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The Latin American GC: Rising to the challenge

Contents

Foreword	3	Interview: Salomon Vaie	24
Key findings	4	Innovation	26
The Latin American GC	5	Interview: Juan Luis Rodríguez Rivero	30
Interview: Gonzalo Smith Ferrer	6	Doing the right thing	32
The outlook for general counsel	9	Career aspirations	37
What's important to GCs?	10	Career paths	39
Ethics and compliance	11	Interview: Carlos Hernán Paz Mosquera	40
Interview: Juan Antonio Castro	12	The Strategic Business Counsel: The '8C' Model	43
Influence	14	Interview: Arusiak Mardirousian and Rocío Arredondo	53
Leadership	17	Conclusion	54
Interview: Rafael Cox	18	Methodology	55
Performance measurement	20		
The GC Value Pyramid	22		

About this report

CMS is one of the world's largest law firms, with over 4,800 lawyers, spread across more than 70 offices in over 40 countries.

Over the past decade we have published a series of reports for GCs in Europe and Asia. We have spoken to hundreds of GCs, in many different countries, about their experiences and the subjects that matter most to them. Now we are applying some of the knowledge and insights we've acquired to the position and prospects of GCs in Latin America.

The in-house profession is well established across the region, with many senior and respected figures and an exciting and energised cohort of younger GCs.

It has been growing despite the macroeconomic disappointments of what some commentators have referred to as Latin America's second 'lost decade'. As we enter a new decade, it seems a good moment to look at what we believe will be some key issues for general counsel seeking to develop themselves – and their teams – in the future.

We should like to thank all the GCs who participated in our survey of Latin American general counsel, with particular thanks to our in-depth interviewees: Rocío Arredondo, Juan Antonio Castro, Rafael Cox, Arusiak Mardirousian, Carlos Hernán Paz Mosquera, Juan Luis Rodríguez Rivero, Gonzalo Smith Ferrer and Salomon Vaie.

Foreword

When we first drafted this foreword, it said that although our focus in this report is on personal development for GCs, the world in which a GC works does make a difference to their role. Recent events have confirmed that in a way we could never have imagined.

As we surveyed and interviewed GCs across Latin America, no-one had heard of Covid-19. But now we are publishing this report in what seems like a different world from the one where we gathered our data.

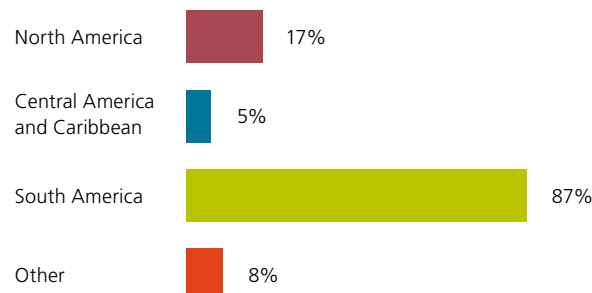
Clearly, we have to ask: is it still relevant? The coronavirus has brought not only countless human tragedies but also worldwide social, financial and commercial disruption. Are our findings about the in-house profession still valid in such a challenging and changing environment?

We believe they are. Our firm began its programme of GC reports during the global financial crisis. Such crises accelerate and change the way we view things. The global financial crisis boosted the status and value of many GCs, helping them achieve the ambitions we discussed. By helping their businesses navigate troubled times, with new requirements in areas such as compliance, they became more influential.

In the present crisis we will see other GCs experience a similar change, as their companies focus on survival, risk and sustainability in the 'new normal'. Our research shows that Latin American GCs are ready to seize such opportunities, to prove their worth and to grow and develop their roles.

In some respects, this report offers a snapshot of life before Covid-19. But in other ways it's a vision for the future. The direction of travel for GCs – towards becoming genuinely strategic business counsel – remains

In what jurisdiction(s) are you admitted to practise law?



the same, even if some details change. If the crisis accelerates pre-existing trends, they will be trends that GCs had already recognised.

We believe this is the first study of its kind in Latin America. We hope that you will find it useful and thought-provoking, even – or perhaps even more – in these difficult times. We would be delighted to hear any comments you may have about it and to discuss it with you.

We would also like to thank the many contributors across CMS for their support with preparing this report. It is not possible to mention all of those who have made significant contributions by name.

However, we would like to give particular thanks to Adam Beach, Madalena Houlihan, Jonathan Fenton, Catherine McGregor and Mary Hoover, for their considerable efforts in assisting us.



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Key findings

Ethics and compliance are now more essential issues for many GCs than their more traditional responsibilities for common commercial matters.

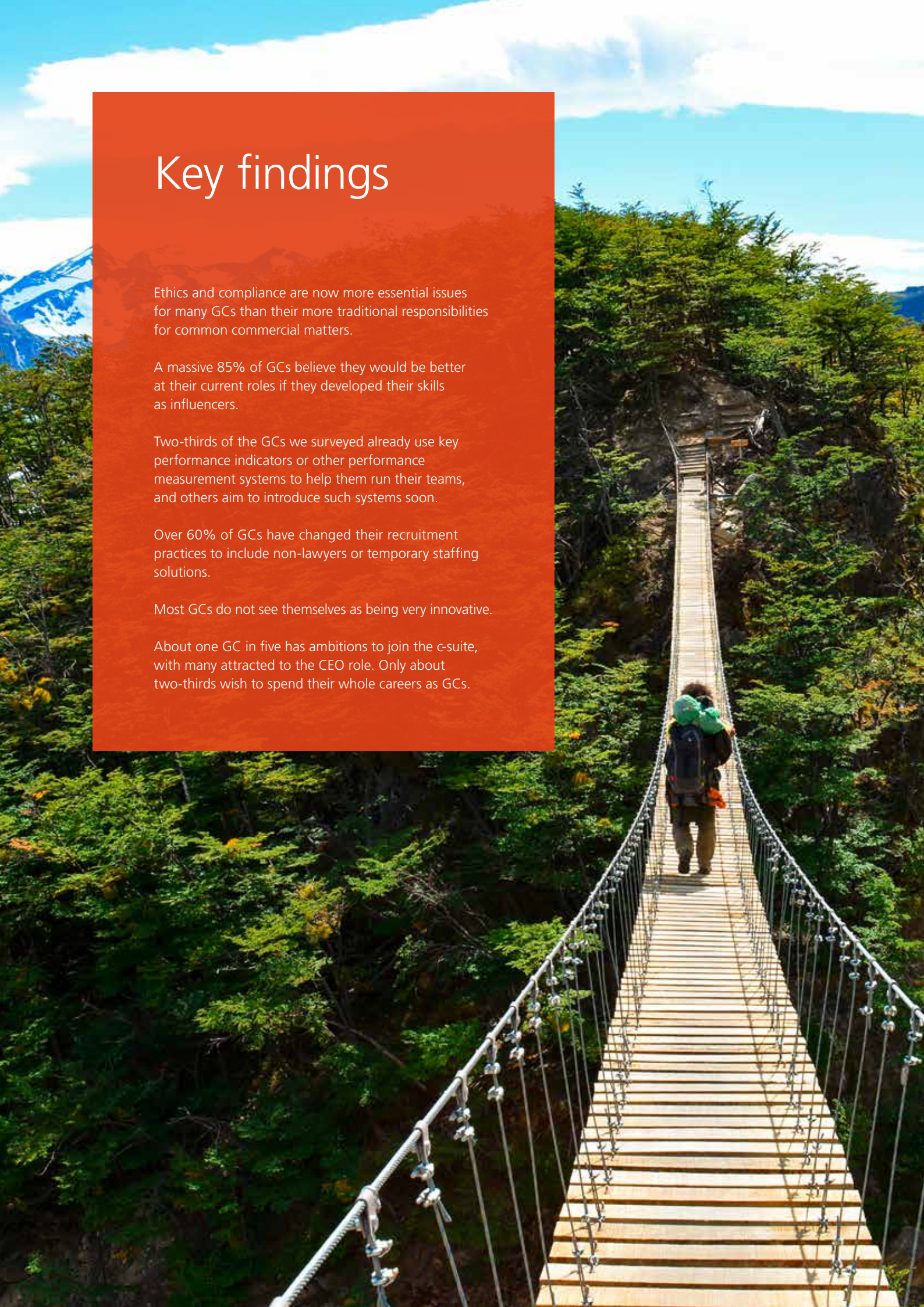
A massive 85% of GCs believe they would be better at their current roles if they developed their skills as influencers.

Two-thirds of the GCs we surveyed already use key performance indicators or other performance measurement systems to help them run their teams, and others aim to introduce such systems soon.

Over 60% of GCs have changed their recruitment practices to include non-lawyers or temporary staffing solutions.

Most GCs do not see themselves as being very innovative.

About one GC in five has ambitions to join the c-suite, with many attracted to the CEO role. Only about two-thirds wish to spend their whole careers as GCs.

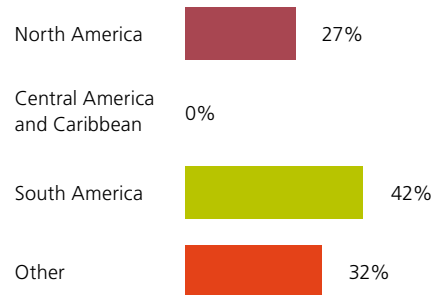


The Latin American GC

As this report will show, general counsel in Latin America have much in common with their counterparts elsewhere. Many of the findings of our survey mirror very closely what we've heard from GCs in Europe and elsewhere. That's not surprising in a business world that continues to embrace globalisation. Nevertheless, there are important differences.

One may be that GCs in Latin America have a different range of opportunities. The McKinsey Global Institute, for example, has identified the issue of a "missing middle" in the region – a relative lack of vibrant and diverse midsize companies. According to McKinsey's analysis, Argentina, Brazil, Chile, and Mexico have only about half as many companies with revenue over USD 50m as its benchmark emerging economies (relative to GDP). The region's biggest players, while in many cases very successful, are mostly concentrated in a few sectors and are, relatively, less numerous than their peers elsewhere. And the 'long tail' of smaller companies is, on the whole, not an environment that naturally promotes the growth of multi-faceted in-house legal departments.

Where are the headquarters of your organisation?



Many GCs, of course, therefore find roles in multinational companies that are headquartered elsewhere. Indeed, the majority of GCs in our survey (59%) work in companies that are headquartered outside Latin America.

Another obvious point is that a GC based in one of the region's legal hubs may be providing coverage for a number of other, quite different regional jurisdictions, some with legal systems which may require different approaches to business and risk. Nearly 40% of the GCs in our survey have direct reports in other countries. Identifying and understanding local nuances that can impact the attitudes and behaviours of clients, stakeholders, authorities and regulators in the region is key for GCs with that sort of regional reach.

Particularly for GCs in multinational companies, keen to cultivate a worldwide way of doing things, achieving an acceptable degree of cultural uniformity across such a diverse region can be challenging, as can the simple fact of physical remoteness from other operations. Indeed, some GCs apparently prefer to retain a variety of law firms in different jurisdictions, rather than building up a spread of expertise in-house.

Growing the in-house legal department can bring other problems too. GCs whose teams are expanding have to get on top of a range of HR and talent management concerns that may not have mattered much to them before. They often lack the experience or training to feel comfortable with this.

Gonzalo Smith Ferrer

**Chief Legal Officer and
Corporate Governance
at Falabella SA**



Following experience working at law firms in Santiago de Chile, New York and Madrid, with an LLM at Harvard in between, I became General Counsel of a major supermarket chain which was eventually purchased by Walmart. Looking back, I was probably a trailblazer in altering perceptions of the importance, value and prestige of the in-house leadership role. I now lead a legal team of around 200 people at Falabella.



Working in-house is about competencies and aptitude. The main role of any legal team is to shape conduct to encapsulate the values and purpose of the company.

The structural hierarchy of any GC role defines the level of freedom entrusted by the company to mould the team to promote its values. My role includes ethics, company secretary, legal advice, compliance and governance of Falabella.

The reporting line of the GC is a critical issue for me. I report to the Chief Legal Officer who reports to the Chief Executive Officer. I once refused a General Counsel role on the basis that the hierarchical structure would require me to report to the Chief Financial Officer.

A company has three key legal 'essences':

A legal entity with corporate life, which is concerned with the rights, obligations and duties of the company.

An organisation as a business, which entails the business' day-to-day legal operations.

A company as a corporate citizen, which involves governance, compliance and ethics.

Every document produced by a legal team should be simple and clearly set out its objectives.

My team knows that the most effective way of gaining my attention and approval is by ensuring that their advice is no longer than three lines, with the overall text less than three sentences. The documents produced by my team need to communicate the behaviour expected of employees and set out the consequences of failing to meet those expected behaviours. When I started working for Falabella I spent the first ninety days thinking about the best method to achieve what I wanted from the business and its subsidiaries. The style of the agreements and policies that my team drafts ensure the ethics of Falabella form the substance of everything that we do.

