

## Going In-House: Making The Transition From BigLaw

By Jocelyn Allison

Law360, New York (August 06, 2009) -- As the job market at law firms gets tighter, many attorneys are looking to move in-house. But to succeed, they need to learn to offer quick solutions to real-time problems, keep their door open and ditch the legalese, according to experts.

"When you're inside a law firm, most clients think twice or at least one-and-a-half times before they pick up a phone to call a lawyer," said David Lebor, general counsel at Philadelphia real estate developer Dranoff Properties. "When you're in-house, nobody thinks twice about coming to talk to you about the smallest to the largest issues."

Attorneys in the legal department are often expected to be available at all times and to handle matters outside their area of expertise, especially in one-man departments like Lebor's. Law firm lawyers often make the move because they want to be closer to the business, and sometimes, that can be really close.

"When you're in a company like ours, you really become part of the family, and you take the good with the bad when you become part of the family," said Lebor, who became Dranoff's general counsel in October 2008 after years as outside counsel at Blank Rome LLP. "But you are seen to be part of the entire system, and that's important."

"If you can make that kind of adjustment, then you're likely to do well as an in-house counsel," he said. "If you come to a position like this [and say], 'I'm just answering legal questions, folks,' then the likelihood is you will not do as well."

An in-house attorney at a larger legal department might not have to be a jack-of-all-trades, but he must be willing to know the business, understand its objectives and work collaboratively with people across all departments, from the CEO to the plant manager or field engineer, experts said.

In-house counsel should speak in plain English, not legalese, and be ready to articulate answers to legal problems quickly and concisely, rather than bury the pros and cons in a 15-page legal analysis, they said.

"When I do searches for companies, usually they want to find people with prior in-house experience, and the reasons they tell me is, Number 1, 'We want people who can give us answers, solutions. We don't necessarily need an analysis of the law,'" said Courtney Sapire, president and founder of Texas-based legal recruiter

Sapire Search Group Inc.

"[They say], 'We want people who are really service-oriented and who can give us what we need to [move forward],'" she said. "It sounds so simple, but it's the hardest thing for law firm lawyers to do when they make that transition."

Law firm lawyers who move in-house also need to be aware of budget constraints and their role as a cost center for the company. They are no longer the revenue generators they were at the law firm, and they need to make an extra effort to communicate their value, experts said.

"Some people just have an antipathy toward attorneys, so there needs to be more of a sales job on your internal colleagues than the law firm lawyers are used to doing," said Bob Major, founding partner of legal search firm Major Lindsey & Africa LLC.

"In a law firm, it's a self-evident proposition that lawyers are valuable; not so in a corporation," he said. "Therefore, in-house lawyers have to sell their value proposition."

Lawyers used to having their every need met at a law firm can be in for a humbling experience when they go in-house, as they are no longer the focus of their employer's resources, and it's up to them to make copies and find files, experts said.

"At a law firm, the lawyers are the most important people there, because you drive the business, and the law firm is designed to give you, the lawyer, everything you need so you can get your work done," said Sharon Makower, a former associate general counsel for Cablevision Systems Corp.

"When you go in-house, law is just a department, and not even the most important department," she said. "Operations is the important."

Makower worked as a corporate attorney for Willkie Farr & Gallagher LLP and Kramer Levin Naftalis & Frankel LLP before going in-house at Cablevision in April 2006. She now works as an editor for Practical Law Co., a U.K.-based legal publishing company serving business lawyers.

"I loved being at Cablevision, and I really enjoyed being in-house, and thought it was more fulfilling than being in a law firm in so many different ways," she said. "One of the things you don't appreciate when you're in a law firm is all the different functions of the company."

"I don't think when I was at a law firm I truly appreciated the number of people in the number of divisions involved in making decisions that seemed simple, but affected so many different areas and so many different departments," Makower said.

Despite its benefits, working in-house has its drawbacks. Lawyers should be prepared to make less money — and not always for fewer hours — and operate in a pyramid structure rather than a partnership, experts said.

To advance, in-house lawyers sometimes have to move over to move up, Sapire said.

"What are your career aspirations? If you are wanting to be a general counsel in five years, you have to consider very carefully who is ahead of you," she said. "Often that is what leads to dissatisfaction internally."

As in any industry, there are political factors to consider when it comes to career advancement. And in a large corporation, you're not just competing with lawyers, but with other professionals in the business, said Tasha Hutchins, former corporate counsel at Pfizer Inc.

"You're not just seen as a member of the legal team, you're seen as a member of the company, too, so you have to really get to know your clients," said Hutchins, now also an editor at Practical Law Co. "You can't sit in your office and keep your head down and do your work. You have to coordinate with the business side."

Hutchins worked in the mergers and acquisitions group at Skadden Arps Slate Meagher & Flom LLP and as a corporate associate at Dorsey & Whitney LLP before moving to Pfizer in 2004. She joined Practical Law Co. in April 2008.

"I think [going in-house] is really a lot of give and take, but if it's what you want to do and it's a good fit, then you have to do it," she said. "But it's not the same environment as a law firm at all, so be prepared for that change."

While the market for in-house positions is tight, many law departments view the large number of talented, displaced attorneys as an opportunity to hire people who were previously out of their reach, Major said.

"Our in-house practice is actually doing very well, as opposed to the associate practice, where we're seeing a huge drop-off in demand," he said. "It has to do with what we believe is a sense in the marketplace by general counsels that there is talent to be had that wasn't available a few years ago when law firms were paying very high salaries."

The number of available general counsel positions, however, has slowed as people wait to retire until their 401(k) plans recover, and the number of high-growth companies in need of their first GC remains flat, Major said.

"If you take away the new companies that have gone newly IPO, if you take those companies out of the calculus, what you're left with is more mature companies, and more mature companies typically have an existing legal department with a succession plan," he said.

The in-house positions with greatest demand are usually corporate lawyers who can handle the contracts and deals that form the basis of a business, Major said.

Lawyers who specialize in securities laws have also become more important as public companies worry about remaining compliant, he said.

“Litigation is one of the last things that corporations bring in-house,” Major said. “Litigators who think that they have got a great shot of simply moving in-house and managing litigation probably don't have a very realistic view of the market.”

Different factors influence a lawyer's decision to move in-house, including a desire for a lifestyle change or an inability to thrive in the intense, revenue-generating setting of the law firm, but unless someone is genuinely interested in the business, chances are he won't be happy, experts said.

“Don't leave a law firm and go inside if you don't have a really strong desire — not to become businessperson — but to be closer to the business,” said Jon Bellis, who leads the law department consulting group at Hildebrandt International. “Because you're not going to be working with 20 different companies; you're going to be working with this company.”