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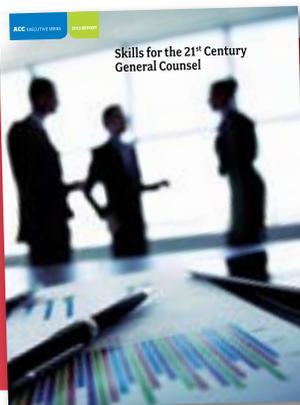
# eBook: Skills for the 21<sup>st</sup> Century General Counsel

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# SKILLS FOR THE 21<sup>ST</sup> CENTURY GENERAL COUNSEL

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## EXECUTIVE SUMMARY

The last few years have seen an unprecedented wave of change and uncertainty in the corporate legal market. While much press has focused on the challenges faced by law firms, less attention has been paid to the changing role of corporate counsel. In particular, general counsel are no longer simply lawyers. They manage tight resources in a complex environment; they are the chief counsel to the chief executive officer (CEO) and the board of directors (BOD) on a wide-ranging set of issues, not just legal matters; and they increasingly play a key role in shaping strategy.

This study explores the changing role of the general counsel by documenting its evolution and predicting the skill sets that will be required for future general counsel to be successful. Central themes to this skill set include the ability to place legal issues in a larger business context, embrace risk and make decisions, communicate with business partners in language they can relate to, and work seamlessly with the executive team and the board of directors to make productive decisions about operations and strategy, which has become increasingly global in scope.

This report breaks down the value added by general counsel into three areas:

1. leader of the legal department,
2. counselor in chief, and
3. strategist.

### Leader of the legal department

The most important job of the general counsel/ chief legal officer (GC/CLO) remains that of the chief provider of legal advice and manager of the legal department. Approximately 84 percent of GCs report providing legal advice and managing legal matters for the company as one of the top ways they provide value to their organizations. Although nearly three-quarters (74 percent) of corporate directors rated these more traditional functions in the top three contributors to value, they were more likely to see value in other activities. Directors were much more likely, for instance, to view the compli-

The role of a law department chief operating officer typically includes driving policy/guidelines and action plans in the following areas:

Strategic planning and plan implementation;

Financial management;

Key performance indicators (KPIs), data analytics and reporting;

Outside counsel and vendor management;

Business process and project management;

Litigation support;

Systems and technology;

Knowledge and records management;

Human resources, including talent recruitment and development/training;

Pro bono and diversity programs;

Communications (website, portals, newsletters, blogs); and

Department retreats and vendor conferences.

Detailed job descriptions can be found in the Law Department Executive Leaders section of ACC's website:

[www.acc.com/community/ldel/index.cfm](http://www.acc.com/community/ldel/index.cfm)

ance function as a source of value added by the GCs, than the GCs were themselves (54 percent vs. 34 percent).

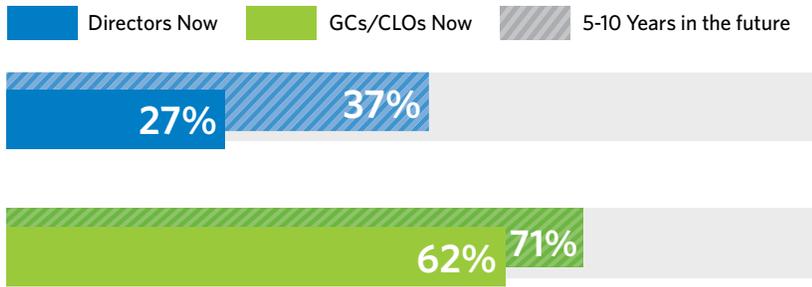
While managing legal expenditures was lower on the list of value-add activities (approximately 10 percent of both directors and GCs rated this in their top three), more experienced GCs were much more likely to report that they add value through this activity (19 percent of GCs with more than 10 years of experience in prior GC roles).

As legal departments cope with increasing regulation, complexity and globalization, without corresponding increases in resources, effective legal department management is more important than ever. As these trends continue, future GCs will first need to have an excellent understanding of the business, and its sources of cash flow, risk and strategic priorities. Using this information, GCs must then be able to creatively address resource constraints by continuously reevaluating the way they staff legal matters, use outside counsel and manage processes. They will need to be adept at managing a team of lawyers who are sometimes globally dispersed, even in smaller companies. As the management needs of the legal department increase, we predict more splitting of the GC role, so that a legal chief operating officer may be more focused on management of the department, while the GC/CLO focuses more on counseling and strategic activities.

