

THE ROLE OF THE GC OF AN INTERNATIONAL LAW FIRM



WORLD DOMINATION

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We all know what a General Counsel (GC) does in the business world: advising the board and senior management, monitoring compliance, helping to craft policy, serving as liaison to outside counsel, and otherwise counselling the business as to all legal matters.

But in a global law firm? Why would a ‘firm full of lawyers’ possibly need a GC? We will answer that question as we explore the role of the GC at an international law firm.

GC Responsibilities—in General

The role of GC at a law firm can mean different things at different firms. In some cases, the GC is there to analyze legal risk—just as a firm has professionals who evaluate financial risk—while at other firms, the role is largely one of ensuring regulatory compliance. But regardless of the niche at a particular firm, the role remains one of advice and, importantly, decision-making as to all legal, risk and compliance issues affecting firm operations.

But does every firm need a GC? The answer is ‘probably not.’ The relatively new position at Big Law firms came to prominence during an era of firm mergers and is further driven by structural changes within a firm or by the retirement of a senior partner who previously wore many hats, including that of GC—regardless of the lack of formal title being held.

Modern Law Firm Complexities

Given the changes in not just how international firms are structured internally but also their need to address cross-border compliance, there is a huge breadth of issues that require attention, issues that even a managing partner could not handle as an add-on to his or her daily functions. It is for this reason that international firms have increasingly brought onboard a GC, and why the role is of increasing importance to a firm’s strategic decision-making, just as it is in the business enterprise world.

The consolidation of what may have previously been a diverse collection of responsibilities by various partners and senior staff to an assignment under one GC position streamlines and makes more efficient the handling of critical decision-making for the firm. One international firm took the step of hiring a GC after determining that there was a danger of compliance matters falling through the cracks—a type of risk all unto its own. Another factor in the decision to hire a GC at an international firm is that it frees up one of the most valuable firm resources—the high-priced partner—to concentrate on billable hours.

Day-to-Day Tasks

In past years, the GC mainly concentrated on managing claims and complaints involving the firm. However, the position has evolved to include such matters as managing relationships with insurers and both domestic and overseas regulators. Evaluating risk for a firm’s acceptance of a certain case, or gauging the risk associated with a particular litigation strategy or other advocacy for a client, has become an important advisory function, as has the collaboration with professionals both inside the firm and without for a mutual drawing upon expertise. According to Jonathan Westwell, general counsel and partnership secretary at Baker & McKenzie, “It can be useful for a partner to have someone who can act as a sounding board on a particular issue.” Partners greatly benefit by having someone internally who

Executive Summary

› The Issue

What is the role of the general counsel in an international law firm?

› The Gravamen

The role largely remains one of evaluating risk and ensuring compliance in all of the firm’s operations.

› The Path Forward

Increasingly, the GC acts as an adviser to senior partners and as a valuable sounding board when faced with tough decisions.

can provide an objective view and act as a sort of diplomat when diverse, competing views both press for a particular outcome, only one of which will truly serve the best interests of the firm.

Industry Peers

Interestingly, the GC also serves as a go-between to peers at other firms. Collaborating with other firms when hot-topic regulatory issues come to the fore can benefit all Big Law practitioners and, at the same time, demonstrate to regulators that there is a consensus on a controversial or novel compliance concern. The GC can better justify why the firm has taken a particular course of action on an ambiguous matter by demonstrating how other firms have come to the same conclusion. Keeping an open ear to the competition's position on a disputed matter can also help the GC to make a stronger argument for one direction or another when working to influence the board or partners.

Supporting Talent

Just as the firm's HR department is charged with finding and bringing in new talent to help the firm succeed, the GC will also need the support and hiring assistance of HR in order for the office of the GC to run smoothly. The size of a GC support team will vary widely depending upon such factors as the firm's size, number of overseas locations, and not just where a firm practices but also in what fields. Keeping abreast with GDPR (the EU general data protection regulation) compliance in the EU will pose different challenges for the GC than data compliance in, say, the U.S. or other non-EU locations. And, unless the GC happens to be well-versed in many languages, he or she will need the

support of local boots on the ground who can speak the local language.

The culture of a particular international law firm will also influence to what extent the support team of the GC needs to be staffed and trained.

