

THE EVOLVING ROLE OF THE CHIEF LEGAL OFFICER

TOP 10 TAKEAWAYS

1. The Chief Legal Officer (CLO) has an even more critical role than in the past given the greater scrutiny of business overall and the continuous increase in oversight regulation. It is key in the new environment to be proactive rather than reactive. Being reactive is almost always too late – the CLO may be able to fix whatever happened, but fixing a problem is generally much harder than preventing one.
2. The CLO is a counselor and advisor and can no longer be solely a technician. Being in the C-suite or close to those in the C-suite is key to fully performing the CLO role. The CLO should be a strategic business partner on the senior executive team.
3. The CLO plays a critical role in portraying the company's compliance and governance capabilities to key shareholder constituents. The CLO is uniquely positioned to ensure that the basic corporate structure, governance documents and compliance environment of the company meet the evolving standards of shareholder constituents and ratings agencies.
4. Knowledge is king. It will be difficult, if not impossible, for the CLO to recognize and assess risks to the company and its business if he or she is not adequately informed about the company's business, strategies, etc.
5. Business acumen is critical. To acquire credibility in his or her organization, the CLO must understand the business, know his or her industry/topic, and be able to provide strategic alternatives and ideas on both legal issues and business issues affected by legal considerations.
6. The CLO must never lose sight of the fact that his or her client is the company. The Board of Directors is responsible for overseeing the conduct and management of the company and its affairs. Thus, it is imperative that the CLO strive to establish a good working relationship with the members of the Board of Directors. This takes time, so the CLO must be both patient and persistent.
7. The CLO will succeed to the extent of the legal team with whom he or she works. The CLO must know how to manage people and recruit, grow and retain legal and business talent.
8. Corporate legal budgets are generally shrinking, with corporate cost control being paramount for most companies. CLOs now expect creativity and flexibility from law firms on fees, legal strategies, etc., and will prefer those firms that best demonstrate those attributes.
9. The CLO is often expected to wear many hats—Corporate Secretary, Chief Compliance Officer, Chief Privacy Officer, just to name a few. Thus, the CLO should make sure that he or she understands which roles he or she will serve directly, which he or she will oversee and which will be delegated elsewhere.

10. The immediate and widespread availability of information (and misinformation) in today's "Internet Age" has increased the velocity with which a company can suffer material reputational harm. Thus, enterprise risk management is an increasingly crucial part of the CLO's role. The CLO must be aware of the potential risks facing the company and make sure appropriate procedures are in place to prevent these risks from arising and to address them in the event they do arise.