## Counselor in Chief

The second key area where GCs provide value to their organizations is through counseling the CEO and the board of directors. Approximately half of the GCs and directors cited counseling the CEO as one of the top three value-drivers that general counsel provide. Although fewer GCs (20 percent) cited counseling the board of directors as a top source of their value, a much higher percentage of board members (38 percent) view this activity as a significant source of GC value, suggesting that many GCs do not fully appreciate the positive impact of their contributions to their organization's board.

The counseling role goes beyond simply providing legal counsel; the GC also serves as a trusted advisor to the CEO and the board. GCs must perform a delicate balancing act between being trusted and active members of the management team (i.e., having a "seat at the table") and maintaining their independence. To serve in this role, future GCs will need to possess the managerial courage to say "no," even when it is unpopular. To do this effectively, they will need to have excellent communication skills and emotional intelligence to ensure they are constructive in their assessment of risk and rewards in a business context. They also must build credibility and respect with their executive peers, which is influenced by the degree to which they demonstrate the third essential skill — being a strategist.



**FIGURE 1**

**GCs More Likely than Directors to Rank Strategic Input as Top Three Value-Driver**



## Strategist

Perhaps the most striking finding of this study is the growing importance of the GC role as a strategic thinker. Looking ahead five to 10 years from now, both GCs and corporate directors view strategic input as becoming a larger source of added value in the role of general counsel. However, there is a disconnect between GCs and directors when it comes to the GC's contribution of strategic input: GCs are much more likely than directors to rate the GC's role in providing strategic input into business decisions as being in the top three sources of added value, both now and in the future (see Figure 1). This difference in opinion may be especially important given a distinction directors make when evaluating the performance of their GCs. According to directors, the highest performing GCs add value by contributing strategic advice.

With strategic input increasing in prominence and necessity, future general counsel would be wise to develop strategic-thinking skills. To do this, however, they need to be comfortable with risk and helping their business colleagues decide which risks are reasonable and which are not. And yet, GCs cannot just focus on risks and constraints, as they also need to define and embrace opportunities. They participate in conversations about strategic choices, both as lawyers and as general managers who are trained in the law.

Important skills that future general counsel will need to develop to become effective strategists include a broad worldview, an ability to network and generate ideas with people from diverse perspectives, and the ability to focus on the longer-term impact of decisions.

As general counsel move from being traditional legal advisors to corporate strategists, they increasingly play a more meaningful role in executive and boardroom conversations. In doing so, future general counsel may help their organizations adapt to faster-moving environments by using their mediation skills and insight across the business to bring diverse perspectives together to help solve challenging business problems. When combined with general counsel's more traditional focus on risk, GCs in the role of integrator can also help drive organizational innovation and renewal. Integrator GCs can broker disparate pieces of information across organizational silos, and then assist the executive team in setting up a culture where measured risk in the pursuit of new ideas is encouraged and nurtured.

In the following pages, we explain our findings and detail the evolution of the general counsel role from legal advisor to counselor to strategist. Future generations of general counsel will find a job that is broad-ranging, impactful, innovative and increasingly global in scope — a rewarding prospect for those prepared to meet its diverse challenges.

The GC role has evolved significantly in the past few decades. As the business environment has become more regulated and global, the general counsel has become a more integral member of the executive team. This research analyzes the ongoing evolution of the general counsel role. In particular, it seeks to:

- capture the current state of the role of the general counsel;
- understand how and where the role appears to be evolving; and
- identify the skills and competencies that will be required for general counsel to be successful in the future.

Several sources of data were used to prepare this report:

1. twenty-eight interviews with current and former general counsel, board members, CEOs, legal futurists and executive recruiters from around the globe,
2. a survey of 78 members of the National Association of Corporate Directors (NACD), and
3. a survey of 689 general counsel and chief legal officers who are members of the Association of Corporate Counsel (ACC). (See Appendix A for details on the methodology.)

# CHIEF LEGAL OFFICER 2014 SURVEY

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The ACC CLO 2014 Survey is the largest global survey of the most pressing issues and challenges facing chief legal officers in corporate legal departments around the world. Issues covered in the survey include law department and staff changes and how CLOs evaluate the success and effectiveness of their law department.

