



LexisNexis In-house Advisory Board  
Creating a compelling strategy for the in-house legal team

# Creating a compelling strategy for the in-house legal team

On 14 May 2015, the LexisNexis In-house Advisory Board met to discuss how to create a compelling strategy for the legal team. The focus of the discussion was on sharing insights and best practice into how to create a strategy and align it with overall business strategy, vision and culture. The conversation was facilitated by Paul Hughes, Executive Development Director at the Centre for Customised Executive Development, Cranfield School of Management.

The following is a summary of the areas that emerged during the discussion. The objective was to consider how to go about formulating the strategy, who needs to be involved, the tools to use and what the outcomes look like.

## Key topics discussed and covered in this paper:

- Understanding your organisation’s value proposition and culture
- Defining your value proposition to support the business
- Quantifying how the legal team delivers value
- Building a high performance team
- Conclusions
- Additional reading

## Understanding your organisation’s value proposition and culture

Paul Hughes opened the discussion with an overview of research conducted with LexisNexis in 2012, *When being a good lawyer is not enough: understanding how in-house lawyers really create value*. The research demonstrated that in order to add maximum value to a business, in-house lawyers need to develop their expertise on business matters and use this insight to support collaboration with the rest of the business. Being a good lawyer providing skilled legal advice is only part of the role of an in-house lawyer. A lawyer needs to understand their business and how to align the legal team in order to truly create value.

team’s own strategy for delivering services and value. Another observation from the group was that sitting on the board gives counsel the unique opportunity to influence and question business strategy.

The group considered a number of areas that are central to understanding a business. These included:

- The value proposition
- The culture
- The business model – eg, strategic assets, resources, organisational structure, etc
- The financial model – eg, drivers of shareholder value, etc.

## Organisational culture – the role of the in-house counsel

The group agreed that there is a strong link between the culture of a business and its value proposition. However, whilst there is often an overall culture it was less clear whether a culture can be all-pervading, particularly in a large organisation where cultures/identities can develop based on function or by department.

One board member noted that even where the business owner is active in an organisation and drives the overall culture, they still need others in leadership and management roles to continue to drive the culture throughout the entire organisation. It is part of an in-house lawyer’s role to promote the organisation’s culture both within their team and in how they deliver services back to the business. Understanding that culture is vital to developing a strategy for the legal function – delivering sound advice is a requirement, but if the way it is delivered is counter to the culture

“A lawyer needs to understand their business and how to align the legal team in order to truly create value”

*To understand the business, how important is it for a lawyer to sit on the operations board?* The group felt that is was important. One opinion was that if senior in-house counsel did not hear about business strategy and vision ‘straight from the horse’s mouth’ they would have difficulty translating it into their legal

of the business then the advice will not be effective. The message has to be relevant in order to be understood. Training leaders to behave in a way that represents the culture of an organisation is an essential tool for maintaining organisational values and vision. Leaders must set an example by living the values and behaviours of the organisation, creating a 'trickle down' effect in their teams.

“Delivering sound advice is a requirement, but if the way it is delivered is counter to the culture of the business then the advice will not be effective”

### Tools and techniques to understand your organisation's culture

The group discussed a number of techniques they have used for understanding an organisation's value proposition and culture:

- Commission consultants to conduct a culture survey. This approach can help align the culture with the strategic direction of the business. It also assists in communicating messages across the business that drive strategy and vision.
- Establish three words that define the culture of the business and write a statement of what the business wants to be. This provides focus when devising the legal team's own strategy.
- Understand the value chain model. Again this leads to an in-depth understanding of the way the business works and how each process in the value chain connects to produce an outcome in line with the overall business strategy. Part of understanding this requires talking to the rest of the business.
- Leverage company intelligence, for example statutory accounts, annual reports, etc, to develop an insight into the business and financial models that drive the organisation.
- Go on training courses to acquire the skills you need, for example around understanding finance, business development, etc. Having non-legal, business skills is crucial to understanding the business.

The group explored how to set about writing a strategy and vision for the legal team. It was agreed that, as outlined above, it was important to first investigate the culture of the business. The in-house legal team has the benefit of working across numerous different departments and is therefore exposed to all the cultures (and sub-cultures) that exist in the business. This access to an in-depth understanding is invaluable, particularly as the legal team can see how the business inter-relates. Talking to people around the business is essential. This should include everyone – HR, marketing, sales, finance, the Board – in order to fully map the interests, values and concerns of all stakeholders.

In their discussion, the group identified a number of challenges

that might be faced when trying to understand a business' culture and value proposition and incorporate it into legal strategy:

- If a legal team expands quickly, how can the culture be conveyed to new employees quickly and effectively?
- The culture is not always obvious. For example, when working with a new business as part of a joint venture it is difficult to gain that initial insight into the other business.
- Employees at lower levels in the business may not understand management's vision.
- Do the people in the legal team want to understand the business culture? Are they interested in it? Or are they simply too busy?
- How do you equip in-house lawyers to talk to the business?