It is not possible to lead a team with a vertical structure; I think it is important to empower people and embrace their role in the team by being clear about each of their responsibilities. I seek to empower my team by asking them to focus and be mindful of 3 things:

Win – The area the team specialises in and what most resources are dedicated to.

Play – Areas which will never form the expertise of the team and that should be outsourced to external legal counsel.

Show – Collaborating with external counsel to demonstrate the breadth of any knowledge which has the potential to be developed into a 'win'.



The win/play/show philosophy seeks to empower people within the business and equip them to be able to recognise when they should hand over some control to others.

The strategy of shaping behaviour becomes independent of the individual lawyers so that other company employees have the tools to carry out their roles and maximise their talent. The employees can do these roles better than any lawyer, or an in-house legal team. To safeguard this approach, I value the ability to adapt and flexibly modify internal programmes by keeping them under constant review.

The further people progress in the business the more difficult it is to value what the role of that individual is worth because, unlike in private practice, there is no clear market price for in-house legal work.

This means rewards are derived from the outcomes achieved by the in-house team. This can create unwanted changes in team personnel as there is no clear route of progression. The outcome is that the decision as to whether to stay in the role lies with the individual lawyer.



In-house progression is different because there is no sale of services and talent cannot be charged to a client.

It is particularly challenging to retain junior lawyers, but a transparent approach means helping to place those individuals in different roles because there may be no other opportunities within the company for them to grow.

The workplace should be somewhere where work is an activity. If it is simply a 'place' then people will not engage. To this end, I encourage an aggressive flexi-time approach where employees can shift time across the week as they choose. Our flexible working policy is on a no-questions-asked basis. We cannot ask people to give 110% of themselves at work if we do not allow them to be themselves in the workplace.



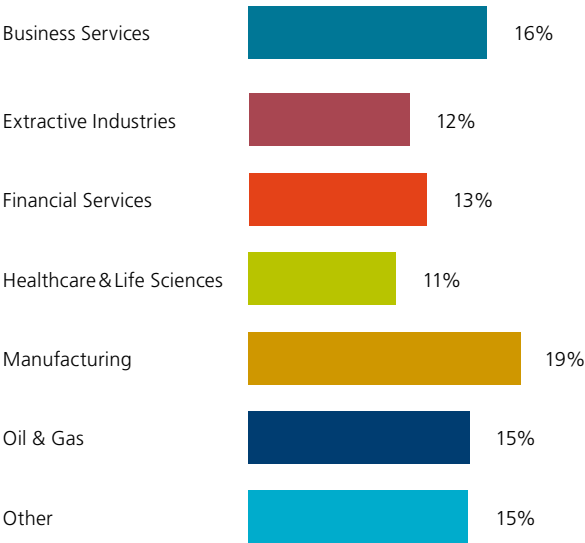


The outlook for general counsel

Our studies have shown that GCs are becoming more ambitious, with increasing numbers striving to achieve more for their businesses, themselves and their teams. But they are operating in a changing landscape, as global influences and questions about values – rather than value – come to the fore along with increasing challenges around sustainability. Ethics, risk and reputation management are the new challenges (or opportunities) for GCs.

This requires a particular breed of GC: one who can operate in an international matrix of laws and business practices while maintaining the values of their organisation. Such a GC also needs the skills and techniques to work at the most senior leadership level – something we look at in more depth in our Strategic Business Counsel model towards the end of this report.

In what sector does your organisation operate?



What's important to GCs?

We listed various responsibilities and asked GCs which were important parts of their role.

Their responses showed a wide range of involvement in key corporate activity – more so, in some areas, than we have seen in other parts of the world.

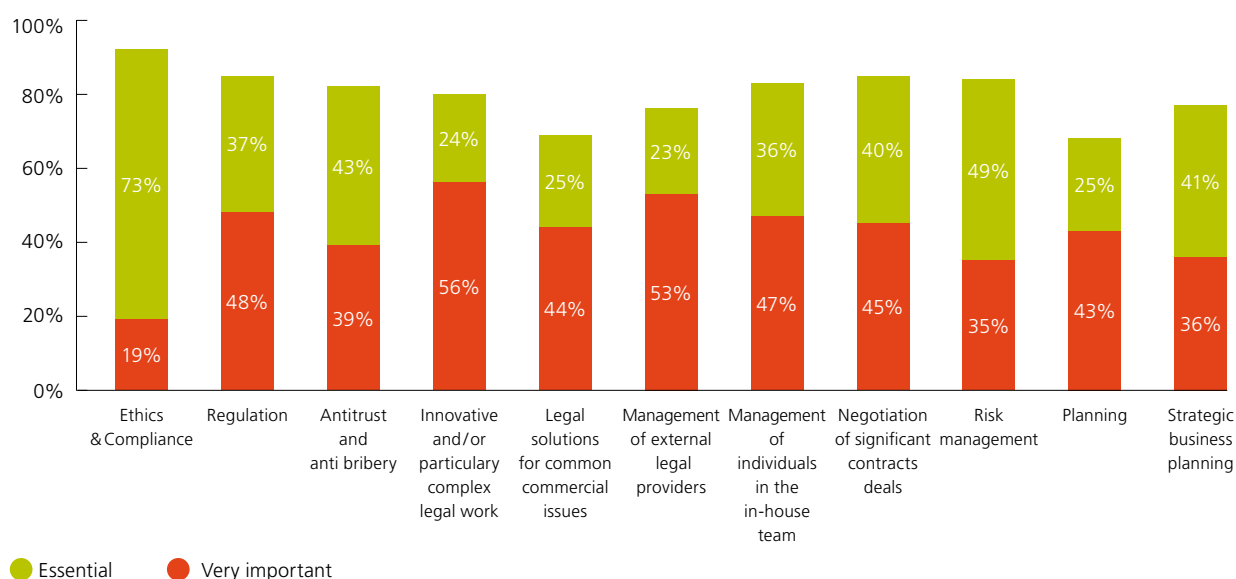
For example, strategic business planning is very important or essential for 77% of our Latin American GCs, as opposed to 45% of the GCs we recently surveyed in Singapore and 46% of those we surveyed a few years ago in the UK.

Conversely, legal solutions for common commercial issues are very important or essential for only 69% of our Latin American GCs, as opposed to 80% in Singapore and 81% in the UK.

In other cases, the numbers are more similar e.g. the negotiation of significant contracts and deals is very important or essential for 85% of the Latin American GCs we surveyed, 81% of the UK GCs and 80% of the Singapore GCs.

Some of these differences may reflect sectoral differences between the regions (e.g. over a quarter of the Latin American GCs we surveyed work in Oil & Gas or the extractive industries – a proportion far greater than in the UK or Singapore). But it also appears to be the case that the Latin American GCs we surveyed are – on average – operating at a more senior level. To some extent this may reflect the proportion who work for large international companies. It is a topic we will return to below, when discussing the GC Value Pyramid.

How important do you think are the following areas for success in your role?





Ethics and compliance

By far the most striking result shown in our chart is the 92% of Latin American GCs for whom ethics and compliance are very important or essential. This is a number significantly in excess of what we have found elsewhere. And if we look at the number (77%) of Latin American GCs for whom this is essential, it is clearly the most 'collectively essential' area by a very wide margin (being followed in second place by risk management on 49%).

This may reflect both major corporate governance scandals in the region, such as the Panama Papers and Operation Car Wash, and recent anti-corruption drives in countries as diverse as Costa Rica and Peru. And, once again, it may partly be due to the proportion of GCs who work in major international businesses.

Whatever the drivers for it, though, it is of a piece with the greater emphasis on ethics and compliance that we have been seeing around the world in recent years –

initially with a growth in compliance requirements in the wake of events such as the introduction of Sarbanes-Oxley and, in particular, the global financial crash of 2008, but also in more recent years with an increasing focus on ethics.

For some commentators, the increase in compliance requirements has been the principal driver behind the massive growth in the international in-house legal profession in recent years, as well as the increasing status of many GCs, and their expanding roles and responsibilities. (Only 17% of the GCs in our survey had not assumed additional responsibilities since taking up their current post, and in many cases those new responsibilities relate to regulatory matters and compliance.) The current stronger emphasis on ethical scrutiny can only continue that trend.



When they write an agreement, they shape conduct. When they perform an ethics role, they shape conduct within the organisation. When they do compliance work, they shape conduct. That's all we do, day in, day out. Nothing else.

Gonzalo Smith Ferrer, Falabella SA

Juan Antonio Castro

**General Counsel
at InterCorp Group**



I am the General Counsel at InterCorp Group and InterCorp International Services, the Peruvian business conglomerate covering education, healthcare, financial services and pharmaceuticals. Following an LLM in the USA, and working as a Fulbright Scholar, I moved to a law firm in Washington DC, before returning to Peru to work for the then Prime Minister and finally joining InterCorp as its Legal Director in 2004.



The legal function in a company is liquid because it reaches all areas of the business. GCs are expected to add value to a company by allowing things to happen and the business to run in a compliant way. They are expected to be trusted. They are expected to be respected."

In the 1990s, few GCs wanted their team to resolve legal issues facing their organisations. My experience with GCs back then was that they instructed external counsel on most matters, so that they had backup from the law firm, and didn't take responsibility for the legal issues they faced. Nowadays, I believe that the importance of the GC has increased. The GC is a person that is expected to be a part of the company to contribute, not only as a legal leader, but also as a trusted adviser to the other lines of the business.

The role of the GC has become more relevant to the company in the last 15 or 20 years. We are expected to know about the business so that we can contribute not only to the legal side but also advise on commercial and regulatory aspects, as well as to both overall strategy and planning. But you never forget that you're a lawyer. And you never forget what your responsibilities are.



Earn your square metre in life. Work hard. Try to understand and try to gain experience in more than one practice area. Once you feel that you are fully trained, then consider moving to a company.

My team is a 'conglomerate', in our group each sub-company has absolute autonomy. I report to InterCorp's CEO and its chairman and focus on the M&A practice. For example, we acquired a company last year and they continue to operate their own legal team. The difference is that their GC reports to me in relation to corporate issues but they manage the day-to-day themselves.

I was at a meeting once and I heard someone say the legal function in a company is like a liquid function, because it goes everywhere. I am empowered by my reporting line to the CEO because that gives me more power to interact with other vice presidents or directors of the company as a peer. I think that the GC is a person that is expected to be a part of the company to contribute, not only as a legal leader, but also as a trusted adviser to the other lines of business in the company. As a GC I am expected to be the person that adds value to a company by allowing things to happen whilst managing risk.

My team provides advice, and I value the respect and trust that we receive from colleagues. I think that if they trust and respect us, that means we are doing a good job. I keep my team engaged by encouraging them to take ownership of their work. I also tell them to keep smiling, be relaxed and not to panic when something goes wrong. Failure is something that we are not afraid of, particularly if that failure is the result of having tried to achieve something very difficult, even though you were very well prepared. It encourages creativity, teamwork and support. I like my team to take responsibility for their work, to work hard and not give up their specialism. It is important to also observe others' mistakes and others' successes and learn from them.

I encourage my team to work from home. I let my people have their vacation when they want to have their vacation. I ask them to work very hard, but I also ask them to rest hard as well and to enjoy their private life.



GCs have a very important task because of the rapid and significant impact of digital transformation.

For GCs and for legal counsel at law firms, for the legal profession in general, the years to come are going to be very challenging. Digital transformation is happening at a faster pace than changes to regulate the digitalisation of our economy. We must have an idea on how regulation is going to evolve and try to assess the future with that uncertainty. Historically, regulation tended to take place in line with industry changes. This is unlikely to be the case over the next few years. A major challenge that we face is providing advice where regulation is not clear, and our advice must be provided in the context of ambiguity.

At InterCorp, we launched an initiative called InterCorp Roundtable, where we bring local and regional law firms to discuss digital changes. We have discussed various issues relating to data, including data analytics and how to manage data, following stricter regulations. We know we must work together with regulators.

Influence

A successful GC, in the eyes of most of the GCs we talked to, has to be influential. Their voice has to be heard, both formally and informally, at the highest levels of the company. They should aim to be seen not merely as someone with the same strategic ambition as other executives, but as someone whose advice is essential to the achievement of corporate strategy.

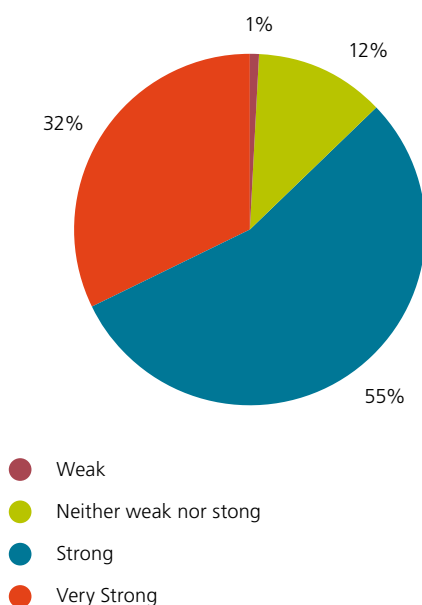
The ultimate expression of that aim is for the GC not just to influence management but to determine the direction, values and culture of the business alongside, or as part of, management. If the company is a ship and the CEO is its captain, deciding its destination, then the GC should aspire to be the navigator, familiar with the shoals and tides, and the capabilities of the ship and its crew, and able to plot a course that reflects the risks and rewards ahead.