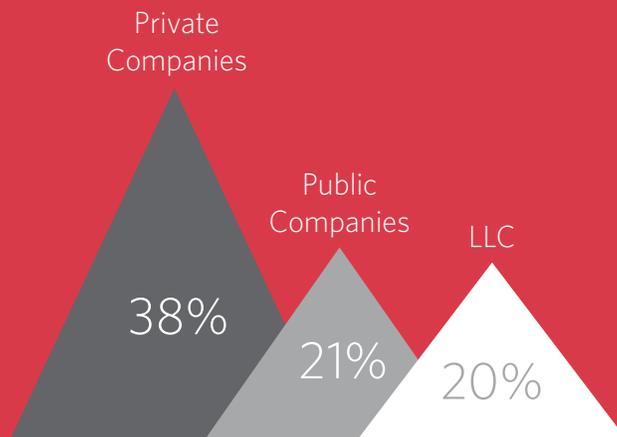
# CHIEF LEGAL OFFICER 2014 SURVEY

Buy it here: [www.acc.com/closurvey](http://www.acc.com/closurvey)

1,105



More than **1,105** chief legal officers from across the globe responded to this survey.



**38%** of the respondents are from private companies. That is quickly followed by **21%** who are from public companies. Limited liability companies (LLC) round out the top three coming in at **20%**.

# CHIEF LEGAL OFFICER 2014 SURVEY

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Here are the top five industries our CLOs represented in the survey:



1. Manufacturing



2. IT/Software/Internet-related Services



3. Finance & Banking



4. Insurance



5. Real Estate/Rental Leasing

Here are the top 10 non-US countries that responded to the CLO Survey.



1. Brazil



6. France



2. UK



7. Spain



3. Israel



8. Singapore



4. Switzerland



9. Germany



5. Netherlands



10. Argentina

# CHIEF LEGAL OFFICER 2014 SURVEY

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87%



Consistent with the importance of this issue from a business perspective, and similar to last year, ethics and compliance held high importance the past year by a significant majority of CLOs **(87%)**.

35%



**Thirty-five** percent of our CLO respondents earn an annual salary between **\$200,000 to \$299,999**, excluding stock options, bonuses, etc.



## DAY IN THE LIFE: KATHRYN K. MLSNA

CHIEF STRATEGY OFFICER/LEGAL OFFICER/GOVERNANCE OFFICER, GIRL SCOUTS OF GREATER CHICAGO AND NORTHWEST INDIANA

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- 4:30 am** Wake up for the third time — relieved to learn that **I did not over-sleep the alarm.**
- 5:55 am** **Catch the train from the suburbs** to my downtown Chicago office, one of six that we call “gathering places.” I come across a quote in my reading pile: “I would like to agree with you, but then we would both be wrong.” Check email.
- 6:45 am** Arrive at office in time to **address last-minute bylaws questions** prior to the BOD meeting.
- 7:15 am** **Schedule a call** to discuss deposition transcript.
- 7:30 am** Gavel down. As chief legal, governance and strategy officer, I am responsible for, among other things, **the support of our board and its 12 committees**, which includes meeting strategy with our board chair and CEO, agenda development, preparation of the pre-read packet on SharePoint, in-meeting legal reports and support, and post-meeting deliverables.
- 11 am** Participate in a download session with the board chair and CEO. **Watch my “to do” list grow.**

- 12 pm** **Check email** and respond to the most urgent ones.
- 12:30 pm** Our “no eating in the office” policy requires me to **walk past our Girl Scout shop’s tower of Thin Mints** and Samoas to our café, where I eat a dry protein bar while standing and catching up with colleagues.
- 12:40 pm** Walk briskly past the Thin Mints and Samoas back to my office to meet with a young lawyer who has reached out for career advice. I am grateful for these **opportunities to mentor students** and young lawyers.
- 1:40 pm** **Receive a benchmarking request** from one of the other 111 §501(c)(3) entities, which we call “councils,” that are chartered to provide the Girl Scout Leadership Experience. Supporting approximately 83,000 girls and 24,000 adult members, Girl Scouts of Greater Chicago and Northwest Indiana is the largest council in the world. I share insights from the strategic planning process that I lead.
- 2 pm** **Create the initial draft of the board meeting minutes**, and then circulate them to our board chair, board secretary and CEO.
- 3:30 pm** **Conduct department meeting with colleagues** to discuss updates on governance, litigation, corporate policy development, insurance, real estate transactions, employment, regulatory compliance and contracts.

