

# Having the courage to speak out is hallmark of sound counsel

**In-house** Flexibility and business skills are desirable traits in modern legal advisers, says *Reena SenGupta*

**T**he general counsel behind the best teams in the 2015 FT North America in-house ranking may well be a pointer to the lawyer of the future. Many of them have a multidisciplinary background and all are classed as business partners and leaders by their commercial colleagues. Few, say their chief executives and other company officers, are the obstructive “black holes” that corporate legal functionaries were so often in the past.

Ivan Fong at 3M, Brandi Galvin Morandi at data centre company Equinix and Tim Murphy at MasterCard are three of these lawyers of the future. Mr Fong and Ms Galvin Morandi have multidisciplinary backgrounds — chemical engineering and public relations, respectively — and enhance their roles with outside perspectives.

Mr Murphy started off in the legal department of MasterCard, and then became chief product officer before returning to legal in 2014.

It is not all that unusual to have lawyers move into the business, but it is still uncommon for lawyers to move back into the legal function.

Fluidity is increasingly a feature of innovative corporate counsel. For companies undergoing rapid change, a nimble approach is critical.

At General Electric in the past 18 months, the legal team has handled not only one of the largest corporate deals in its history — the \$10.6bn acquisition of Alstom’s power and grid business — but also the withdrawal of the company from financial services, which entailed more than 40 transactions to sell GE Capital to various buyers.

Similarly, lawyers at the Vodafone Americas team under Megan Doberneck handled the sale of its 45 per cent stake in Verizon Wireless, a deal worth \$130bn.

Following that, Ms Doberneck was given the job of building a legal, regulatory and corporate security team from scratch to support the organic growth of Vodafone’s Americas business.

“We had no blueprint for the scope, scale and



how to undertake this activity,” says Ms Doberneck — traditionally Vodafone has entered new markets through acquisitions.

The lawyers had to come up with frameworks flexible enough to support a new and evolving business to deliver fixed and mobile services across the Americas.

The ability of the legal teams at GE and Vodafone to handle extensive corporate reorganisation and its aftermath is because they are focused on the business as a whole, not just the legal function. At Vodafone, Ms Doberneck is on the board and plays a key part in the executive management team.

Leadership in business affairs is a hallmark of any innovative general counsel and is increasingly expected of chief legal officers.

Corporate legal functions now commonly encompass compliance, ethics and corporate social responsibility. It is normal for general counsel to take on different functions within the business.

Bill Reilly, senior vice-president and general counsel at Ansell, the manufacturer of protective health and safety products, served as

interim head of human resources at the business for six months. Mr Reilly runs a lean legal team of only 11 lawyers serving a business that has 14,000 employees in 35 countries.

The team at Ansell has innovated repeatedly, from its use of technology to the monetising of the company’s intellectual property. It shows what a corporate legal team can do with limited resources.

Mr Reilly had a business career before he went to law school. He says he identified the potential of the corporate counsel role in the early 1980s. “I wanted to marry my understanding of business with the law and I sought to do that early on. Clearly, the in-house role has grown and evolved into a lively and respected part of the profession,” he says.

For many of the FT’s ranked teams such as those at Gap, Hanesbrands and The Hershey Company, the role includes having an ethical function within the business.

Leslie Turner at Hershey says her time as Assistant Secretary for Territorial and Insular Affairs in the Clinton administration and at Coca-Cola exposed her to many different

aspects of the law, the combination of which has changed her thinking.

“There is a trend among lawyers to emphasise the importance of being business partners,” she says, “but we need to be more than that. In-house lawyers serve as the voice of courage to the business. We certainly need to drive business solutions but we also need to speak with one voice to protect and enable the company’s reputation and shareholder value.”

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## Corporate Counsel Innovators

### ◆ Tom Russo, AIG — WINNER

Many insights come from being chief legal officer of Lehman Brothers from 1993 to its collapse in 2008. And still more from taking the top legal role in the reconstruction of AIG — American International Group, the insurer. As a result, he understands the role regulators, government and business play. Establishment of the Legal Operations Centre four years ago was a significant step in centralising AIG's \$2.5bn annual legal spend.

◆ **Michelle Banks** leads a legal team at Gap, the clothing company. She facilitated work of the Gap Foundation and more funding reached needy young people. She set up its first compliance function and a system to

manage legal budgets more efficiently.