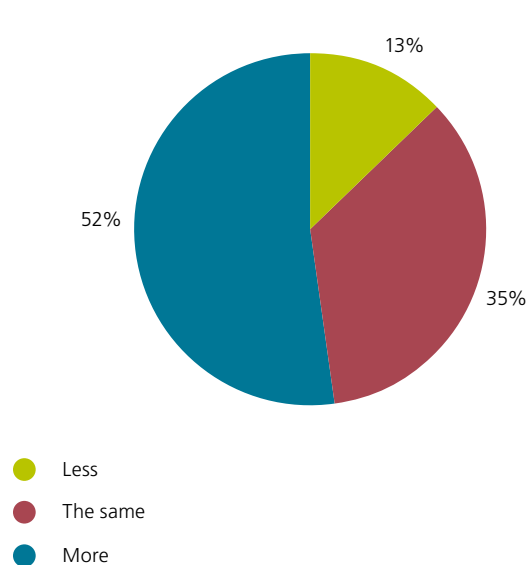
We offer people career paths, not empty promises. I set progression within the team by giving them an aspiration to evolve from working in a regional team doing corporate/commercial work, to moving to a role with more responsibility and eventually spending time in our centralised team in Mexico.

Salomon Vaie, Corporación Multi Inversiones

What level of influence do you think you have at the senior levels of your business?



Is that more or less influence than you had five years ago (or when you began your current role)?



Some GCs find this easier to achieve than others, not least because different corporate models tend to be conducive to different degrees of influence. At the simplest and most obvious level, GCs who work in an empowering corporate structure or culture have an advantage over those who do not.

Whatever the corporate structure, though, this ambition requires the CEO and the rest of the company's senior management to accept the GC in that role and to allow them – whether formally or otherwise, consciously or not – that degree of influence. GCs need to be aware of boardroom and executive politics and of where power is concentrated.

It would be wrong to assume that one corporate model is necessarily better than another in this respect. There will always be variance between individual companies. Establishing best practice in different, complex corporate structures – with different business models in different sectors – is not straightforward.

But in any model, a virtuous circle exists. If a GC who has built strong relationship foundations with senior management is able to use their influence to deal effectively with significant challenges, or to realise opportunities, then their influence grows. And as their influence grows it is increasingly easy to perform that proactive role. It's a virtuous circle of proactivity and influence.

There is also, of course, the risk that a GC may find themselves in a non-virtuous circle of decline. If a GC establishes a degree of influence that is not backed up by their ability to deliver successfully (perhaps because of a lack of other skills), then that degree of influence will tend to be diminished over time. And the more it is diminished, the harder it will be for them to deliver successful outcomes.

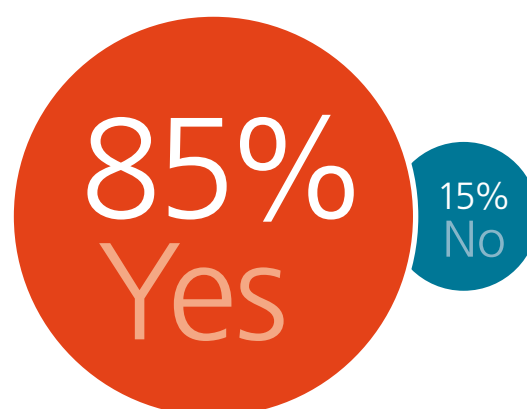
In one sense these charts tell a positive story, with just over half of GCs enjoying more influence than they did when they took on their current role (or five years ago, for those who have been in post for longer).

Furthermore, most of the GCs in our survey believe they have strong influence at senior levels of their business. Looked at in a different way, though, the numbers suggest some weaknesses. More than one in eight of the GCs we surveyed believe their influence has actually decreased. And over one-third of GCs have retained their level of influence but have not been able to increase it. In a few cases (7%) that was because it was already at the highest level – but that still leaves over 40% of GCs who feel their influence at senior levels has either failed to increase or has diminished.

Perhaps the single most revealing chart in this report is the one showing that a massive 85% of Latin American GCs believe they could do their job better if they developed their influencing skills. So even most of the GCs who have been successful in increasing their influence feel that they still have scope for improvement.

And since an even greater percentage of them (92%) believe that the ability to influence can be taught, it is hard to avoid the conclusion that booking some influencing training or mentoring should be near the top of most GCs' to-do lists.

Do you consider that you would be better at your current role if you developed your skills as an influencer?





We empower our younger employees with great responsibility, and we expect them to deliver on the challenges set. If you are an Olympic high-jump athlete, you will gradually increase the height of the pole and improve slowly. At AB InBev, we set the bar very high from the outset because we consider that if you do not challenge yourself, you will never be motivated to meet the level expected.

Salomon Vaie, Corporación Multi Inversiones.

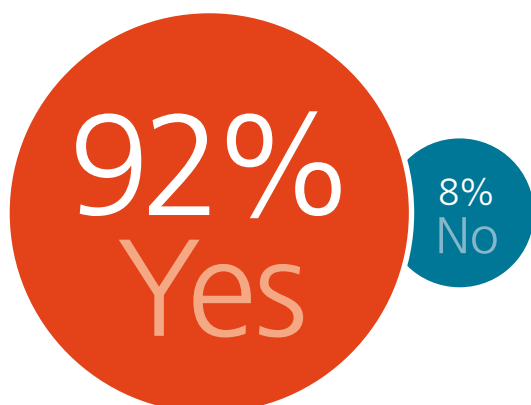
Some of these GCs might also consider arranging something similar for their in-house teams. Despite general acceptance that influencing skills can be taught, one-third of GCs don't provide such teaching for the in-house legal department, even though it would almost certainly improve the department's effectiveness.

It is interesting that the survey of UK GCs that we ran a few years ago for our Influential GC report had very similar findings, with 82% of GCs believing that they would be more effective in their jobs with better influencing skills. (Even more – 88% – felt that having

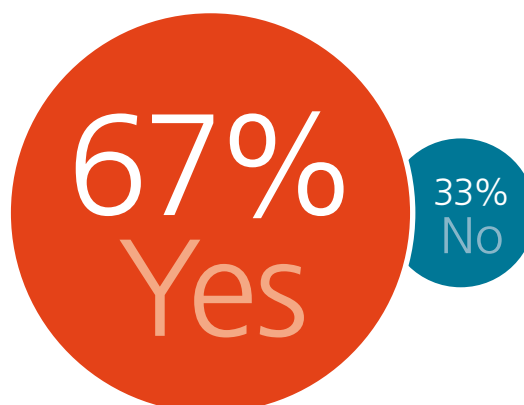
better influencing skills would make them more effective in their long term careers.) As we wrote then, the key thing for GCs is to engage with the issue, even though it may sometimes be uncomfortable and is often difficult for busy GCs to make time for. "No-one ever got more influential by doing nothing."

Our Influential GC report, which takes a much deeper dive into the whole question of influence, is still available at <http://cms.law/en/gbr/publication/general-counsel-services>.

In your opinion, can the ability to influence be taught?



To help develop their skills as influencers, do you provide any coaching or mentoring to your in-house team?



Leadership

As well as being legal leaders, the GCs we surveyed are mostly (73%) on the boards or in the executive teams of their organisations – although in some cases this is a national team within a multinational organisation.

For many of the GCs we've talked to, this 'seat at the table' is also reflected in their changing remit, and what they see as fundamentally important in what they and their teams do.

Leadership of the in-house legal function, however, requires a different combination of skills from leadership within an executive team.

The key difference is that this is an area in which the GC is not part of a group of decision-making equals. It is an area in which the GC is the boss. The decisions are theirs, as are many other aspects of the job, such as the requirement to strategise, the necessity to recruit and develop the right team, and the need to energise and inspire that team. All these require particular leadership skills. They also require time – something that many GCs, particularly those who are still heavily involved in doing hands-on legal work, find difficult.

These various demands – and many others – are something many GCs still struggle with, particularly if they are in their first management role. The most effective GCs are often those who have the confidence to delegate many legal and management functions to team members they know they can trust. They know when to step back and when to intervene.

As illustrated by the findings at page 10, the management of individuals in the in-house team was categorised as very important or essential by 83% of the GCs in our survey. This echoes thoughts from GCs in the UK, who often cite leadership of the legal team as the area where they need the most development – but also as an area where they feel they can bring the most value to their company, by building an empowered legal team that is fully equipped to meet the needs of their business.



Rafael Cox

**Chief Legal Officer
and Corporate Secretary
of Empresas CMPC**



Working at Empresas CMPC for over 18 years, I started when the company operated under a model of not having internal lawyers. Everything was outsourced. My role was basically to coordinate external lawyers and report to the board and the CEO. My main responsibility over the years has been to change the previous general counsel model of the company and create a sophisticated and capable internal team to address the complexity of CMPC operations and rely extensively on external counsel.

Today, I coordinate and manage a large number of attorneys scattered throughout Latin America, including Chile, Argentina, Uruguay, Peru, Colombia, Ecuador and Mexico, and I am also responsible for the company's compliance and reputational risk. Since last year, I am also in charge of the company's risk management programme.



The community of GCs in Latin America is catching up with a trend that started 20 years ago in the United States and Europe.

Today, in-house lawyers in Latin America expect to be influencers and have key roles in different industries. They want to be statesmen and advisers and expect to be involved in the strategy of the company's board. Although they no longer want to be seen as a cost centre for the company, few GCs have reached that level of influence. Many others spend a greater percentage of their day doing day-to-day legal work that was previously handled by external counsel.

Early in my tenure as GC, I had to deal with a reputational crisis facing CMPC. This finally gave me the opportunity to challenge the legal structure of the company and change the way we operated. The company adopted a new approach and realised how necessary it was to empower the general counsel in his role and within the structure of the company.

It was a very complex case and we did not have a clear roadmap on how to handle the situation correctly. I participated in board meetings and several of my suggestions were taken forward. It was without a doubt a crucial moment for me in my professional career and also for the company. The crisis and its aftermath demonstrated that it was necessary to have somebody outside the business team who knew the company well, knew the people, the procedures, the ethos, and who could give an unbiased and honest opinion to challenge decisions and propose new ideas. I believe that I am truly operating at a strategic level, either because I have managed to build an approach to demonstrate legal value or because circumstances have given me the opportunity to demonstrate the real value that in-house counsel can bring to a business. Sometimes, in-house lawyers don't have the opportunity to demonstrate that value.

The way you gain influence is to be very close to the business, to really understand it and also have a business mindset. I'm very clear that my client is the corporation. They know I have a business mindset and I'm the head of a division that is there to help improve the business. But when we say no, they also know that this answer is final. The challenge is to balance those two roles.



The value we create is based on protecting the value the business generates.

To be an influential lawyer and place yourself at the top of the value pyramid, you need to prove every day that you are helping. But your peers in the commercial division cannot measure your value alone by saving money. My job is not to create value at all. My job is to defend value; they create value and you maintain and defend it. I don't narrowly define value as being solely about cost reduction. Although cost is clearly important in any organisation, I see that there is something more tied to the business in terms of the value the business generates and how to preserve it or indeed enhance it.



I have to build relationships, be close to the business and earn the trust of the business.

To maintain the trust of the business, I am very strict with the selection process of my internal team. I choose people who promote business, who see themselves as business partners and who believe in excellence. I am also very clear with them when I conduct every interview that we will make mistakes every day, but that there is only one mistake that I will never tolerate: exposing the company to something that is unethical or illegal and that will cause harm to the corporation, regardless of the seniority of the individual.

Performance measurement

Three-quarters of the GCs in our survey have formal performance measurement mechanisms, such as key performance indicators (KPIs), in place for their teams. As the following chart shows, most of them have found those mechanisms to be at least reasonably effective – although there is clearly room to improve their effectiveness in many cases.

The 75% figure for usage of KPIs or other performance measurement systems is the highest we have found in any survey of GCs. How do we account for such a big number? There are several possible answers. Leaving aside the margin of error inherent in polls, we believe the two most significant factors are, first, that KPI usage is simply becoming more common and, secondly, the larger relative prominence of multinational companies in the community of Latin American GCs. These large, complex organisations are more likely than smaller or more local companies to use KPIs as business-wide management tools.

Many of the 25% of GCs who do not use formal performance measurement mechanisms still feel it is important to be able to demonstrate the value of the legal team to the wider business. Indeed, some of them have decided that they should introduce KPIs, or are looking into doing so – in one case working with an external consultant, in another exploring how to introduce software which might help to measure their lawyers' performance.