- 4:30 pm** **Meet with the rest of the executive team** to discuss our respective roles in the organization's upcoming corporate annual meeting for which I am responsible. The event provides an important opportunity for operational and governance volunteers and council management to discuss the past year's accomplishments and to create the context for success in the coming fiscal year.
- 5:30 pm** Prepare for **ACC Chicago Chapter board meeting**.
- 6 pm** Finalize preparations for the **Chief Legal Officer Breakfast** event I will host at ACC's Annual Meeting.
- 6:30 pm** Develop the strategy for our council's **participation in the tri-annual Girl Scout National Council Session** in Salt Lake City during which representatives of Girl Scouts of the USA and the 112 councils act upon governance and operational matters critical to the Girl Scout Movement.
- 7 pm** Following email reviews between meetings, I check for updates and learn from our chief development and marketing officer that her **three-part mobile app development series, which provides opportunities for girls to work with professionals from Motorola Mobility**, has received national recognition for its contributions to STEM.
- 7:45 pm** **Text our three children** to confirm brunch over the weekend.
- 7:50 pm** **Update board charges to its committees.**

- 8:00 pm** Making my way to the train, I test my ability to anticipate the pedestrian “walk” signal. While commuting, I review the pre-reads for tomorrow’s **board of trustees meeting for my alma mater, Northwestern University.**
- 9:45 pm** Back home, **eating the last of the chicken soup**, I draft three paragraphs for a mentoring feature about advice I would give to young lawyers, deciding to focus on the need to develop a board of advisors whose members are respected individuals from the professional, extra-curricular, personal and virtual parts of one’s life. Imagine the advice that Walt Disney, Winston Churchill and Zappos’ Tony Hsieu would offer.
- 10:30 pm** **Finish last week’s *The New Yorker* magazine** and then insert a bookmark gift from a friend into *Chicago* magazine to mark its restaurant reviews.
- 11 pm** **Lights out.** I think about what our department will do for the all-staff talent show in December. I am grateful for my talented colleagues.



## DAY IN THE LIFE: STATHIS MIHOS

STATHIS MIHOS, LL.M., M.A. LEGAL DIRECTOR (GREECE, CYPRUS, MALTA), PFIZER HELLAS S.A.

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- 6.30** **My internal alarm clock wakes me up.** While my wife, Maria, and our four-year-old daughter, Vassiliki, enjoy a few more minutes of sleep, I take a shower, shave and skim through my emails. I keep the TV on during this time, so I catch up with the latest news, too. **Come to think about it, this is the only hour of the day I have completely to myself.**
- 7.30** **Everyone's up and getting ready for the day.** I suit up and take care of Vassiliki's cup of milk (actually in reverse order to avoid any accidents!). We inspect each other's appearance and then it's a five-minute car ride to the nursery school.
- 8.30** Quick breakfast (orange juice and a bagel or a cheese pie) at the office. **Then a more thorough check of the inbox and the calendar to prioritize today's work.**

- 9.00** Call external counsel to discuss privacy aspects of a new project. Our company takes privacy very seriously and we often notify projects to the Data Protection Authority. **Despite EU Directives and local legislation, there are often “gray areas,”** as legislation and jurisprudence try (in vain, perhaps) to keep up with the technological advancements and the needs of global businesses.
- 9.30** I spend the next hour reviewing the model agreement for clinical trials prepared and adopted by the National Ethics Commission. **Its use will simplify and accelerate the procedure for the audit and execution of the agreements with the hospitals.** I’m trying to add terms and clarifications to a relevant Annex, as NEC suggests for any deviation from the Model Agreement.
- 10.30** Meeting of the cross-functional team dealing with debt collection from state hospitals — a result of the country’s economic crisis. **Legal’s role was to launch 40 lawsuits against hospitals, to provide legal opinions and support in discussions** with the Ministry of Health, hospitals management and finance departments. The finance director announces that, in the last six months, we have collected more than half of the debt. This is due to the team effort and the improving conditions of the State finances. Well done.
- 11.30** **Prepare a memo for the HR director who asks for clarification** on a new law impacting our pension plan, so she can answer questions raised by former employees. Then I respond to some of the emails that are congesting my inbox.