To address the above, the value of relationships and meeting with different people is crucial and so should be encouraged in the team. Externally, meeting customers at the coalface can provide invaluable insight into the nature of the business, its challenges and how the legal team can deliver services to support the business. Internally, if you meet people across the organisation and truly listen, you will start to ask the right questions.

It can be uncomfortable to ask questions because lawyers are supposed to be the experts. Actually, when you find something out that you didn't know, you have in fact found value and can then use that value. Another way to think of it is that lawyers have a free pass to ask questions around the business because no one thinks that they understand the commercial side! It is acceptable to ask what might seem like 'obvious' questions, however it is important to be able to make subsequent judgements and comments within the context of an understanding of the business. Remember, often the questions have never been asked and you are putting others on the spot. It may be that the other person feels uncomfortable and this needs managing.

Using these tools and techniques allows the legal team to create a strategy that prioritises and focuses on activities that demonstrate and add value to the business. This is done in a way which complements and supports the business' culture and value proposition. Ultimately, the team becomes a valuable and effective department.

### Defining your value proposition to support the business

What does the legal team's purpose and direction need to be in order to support the wider organisation's value proposition? As highlighted earlier, understanding the business and how you can translate its vision into the legal team's own is key to creating a meaningful strategy.

The group looked at various techniques for defining a value proposition. Central to the process was analysing what the legal team do (including, for example, services delivered, external legal spend, and law firm relationships). Part of this should involve

talking to stakeholders and colleagues about how legal are meeting their needs and what they expect from them.

The next step is to describe what legal do and identify where value is generated (for example, cost savings, customers happier with their contracts, and mergers and acquisitions support). Being able to describe this value is an essential part of communicating it to the wider business.

“Every new project is an opportunity to reiterate and demonstrate how legal adds value and supports wider company culture”

The group raised the point that internal marketing should be integral to the legal team’s plan. Every new project is an opportunity to reiterate and demonstrate how legal adds value and supports wider company culture. Communicating this message is not just relevant internally; it is vitally important to communicate the value proposition externally too. The value that the legal team can bring includes:

- Problem solving
- Being able to influence higher up the business
- Providing a sounding board
- Knowledge of the technical aspects of the wider business
- Sound administration and governance
- Legal conscience.

The legal team cannot work in isolation – their purpose is to support the business. In fulfilling this purpose they can directly affect key areas of the business, including revenue, profitability, cash-flow, and return on investment, and their value proposition must reflect this. It is this impact which makes it so crucial that the legal team’s strategy is aligned with the business.

## Quantifying how the legal team delivers value

### *Tools and techniques*

If legal cannot quantify the value that they add – or communicate a perceived value – it can be hard to demonstrate it to the business. The group gave two examples of tools used to quantify how the service the legal team delivers adds value to the organisation: engagement surveys and internal client surveys. Engagement surveys have the benefit of being easy to implement. Internal client surveys can be more challenging as it is hard to track data points and to understand KPIs in terms of what value looks like.

Having used tools such as surveys to identify areas where value is added, techniques for quantifying service lines can then be put in

place. These techniques can include setting targets for reducing costs, follow-up surveys to measure changing perceptions and setting SLAs to measure delivery.

### *Metrics and reporting*

Using metrics to quantify and measure value can be extremely beneficial for the legal team in terms of profile. However, it was noted that it can be challenging to find a balance between the benefits of measuring value and the increased administration it can create. It was suggested by the group that lawyers can become too fixated on getting the detail right when considering data points and KPIs. From their own experience, some of the group recommended that what worked best was to simply create an initial benchmark and then show how you improve against this benchmark over time.

The group agreed that the most important thing was to focus on ‘joining the dots’ for the business, communicating where legal has made a contribution. This doesn’t have to involve quantifiable statistics. It can simply be reiterating to the business how the team has contributed to the value delivered by a project they were involved with, the difference they made to the process and the outcome. Communicating this message can be broken down into bite-sized chunks – it needn’t be a large report on the project, it could be through regular catch-ups with stakeholders for example. Tackling it in this way consistently drives home the legal team’s value contribution. The group raised the point that it is important for legal to ‘play the game of perception’ that is so often prevalent in business. By doing this, legal can create and consistently influence the perception in the business that they create value.

“Focus on ‘joining the dots’ for the business, communicating where legal has made a contribution”

If you are using metrics to quantify value, then which are the most appropriate ones to use? The discussion amongst the group concluded that it was different for every organisation. It is having an understanding of the individual business and its culture which will help identify which metrics are vital to the business and to legal. The group agreed that understanding how legal connects to the business and the process of finding the metrics (ie the analysis of the work that legal does in order to identify where value is being created) are actually more important and useful than the metrics themselves.