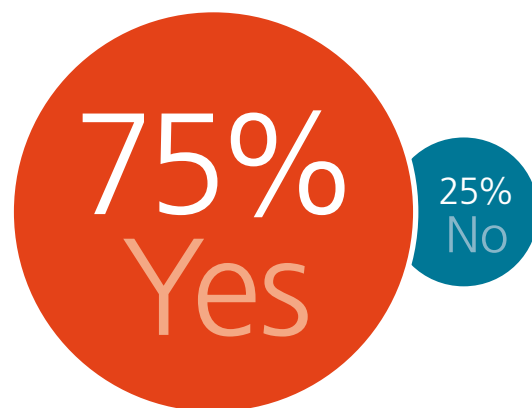
There are still GCs who complain that it is hard to find objective quantitative criteria for metrics, and that qualitative criteria are subjective. That is by definition true, but ignores the fact that if qualitative data is handled properly it can still provide something close to an objective evaluation. To use an analogy: the winners of Olympic track or field events can be identified in purely quantitative terms. They are the ones who ran fastest or jumped farthest. But the gymnasts and synchronised swimmers who compete in the Olympics are judged by other systems. These systems have significant elements of subjectivity but are nevertheless valid.

GCs also tend to feel – probably rightly – that performance metrics for the top level are virtually impossible. A GC who is really an integral part of the senior management team is very unlikely to find the CEO assessing them with KPIs. Both parties would probably deem it inappropriate. But even a GC in that happy position will need ways of monitoring the performance of the legal team as a whole – and the ability to measure and demonstrate value remains an important asset for GCs as they climb towards those heights.

As we wrote in our very first report, “GCs who use KPIs successfully feel they help with the overall perception of commitment to value they deliver to the business.” Most GCs who want to get to the top in a modern company will probably find KPIs in one form or another indispensable, even when those KPIs cease to apply to them personally.

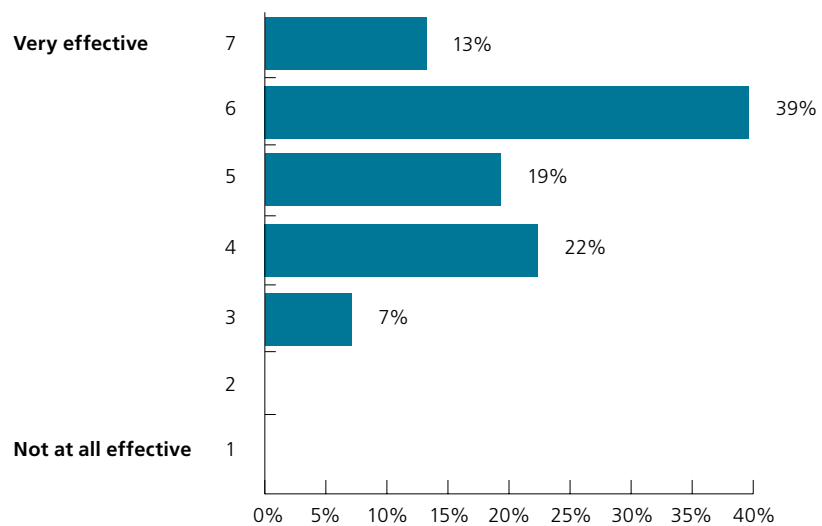
Our first two GC reports, which are still available at <http://cms.law/en/gbr/publication/general-counsel-services>, contain a lot more about KPIs and performance measurement. We would also be very happy to discuss the topic with you if you'd like to know more.

Do you have formal performance measurement mechanisms, such as key performance indicators, in place for your in-house legal team?





If you measure performance, how effective is that system on a scale of 1 to 7, where 1 is not at all effective and 7 is very effective?



The GC Value Pyramid

In 2010 our very first GC Report introduced the concept of a Value Pyramid for the in-house legal function. This divides tasks into four levels, according to the perceived value they provide to the business.

Level One of the pyramid involves tasks with the greatest perceived strategic value. The tasks in Level Four, while essential, are felt to be day-to-day work.

Our discussions with GCs in other regions have strongly supported the validity of the model. The same seems

to be true in Latin America, with the position that GCs believe they have in the pyramid being broadly reflective of the perceptions of their role and status that we explore elsewhere in this report.

The pyramid data suggest that the Latin American GCs have been quite successful at removing themselves from day-to-day tasks, focusing instead on important roles in, for example, crisis management and the negotiation of significant deals.

Which level of the pyramid do you currently occupy?





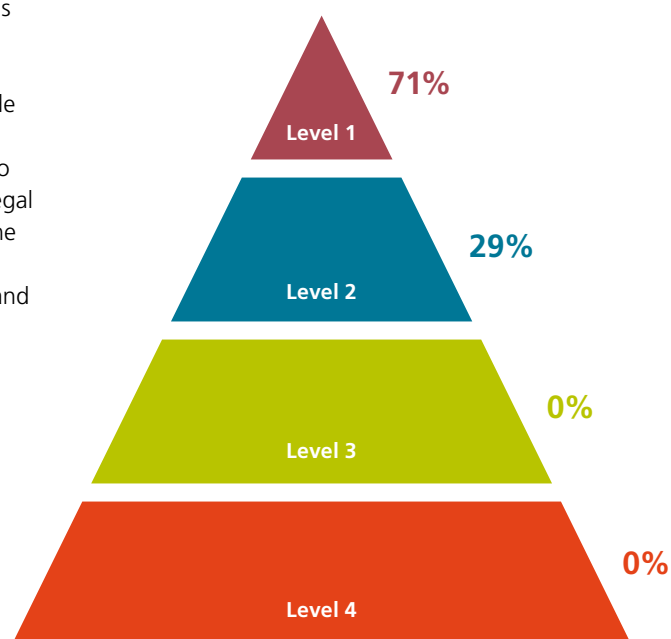
In my opinion, the community of GCs in Latin America is catching up with a trend that started 20 years ago in the United States and Europe. Today, in-house lawyers expect to be influencers and have key roles in different industries. They want to be statesmen and advisers and expect to be involved in the strategy of the company's board.

Rafael Cox, CMPC

Some of the GCs we have spoken to while writing this report have questioned whether this overstates the true position: however, it is the assessment of the GCs we surveyed. Some have also suggested that the results may reflect the general esteem in which legal professionals are held in Latin America.

Other possible explanations for the high scores include the development of robust and supportive in-house legal teams, and the outsourcing of mundane tasks to lawyers in private practice or, indeed, to alternative legal service providers. But whatever the explanation for the results, they clearly show that Latin American GCs believe strongly that they are able to operate across and add value in the more strategic functions required by their businesses.

Which level of the pyramid do you expect your in-house legal team to be occupying in 2025?



Salomon Vaie

**Senior Legal Director
Corporación Multi
Inversiones, formerly
Chief Legal Governance
Officer (Colombia)
at AB InBev**



Business risk relates to non-market variables. Lawyers are the professionals who are best equipped to solve this type of risk. As GCs we need to be brave and embrace our career as management professionals as opposed to black-letter lawyers.

I manage the six pillars of legal governance matters in the business: (1) legal contracts; (2) litigation; (3) intellectual property; (4) mergers and acquisitions; (5) company secretary and minority shareholders; and (6) licences and permits. Throughout my time with AB InBev, I have seen it transition from a family-run business to a major corporate. Successive owners of the business have had a huge influence on the way that the legal team is structured and there has been a shift in risk management.

We set clear targets at the beginning of each year for the legal teams in each jurisdiction. The 150 lawyers forming part of the team at AB InBev must deliver upon those targets by the end of the year. If the members of the team are not agile in the way they do things, and if they are unable to make decisions rapidly based on the information available, they will not meet their targets. The targets we set require our in-house lawyers to be very practical.

My leadership style seeks to motivate the team by promoting autonomy and setting challenges. I know that AB InBev will not be a good fit for everyone. We have a diverse team, spread across a range of generations and levels of experience. We empower our more junior employees with great responsibility, and we expect them to deliver on the challenges set. At AB InBev, we set the bar very high from the outset because we consider that if you do not really challenge yourself, you will never be motivated to meet the level expected.



We offer people career paths,
not empty promises.

I set progression within the team by giving individuals an aspiration to evolve from working in a regional team doing corporate/commercial work, to moving to a role with more responsibility and eventually spending time in our centralised team in Mexico. The legal team in Mexico is intended to be an in-house law firm which is capable of dealing with complex legal issues that arise within the company. By having a clear career path, we are able to keep people engaged in the company. What differentiates AB InBev from other companies is that when it comes to career progression, if someone has the knowledge, correct attitude, have proven themselves, and we believe they have the potential to lead a legal team, we hire them.



I expect our in-house counsel to be sympathetic with the needs of the business, to be able to 'jump into the water' with the business, and to understand the problems and issues arising from the business taking on risk.

Some businesses do not require or want GCs to operate at a strategic level. My approach is to be flexible depending on the sophistication of the team that I am dealing with. Some GCs in other businesses gain influence and power by inundating managers with warnings which leads to management seeking approval for even the most minor decisions. This is not our approach. We do not want to

be the main influencer on the business. The more positive input we can provide to strategic decisions of the company, the better. Our team does not want to be viewed by other parts of the company as the "owner" of the business.



As lawyers and GCs, we need
to have the ambition of reaching
general management positions.

The skills we develop to manage problems are critical to any modern business. There are many challenges to the survival of the business, whether it is union, ethical, and confidentiality issues, as well as other external variables. Lawyers have skills which provide them with an opportunity to contribute to the management of businesses that other professionals have not had the opportunity to develop, this can be of great value to the business.

Innovation

Innovation is often seen as one of the key challenges for a modern business. It's often associated with technology, but GCs should remember that some innovation does not involve using technology at all. It may not even involve doing something new.

In some cases, innovation can be about refining processes, becoming more efficient or simply generating new ideas about how something is done.

In the purest terms, innovation is about curiosity and improvement. It's a way of thinking and acting – a philosophy that, when embedded in a team, can bring benefits far beyond any particular project or system to which it may be applied. However, people and organisations will often resist innovation. So, planning the introduction of an innovation and managing the change to ensure people adapt is an essential part of the process.

A helpful shorthand description of innovation in a commercial context might be 'doing something new – or doing something differently – in a way that results in gains for an organisation'. That admittedly sets the bar low, and is far from covering all the bases. There are times when something that might reasonably be called innovative doesn't result in the expected gains (perhaps because of corporate culture or changing circumstances). And the gains may not always be tangible – for example,

innovation may not have a direct impact on the bottom line but could result in better compliance or risk management. Nevertheless, it may be a useful approach to thinking about the subject.

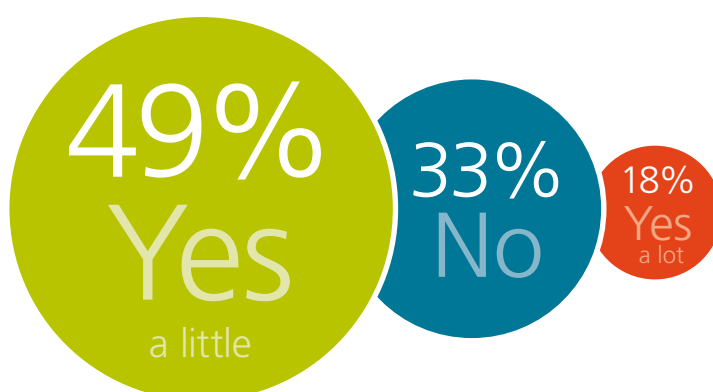
This chart reinforces a finding we have made elsewhere: about half the GCs we survey regard themselves as being 'a little' innovative. The rest are split between being very innovative and not innovative. Here that split breaks significantly in favour of those who are not innovative. In some other regions we have seen a more even split.

The charts in this section relate to innovation in the purchase and provision of legal services. They show that most GCs have taken at least some steps to reconfiguring the way they source and resource legal services, typically in response to changing market conditions, or to improve efficiency or effectiveness. But absolutely every aspect of a GC's role is capable of supporting an innovative approach.

Buying legal services

GCs moving up the Value Pyramid – or aiming to stay at the top – need a substantial support network beneath them, and many GCs have found that one way of pushing themselves up the pyramid is to become better at managing external providers of legal services.

Would you describe the way you purchase and/or manage external legal services as innovative or forward-thinking?





I joined Accenture in 2004 at a time when Accenture was seeking to encourage its in-house counsel to be more proactive as business advisors, so that they could add value to the business by knowing it well and collaborating with the rest of the company to generate business.

Juan Luis Rodríguez Rivero, Accenture Mexico





Even in some less pioneering organisations, it's clear that GCs have become smarter in recent years about the different ways in which they can buy legal services, with the most basic work being highly price-sensitive and the purchase of more strategic advice open to a wider range of factors.