- 13.00** Our cafeteria offers daily a variety of three two-course meals for free, which explains why I can't seem to be able to lose weight (poor excuse, I know). Lunch is a good opportunity to meet with colleagues from other departments, although I prefer not to discuss business, if possible.
- 13.30** Leave the office to meet with the Hellenic American Chamber of Commerce's Intellectual Property Committee. **We are organizing a conference on IP law breaches and their consequences on the economy. I volunteered to find a speaker** on issues relating to the pharmaceutical industry.
- 15.00** Back in the office, I respond to more email. **Plus, the country managing director, probably my most important internal client, wants to discuss a new Law on medicines pricing.** Nice surprise: He greets me with a long sentence in Greek — the language lessons (he is Dutch) are working.
- 16.00** We need to prepare a contract for a co-promotion agreement. **We are working on this together with our trainee lawyer, who has made some interesting comments.** It seems we need to ask the contract owner some questions.
- 17.00** In between other tasks, **I find the time to approve vendor forms,** as required by our FCPA policies.
- 17.30** **And now, live from New York, the Legal Division Global Town Hall.** Today's program includes: interviews with business units' leaders, discussion between chief counsels and, the pinnacle, Q&A with the general counsel.

- 18.30** Having left the office, **I'm now at the Scout Association's HQ** to meet with the president of the Scouts and discuss a project to improve safety in scout activities. I devote some pro bono time to the Scouts, having been one myself for many years (and you know what they say: **"Once a Scout, always a Scout."**).
- 20.00** Back home. **Just in time to have a family dinner** and talk about our day. Now that I hear Vassiliki talk about what goes on in the nursery school, I think I had quite an easy day at the office.
- 21.00** Time to kiss Vassiliki goodnight, but first, a bedtime story **(or song, if she asks for it)**.
- 21.30** This should be the time for Maria and I to relax and maybe watch a movie from the couch. It didn't happen today and hasn't happened since quite some time. **Too many things to take care of at home, plus some more work that was left unfinished.** And I have an email to send to the fellow ACC Europe board members regarding the upcoming board meeting. At least Maria and I get to discuss our weekend plans. (We'll go to our summer-house by the sea — in Greece, one can count on a good weather until late in Autumn.)
- 23.00** Lights out! See you tomorrow.



## TIPS & INSIGHTS: FROM ITS LOBBIES TO ITS LEGAL DEPARTMENT, STARWOOD'S SUN NEVER SETS

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Kenneth S. Siegel is the chief administrative officer and general counsel of Starwood Hotels & Resorts Worldwide, Inc., one of the largest hotel and leisure companies in the world. Starwood owns, manages and franchises 1,162 hotels in nearly 100 countries under the St. Regis, The Luxury Collection, Westin, Sheraton, W and Four Points by Sheraton, Aloft, and Element brands, and Starwood Vacation Ownership, Inc.

Siegel joined Starwood in 2000 and has responsibility for areas including global citizenship, labor relations and compliance. As general counsel, Siegel oversees Starwood's legal and governmental affairs, both domestically and internationally, and advises the board of directors, chairman, CEO and management on these matters. Siegel is a member of the New York bar. He graduated from New York University with a J.D. degree in 1980 and received an A.B. degree from Cornell University in 1977.

Earth tones and thoughtfully placed trees welcome guests to the lobby of Le Meridien hotel in Shanghai. The room is warmly lit and traced in minimalist lines that eventually lead to the front desk, which stands in front of a low, softly flowing fountain. While checking in amidst the distinctly Asian design, however, visitors are likely to find a far less homogenous group of staff members.

“One might find the German general manager speaks Mandarin, or that the financial controller is from Singapore but ethnically Chinese,” says Kenneth Siegel, chief administrative officer and general counsel of Starwood Hotels & Resorts Worldwide, Inc. With nearly 1,200 hotels in 100 countries, Starwood has a deep bench of expertise to pull from, and increasingly hires locally as it continues to expand its reach. This strategic combination ensures that each newly opened hotel emulates the Starwood culture, while also delivering service that is uniquely expected and appreciated in its local market.

Likewise, in-house counsel at Starwood represent the globe, and maintain a company-wide legal framework that is edited to address local legal nuances. Located in the company's nine offices, the legal department is divided by “super regions,” which include Asia, Europe, Africa and the Middle East, and the Americas. Each region has its own general counsel, and two more general counsel handle China and Latin America, but report to their respective super regions.

Siegel likes to say that the sun never sets on the Starwood legal department. “The idea here was to make sure we put legal resources where the need was driving it,” he says. “Now, there is always someone capable of answering the phone, answering questions, and supporting operations and deals in real time.”

To prepare his dispersed team to handle the wide-range of urgent global issues they may face, Siegel says he has been bucking the law-firm trend of increased specialization, and is instead, “radically changing people’s jobs.” “Over the last few years, we have been giving lawyers dramatically different assignments than what they have done before,” he says. Siegel has also implemented a global rotation cycle for his team. For advancement to more senior positions, taking an assignment out of one’s home country is required. As a result, he predicts he will be the last general counsel at Starwood who has never lived outside of the United States. “As my boss likes to say, you don’t really understand a market or location until you buy groceries there,” he says.

