

Is It Time to Hire a General Counsel?



As your organization grows, you may come to a crossroads where you need to consider building out your in-house legal team—going beyond relying solely on outside counsel or a single attorney in-house. Here are some questions to ask yourself to help you decide if it's time to hire a general counsel:

What kind of growth does your organization anticipate in the next five years? Is an IPO imminent? Is global expansion in the cards? Is a larger legal department likely?

Your organization's growth plans will impact whether you hire and what expertise is necessary, such as securities international or even management skills, and whether a general counsel is really needed or just a mid-level manager.

Given the current and future state of the business, what skills are paramount as you plan (skills that are must have vs. nice to have)?

Be open minded about the type of expertise you think you need. A first-time GC is likely to uncover issues that business leaders can't see in the same way as a seasoned legal professional can.

How much are you paying outside counsel? How much would you pay in-house counsel?

Your legal spend should be 1% or less of your total revenue. And of that, 60% should go toward outside and 40% toward inside. We can help you evaluate your legal spend with our make/buy tool.

Do you anticipate needing to hire additional attorneys? Is the GC going to be expected to build a team or lead an existing team?

You will want to identify someone who has built a law department before if growth is your goal. Look at his/her proven track record of developing and retaining a legal talent.

What does your board and senior management want—a strategic business partner or an administrator? What expectations have been set by the senior management team vis-à-vis the potential GC's goals and responsibilities?

If you are not looking for a business partner, a GC may not be the way to go. But if you are interested in someone who is going to guide your legal direction as part of the team, look for someone who understands business and can establish rapport and communicate effectively up and down the line, from other executives to managers and line employees.

What keeps you up at night and how is hiring a GC going to help you?

As you identify the areas of greatest risk, finding someone who can help you mitigate those risks will be essential. If you have concerns regarding regulatory issues, cross-border transactions, privacy/data security, for example, having someone who understands these at a high level is a great quality in a GC.

The first GC in the door needs to establish credibility quickly and be viewed as a valued business partner, not a high priced watchdog. Adding a general counsel to your team should be done as a thoughtful, strategic decision. You will know when the time is right to take your legal function to the next level. And with the guidance of a skilled legal recruiter, you will be able to find the right legal leader to help you reach your goals. ⚙️