Life as a GC at the top of the pyramid is partly about having this sort of coherent and sophisticated approach to procurement, with the adept handling of a variety of law firms and other service providers being the key to success. GCs may come under more pressure (particularly budgetary pressure) to use 'NewLaw' solutions. Some will take the initiative in doing so, which may help their image as genuinely commercial and innovative players. But NewLaw is still evolving, and not all GCs are enthusiastic about what it currently offers. We have spoken to some GCs who have worked with external providers, and used off-the-shelf systems for commoditised work, but who have also seen weaknesses in some available systems and developed

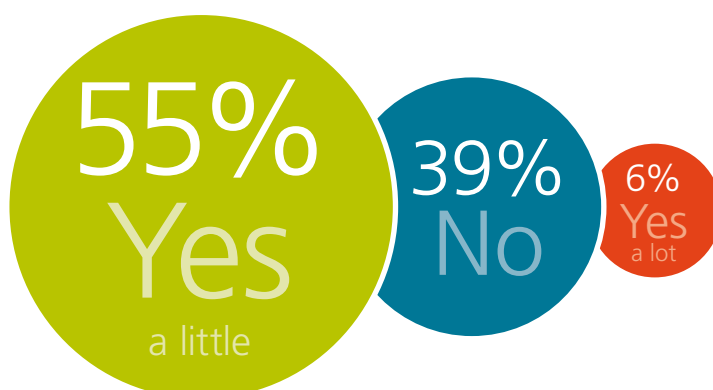
their own solutions – different innovative behaviour, which may serve to give them an advantage.

Whatever approach they take, GCs should be using their procurement of legal services – and other services, such as technology – as an opportunity both to improve the support they receive and to show how well they can deliver value.

Benchmarking innovation

How should innovation be measured? There's no shortage of ways (as you'll see if you type innovation measurement into an internet search engine). Some indices use systems designed to track innovation across an entire economy. Many companies – especially in sectors such as technology and life sciences – have also found ways of measuring their innovation against their competitors. But for in-house lawyers, many of the metrics that have been developed for use by manufacturers, such as R&D spend or patents filed, will not be relevant.

Has your staff hiring process changed in recent years to include non-lawyers or temporary staffing solutions?





Benchmarking against other in-house legal teams may be a good idea – provided there is recognition that a GC starting from a low base in, for example, a relatively small local company may be highly innovative and yet not ‘catch up’, in objective terms, with a GC in, say, a large international tech company. Sometimes it will be enough to benchmark against yourself: measure where you are now and see how far you can travel in a year. A really innovative GC will set themselves a realistic target, agreed with their CEO, and then strive for ways to exceed it.

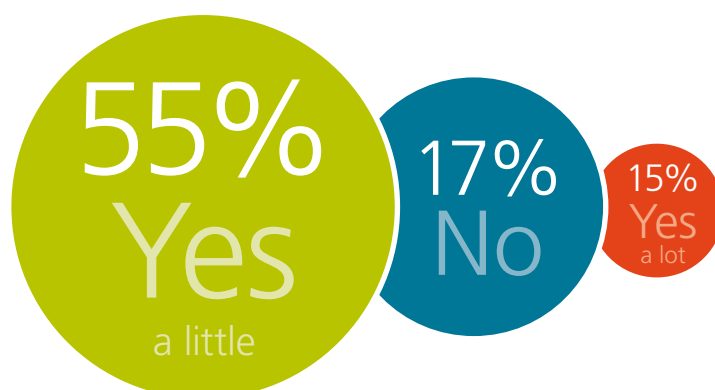
Team innovation?

What will the in-house profession look like in 20 years? Will we see, as we are starting to elsewhere, senior people in the larger in-house legal teams who are not themselves lawyers but who are there because of their managerial or technical skills and experience?

Many in-house legal departments already use non-legally qualified contract managers, paralegals and other non-lawyer staff. Our fourth GC report (which was UK-based) found many in-house legal teams making more use of non-lawyers, including some people who are skilled professionals and occupy senior managerial roles. Some organisations with large in-house legal teams – including several banks – have appointed legal department COOs.

The US is even more advanced, as demonstrated by the existence of the Corporate Legal Operations Consortium, an association for legal operations professionals that has been running for some years. We wonder: will Latin America also see the creation of a class of senior in-house legal staff who are not lawyers? And if it does, what will that mean for the profession?

Have you introduced new technology solutions to your work and/or legal team?



Juan Luis Rodríguez Rivero

**General Counsel
Accenture Mexico**



If an employee's expectation for their job matches with the company's values, then it is a match made in heaven. The most career value will be added to the business where an individual's expectations align with what the company looks for.

I started my career working in a law firm in Mexico focusing mainly on M&A and financing. I joined Accenture in 2004 at a time when Accenture was seeking to encourage its in-house counsel to be more proactive as business advisors, so that they could add value to the business by knowing it well and collaborating with the rest of the company to generate business. Since 2010, I have been working on the business-side of Accenture for Mexico, Colombia, Peru, Chile and Argentina. I have experienced an evolution in technology which, compared to 10 years ago, has become an incredibly valuable asset. I now manage a team of over 200 lawyers who are spread across Latin America.



In the technology industry, the value that in-house counsel can add is at its highest level ever.

Outsourcing is currently one of the main drivers for Latin American business. We identified that there is a market for taking part of the business from the client and doing its work in-house in a cheaper, faster and more efficient way. Over the last few years, my team has closed international deals inside Latin America where we have been able to take ownership of transactional processes for our clients. The in-house team participates in those deals, but the rest of the knowledge comes from other sections of Accenture and their understanding of what contracts should look like. The in-house team puts together a health check that considers the deal from a regulatory standpoint. Once we have established what is permitted by local regulation, the deep knowledge of the relevant industries comes from other teams within Accenture.

In my team, we measure success through short-term and long-term priorities. These priorities are set by each individual and they discuss their progress with their supervisors. There is a bonus available for any individual who over-achieves in her priorities. Key performance indicators can incentivise the team, but it is important that the priorities set are accurate and objective. I place great importance on following up on progress in relation to the priorities within my team by dedicating

sessions of up to five hours to sit with the lawyer and discuss what they are achieving right now, what their goals are and where their career is going. There is a real investment in the development of each individual. I am authentic in my investment in individual members of my team; if the individual aligns with the value and essence of the business, they will be a fantastic brand ambassador for Accenture.



Being respectful of each individual is a core value of my leadership style. In my decision-making, I acknowledge that each member of my team has a life outside the office.

I prioritise the integrity of the team as a means of achieving collaboration. I want all members of my team to feel accepted on a 360-degree basis, which means that everyone has to be accepted as a professional and as a person. We appreciate that there are moments in life where the most value we can add is by being in the place that we need to be, instead of sitting in the office. Understanding that the person being mentored is human, with their own concerns and world, is a complete game-changer as it leads to better performance, added value and peace of mind.

A leader is a facilitator. As a team leader, I facilitate the road to avoid the team encountering roadblocks which prevent them from delivering. The lawyers in my team have all the skills they need to do their job, so as a leader it is my role to provide them with the tools to do their job. When I see high performance results and team members who care that I am around, that is when I know that my team is engaged to the standard I expect them to be.



In my experience, trust is something that you have to earn.

The business needs to understand what value the GC adds and how the GC creates trust. Once the trust of the business has been gained, there needs to be a second evolution, where the business understands that when the legal team says “no” to something, it means that we have explored all the possible options and identified an insurmountable risk.

Once you reach a level where you are perceived as a business advisor instead of a lawyer, then you know that you have done a successful job. It is about being seen as part of the leadership team.

When I first joined Accenture in 2004, decision-making was driven by a common sense not necessarily aligned with local policies. Setting the decision-making ship on the right course was very difficult. To achieve this, procedures and protocols had to be established to prevent risks becoming problems for the business. Communication is key to ensuring that the business is well-advised. Although I may be the one who sits in the executive meetings, it is crucial that I am able to deliver the messages from those meetings to the rest of the team to enable them to execute the strategy of the company.



It is surprising how often the strategy of the executive committee differs from what is done in sub-teams on a day-to-day basis.

The General Counsel function is to speak the same language as our clients to ensure that we have the same perspective and basic information on key issues. We are proactive to ensure that before we begin negotiations, we align the expectations of the lawyers and clients to ensure that the clients understand our point of view and the risks involved.

The in-house team are enablers of business. We want to find ways of doing even more business as well as mitigating certain risks. This means that we need to adapt the way that we communicate to the type of message and audience to whom it is communicated. We seek to be successful in translating numbers, strategies and local policies to clients and counterparts. There are many emerging markets that we can learn from in this area. By looking at different geographies and observing similarities in those countries, we can make the most of this in the Latin American region.

Doing the right thing

As suggested above, ethics – along with compliance – seems to be the hottest topic of all for LatAm GCs at the moment.

And also as suggested above, a GC based in one of the region's legal hubs may be covering other regional jurisdictions, some with legal systems which may require different approaches to business and risk. These differences can be quite significant. To take just one indicator, the ranking of Latin American nations in Transparency International's 2019 Corruption Perceptions Index ranges from Uruguay at #21 (which is two places ahead of the US) to Venezuela at #173. So GCs who want to 'do the right thing' may have to establish different ways of achieving that goal, according to where they are doing business.

Furthermore, LatAm GCs have more than local regulations to worry about. For example, their businesses can be hit by the extra-jurisdictional effect

of many US enforcement actions. A significant number of Foreign Corrupt Practices Act cases have involved Latin American businesses, with the most high profile recent instance probably the USD 1.78bn that Petrobras paid to resolve an FCPA case in 2018. And a GC who is in a US-headquartered company, as a significant number of those in our survey are, will be concerned not only about any local ramifications of questionable behaviour but also about how that behaviour will be perceived in the US and how it may be dealt with under US law. Similar concerns may apply elsewhere – for example, a GC whose company has UK connections will be mindful of the Bribery Act 2010.

Such dangers mean that – leaving aside ethical questions, and even questions of reputation – GCs should always be able to get the attention of central management in areas of compliance and risk.



Compliance gets you in the room

The past decade has seen an unprecedented change in the environment in which GCs operate, for three interconnected reasons.

The most significant is probably the type of regulation and enforcement described above. There has been an increase in such regulation and, at the same time, a strengthening of the civil and (increasingly) criminal sanctions for rule breakers. In some cases, the liability is personal. This has boosted the standing of many GCs. As one told us: “Compliance is boring, but it certainly gets you in the room.”

There has been a simultaneous growth in reputational challenges, some of which derive from regulatory problems. Most such challenges are not new (though some are, such as those that derive from cyber attacks),

but they can be greatly amplified and can also be driven by – and in turn can drive – the third factor, which is ...

Social media. For a GC caught unawares, a ‘twitterstorm’ can come from nowhere, or a negative video can suddenly go viral, plunging a company into frantic damage limitation. Not only do companies need a tested rapid response plan, they also want to be able to show clearly that they are in fact, on some level, the ‘good guys’.

So for an international GC in the twenty-first century, looking to protect their company and shape its assessment of – and reaction to – commercial risk, compliance has to be about ethics and values, not just about following rules. Of course, following rules is what lawyers are meant to be good at. But there is also a long and honourable tradition of counsel as counsellor, bringing wisdom to the table rather than a narrow literalism or, in some cases, a focus on ‘gaming’ the system.





At InterCorp, we launched an initiative called InterCorp Roundtable, where we bring local and regional law firms to discuss digital changes. We have discussed various issues relating to data, including data analytics and how to manage data, following stricter regulations. We know we must work together with regulators.

Juan Antonio Castro, InterCorp Group

This is not the place to consider the problems that particular jurisdictions or sectors may pose, and individual GCs will already be well aware of the difficulties they face themselves, whether directly or through the management of local teams or law firms. What we would like to discuss instead is the impact that this can have on the wider role and personal progress of a GC.

As we have already suggested, GCs always have to ask themselves not merely whether behaviour is permitted but whether it's appropriate. They may also face the challenge of persuading some people in their organisation that this is the right question to ask, and that a broad view of outcomes is vital for 'futureproofing' the business. This may be particularly difficult if business is being done in a context where bad behaviour is perceived as normal or acceptable, or if the company is one whose GC lacks influence.

Nevertheless, the status and background of GCs should give them the standing to ask such difficult questions, despite the real world pressure that there may be on a GC to leave questions unasked – particularly where the answers to those questions could have personal (and criminal) as well as corporate consequences. GCs should play a crucial role in the formulation and adoption of appropriate corporate values. However, GCs should not oversell their identity as the conscience of

the company. If ethics are exclusively a 'GC thing', then people who want to ignore or avoid corporate values have an easy excuse to do so. A GC is unlikely to be effective if they're seen as a distant ethical arbiter, particularly where that distance is geographical or cultural. Rather, the GC has to deliver a functioning set of values, and make sure that both the values and their functioning are robust, wherever the company does business. For some jurisdictions, that means working hard to ensure that both important ideas and cultural nuances don't get 'lost in translation'.

