Demonstrating Value in In-House Legal Teams

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Executive summary

VALUE IS something which many in-house legal teams are increasingly expected to demonstrate. In the past, misconceptions regarding the value of the in-house team abounded, and in-house lawyers were perhaps seen as reactionary, as business blockers, or simply as an expensive cost center. Many in-house teams still struggle with these labels. However, in-house lawyers can break the mold and prove their value in many ways, and in doing so they can improve their relationships with other individuals and teams within their organization. This report explains how.

Expectations on in-house legal teams and general counsel have changed. The legal team is now evaluated like every other part of an organization and the head of any in-house legal team is held accountable for costs and effective management. Every in-house lawyer is now expected to add value to their organization beyond the supply of cost-effective, quality legal services.

There has been a shift in the role of the in-house lawyer which has led to this. The roles of senior in-house lawyers and general counsel in particular are more demanding than ever before and – as trusted advisors to the CEO, the board, or others in various teams throughout an organization – they are very much at the forefront of the business and influencing the corporate agenda more than ever before. Nowadays successful in-house lawyers can be involved in identifying new opportunities for growth in ways unfamiliar to individuals in these roles in the past.

With the need to demonstrate value being clear, how then is this achieved? Measuring the value provided by a legal department is no simple task, and opinions vary widely on how an in-house team can achieve this. This is reflected in the variety of opinions and advice contained in this report, and in the different methods of creating and demonstrating value that are outlined. Demonstrating value is not a ‘one size fits all’ approach, and in-house lawyers need to judge for themselves how they can best demonstrate value based on their organization’s needs and strategic goals.

In order to demonstrate value it must first be defined, understood, and measured. The expert contributors to this report discuss different ways of quantifying and assessing what is considered “valuable”, and they provide
advice on different means of measuring the value creation of the in-house legal team.

The report also covers issues such as the evolving skills required of in-house lawyers and legal leaders, and how this affects the value question. For example, the demands on a twenty-first century lawyer to be an analytic strategist and innovator is discussed and advice is provided on how to use strategic skills to maximize an organization’s competitive advantage – even if these analytical skills are not your own.

This report also focuses on the importance of the in-house lawyer’s relationships within the organization. The role of the general counsel/CEO relationship in demonstrating in-house legal department value is discussed due to the effects this might have on the in-house team’s ability to obtain additional resources in terms of both headcount and budget. Difficult relationships are examined and practical advice is shared on how the in-house lawyer can develop a valuable partnership with the CEO or senior managers.

Developing relationships with your internal clients is also discussed in terms of working with other members of the organization and proving that lawyers can help others in an organization to achieve their business objectives. By doing so, they demonstrate that the legal function provides value.

Advice is shared on the value of listening to feedback and improving the service the in-house team provides based on it. A method of demonstrating value through effective feedback and measurement is outlined in detail.

This report draws on the experience of senior in-house lawyers and experts who advise in-house legal teams. It brings together different views on the value question, and provides practical advice on how senior in-house lawyers can demonstrate the value and input they bring to their organization. The new role of the senior in-house lawyer is to prove their position as a value creator. Through using their knowledge of the law, and applying this to wider business needs and goals, general counsel, senior lawyers, or any lawyer with management responsibility can unlock hidden value.