◆ **Megan Doberneck** is a member of the Vodafone Americas executive team with a seat on the board. She was given the task of building a legal function from scratch when the company sold its stake in Verizon Wireless.

◆ **Edward Knight**, (Special Mention) the general counsel at Nasdaq, is described as a "constant innovator" by commercial colleagues. He leads a team also responsible for technology innovations at his organisation.

◆ **Tim Murphy** has spanned business and legal functions at MasterCard: key in advancing the patent muscle of the company and gaining a foothold in new payments.

◆ **Bill Reilly** became general counsel at Ansell in 2000, when the Australia-based company was known as Pacific Dunlop.

◆ **Leslie Turner** is an exceptional general counsel, according to colleagues. With experience in private and government sectors, her function includes corporate security, government relations and ethics. One move has been board training for crises.

◆ **Ross Vincenti** is general counsel at OneWeb, which plans to create a constellation of satellites to provide global internet broadband service to consumers. An experienced in-house telecoms lawyer, he has served at Siemens mobile wireless division, Sprint Nextel Corporation and Clearwire.

## MOST INNOVATIVE IN-HOUSE LEGAL TEAMS 2015

Firm	Score
<b>Ansell</b>	<b>35</b>
A team of just 11 attorneys supports the \$1.6bn global healthcare business by using technology and leveraging external relationships. An outsourcing arrangement with Moser Taboada, the intellectual property boutique, helps monetise intellectual property assets and generate profits.	
<b>Nasdaq</b>	<b>34</b>
The lawyers, who both create and enforce rules, work at the convergence of technology and regulation, and have patented market surveillance technology that can be used by other regulators and institutions.	
<b>Accenture</b>	<b>33</b>
The team has transformed the way it works with outside counsel, slashing the number of advisers from 200 to 27 and bringing better value and service through closer, more strategic relationships.	
<b>Equinix</b>	<b>33</b>
The legal team has helped the global expansion of Equinix, the data storage business. Skills include technology innovation such as a tool that automates supply chain searches for quarterly funding reports.	
<b>FireEye</b>	<b>33</b>
The four-year-old team at the cyber security company developed a system to track innovation, which has increased the patent flow from people other than the company's founders. With insurer Marsh, the lawyers created Cyber Oasis (objective assessment scorecard of information security).	
<b>General Electric</b>	<b>33</b>
In the past 18 months the legal team has played a central role in the refocusing of GE, helping to ensure that the sale of GE Capital was ahead of plan and completing the \$10.6bn acquisition of Alstom's power and grid business.	
<b>The Hershey Company</b>	<b>33</b>
The multidisciplinary team has shown considerable commercial skill, including inventing a professional system to train the board to react to potential crises.	
<b>TriMas Corporation</b>	<b>33</b>
A small team of lawyers at the packaging to aerospace conglomerate has transformed the company's approach to compliance, monetised its intellectual property and made it more competitive.	
<b>3M</b>	<b>32</b>
A flexible team has increased efficiency in areas such as a preferred network for external counsel, compliance programmes, vetting supply chains, and a robust approach to intellectual property.	
<b>Gap</b>	<b>32</b>
Lawyers are driving efficiencies through the legal finance function and by cutting the number of external	



advisers. They also contribute to the clothing company's ethical business stance.

**Vodafone Americas legal and regulatory team** 32  
In-house lawyers have helped develop the Americas business in the wake of stake in Verizon Wireless, one of the largest deals in corporate history at \$130bn.

**MasterCard** 31  
Under general counsel Tim Murphy, lawyers have increasingly worked to further MasterCard's strategic transformation.

**OneWeb/WorldVu Satellites** 31  
As part of a company founded only a year ago, in-house lawyers drove complicated, international joint venture agreements with eight different investor companies to raise funds to create a satellite constellation that aims to offer internet connectivity to 3bn people.

**Atmel Corporation** 29  
Lawyers at the tech hardware company have trained the workforce to mitigate the company's risk exposure.

**Hanesbrands** 29  
The clothing company's legal team, which also has responsibility for corporate social responsibility, has worked on a system to vet the company's supply chain for potentially adverse effects on the brand.

**Pernod Ricard USA** 29  
Lawyers have cut the amount spent on external lawyers through better use of technology.

**Axalta Coating Systems** 28  
Following the coatings company's spin-off from Du Pont and subsequent initial public offering, the legal team has helped bring efficiencies to the business and created a strategic legal function.

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