In some cases, it may be true that pointing to potential legal traps will carry more weight than appealing to 'corporate values'. Although such values are increasingly seen as important for modern companies, it is often the case that a set of values devised in head office does not subsequently flow evenly and consistently through every part of a company. Where companies have operations in countries with widely different cultures, the problem is compounded and 'local values' may predominate.

To be effective, values need to be introduced at the top of a company and spread downwards quickly and thoroughly. The GC has to ensure that their dissemination and take-up through the company is as smooth and comprehensive as possible. That may require the GC to be an influencer, an advocate

or a counsellor. It may also require the GC to remove obstacles from the path of those values. And in a large company, where the GC is one person among many thousands, they will need to look not only to local management but to the senior people in their local legal teams to be persuasive and influential advocates for ethical business. The GC has to transform their personal integrity and influence into a system that will keep a company on the right track.

While this will undoubtedly be hard for some GCs, it is a massive opportunity for them. Law firms and other external providers can do many of the things a GC can do, if a company buys their services, but this is one area in which progress is nearly always best driven internally.

And it is a role for which the GC is uniquely fitted. There has always been scepticism in some quarters about the GC as 'trusted advisor' in commercial situations. But when what's at question is trust itself, then the GC should always be the most credible person in the business.

Some GCs will embrace this prospect eagerly; others may find it challenging. But even some of the latter may find that, if they try to exert influence in this area, they are pushing at an open door. Many CEOs have woken up to the importance of values and the dangers of running an 'ethics-lite' business. GCs who are equally clear-sighted will see that this creates a space and an opportunity for them, and will move decisively to fill it, expanding the reach and strength of their influence as they do so.

Diversity & Inclusion

Whilst it is still an evolving concept in Latin America, our conversations with GCs indicate that diversity and inclusion will become increasingly important. In some cases this is being driven by multinational companies, and does not just apply within the in-house legal department. We have already seen businesses such as Microsoft, Falabella and HP announce diversity targets for outside counsel to ensure that external legal providers meet the company's diversity standards.

Some in-house legal departments understand the ethical argument for diversity but fail to appreciate the commercial arguments too. Numerous studies have shown that diverse workforces – diverse not only in terms of gender and race but also, for instance, in social or economic background, disability, religious belief, sexual orientation or age – are more productive than those in which employees are drawn from a small section of society.

Diversity also feeds naturally into debates about equality, an area in which – in LatAm as elsewhere – there is room for improvement. Figures published by LACCA in 2019, for example, show that the remuneration for women in a GC or equivalent position is about 28% less than that received by their male counterparts. Another revealing statistic shows that 18% of male GCs were secretary to the board of directors, compared to only 8% of women. Such inequalities will inevitably lead to increasing discussion and, potentially, dissent.



The team needs to have a positive mindset to meet our goals and add value to the company. I place great importance on work/life balance. I want my team to have families, relationships, interests and hobbies.

Carlos Hernán Paz Mosquera, Riopaila Castilla

Sustainability

Like their counterparts elsewhere, Latin American GCs are increasingly aware of – and, in a growing number of instances, affected by – the global trend for businesses to change their working practices in response to concerns about environmental impact and sustainability.

At the moment, relatively few GCs have key roles in the sustainability operations of their businesses. But there are clear signs that there is a trend for them to be more involved. Indeed, there is a lot of potential overlap between the two functions, in areas such as compliance, standards, codes of conduct and arrangements with suppliers to create what is in every sense a sustainable supply chain.

And while there is clearly a connection between environmental and sustainability issues and a business's broader ethical outlook, the concept of corporate sustainability -particularly after the Coronavirus- also extends to a business's impact on society, where the connection with a GC's brief on ethics and compliance is well established. For some authorities, it even extends to the idea of a business that can sustain itself - something with which a GC should certainly be involved.

So: environmental sustainability, a sustainable social impact, and the organisation as an entity that can sustain itself. What can the GC do to promote these three objectives? Fortunately, GCs who want to do that are increasingly pushing at an open door. ESG (environmental, social and governance) issues are the topic of the moment for a variety of legislators, regulators and investors – as well as for many employees and, not least because of climate change, for the wider public. Many businesses have never been more receptive to the notion that change may be desirable in these areas.

GCs don't need a special set of skills to lead or promote this agenda. The attributes that we've dealt with throughout this report will all help the GC who wants to do that. However, that GC will also have to win permission – and, importantly, time – if they're going to succeed. The real question for a GC may not be what they can do in this area, but rather whether they are able and willing to make it a real priority. Do you believe it will become a key responsibility for GCs in the 2020s, as compliance did for many GCs in the 2010s? And, if so, do you want to be ahead of the curve?



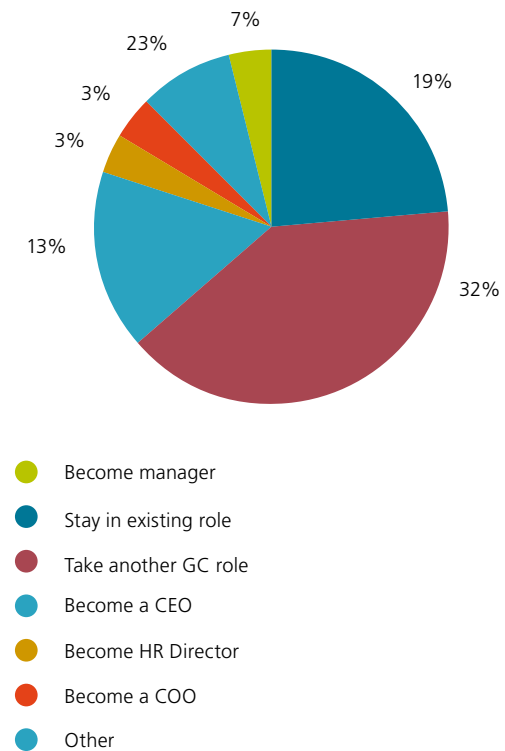
Career aspirations

We asked GCs in Latin America about their ultimate career goals. There are some clear divisions in the GC world, with a majority aiming to pursue their careers as general counsel, but about a third hoping for different careers. Notably, about one GC in five has ambitions to join the c-suite, with many attracted to the CEO role.

The 'Other' category here includes a variety of ambitions, from becoming a VP through setting up in independent practice to taking a position outside the legal department for development purposes.

One GC noted an ambition to "create a small legal practice to act as 'outside' in-house counsel for small companies." This was the only respondent to tie their ambition to the changing structure of the legal market (which may confirm our finding, above, that most GCs don't see themselves as being very innovative).

What is your ultimate career goal?





Several GCs want to achieve VP status, with a few aiming higher, for a seat on the board. In most cases they wish to remain as GCs, although they have been included under 'Other' in our chart. Altogether, about two-thirds of those we surveyed plan to spend the rest of their careers as GCs.

It is interesting that these figures are similar to those from our most recent survey of GCs elsewhere, which was in Singapore, as well as the last survey we conducted in the UK. Does this suggest the evolution of a pattern across the international in-house community, where roughly one GC in three sees the role as a step to a career change?

If one-third of all GCs wishes to move on to doing something else, rather than remaining a GC until retirement, it has some implications for the tranche of talented junior lawyers, potentially giving them more room to grow. And it may mean that what one GC described as the traditional Latin American culture of "you're born a lawyer, you die a lawyer" is changing.

It also suggests that the GCs who wish to move into non-legal roles should be focusing as much as they can on personal development. We know from our discussions with GCs around the world that those who wish, for example, to become CEOs are usually aware that their new role will require a different combination of skills from that of the average in-house legal leader. And it is still the case that – even in the US, where there has historically been more career mobility for senior in-house lawyers – relatively very few GCs actually achieve the top commercial roles within their businesses. But with issues such as ethics and risk management moving centre-stage for GCs, the gap that GCs have to bridge to reach the c-suite seems to be narrowing – and may narrow even more if a GC's status as a business leader and influencer increases.



Career paths

Our survey findings paint a picture of three broad GC career paths.

The most popular – which we’ve focused on in this report and its predecessors – is for those who want to be ‘first-rate’ GCs.

A narrower path – but still one that attracts nearly one-fifth of GCs – is for those with their eyes on the c-suite. Our GC reports, including this one, are not principally aimed at this group, but many of the topics we discuss are highly relevant to them. Ultimately these GCs aim to become so organisationally influential, and possess skills so far developed from those of a typical GC, that they look more like a CEO or COO than a practising lawyer.

The smallest cohort of GCs believe their future lies elsewhere. For them, the GC role is a springboard to a variety of opportunities, some of which may draw on skills honed in an in-house legal department. These skills may include many of the marketable skills that GCs increasingly find themselves obliged to acquire (and which are also useful for those hoping to reach the c-suite), such as management expertise and a greater facility with numbers than the average lawyer.

All three of these paths contain obstacles. For example, there are only limited opportunities for GC-level movement between companies, and many senior roles are never advertised.

Reputation and credibility in the marketplace, and the networking that goes with them, are likely to be necessary if a GC wishes to be considered as widely as possible. The idea of ‘personal brand’ is one that GCs need to take seriously in this context. GCs may

struggle to find other roles if their existing role is narrow. The more senior the prospective position, the greater the likelihood that significant industry/sector experience will be required, although barriers to entry are clearly higher for some sectors than others.

The same may be true for GCs seeking to move to the c-suite. Senior executives do move between sectors, obviously, but such moves can be hard to make, and will be even harder for a GC seeking to make the shift into ‘non-legal’ management. Very few GCs becoming executives are likely to find their first management role in a sector other than the one where they have most recently been a GC.

However, GCs who would like to move into other roles – whether in the c-suite or elsewhere – should bear in mind that the structure of the corporate world is not set in stone. Forty years ago, for example, no-one had heard of a Chief Information Officer.

The trends of our time – such as the increasing centrality of data in all businesses, the continuing growth of compliance issues, cyber threats, sustainability and environmental concerns – will see companies reshape some of their management positions and create other innovative ones. A GC’s training and experience may position them well to take on some of the new roles that major companies will develop over the coming years. The enterprising GC, fortunate enough to be in the right place at the right time, may even be able to take the lead in creating such a role for themselves.

Carlos Hernán Paz Mosquera

**Head of Legal and
Compliance at Riopaila
Castilla**



I am currently Head of Legal and Compliance at Riopaila Castilla, a sugar and energy producer based in Colombia's Valle de Cauca. The company, with roots stretching over 100 years in Colombia, exports to over 20 countries worldwide whilst meeting the demand of its important domestic market. I joined from outsourcing company Ficasia and previously worked at Deloitte.

My job was to transform the image and perception of the legal function within the business, previously seen as a block or obstacle. In-house legal teams must realise that they work for their internal clients, and these clients must be satisfied.

When I arrived at Riopaila in 2018, I was tasked with refocusing the strategy of the in-house legal team, ensuring that it aligned with the overall corporate strategy of the company. Within a year, I had devised a strategy focusing on four key pillars: (1) focus on the internal client; (2) compliance and ethics to permeate all activities; (3) add value to the business; and (4) create efficiencies. Reporting directly to the CEO, I maintain constant focus on the company's corporate strategy and adapt the strategy of my team as necessary. Our challenge is to put ourselves in the shoes of the business and anticipate what it will need.

The pillars alone are not enough to achieve my team's ultimate aim of adding value to the business. Each pillar must have its own strategy to ensure we meet our goals. We regularly communicate our activities and initiatives internally, divide the legal team into areas (similar to private practice) so that our lawyers can be generalists with subject matter expertise, and constantly look for new technologies to make processes slicker.



Without a culture of ethics, you have nothing.

Equally as important is promoting a culture of compliance and ethics. We take a proactive approach to risk, running workshops for our other business managers and regularly reviewing internal policies to entrench this culture.

The team needs to have a positive mindset to meet our goals and add value to the company. I place great importance on work/life balance. I want my team to have families, relationships, interests and hobbies. A person working regularly until 11pm is not going to produce their best work; I don't want my lawyers to burn out. I give my lawyers freedom to express themselves, to be on cross-departmental committees and to be involved in relevant projects that interest them.



The knowledge and experience I have should not be used for me to shine, but to serve my team and enable them to produce results.

I firmly believe in measuring the value that we contribute to the business. I have developed my own leadership style to develop skills not traditionally associated with lawyers. Over time, it has become clear that, as a leader, my role is to use my experience to guide individuals in my team, and facilitate business growth, whilst the real results are delivered by the members of my team. You can only have a high-achieving team if you have leadership, but empowering the team is as important as leading.

To be a good leader, I seek to prioritise providing others with my knowledge and experience, as opposed to putting my ego first.

We are clear and transparent with our people in relation to their development. We adopt measurable outcomes as, without metrics such as billable hours, measuring the success of an in-house legal team can be challenging. At Riopaila, we operate a traffic light system, measuring KPIs against performance on specific projects. Our senior lawyers focus on the overarching four pillars, to embed the company's corporate strategy, including ethics and compliance, in everything that we do. If individuals are not achieving 'green' on the traffic light system, we encourage open dialogue to improve their reviews.