Outside GC

Although the position of GC has largely been considered an internal position, the concept of 'outside GC' has taken hold with organizations forming to offer outsourced services for GC functions just as it exists for accounting and other professional matters that might otherwise tax internal firm functions. A benefit of outsourcing a firm's GC services is that the contractor already has the expertise your firm needs for compliance and risk issues from the beginning, with very little learning curve necessary, as would likely be the case upon a new GC hire internally. Furthermore, the perspective of the outside GC organization will be a fresh one as opposed to being influenced by in-house politics or possibly other career considerations.

For international law firms, the findings are clear that firms utilizing a GC, whether in-house or from outside, are better positioned to compete and succeed in the new legal marketplace.

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—ANDREW CHEUNG, GC FOR THE UKMEA REGION AT DENTONS

Action

1 In-house or Outside GC:

One of the first determinations the board and senior partners will have to make is whether they wish to onboard an in-house GC or outsource to an organization specializing in law firm GC services.

2 GC Tasks:

Not all international firms will have the same requirements for their GCs, with some needing an emphasis on compliance in just certain areas and others requiring a globalist perspective by one who can ensure compliance in numerous cross-border locations.

3 Advisory Role:

In almost all cases, along with compliance, the GC will serve as a sounding board for senior partners, but the extent to which that relationship will be exercised needs to be decided upon early on for the benefit of all concerned.

4 Peer Ambassador:

Not all firms will have the same need to collaborate with peers at the competition regarding controversial regulatory initiatives, and whether this function will be assigned to the GC needs to be made clear upfront.

Further Reading

1. <https://www.taylorroot.com/market-insight/law-firms/beyond-compliance-why-your-law-firm-needs-a-general-counsel/>
2. <https://rsgi.co/the-gc-decade/>
3. <https://contiguglia.com/outside-general-counsel/>
4. <https://oriellyroche.com/practice/law-firm-general-counsel/>
5. <https://www.lexion.ai/post/chief-legal-officer-vs-general-counsel>





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After receiving his Juris Doctor degree from The John Marshall Law School in Chicago, Mr. Brochin served as an Administrative Law Judge with the Illinois Department of Labor for six years where he presided over cases dealing with job separation issues and matters pertaining to contested Unemployment Insurance claims. He also co-wrote the agency's administrative rules, and periodically served as a 'ghost writer' for Board of Review decisions.

Following that position, he was Director of Development for a Chicago-area non-profit college where he was responsible for High Net Worth donations to the institution. For the next eighteen years he practiced as a solo practitioner attorney with an emphasis in the fields of Real Estate law and Commercial Contracts transactions, and was an agent for several national title insurance agencies.

In 2003 he was recruited to head up a U.S. title insurance research office in Israel, a position he held for four years, and between 2007-2017 he participated in litigation support for several high-profile cases. He has taught Business Law as a faculty member of the Jerusalem College of Technology, and has authored a wide variety of legal White Papers and timely legal articles as a professional legal content writer for GPL clients. Separate from his legal writing, he has co-authored academic articles on Middle East security topics that have been published in peer-reviewed publications.



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William Anderson is Managing Director and Head of Law & Compliance. He leads the GreenPoint practice in providing regulatory, legal, and technology solutions to law firms, legal publishers, and in-house law departments around the world, overseeing our team of experienced US attorneys and data and technology experts. Will has over 25 years' experience working with corporations to improve the management of their legal and corporate compliance functions. Will began his legal career as a litigator with a predecessor firm to Drinker, Biddle LLP. He then served as in-house counsel to Andersen Consulting LLP, managing risk and working with outside counsel on active litigation involving the firm.

Will has leveraged his legal experience interpreting regulations and appearing before federal (DOJ, SEC, FTC) and state agencies (NYAG) to oversee research and other areas at Bear Stearns. In this capacity, he counseled analysts on regulatory risk and evolving compliance requirements. Will also consulted on the development of a proprietary tool to ensure effective documentation of compliance clearance of research reports. Will then went on to work in product development and content creation for a global online compliance development firm pioneering the dynamic updating of regulated firms' policies and procedures from online updates and resources. Will holds a Juris Doctorate with High Honors from the Washington University School of Law in Saint Louis and is admitted to state and federal bars. He lives in Pawling, NY, with his wife and daughter.



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