

The 5 Traits CLOs Will Seek In Their Next In-House Hires

By Michele Gorman

Law360 (April 6, 2018, 2:54 PM EDT) -- Leaders of corporate legal departments looking to select their next in-house attorneys, either to replace outgoing lawyers or expand their staffs, are prioritizing certain professional skills above others.

The role of in-house counsel has changed over time, said Richard Satin, managing partner of Schnader Harrison Segal & Lewis LLP's New York office who previously worked as general counsel at Medical Action Industries Inc.

"For many years, in-house counsel generally provided legal advice, and really over the last several years it has become far more of a strategic adviser to the senior business leaders and management [position]," Satin told Law360. "As a result of that change and taking on additional responsibilities, mostly in risk management over this period of time, I believe the traits have really evolved as well."

For the first time in three years, the majority of chief legal officers surveyed in the Association of Corporate Counsel's Chief Legal Officers 2018 Survey said they anticipate an increase to their overall budgets, up 13 points from 43 percent in 2017. Twenty-eight percent of those managers projected they will add in-house lawyers to their departments within the year.

CLOs who participated in the survey, based on feedback from 1,275 leaders in 48 countries, said commercial contracts, general corporate and commercial, and intellectual property are the top three practice areas where they're hiring.

Here, experts shared the characteristics that could boost lawyers' resumes when applying for in-house roles this year.

Business Orientation

Whether it's in a new industry or within a familiar one, in-house lawyers should show an interest in the business, and be willing to put forth the time and effort to understand its specific needs and goals.

At 49 percent, business management was the top nonlegal skill that law department leaders in the ACC survey said they want their internal lawyers to develop.

When outside counsel **move in-house**, it's vital they adapt to a different learning and communication style, experts say. To no fault of their own, private practice lawyers generally mature as auditory learners, preferring to produce a memo over a PowerPoint chart, said Steve Boutwell, chief operating officer at Kean Miller LLP. But if they move in-

house, they will be forced to work more visually in the corporate culture, as they interact mainly with nonlawyers.

"The clients of the in-house lawyer are usually not lawyers, so they need things explained to them or articulated to them in plain English and using some form of visual elements to help people understand the issue," Boutwell said.

Satin said most in-house departments generally look for five to seven years of experience in a potential candidate, someone who has developed subject-matter expertise and has interacted with clients.

For easier integration within the business unit, CLOs might look to onboard outside counsel who have represented them.

"Certainly you can come up to speed quickly," said Satin, who was outside counsel to Medical Action Industries before he transitioned to the company's legal department. "But I believe if you've had experience in that industry, it is extremely helpful."

Communication

Experts say it's vital for in-house lawyers to have strong communication skills, especially since they operate in environments that require explaining complicated legal matters to nonlawyers.

At 46 percent, communication and listening skills was the third-ranked nonlegal trait that CLOs in the ACC study said they hope their internal lawyers cultivate.

Proper communication is critical for in-house lawyers to clearly discuss a topic. They must simultaneously feel comfortable sharing the information with others in the business, including those who function at a more senior level.

Julie Fink, the managing partner at Kaplan & Co. LLP who previously worked as in-house counsel at Pfizer Inc., said lawyers can hone their communication chops while working inhouse.

"Going in-house really requires that you look at cases and look at the company at a different way than as outside counsel," she said.

Passion for Learning

Whether it's yearning to expand knowledge about a specific industry or to learn entirely new subject areas, in-house lawyers should demonstrate passion for continued education, experts say.

Perhaps a lawyer has a connection to, say, the pharmaceutical industry because someone in his or her family lived longer because of prescription medication. Others may not have any ties to a specific industry but simply excel with the challenge of new subjects.

Frank Michael D'Amore, principal of recruiting firm Attorney Career Catalysts who previously served as a partner in a major law firm and in general counsel roles at both privately held and publicly traded companies, said his first in-house position was with a pharmaceutical medical device industry. He spent time reading magazines in the company's library to learn about the industry and also requested to observe surgeries in which the device was used.

When you gain a full understanding of a how a product or service functions, he said, "you really become a partner in the business."

Decisiveness

In a corporate legal department surrounded by a business unit that needs answers quickly, in-house lawyers won't be able to spend much time researching to form guidance. They should learn to trust their instincts, which are often informed by understanding the business' needs.

Successful in-house lawyers are able to listen to an issue and provide guidance and strategy to business leaders, even if the resolution is not necessarily what people want to hear, Satin said. But it's the responsibility of in-house lawyers to act as counsel to the company.

"Usually with a client you can say, 'I'm going to get back to you.' When a business unit leader walks into your office and has a question, they generally expect an answer," Satin said. "That is really the role today, where you generally are on the spot and need to have the ability to analyze an issue pretty quickly and provide the right advice quickly."

Technologically Savvy

Leveraging new technologies has become an increasingly vital trait for in-house lawyers. Understanding what types of alternative service providers are available, as well as understanding cybersecurity needs and having a grasp on social media, are all crucial for in-house lawyers, experts say.

A growing area of concern for in-house counsel is the threat of data breaches, increasing the demand for cybersecurity as an area of expertise. Data breaches, at 70 percent, and information privacy, at 68 percent, ranked second and third in importance for two-thirds of CLOs in the ACC survey, with seven in 10 rating them extremely or very important in the coming year, a significant increase since 2014.

And as cryptocurrency becomes more of an accepted method of payment, lawyers might need to be able to advise management on related policies.

"Of the most recent traits for an in-house attorney is a good working knowledge of technology," Satin said. "I think that trait will serve in-house counsel really well and make them valuable."

--Editing by Katherine Rautenberg and Kelly Duncan.

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