



How to Hire the Best **General Counsel**

February 2021
rutherfordsearch.com



How to Hire the Best **General Counsel**

From a senior management perspective, the position of General Counsel is vital to ensure that your firm gets the best legal advice to support the business in meeting its strategic objectives. The role has evolved however, from strictly lawyering through advising and drafting; the modern GC will now lead and manage your legal department and be corporate officer to the executive management team, facilitator of corporate governance, they will act as a representative of your firm when dealing with third parties including outside counsel and they will be a key negotiator for strategic transactions.

For larger corporations, the GC may play more of a manager or advisor role, whereas GCs in smaller organizations may be required to not only lead, but also do the legal work. In either case, the General Counsel's possible contribution to your business has never been broader or significant and that potential for them to add value has only increased as a result of the pandemic. Your GC represents your organisation and as such they must take ownership of a wide array of liabilities, discrete business operations, and all past, present and future projects a corporation undertakes. As a business critical hire it is essential that considerable thought is applied to securing the best Head of Legal available to your organisation.

How

Any senior legal interviewer will actually have had many years of experience in selling. Making a case for various views; persuasion and debate are inherent skills to them. On familiar territory (like their career history) they are unlikely to be flummoxed by conventional interview formats or questions – they tend to interview well.

This will present a challenge in differentiating between top candidates. It is vital that your interviewers are prepared and experienced enough to challenge answers and drill down into the detail of key areas like product or specialist technical knowledge through to job transitions. At this point interviewers need to be pushing back on the first and second answers, looking to develop a deeper picture of what the candidate has really been doing. Expect easy rebuttals to hard questions so it will be necessary to pick away at times, even at the risk of seeming the pedant.

The added advantage of this will be identifying another key job requirement, handling pressure. Lawyers are often the best interviewers of Lawyers so for larger firms see if there is someone at the right level in Group or elsewhere and for smaller firms consider asking a trusted Partner from your panel of law firms.

What

Particularly where SMEs are concerned, it is vital that there is a consensus between prospective employee and employer with regard to their responsibility jurisdiction. Where there is a separate Compliance or Operational Risk resource, ensure a clear understanding of where the sole counsel's purview begins and ends. The sheer scope and variety of work the SME Lawyer might be expected to undertake has infinitely expanded during the pandemic and this means that it is important for both parties to understand the likely shape of the workload accurately. From time-to-time one would expect the senior legal professional to turn their hand to new and perhaps unforeseen areas where their legal experience would be an advantage (such as an office lease negotiation) but it is also sensible to outline access to external resources where necessary. Your new General Counsel will be looking to insource a number of responsibilities currently with private practice to save the firm legal fees. Both SMEs and larger corporates should be explicit with candidates about their external cost-saving goals and even look for them to outline suggested ways this could be achieved.

We have talked elsewhere about the qualities required in a Chief Compliance Officer but it is worth reinforcing that, particularly where the General Counsel will sit above the Chief Compliance Officer, the delineation of roles needs to be very clearly understood. Similarly, where it is desirable that your new Lawyer will hold the SMF16 we suggest you refer to [this link](#) and satisfy yourself that these criteria are met. Whilst “double-hatting” legal and compliance roles is common, many a clash has arisen over the old CF10 now SMF16 and where the function should sit. Some Lawyers are entirely happy SMF16s and regulatory experts (particularly in US firms), but it can cause consternation in the most senior pre-existing Compliance Officer if there is a reluctance to relinquish it, matched by inadequate regulatory understanding. Note the dual-function incumbent will also usually expect a higher compensation to reflect the increased personal risk-liability, albeit this could be offset by the Compliance saving. At the SME, all skills being equal, ask yourself if your General Counsel will have the capacity to pick up the compliance and reporting requirements. At the larger firm this will turn on the adequacy of your existing Compliance Department. A thematic discussion around issues like information security, Covid-19, Brexit or ESG will also highlight where candidates are and are not comfortable.

Where

The practice lawyer will have to demonstrate a different set of soft skills in an in-house role. In reality a lawyer or even Partner may not see the diversity of backgrounds and the slightly more nuanced stakeholder management that exist in-house. On a day-to-day level they will be exposed to parts of the business that they were not previously, meaning they will have to adapt stylistically and demonstrate a range of communications skills. What worked best for a blue-chip PLC client at practice might not work with the CTO, CFO, or the Board at a challenger bank. Can they deliver the message to your business? If they have not worked in-house previously you must be certain that they can adapt to a more pragmatic and dynamic environment. Can they determine an acceptable level of commercial risk? Can they be proactive, not reactive? Can they give a straight answer succinctly?

Assuming there is alignment on commercial risk, where our counsel will be supported by a competent compliance member, they will be able to offer a valuable resource to draw on supporting the compliance function or offer a separate check and balance. These days a strong grasp of the regulatory landscape is vital for all senior financial services lawyers but in many organisations it is compliance that is sitting out with the business, spending time with them, and getting to know their issues. Legal tends not to sit on the desk with the business in the way that compliance usually does. Where there is no full-time compliance resource it is essential that Legal fills that gap and can provide real-time decisive advice. Look for pragmatic, balanced, and direct responses to scenario questioning to see how they are measuring risks.