Legal functions which do not explore or maximise the use of new technologies will disappear.

The role of the GC is evolving, but other management positions in an organisation require different skillsets. Lawyers are obligated to make the legal function more innovative for the rest of the business. For lawyers looking to become CEOs or COOs, it is essential to assess the areas in which you can add the most value, whether that be, for example, strategy, communications or finance. Such ambitions also depend heavily on where the legal department sits within the business, as well as overall strategy.

Our in-house legal team also benefits from evolving technology. There are many opportunities for in-house legal teams to benefit from new technologies. For instance, we operate a platform whereby various areas of the business can access basic template contracts, inputting the data according to their needs and the specific characteristics of the transaction at hand. Artificial intelligence can also give teams tools with which to become even more efficient.



Charisma

developing charisma is a key step towards influence and leadership



Change

embracing change is essential for a GC who aspires to strategic influence



Culture

driving corporate culture can be a crucial part of your role – if you find a strategy for it



Collaboration

building a team is imperative, but so is empowering it and making sure it works



Connections

investing your time in connecting with people can bring invaluable benefits



Credibility

gaining credibility is vital, but hard when it's affected by events outside your control



Contribution

measuring and demonstrating contribution is important, for both you and your team



Counsellor

combining your legal background with ethical judgement will equip you for leadership

The Strategic Business Counsel: The '8C' Model

What is the ideal twenty-first century GC like? We believe the best term for them is 'strategic business counsel'. Over the following pages we set out a model which attempts to visualise the factors that combine to make strategic business counsel capable of operating at the highest level within their organisation.

Our model has been developed through hundreds of conversations with GCs in a wide variety of jurisdictions. Some parts of it may resonate with you more than others. It would be wrong to underestimate the impact of local conditions, just as particular employers, and the characters of GCs themselves, can lead to very different situations. Nevertheless, we believe that – as our several results show – GCs around the world have a great deal in common, and that each of the '8Cs' in the model is an important aspect of strategic business counsel life for the vast majority of them.

In each case, we've tried to explain what's significant for the GC and to follow our explanation with some thought-provoking questions.

Some of our previous GC reports have included tools for GCs seeking to improve aspects of their performance. This is not a tool as such, but we hope it will help GCs who are thinking about what they do and how they do it.

One challenge is that some of these areas are more within the GC's control than others. In some cases, the biggest difficulty for the GC may be finding the right *modus operandi* to achieve both the company's goals and their own.

Our model shows what helps a GC to move up the Value Pyramid. A GC who scores highly in this model while being on a low level of the GC pyramid – or who judges themselves to be at the top of the pyramid but is a low achiever in terms of the 8C model – will want to think about the reasons for that disconnect. Are they in the wrong role? Is their opinion of themselves not matched by what others think? Or have they so far succeeded while maintaining a narrow focus – and, if so, do they now have an opportunity to spread their wings?

We know that not all GCs face the same problems and challenges – although most of the GCs who have seen this model, or earlier versions of it, have been enthusiastic. But we hope our '8Cs' will, at the very least, provide the material for some fruitful reflection and discussion.

The '8C' model: Charisma

For the ancient Greeks, charisma was – literally – a gift from the gods. For many people today it retains that aura of mystery. How do you – how can you – acquire charisma?

In some ways you can't. Charisma is an intensely personal thing. We each make our own, using the ingredients we're given – or born with, if you like – but also using other ingredients we find for ourselves.

That personal aspect of charisma might be thought of as 'authenticity'. It's become a truism that the problem with authenticity is how easy it is to fake. But that's too glib. You can't fake it forever; people are smart enough to see what's inauthentic if they're exposed to it for any length of time.

Authenticity also means focus. It means bringing yourself completely into a situation. And being charismatic involves leveraging that authenticity with other attributes

and skills. A few of those attributes may be innate, but most of them can be acquired. You can learn how to improve body language, speaking style and a host of other attributes. As our third GC report showed, you can actually learn to be influential. A key part of this is embracing and stepping into the leadership aspects of the GC role where attributes such as charisma and authenticity come to the fore, as Salomon Vaie of Corporación Multi Inversiones in Colombia told us:

"In my experience, trust is something that you have to earn."

Charisma can be misused. It has been an important tool for leaders down the ages, but also for demagogues. Some people use this fact to justify not thinking about their own charisma. In the end, that's a self-defeating approach: your charisma is an issue, whether you like it or not. It's a key component of influence and leadership. You owe it to yourself to think about how charisma works, and to understand and build your own charisma, as part of your personal brand. Developing charisma and leadership skills provides benefits not only to the GC but also for their team and assists the entire function in gaining influence.



Questions

- How much do you influence people when you're just 'being yourself'?
- Are you a good communicator?
- How do other people see you?
- Would you be good at sales?
- Can you present yourself more positively without being inauthentic? If you can, why don't you?
- Have you taken all the available opportunities to learn how to enhance your charisma?

The '8C' model: Change

Change is part of business life, both at the corporate level and within the legal department. The key question for the GC is: will you drive change, or will you be driven by it? Do you reshape your team because of demands imposed from above? Or do you take the initiative in looking at how to improve processes and reshape functions? Are you involved in planning the change that will result from corporate evolution, or are you left to sort it out afterwards?

The most obvious area of change at the moment is technology. If even half the predictions we're currently hearing about artificial intelligence, automation and robotics come true, then many companies and business models will look hugely different in just a few years' time.

"For GCs and for legal counsel at law firms, for the legal profession in general, the years to come are going to be very challenging. Digital transformation is happening at a very fast pace, then changes to regulate the digitalization of our economy."

And if you're not thinking about how technology can change the way legal services are delivered, you're missing a very important trick. Juan Antonio Castro at InterCorp Group highlighted that this fact is also very pertinent for our conversation.

But the march of technology shouldn't distract the GC from other aspects of change. There is always scope to improve the way things are done within the legal department. There will always be new, external pressures on the body corporate, ranging from new questions of compliance to the challenges of new markets and pressure from new competitors. A GC who wants to be a leader needs to own change. That's certainly something that our interviewees recognised. Carlos Hernan Paz Moquera, at Riopaila Castilla, stated:

"Lawyers are obligated to make the legal function more innovative for the rest of the business."



Questions

- How proactive are you in seeking ways to improve what you do?
- Are you abreast of developments in your industry or sector, as well as in the law and legal services?
- Are you using technology to increase your contribution to the business?
- How innovative are you? Is there something you can do that would be genuinely good and that no GC has previously done?
- What can you do to facilitate change for others?
- Do you understand change management?

The '8C' model: Culture

As well as legal risk, a company faces reputational risk every day, in areas ranging from employee engagement and social responsibility, through tax planning and financial management, to supply chain issues and environmental impact. The larger and more international the company, the greater the potential pitfalls and problems appear to be. Priorities may be slightly different in less high-profile companies – but even there, reputational damage can easily lead to a loss of business, while other behaviours may lead to fines, disbarment or even jail.

Companies have rules to deal with these things (and the GC should make sure they're as good as possible), but no rule-based system will ever be able to de-risk every aspect of corporate activity. Ultimately, while good corporate governance may be based in codes and committees, it cannot depend on them. Instead, it has to rely on its corporate culture. A company needs a culture in which its staff are aware of ethical hazards and exercise good judgement in avoiding them – with a GC taking the lead in fostering that awareness and developing that judgement.

Carlos Hernan Paz Moquera at Riopaila Castilla asserts that: "Without a culture of ethics you have nothing."

Culture is an area where the GC should be front and centre. It works in different ways in different organisations – public companies, private companies, family companies, charities – but there's no organisation that doesn't have its own culture, and that culture is an important determinant of whether it succeeds or fails. In the phrase famously attributed to Peter Drucker, 'culture eats strategy for breakfast'.

There is no 'approved' textbook method for a GC to drive an organisation's culture. Part of the challenge for each GC is working out the best way to do it. But a good GC in a good company will be able to harness plenty of c-level support and will be able to draw on a range of resources and strategies to succeed.



Questions

- How would you describe your corporate culture? Is it appropriate?
- Does your company have sub-cultures (in the boardroom, in departments, in foreign offices)?
- Do you currently seek to influence corporate culture? Are you effective? How do you know?
- Can you raise difficult issues at the board level without losing the support of management in other areas?
- Have you got an agreed strategy or programme for corporate culture?
- If this isn't part of your role at the moment, how can you make it so?

The '8C' model: Collaboration

Collaboration can mean very different things for GCs in different organisations. For a GC in a smaller company, perhaps with a single assistant, it may be very much a matter of personal relationships. For a GC in a large multinational company, the question is much more likely to be one of building and maintaining a quality team, and ensuring that the team is empowered to work well, and that the members of the team, in turn, collaborate effectively with other people in the organisation. We have not said much about a GC's team in this report, but it is clear that, unless the team as well as the GC is influential and enjoys respect and good working relationships with colleagues in other parts of the business, then the team will not be able to achieve its goals – and so the GC will not achieve theirs.

Our fourth GC report looked at how GCs manage and engage talent. But – beyond considering questions of influence – we have not looked in detail at GCs' working styles. Nevertheless, this is a crucial aspect of becoming a successful GC. Not because there's a 'right' style, but because your approach has to be effective. If you're not getting as much as you can out of your

team, then your organisation is not getting as much as it should out of you. Empowering the team also becomes a story of empowering the whole business and making legal part of the everyday decision-making process. This creates greater efficiencies and value for the business but also goes toward creating a situation where there is collaborative effort towards creating an ethical culture by everyone. The GCs who we interviewed recognised the importance of empowering their people through challenging work, key performance indicators and close personal relationships. For instance, Gonzalo Smith Ferrer of Falabella explained that:

"The win/play/show philosophy seeks to empower people within the business and equip them to recognise when they should handover some control to others. This strategy of shaping independent behaviours becomes independent of the individual lawyers so that other company employees have the tools to carry out their roles and maximise their talents."

The truly effective GC will also be a role model to the next generation of in-house lawyers. And a GC who moulds a highly effective in-house team, with lawyers who embrace change and development, will leave an enormously valuable legacy when the time comes for him to move on, with a high-performance team that can function even without his leadership. As one GC said:

"My leadership style seeks to motivate the team by providing autonomy and setting challenges."

Questions

- How well do you work with the people around you?
- Do people like having you as a boss? If not, why not?
- Are you consistent in your messages and the way you present yourself to your team?
- Have you got a structured programme for talent management?
- Does your model for talent management reflect the maturity of the market (or markets) in which you're recruiting?
- Is there a 'value gap' between what your team should be capable of and what they actually achieve? And if you believe there is, have you got a system of metrics or indicators to help you assess and deal with it?



The '8C' model: Connections

As a GC, your most important professional connections are within your company. Once, those might have been the only ones that mattered to you. But we live in a connected age. We 'know' more people than would have seemed possible a few years ago. Some of our most important business relationships may be with people we have yet to meet face-to-face. On social media, we discover that we're linked to people we've never heard of. What does this mean for the GC?

Essentially, it's a huge opportunity. One problem the in-house lawyer used to have was isolation. Now it's the easiest thing in the world to reach out to other GCs.

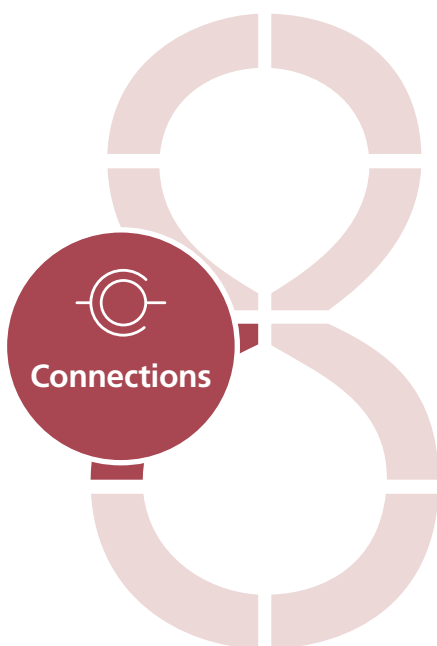
And sharing information and ideas – whether in formal settings such as a policy forum or professional association or in less formal (real or virtual) social settings – can be hugely valuable. For example, at InterCorp, Juan Antonio Castro has created a roundtable initiative where the company brings together a range of lawyers from different industries to discuss the impact of digital change, an area that's particularly rich for sharing ideas and experience as the law and regulations are still developing.

Why would a GC not wish to take advantage of all that's on offer, be it mentoring, the exchange of knowledge and experience, access to opportunities, a sounding-board for new ideas, or even just a sympathetic ear?

Nor do connections outside the company have to be restricted to the in-house legal community. Inspirational GCs have become opinion formers and influencers in areas such as equal rights, social justice and corporate responsibility. Others have taken on roles such as non-executive directorships or trusteeships or become mentors.