And that was the company’s philosophy in 2011, when Starwood’s then eight executive team members relocated to China for one month. At the time, the company was opening a hotel in China every two weeks, Siegel says, “And we thought there was no better way to deal with rapid expansion into a market that is significantly different from the United States, than spending time fully immersed there.” During this month, the team

hosted a board of directors meeting in Shanghai and did their earnings call for the second quarter. It was the first time Starwood executives focused on Security and Exchange Commission reporting and international legal requirements in an international location. When the call ended at midnight, however, some of the team was beginning to nod off.

“We had to start at 10 o’clock at night to be able to deal with US analysts, and I would say that throughout the whole experiment, adjusting to being 12 time zones away was actually our biggest challenge,” says Siegel. “We realized that while in the United States, we had sometimes scheduled meetings at profoundly inconvenient times for our Asian colleagues. Suddenly learning that somebody needed to speak to me from the United States at two in the morning was an eye-opening experience.”

Aside from the time difference, however, surprises were mostly pleasant. “The big lesson was that the transition was much easier than expected,” says Siegel. “Sometimes, what we think about as emerging markets actually have incredibly strong infrastructure.”

This year, Starwood again relocated its now 10 members of the executive team for one month, but to Dubai. The city became Starwood’s new headquarters and meeting hub, and as a result, the team met with more than 50 owners and 3,000 associates there. Over the course of the month, more than 200 of Starwood’s senior leaders and general

managers travelled to Dubai. One meeting brought together the general managers of all Starwood luxury properties around the world, for the first time. The group shared best practices for three days, and senior leadership had the opportunity to engage with them more personally. “And Dubai was a natural place to bring them together, because the city takes luxury to an unbelievable level,” says Siegel.

The Dubai trip was more flexible than the China trip in that it was designed to have “more of a headquarters mood,” he says. “Rather than having a strict schedule, we all had our jobs to do and were simply doing them from a different part of the world.” Many of the executives had global functions to attend to, and the centrality of the city was notably convenient, Siegel says. “Dubai is eight hours from two-thirds of the world’s population, so by virtue of being there, it was easy to pop down to various areas in Africa, or over to India, or to go into Europe, even for an overnight trip,” he says. “We used Dubai the way the world uses Dubai — as a hub for international activity — and it was really quite amazing.”

Starwood aims to have 100 hotels in the Middle East and Africa by 2015. The company also has a key focus on India, Brazil, Russia and Asian markets that are predicted to be-

come “the next China,” says Siegel. “Any place with economic development is a critical target for us; we go to where business is going.”

With rapid global expansion has come a continued evolution of Starwood’s anti-corruption program, which Siegel’s team revamped almost two years ago but is working on evolving. “We are addressing the dynamics of ensuring that employees in so many countries, all with different cultural norms and different mores, have a common understanding and framework for what we are trying to achieve,” he says. Siegel balances his traveling between gaining a more in-depth understanding of the anti-corruption needs and issues of various regions, and delivering training. In June, he swung through Asia for 10 days, speaking to almost 1,000 people.

In taking on anti-corruption, Siegel says, “One of the things I realized is I can’t do this by myself.” As a result, the executive team created and filled a chief compliance officer position with a direct line to the board, and is building a department that will initially have six compliance officers worldwide. “We are working on the next generation of procedures, and analyzing how they will be implemented globally,” says Siegel. “And we’re piloting them in the various jurisdictions around the world.”

The first pilots were done in Dubai and adjacent areas because of the nuances involved in its many government-owned entities, royalty positions and its extraordinary culture

of hospitality, says Siegel. “We learned a lot about that during our month in Dubai; these cultures are incredibly giving and you have to weigh that against US law requirements. The only way to do that is to be there and talk and learn.”

What the team has found, which has become one of their dominant philosophies, is that regardless of how different cultures may be, there is a fundamental notion of right and wrong, particularly in the areas of bribery and corruption, explains Siegel. “So, as opposed to talking always in terms of corruption and compliance, we frame those issues in the context of, ‘Do the right thing,’ and we get 90 percent of the way there,” he says. As Starwood increasingly dots the global map, Siegel finds comfort in knowing that despite what local décor adorns the lobby, the moral compass of Starwood employees is universal.

