leadership.



"The key thing is a clear vision of how legal supports the business strategy, making sure we are spending the majority of our time on the strategic issues rather than things that make little difference."

Nicole Thompson, division general counsel at IMI Precision Engineering

There is probably much more appreciation now of the leadership role that the GC has, in the business as a whole and within the function, bringing the team together and training them for the future. All of that requires strong communication skills and the ability to give advice based on considered thought, which becomes increasingly relevant given the speed at which things are happening today.

Elizabeth Thompson, former Chief Legal Officer, Gymshark



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