## Building a high performance legal team

The discussion moved on to the tools and techniques needed for building a high performing legal team that can successfully deliver the strategy. This included how to assess the current team as well as the process of recruitment. The group gave a number of examples of approaches they had used:

- Assess team members' competency not just within the legal team but also across the business by involving commercial colleagues. This allows you to assess your team as lawyers and business people. Identify skills gaps and put in place appropriate training.

Do interview training so that those doing the interviewing ask interesting questions to engage people and provide a positive experience.

- Look at the overall skills of the candidate. Consider their technical skills, how they fit within the culture of the organisation and how they could help meet the strategic vision. A technically competent lawyer is not necessarily preferable to one with a better cultural fit.

## "Assess your team as lawyers and business people"

- Break down the vertical stack to ensure the right people are doing the right jobs. Look at the type of work being done by the lawyers in your team. One Board member's analysis revealed that 60% of their budget/resource was going on non-legal work. Create strategies to deal with this, either to demonstrate how non-legal work delivers value or how to stop doing it. This can also assist with motivating the team by letting them develop their practices without being held back by routine non-legal tasks.
- Get feedback from stakeholders. What do they want from lawyers? What are they getting and how can you align this better? The challenge with this is how to measure the feedback and how to link it to how it demonstrates that you are a High Performing Team.
- Build a brand externally so that you recruit the right people. Some tips include:
  - It is important to give candidates a great experience. Even those who don't take the job will talk to others and a good experience will get people interested in the jobs and attract the right talent and level of competition.

## Conclusions

Creating a compelling strategy for the legal team is far from a straightforward task but there is a tremendous pay-off when it becomes clear how legal's value proposition ties in with and complements the business.

It was evident from the group's discussion that a compelling legal strategy centres on an in-depth understanding of the wider culture and vision of the business. The impact of a meaningful strategy is the complete alignment of the legal team with the business and a full appreciation of what the legal team adds. With the right strategy, legal can focus on and prioritise the activities that deliver real commercial value to the business and in doing so ultimately demonstrate their value and effectiveness as a department.

The importance of communicating the legal strategy to the business and being clear on how it adds value was also evident from the discussions. Whether through quantifiable metrics or through consistently communicating the contribution of the legal team to key stakeholders, it is vital to ensure that the business is aware of and values the contribution made.

With the right strategy and the right team in place who can deliver against it, legal can focus on and prioritise the activities that add true commercial value to the business.

## Additional reading

[When being a good lawyer is not enough: understanding how in-house lawyers really create value.](#)

[Is your legal team adopting a strategic approach?](#)

[A guide to business strategy: Do you understand your company's strategy? - checklist.](#)

## The LexisNexis In-house Advisory Board

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### Profile – Paul Hughes – Executive Development Director, Cranfield School of Management

Paul joined Cranfield as an Executive Development Director in 2011, having spent 8 years as a Director with a major international management consultancy. Much of his work focuses on leadership and management development, change and helping organisations and teams successfully implement strategies. He has particular and growing expertise in Leadership and Performance Management inside organisations. He has been conducting research in this area since beginning a Cranfield doctoral degree in 2007.

Originally from a legal background, Paul moved into a management role early in his career and held a succession of senior managerial roles in Blue Chip companies. He then moved to a career in consultancy in 2003 before joining Cranfield. Clients he has worked with include the United Nations, Vodafone, Visa, PwC, IKEA, Skanska, Hermes, Flowserve, National Grid, Suez, United Technologies Corp, Euronext / NYSE, BT, Hansgrohe, DHL, De La Rue, Pierroth Wine, Dalkia, and Capgemini.

Major assignments include:

- Developing leadership capability within a population of 800 leaders within the United Nations
- Improving Strategic Leadership within Vodafone
- Developing bespoke developmental solutions using innovative technologies and platforms for PwC

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You're sitting at your desk. Emails are flying backwards and forwards from sales, customers, law firms, your finance director. Where do you start?

On one hand, you're fire-fighting and managing risk. You have to know about almost everything – from employment issues to large scale M&A. On the other hand, you know that understanding the business, stakeholder management and effective team management is increasingly critical to the role of the in-house lawyer. Further still, you want to add value to the business – and to be seen doing so – not just for commercial reasons, but your own development.

No-one understands this the way we do. Why? We spend hundreds of hours every month listening to in-house lawyers. That's how we know every lawyer is different, as is every in-house team.

As a result, we've developed an unrivalled portfolio – specifically tailored to in-house counsel - providing practical guidance, legal resources, news and analysis, commercial and professional development tools and networking events to help you meet immediate and longer-term challenges, so that you get the best result for your business.

At the same time, we're here to help you adapt to inevitable change. By working with senior in-house counsel through our Advisory Board, we ensure our information and guidance always keeps pace with practice.

It's an ongoing process, but we're determined to continue providing the in-house legal community with the best possible support to help you succeed as both a skilled lawyer and business person.

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