The practice lawyer in particular may also have misconceptions about your firm's culture that need elucidation. For some, the move will at least in some part be driven by a hope for better work-life balance. Whilst this is often achievable it is important to reinforce that some companies will have working days significantly longer than 9am-6pm, particularly where trading hours or US calls need to be fielded. Be transparent about your

requirements in both the short and long-term to avoid the need to re-hire your lawyer in six months.

Some firms will consider Partner hires in their top in-house legal role but they can present challenges; without recent secondments they may be in equal parts over-specialised and institutionalised. Only some larger organisations will have the specific level of infrastructure and support to accommodate them. Often, after 8-10 years/PQE that benchmark becomes less useful and instead the focus will be on specific experience - but keep in mind that it retains an optical relevance for lawyers themselves if you are hiring someone above them. For smaller firms it is vital to understand a candidate's "operational ceiling" and competency-based questions are vital to determine if a prospective employee will be willing to be hands-on enough; look for signals of how involved they have been in the detail of deals or cases.

Do not assume senior private practice lawyers have extensive management experience. Ad-hoc case-by-case management is sometimes closer to project management and not quite the same as line management - it may be worth digging into this further. General Counsels must be legal leaders, motivators, coaches and developers of legal talent within their corporation. Of course, there will be a lot of transferable skills and in both private practice and in-house candidates look to understand the type and level of lawyers they have managed as well as their approach to developing a team. Does this fit with your culture?

Although in-house lawyers do not usually have to worry about chargeable hours, they still work against demanding deadlines. They are often pulled in a number of different directions and responsible for a wide range of issues so it follows that they must be highly organised and able to prioritise in a different way to in-house. Adaptability will be key.

The private practice lawyer will also need to adapt to an environment where they serve and facilitate the business - they are not the business anymore; they are a cost centre. That need to adapt will have to extend to departmental resourcing, expenses and staffing constraints. Can they think of themselves as an employee of your firm first and a lawyer second?



Who

Underlining all of the above is a fundamentally high emotional quotient and a lawyer's ability to empathise, communicate and build relationships with all areas of the business. Look for the executive credibility to sit on the leadership team and advise the Board, to pull along the business with important decisions and reassure investors. Sole General Counsel may also be unfamiliar with being the only lawyer in an organisation and competency-based interview questions will also reveal resilience and an ability to work effectively autonomously. Look for an extensive external network of peer lawyers that will provide the candidate with moral and professional support and benefit the business by ensuring your General Counsel sees the bigger picture. A lawyer's professional network will become increasingly vital in providing both the mental health benefit of informal support but also ensure they are at the forefront of trends in the market. The sheer breadth of an in-house legal role will often exceed a lawyer's direct expertise so resourcefulness and creativity are also vital. Look for signs of an intellectual energy in the candidate to dive into new and unfamiliar legal areas.

Often legal expertise is a given in the eyes of the hirer, but there must also be a focus on what else a lawyer can bring to the table. That energy should extend to advocacy of technology and the solutions it can – and as crucially, cannot – provide. As goes the world, the pandemic has increased the need to have tech-savvy lawyers with a level of understanding and interest in how technology can improve a department or business. On an individual-professional level they will need to have embraced the tools required to manage geographically dispersed legal staff, like Zoom, Slack and Teams.

The senior lawyer is now also seen as being at the forefront of driving the diversity and inclusion agenda and their responsibility for risk and governance has made them natural stewards of the social responsibility and sustainability themes. At the conclusion of the interview, you should ask yourself if you can see the candidate setting the example here.

“**We avoid the 'city types' with the bluster they can acquire. We need to always remember that at the end of the day, this isn't our money. In fact, it often belongs to public employees, firemen, police officers. Not us.**”

Buy-Side CCO

It is instructive to talk to a candidate about their day one, week one and month one. It is essential that there is a humility. Early on they must walk around, visit all areas of the company, and embrace the values, culture, ways of doing business. They must establish who are the right people to talk to. They must understand the strategy and mission of the company.

The General Counsel must balance sophisticated evaluation and judgement with decisive course of action and inherent leadership qualities to attract and retain the best legal staff or properly manage external resources. You will need to satisfy yourself that they will be proactive in the guardianship of your business as well at the furtherment of its strategic goals. They will need gravitas and integrity.

It is striking that when we talk about the perfect attributes for your organisation's General Counsel that so few of them are technical, or apparent on a CV. At this level, a cultural fit turns on subtle characteristics and you may need professional support from a firm that has extensive experience in legal recruitment. If you would like a confidential discussion about your vacancy or advise on the market or options, please contact me at jonathan@rutherfordsearch.com

About Rutherford

Rutherford is a boutique search firm located in London. Our consultants are the executive specialists in compliance, financial crime, legal, cyber security and change & transformation recruitment, all within the financial and professional services sectors in the United Kingdom and New York. We use our carefully curated relationships, networks and market knowledge to find the best fit for the clients in hand. We work with a wide range of clients, spanning from advisors, management consultants, corporate and commercial banks, brokers, exchanges, MTFs and financial tech, through to global investment managers, hedge funds, private equity firms, investment banks and technology firms. We began as a compliance recruitment firm in London and expanded to offer new resourcing expertise across legal and cyber recruitment. We have been a leading legal and compliance search agency in London for a decade and are excited about bringing our expanded offering into the technology area.

[Contact us](#)