

# Strategic Impact

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This is the thirty-sixth in a series of articles about how corporate and government law departments can improve their performance and add measurable value to their organizations



These are two words that one does not readily associate with corporate or government law departments. An experienced General Counsel recently asked me how, after 30 years of serving a company, does a law department add value? How does one change service delivery to do this when demand already exceeds resources and clients are quite satisfied?

I suggested the adoption of a key performance indicator called “strategic impact”. Fewer than half of law departments have KPIs. Naturally, this led to further questions. Could specific examples be provided of how an established law department can make this kind of contribution?

By comparison to operating and customer-facing departments, legal is always very small in size. On the non-government side, 50% of law departments have fewer than 4 lawyers and



80 % have fewer than 10 lawyers. Strategic impact means that they have to “punch above their weight.” Most have moved beyond becoming the business prevention police. But very few provide more than operational legal support to business units.

The General Counsel’s reporting relationship does matter. Access is less and perceptions are affected when the GC does not report to the CEO. Such reporting is possible when combined with corporate secretarial responsibilities or with oversight of other portfolios such as environmental health and safety, public affairs, compliance or even human resources. Executive turnover and corporate reorganizations are opportunities to improve the positioning of the law department. It is a place to start, but rarely affects the day-to-day work of the remainder of the law department. On top of all this, the GC has to have the experience and skill to be a corporate executive.

In-sourcing or co-counselling complex legal matters, otherwise referred to external counsel, are other ways to add value. There are many examples of this with transactional work, but very few with litigation or labour and employment work. This is to be expected when 70 % of in-house counsel practice commercial law.

A separate initiative is to involve inside counsel with special projects that the company believes are important. At times, legal counsel are members of the project team and at other times, they can lead the project team. While somewhat arbitrary, I would propose that at least 25 % of the law department’s time be allocated to special projects or to high visibility and sometimes insourced or co-counselled legal matters.

This requires freeing up 25 % of the department’s time to re-deploy counsel for strategic

activity. Clients must become more self-sufficient for routine work, and lawyers must become more efficient if they are to find 10 hours each week to take on something different. Strategic activity is not a spare-time endeavor or something that only happens after 6 pm every day.

If work re-allocation is not enough, there is the matter of competencies for counsel. What are the non-legal, core competencies and attributes that in-house counsel must have to add measurable value and for the law department to have a strategic impact?

Competencies are the specific knowledge and skills needed for critical tasks. Attributes are the personal characteristics and aptitudes a person must have to produce superior performance. Technical excellence, in this case legal excellence, has not been the sole determinant of success for more than 20 years.

Lawyers possess many of the attributes essential to strategic impact. They are committed, thorough and often good communicators. But they must now become creative thinkers who develop imaginative solutions and new ways of thinking about situations, problems and opportunities. They must approach problems and situations in a non-linear fashion, and develop ideas and make decisions based on intuition more than logic. Basically, they must demonstrate ideas or solutions that seem to come from someplace outside of the immediate problem or situation.

There are also skills that allow a person to gain leverage and to assume a position of leadership in an organization. Leadership is the ability to take a role as leader of a team or other group. A leader takes ownership, demonstrates leadership on important business and operational issues and is willing to take risks and demonstrate creativity by championing new and innovative approaches leading to business success.

Another competency is impact and influence. This is the ability to influence others through the use of persuasive techniques, presentations, and persisting against resistance or obstacles. The lawyer demonstrating this competency is capable of developing and implementing various influence strategies which successfully impact multiple customers both inside and outside of the organization. Many counsel manage or influence others to reach a goal or have a specific impact.

There are also business and client competencies. Taken together, these are the body of knowledge and skills that include an understanding of the organization, its industry, management practices and their applicability to the organization. To have strategic impact as a law department, a number of the lawyers other than the General Counsel will need to have a strategic business sense. This is the ability to understand the business implications of decisions and the ability to improve organizational performance. Such counsel understand the business and bottom-line impact of decisions, establish or recommend

a course of action to accomplish short-term and long-term goals or vision and share with others their own view of the desirable future state of the business, function, company or industry.

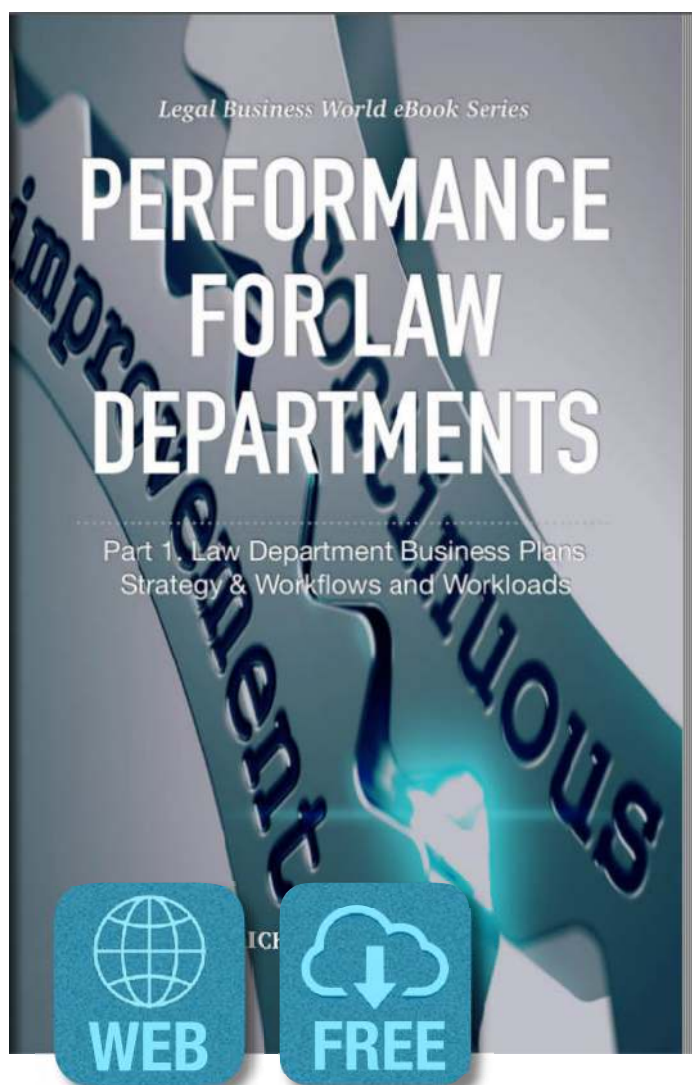
The right structures, projects, complex work and competencies are essential to have strategic impact.

### About the Author

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Richard's latest book (read or download it by clicking the cover)

*This book by Richard G. Stock shares valuable insights and analyses on how corporate and government law departments can improve their performance and add measurable value to their organization.*



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