Other than in extreme circumstances – typically, bad ones – it's not the GC's job to be the face of his company. But the GC is always a corporate ambassador, and a top-class GC is also a top-class ambassador.

One of your most valuable assets as a GC is time. You will, of course, never have enough of it, but what you choose to do with it is crucial. Lawyers are traditionally task-focused, but many effective GCs have discovered that – while tasks can be deferred, delegated or outsourced – the uniquely personal investment of time in building relationships, both inside and outside your company, may help to achieve progress, understanding and influence in a way that nothing else will.



Questions

- Are you a good networker, both within and beyond your company? If not, can you improve your networking skills?
- Do you invest time in connecting with people?
- Do you have strong relationships with the key people in your company?
- Some people say the GC is the best-connected person in the business, as they are involved in every aspect of it. Is that true for you? And if so, do you take full advantage of it?
- Are you active on social media (not just with family/friends)?
- Are you a 'thought leader'?

The '8C' model: Credibility

Credibility is a must for a GC, and all GCs seek it. Gonzalo Smith Ferrer identified this as a defining characteristic of his role:

“Working in-house is about competencies and aptitude. The main role of the legal team is to shape conduct; to encapsulate the values and the purpose of the company.”

However, there are traps along the way. In particular, some people gain a sort of credibility by being part of a group, whose members regard each other as inherently more credible than outsiders. Groups of all sorts – including boards and executive teams – can develop that sort of insularity. But such credibility is poison for a GC because, ultimately, a key component of a GC’s credibility is their independence.

A truly credible GC is one who can pull off the difficult trick of being wholly ‘on the team’ and yet completely objective. As Rocio Arredondo of HP Inc told us, the credibility the legal department has built across the business is based on trust. She describes that there is “understanding from our internal clients that we are their partners. They know we have their backs.”

As well as thinking about gaining credibility, GCs have to be aware of the ways in which credibility can be lost. These may include things entirely outside a GC’s control: for example, changes in management may mean that carefully cultivated relationships become redundant overnight. But there are other negative factors – such as weak influencing skills and poor performance by the legal team – that the GC should be able to address.



Questions

- Do you have as much credibility as you’d wish at all levels in your organisation? If not, why?
- How much of your credibility comes from your title, how much from your corporate relationships, how much from your record, how much from your knowledge and abilities, and how much from your team? What other factors are important?
- Are you financially numerate enough to fully understand management and financial accounts?
- Are you able to contribute to the conversation on wider commercial issues?
- Would you feel comfortable as a panel member on a TV current affairs programme?
- How credible is your team?

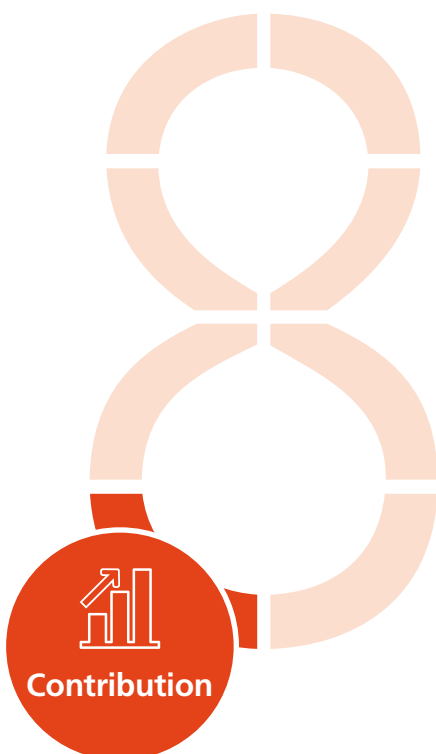
The '8C' model: Contribution

The GC will inevitably be judged by their contribution to the business, and by the contribution of his team. It's something we've covered extensively in our other GC reports, so we won't say much more about it here – except to add that, while the contribution of a good GC will always greatly exceed what can be measured, there will always be elements of any GC's performance (and the performance of anyone else – internal or external – providing legal services) that can, in one way or another, be captured as data.

As Rafael Cox of CMPC points out:

"I believe that I am truly operating at a strategic level, either because I have managed to build an approach to demonstrate legal value or because circumstances have given me the opportunity to demonstrate the real value that in-house counsel can bring to the business."

There are times when measurement seems less relevant. Crisis management is a good example. If a GC successfully steers a company through an existential crisis, the chances are no-one will really care about measuring her performance while he does it. But the question for most GCs is more likely to be: how do I show that my performance, and the performance of my team are helping our company to avoid such crises? Given the continued scrutiny from regulators, this proactive stance is increasingly significant. In daily life, the skills and achievement involved in keeping the corporate wagon on the road may go unappreciated.



Questions

- Do you use KPIs? If not, how do you measure performance and demonstrate your contribution?
- If you do have KPIs, how could you make them more effective?
- Have you integrated KPIs with your talent management programme (if you have one)?
- How do you ensure you get value from outside resources?
- What single thing would most greatly increase your contribution to your organisation? And what single thing would most easily increase your contribution?

The '8C' model: Counsellor

The GC needs to be, absolutely, a businessperson. But this is not the GC's key differentiator, or put in another way, unique selling point (USP). However good you are with numbers (and you do need to be good with numbers these days), and however on point you may be in relation to strategy, and however commercial your outlook, you will almost certainly never be top dog. There will be other people in your organisation who are better at these things and more involved with their function as drivers of corporate activity.

Your USP is your training and experience as a lawyer. Not just advising on what is legal and what's not – it's now well understood that a lot of what a GC does is about positive commercial problem-solving in a legal context. And 'the law' has grown to cover, in many cases, a complex ecosystem of regulation and compliance. But it's clearer than ever that 'the law' also covers what might once have been called 'moral law' and is now more likely to be called 'ethics' or 'corporate responsibility'.

It's become a truism that GCs have to be commercial. But for the strategic business counsel, that means influencing and facilitating highly commercial behaviour within a responsible context. It's about retaining the independence which enables you to offer genuinely valuable advice and asking the right questions, even when they aren't easy questions. A wise GC ensures that the efforts of their team in this area are dependent on trust and showing you understand the business.

Juan Luis Rodríguez Rivero, GC at Accenture, illustrates the importance of GCs operating in a counsellor role based on building a relationship of trust with the business:

"In my experience, trust is something that you have to earn."

A GC who can bring not only legal insight and commercial awareness, but also ethical judgement and even emotional intelligence to bear on a situation really does have the potential to assume a senior leadership role in a company.



Questions

- Do you have the right legal insight, commercial awareness, ethical judgement and emotional intelligence? If not, how can you gain them?
- Are you well positioned to lead on ethics and values within your organisation? If not, what needs to change?
- Do you understand all the obstacles to compliance and corporate responsibility across your company?
- Are you a confident businessperson, rather than just a confident lawyer?
- Do you have the 'soft skills' that the board-level counsellor needs?
- Do you habitually 'speak truth to power'?

Arusiak Mardirousian

**General Counsel
for Colombia and
South America, HP Inc.
based in Colombia**



I was in the right place
at the right time.

Arusiak Maridrousian: I finished law school in 1991 and by then I was already working as an intern at a law firm in Venezuela. I moved to the US to improve my English skills and when I came back to Venezuela, I decided to go in-house to a construction company. I was one of two attorneys in the legal department and we were responsible for negotiating commercial contracts. I then joined a manufacturing company where I launched their legal team, then did the same for Texaco (now part of Chevron) in Caracas. After 9 months at Texaco, I was headhunted to launch HP's legal team in Venezuela and have been part of the company since 2000. Over that time my career at HP has evolved and I am now responsible for the South American and Colombian legal teams.

Rocio Arredondo: I began working for HP in 1996, hired by the Finance Director of HP Mexico. At the time, HP did not have a legal team and I was interviewed by our external counsel. I started at HP when we only sold basic products, rather than services, so the work was quite easy to handle. The type of work has evolved over the years, and I have had to evolve with the company. I am now responsible for the Central American, Caribbean and Mexican legal teams.



We used to be micro-managed and felt completely powerless, but then the strategy changed. The legal department became stronger and more independent. We hired more people across the region and began to meet each other face-to-face. That's when we started to feel like a part of the Latin American team.

Our legal team is streamlined but it was not independent of the Finance department when we started working here. Following the merger with Compaq, the leadership of the team changed, and we began to travel and have team meetings. That's when the synergies across the South and Central American teams began to emerge. Before that we were completely isolated. Currently, we report to the VP of Legal, who reports to our global GC, who reports directly to the CEO. The organisation is arranged in regions and there are lawyers across South and Central America that report to us.

We have weekly calls that all teams take part in and we try to draw topics together to leverage experience or knowledge across the teams. This means that the other countries can learn from each other. Our main job is to help the business grow, but we are also responsible for everything else connected with legal matters.



We are trusted advisors for the business group and that is something that we have built throughout the years.

Every member of our team has good relations with other teams at HP. We sit at the table with the leadership team and all-important decisions go through us. You must create a strong relationship with the business

so that they know that we are available at all times and engaged with their projects. They need to know that we care about them and the business. When we joined HP, we were perceived as 'stoppers' but we worked hard to change that and built a culture where it is clear that the company's lawyers exist to help the business grow. As soon as that was understood, and our colleagues at HP saw that in action, we became their trusted advisors.

To build the trust that other teams place in us, we became advocates of revenue recognition and that became part of the DNA of the company. This helped to create a connection between the legal department, sales teams and business teams. That created an understanding from our internal clients that we are their partners. They know we have their backs.



As GCs we are so involved in anything that goes on in the business that we are an integral part of the company. It is time to capitalise on those relationships that we have created with the rest of the company.

Over the next ten years, the way that we deal with other teams will have to evolve and be more technology driven. This is a journey that we have already embarked upon and the results of that will change the way we act for HP around the globe.

What will determine the future is how our company changes and how our legal team progresses. We are now much more of a services company and are dealing with completely different documentation on a day-to-day basis. The evolution of the HP legal team is led by the evolution of the company, and we must continue to evolve with it.

We want to be perceived as more than lawyers by our colleagues. We are people who can complement the business. Our General Managers come to our offices to discuss their concerns or challenges, not necessarily within the legal department's remit, but related to company strategy.

We are very open with our team so that they know that whatever problem they are facing, we are here to help. Our teams know that we don't just care about them in the work arena, but we care about them as people.

Rocío Arredondo

Formerly General Counsel for Mexico and Central America, HP Inc. based in Mexico City



There are huge opportunities to grow in an in-house role, but it is important to have experience in other areas of law at different organisations. Young lawyers often approach us for advice, and it is our obligation to try and mentor them and help them achieve their aspirations. It is rewarding to see our teams grow, and to watch individuals become better lawyers. Some of our lawyers are located in smaller offices in more isolated teams so we work hard to make sure that everyone knows we are here for them, that we are here to mentor them and to help them be the best version of themselves at work.

HP is so large and complex that it is possible to get lost. It is knowing the company so well, knowing the areas, and the different roles within the business, that gives us the opportunity to guide our team.

Conclusion

Perhaps the biggest question for GCs who have looked at themselves in the '8C' mirror is: how do I go forward from here? Again, we've discussed some of that before. But to put it very simply, our model is driven by three more Cs: change (again), commitment and confidence. A GC who aspires to become a truly strategic business counsel will need to embrace change (both organisational and personal), demonstrate a high level of commitment and, importantly, feel and display confidence in their abilities and achievements. Some of the GCs we've spoken to feel that courage is needed as well as confidence; for others, the two are basically the same thing.

Most lawyers find that commitment comes easily to them. To some extent, you're unlikely to become a lawyer in the first place if you don't have it. But not as many are truly at home with change or, in some cases, with confidence of the kind commonly found among senior management.

We believe the GC 'debate' will become increasingly centred on influence and will pivot on the key topics of values and ethics. But even if we're wrong about that (and we appreciate that it will apply more to GCs in some companies than others), our conversations with GCs have convinced us of the essential applicability of the '8C' model to all in-house lawyers. Any GC who makes enough progress in those eight key areas – propelled by commitment, confidence and an appetite for change – will be top-table material.

If you would like to discuss any aspect of what we've written here, please reach out to us by phone or email. We would be delighted to talk with you.

An aerial photograph of a large, irregularly shaped lake with vibrant green and blue water. The lake is surrounded by brown, rocky terrain with many small, circular depressions. In the background, there are rolling hills under a clear blue sky.

Methodology

We surveyed 75 senior in-house lawyers in Latin America, using an online survey, in the second quarter of 2019. We additionally conducted interviews with a number of other senior in-house lawyers and refined our findings through further discussions with other senior members of the region's legal community. The respondents to our survey were typically general counsel, heads of legal or legal directors. We have referred to them collectively as GCs in this report. Roughly half head the legal function in their organisation; many others are national or regional heads.



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