BY MAGGY BACCINELLI



## TIPS & INSIGHTS: MEETING THE BUSINESS NEEDS OF A GLOBALLY GROWING ORGANIZATION

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Ellen Pekilis is general counsel of CSA Group, an internationally-accredited standards development, and testing and certification organization headquartered in Toronto, Canada. CSA Group also provides consumer product evaluation, and education and training services. It is an independent, not-for-profit member-based association dedicated to advancing safety, sustainability and social good.

Pekilis joined CSA Group in 1996 and is accountable for provision of all legal services across CSA Group's global operations. As a member of the Senior Leadership Team, she participates in strategic planning, and is a member of key organizational strategic teams that drive development of refreshed organizational values, the Code of Conduct and branding. Pekilis received her BA from the University of Toronto in 1987 and her LLB from Osgoode Hall Law School in 1989. She has been a member of the Ontario Bar since 1991.

At CSA Group, “[n]o day is the same as the day before,” General Counsel Ellen Pekilis says. The not-for-profit has 37 offices in 14 countries, and more than 3,000 standards in 54 technology areas, ranging from electrical, gas and plumbing, to offshore oil-rigs and nuclear power plants. CSA certification marks appear on billions of qualified products worldwide.

When CSA Group’s current president and CEO was appointed to his role in 2009, the organization was predominantly a Canadian company with a solid US presence, and a few service-delivery, foreign satellite offices. Today, it is a global operation, focused on building management bandwidth and administrative capability around the world, with regional head offices led by regional senior-level management.

“There has been very aggressive growth, both organic and by acquisition: new service offerings, and a ton of investment into facilities, labs, and staff training and development,” says Pekilis. “Correspondingly, the role of the general counsel has shifted dramatically.”

## Strategic planning

Pekilis says she is focused on strategy and staying compliant in new territories, but that there are many challenges. Employing just 1,700 people while bringing in \$250 million in revenue each year, CSA Group is “a medium-size company with multinational-company needs,” she says. Pekilis is located in Toronto with six direct reports and works with a

number of law firms that provide relevant services across the globe. Therefore, she says she must be efficiency-driven.

Data analytics let Pekilis understand how the legal department can improve its service, she says. As a result, she often breaks down company practices onto paper. When CSA Group updated its Strategic Plan in 2012, Pekilis and her team went through it line by line. Together, they identified how they could help the business meet each of its objectives.

“So when they say they’re going to build a lab here, that means there’s going to be a construction contract, there may be a lease or maybe they’re buying real estate,” Pekilis says. “We went through and we itemized everything.”

After going through the plan, Pekilis and her team used the ACC Value Challenge Guide to Value Based Staffing, to allocate line items in the most effective way possible. With the help of the resource, they plotted high-value work that the legal department should be working on, routine tasks that non-legal resources would complete most efficiently, and work that requires a combination of internal management of external resources.

Pekilis validated the matrix with the CEO, and the team is now working on implementing matrix-based key recommendations. For instance, they are partnering with business unit leaders to identify more efficient ways to handle nondisclosure agreements,

by minimizing legal-department touch. Pekilis also just met with a senior leader of CSA Group's inspection group, who supported her proposed initiative of developing training tools for non-legal users that would explain the top 15 types of client requests and recommended responses.

### **Keeping up with the organization**

As the organization continues to expand, one of Pekilis's key considerations has been whether her team should specialize or generalize. Pekilis says that while much law department management literature focuses on the efficiencies to be gained by specialization, her team will likely remain made up of generalists, because it is small and the volume of specialization work isn't high enough to warrant otherwise.

Instead, Pekilis wants to streamline. "We are working on creating fixed processes and standing teams of people who have built various skill sets, because each situation will be different than the one before, but likely will include a series of decision points that are similar." Amongst the skillsets she plans to focus on building internally is dealing with acquisitions and post-acquisition integration.

Another question at the fore — as the organization grows and the president and CEO has applied a global matrix structure of “think global, act local” — is whether the legal department should stay centralized or decentralize.

“We need to make sure that we understand regional business needs and have the right local representation to meet those needs,” says Pekilis. Again, she relies on tracking: monitoring both the type of work and the amount of money the legal team is spending on that work, in each region. This helps Pekilis to determine local “tipping points,” which she defines as “where it makes more sense to create a local in-house team.” She brings this data to her discussions with regional vice presidents on the topic.

