Legal Department Strategy

Implementing a Law Department Strategy in emerging markets

The right approach: A Global Perspective

Introduction

The current economic issues being experienced within the Eurozone and US markets, industrial engineering firms are looking to emerging markets to merge and grow their revenue streams. This brings the inevitable challenges to in-house General Counsel’s (GC) tasked with ensuring compliance and legal effectiveness in unfamiliar territories, whilst still maintaining and improving the legal team at the company HQ.

Legal Strategy Overview

Understanding and developing a legal strategy is a fundamental initial step in the GC approach to implementing a cohesive legal team across multiple jurisdictions.

It develops the foundations for all policies, procedures, work patterns and should be the statement of intent for legal work throughout the business, regardless of location.

What does this mean for implementing a legal strategy?

1. The GC must identify the issues that face the existing legal team, as well as those facing a new team in a new jurisdiction. A significant difficulty is knowing the position of the legal teams in implementing their strategy, and then identifying ways to ensure that the teams that are lagging behind in the jurisdictions can catch up.

2. Understanding the skills needed to flourish in the new country, the legal expertise required, the relationships, local knowledge and management experience which are all paramount to implementing strategic plans.

3. Ensuring the new team is surrounded by the right partners and have access to the right technical expertise should mitigate some of the risks associated with starting a new venture in a new country. Careful consideration of the use of local law firms is needed including those with a full regional presence, as well as understanding the types of work that will be undertaken in the new jurisdiction, and identification of the right partners best placed to support this work.
4. Recognition of cultural differences is crucial to the success of implementing a legal strategy in a new jurisdiction. Implementation should carefully allow for differences in approach to work/policies to encourage cultural diversity, but ensure that the overall legal goal is being achieved despite the differences.

**Where to start? – a guide to getting it right:**

**a) Talent Management**

Finding local talent is a considerable challenge that should not just be left to the usual routes of recruitment consultancies and adverts. Investment of GC time or nominated representative in canvassing opinions of existing companies in the area, partner law firms with existing contacts and spending time at networking events, are all key to getting a wider perspective of the local legal talent market.

It is unwise to assume that a known colleague will implement a strategy in a new area any better than finding the right individual at a local level.

New legal models, such as using contract lawyer services or legal consultancy services (including from existing firms – such as Eversheds Agile or Consulting) should be considered and implemented. Contract lawyers are a useful way to bolster the new team without adding to permanent headcount.

**b) Partners – in it for the long term?**

It is key that law firms have been identified to assist in the development of the new jurisdiction. They should be fully briefed on the strategy, work types, expectations of future work and personnel involved.

Again, as with developing the legal team, the GC should use a variety of channels to ensure a wide perspective of law firms that are able to assist, and time invested at the start of this process will make costs easier to manage throughout the development of the new jurisdiction.

**c) Culture – managing the transfer**

Uniting a disparate team is a tough challenge for a GC, but there are some strategies to assist, including:

- A programme of cross jurisdiction secondments are a well defined method for promoting collaboration and understanding between teams, but also are very beneficial in providing professional development opportunities.

- Technology should be used to promote cross jurisdiction working. This can be through video conferencing or through already available desktop video call technology. This goes in some way to breaking the ‘faceless’ barrier that many legal teams working in different areas encounter.
- The GC being conscious of the tendency for teams to become involved in their own areas without thinking of the broader strategic perspective of the wider team. GC’s should ensure that individual objectives, performance reviews and team meetings have a compulsory element that incorporates how the existing legal team supports the new jurisdiction in its development.

d) Communication of successes

The business will expect accuracy, speed and clear responses from the start, despite it being a new legal team. This relies on clear communication channels between the GC and new territory, and the GC and business unit leaders. Far too often, a GC is dragged into spending too much operational time in a new territory, leading to a possible neglect of matters at HQ, and fire-fighting on both existing and new jurisdictions.

In summary:

GC’s must be able to promote the wider success of the legal team, and build confidence in the existing and new jurisdictions ensuring that the legal strategy is not just a legal team document, but a living, breathing cultural shift that is crucial for the delivery of the overall business vision.