## Data analysis

Pekilis says that after a discussion with the IT team, she decided not to use specialized software in her data analysis efforts. Instead, the legal team leverages existing corporate platforms, such as SAP software for billings and Documentum to store its documents. The IT team recommended that those tools, with a small amount of programming, were legal’s best option for efficient data mining and report creation. Even if legal did use specialized software to manage expenses, the department would still have to enter the data into SAP to release the payment, which would create three layers of data entry.

Alternatively, Pekilis asks law firms to add specific data to a spreadsheet, which automatically tracks the entered information against the region, type of legal work, law firm, internal client who commissioned the work, and result of the work. “And you can slice and dice it however you want, pulling a specific file, or finding all contracts from the Europe region, or all litigation in Canada by which internal client commissioned it,” Pekilis says. “So we use that to track where we’re going — what’s going up, what’s going down.”

## Branding and media

Being a growing global organization with multiple global service offerings also creates branding challenges, which Pekilis says have become hugely important to the organization. When the CEO came on board, he put together an upper-level strategic committee to better connect CSA Group’s different services and taglines. Pekilis was on the brand committee, and helped to create a new, global master brand that “respects the organization’s heritage but modernizes it in a global context,” she says.

First, the team looked at the organization’s true value proposition, employees, members and clients’ needs. One of the key CSA Group values, they determined, lies in the organization’s consultation with employees, customers and members. As a result, they chose the brand persona of “A Trusted Advisor,” Pekilis says, to embody CSA Group’s core values, which cross job descriptions and geographies, like integrity and accountability.

Then the team built on that persona to create the look and feel of CSA Group's brand and tagline — "Advancing Today, Anticipating Tomorrow."

"It was an absolutely fascinating process, and yes, there is hardcore legal work involved regarding trademark management, but that wasn't why we were there," Pekilis says. "Legal was there because the president engaged us as a valued participant at a strategic level in the whole decision-making process, which was very important and rewarding for us."

## Client service

Pekilis says her team works hard to earn the trust and engagement of their business clients. This year, she has made a set of objectives focused on customer service, which are bonus-able. The team came up with these initiatives by identifying their "broader touch points," says Pekilis, which she simplifies as "all the different things we do for all different types of people."

The next step was identifying key internal clients. "They were not necessarily the most senior of managers," she clarifies, "but people who are influential in the organization and who use our services a lot." Once identified, she split these clients between her staff, so that each of them has four names.

Legal created a list of five questions focused on how the department is or is not meeting business needs, and what the business's perception of legal is, which team members asked their assigned clients. "We want to know if there are pockets of people who should be using us and aren't, and why, so that we can figure out how best to reach out to them" Pekilis says.

New training efforts are also included in legal's customer service objectives, and support the department's strategic analysis of how to most effectively use its time. "We developed a training slate in consultation with our internal client groups," says Pekilis, "and are working on delivering training that gives people better information about some legal topics, processes and available tools, to allow them to self-manage some issues."

The final step in the bonus-able objective is a customer service survey, which the legal team will run in January. The department ran the survey two years ago, and plans to compare the 2014 responses with the 2011 ones, to analyze progress and inform further changes.

## **A team effort**

From itemizing CSA Group's strategic plan, to improving legal's customer service, Pekilis includes her team in creating the department's holistic strategy. She calls her team "a fabulous group of people; smart, hardworking," adding that, "[w]e have different legal back-

grounds and we have some amazing discussions to provide the best possible legal advice for the organization. It is wonderful to work with such a diversified and talented team.”

In turn, Pekilis says she is committed to learning how each of them wants to grow, so that she can help individual team members build the necessary skillset for reaching his or her goals.

“So if one of my lawyers says that they wish to develop management skills and move to another region, then I will work on arranging that,” she says. “If it’s suitable and warranted, and everything lines up, then that is a good thing for my team member and the organization.”

Pekilis admits that having a non-profit salary band adds to her management challenges: “I can’t pay people in a way that is going to match external salaries, and they are keenly aware of that,” she says. With all the projects that growth brings, however, Pekilis concludes that she can give them “really interesting global work assignments.”

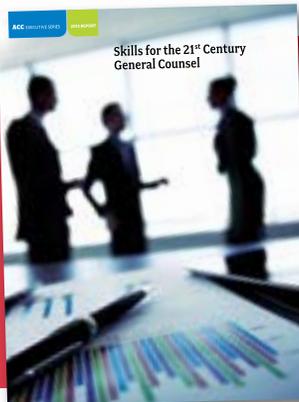
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