

Check the upholstery before you move in-house

It's no secret in the legal market that lawyers pursue in-house roles with vigour, and competition is supremely fierce. But, asks **Jenny Bourke**, is the role's reputation justified?

There is no question that law firms are the place to launch legal careers. Your skills are honed, and your exposure to a variety of work is assured. Training programs and continuing legal education guide the professional development of young lawyers. Law firms enable lawyers to learn how to meet the needs of the clients and keep them happy.

Many lawyers, particularly in firms that are top heavy, are now viewing their first few years in private practice as a stepping stone to an in-house role. One lawyer working in a premier law firm, with four years PQE sums it up succinctly: "I'm being told that I'm senior associate material but there's a wait of three years. I'll be 90 before I become a partner, and to be honest, I don't necessarily think I want to. In-house definitely appeals."

Changing expectations

A lawyer in private practice today feels intensely the pressure to be more than simply a lawyer. Black letter law no longer exists. If you are committed to progressing in private practice, you also need to become a savvy marketer and rainmaker. The more senior you get, the more vital it becomes. Some lawyers struggle with this, and are finding they need to focus more time and energy on developing these skills, with varying degrees of assistance from the law firms in which they work. "We are expected to bring in clients but not at the expense of billable hours. You're damned if you do, and damned if you don't – and I'm not prepared to work a 17 hour day," this lawyer says.

For lawyers considering a move at senior level, potential employers are usually looking for transferable client bases, and hefty ones at that. With entry into partnership becoming more and more challenging, you really do need to be a skilled rainmaker with a portfolio of clients who will follow you. Without this, your ability to move upwards, or sideways, will be extensively restricted.

This is not a concern for an in-house lawyer as their client is the company, senior management and internal users. The in-house lawyer is able to concentrate on the practice of law itself and minimise many of the other distractions lawyers in private practice have to contend with. Denise Taouk is currently senior legal counsel at AMP Bank after moving across from working in private practice at Blake Dawson Waldron, and she has experienced the difference. "Private practice is a great grounding but working in-house gives you a totally different perspective. In private practice, clients view lawyers as 'expensive'; in-house, we are a free resource to the people who need us. The pressure lawyers in private practice feel to bill is immense, whereas in-house you can focus on doing a terrific job in a more amenable environment. There's also more flexibility when you look at the hours you work, and family commitments."

As good as it gets?

Lawyers acquire degrees, work painfully long hours as juniors, climb ladders and become well paid professionals in top firms. Many, however, achieve their goal only to find a distinct lack of fulfilment. One senior associate currently in a top-tier firm and wishing to remain anonymous, observes: "Being groomed for partnership doesn't necessarily mean we all want it. It's kind of like being picked for a school sports team. It gives you a bit of a thrill initially to be chosen, but ultimately you're still pushing the same papers, with extra pressure and more expectations".

So, can in-house roles provide something more? Being involved in all levels of a business seems to be one of the major drawcards for lawyers. They want to be involved in more business issues, with more of a team oriented approach.

"One of the most vital things a lawyer needs to bring in-house is superior client service skills. In-house counsel need to anticipate their client's needs and have insight as to how they can add value to the business," says Sue Laver, head of business strategy and operations at Telstra.



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Lifestyle

Many view in-house roles as providing a better work/life balance than private practice. Denise Taouk of AMP would agree: "When things get frantic, work can be outsourced to law firms and that takes the pressure off us immediately. Time wasting tasks can also be filtered more effectively, freeing up your time for the important stuff."

With many law firms focusing so strongly on work/life balance as retention becomes a concern for many in a candidate short market, any changes will be interesting to see. There has been more and more acknowledgement of the fact that firms must provide more to their staff and big salary packages are becoming less of a drawcard.

In-house lawyers are being provided with flexible work hours, working from home options, and generally a more 'family friendly' environment.

So what kind of lawyer is sought?

With competition fierce, what is it that companies seek? Generally, it would seem they are looking for lawyers who are sophisticated generalists with a strong business sense. Solid training in commercial law will always be sought, and usually experience in some area of specialisation.

A lawyer wanting to work in-house will need a strong commercial or transactional background and at least a few years of practice under their belt.

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Financial rewards

Most in-house legal counsel are earning more than lawyers in private practice and as one lawyer working in a blue chip company observes, "I'm working less hours, in a better environment and being paid substantially more – I would have thought it was a 'no brainer'."

In the article, 'A break from billables', by Brenda Sandburg in California's *Legal News Source*, reference is made to a second year associate who was headhunted from private practice to join eBay as corporate counsel. Eleven months after joining, the company went public and he reaped a windfall in stock options. Though he would not divulge his holdings, the company's stock price soared as high as \$234 from its initial price of \$18 per share and underwent a three-for-one stock split. Obviously the majority of in-house lawyers can't count on such luck; nevertheless, it can happen.

But is it all a bed of roses?

On the whole it seems clear that in-house roles are providing lawyers with excellent opportunities to do what they do best, in positive environments with generous pay. The past few months, however, have seen some interesting feedback make its way to legal recruiters.

A number of calls are being received from senior legal counsel across a range of industries querying their remuneration and casting an altogether different light on life in-house. Many are feeling cynical about the way in-house roles are viewed so impressively when they find themselves living a very different life to that portrayed in the market.

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One unhappy senior legal counsel commented: "For years we've all been hearing the hype about the joys of working in-house. Now I think some companies are resting on their laurels. They know it's a popular option. I left private practice because I was sick of days that ended at midnight and tired of having to whine for reasonable salary increases."

Some in-house counsel would disagree with the proposition that all in-house roles offer attractive

salary packages. One senior lawyer made a startling comment in this regard. "My salary hasn't been reviewed for the past two years. It's crazy, because I know better than anyone ... the healthy state of the company and its increased revenue."

So, are some companies providing less to internal legal staff, comfortable in the knowledge that there are thousands of lawyers in the market waiting to exit private practice? One senior legal counsel, remaining anonymous, says this can indeed be the case. "There are plenty of excellent lawyers who would jump at the chance. This has been inferred to me on the occasions I have raised salary concerns."

Based on the complaints received by recruiters, some smaller companies can be culprits. "The larger companies obviously have a great deal more leverage and money to be able to provide great in-house roles."

Expectations of lawyers working in private practice can also affect the way in-house functions are viewed. As one in-house lawyer states, "People are kidding themselves if they think it's a walk in the park. It's not the easy option, it's simply a different option. If a lawyer sees working in-house as a cushier career path, perhaps they've chosen the wrong career."

The grass isn't always greener

It would seem the lesson would be similar for in-house as it is for private practice – careful choice is essential. It is evident that the internal core values, work/life balance and employee benefits in some law firms are better than others and this can be the same for in-house.

Jenny Bourke is associate director at Cicero Corporation

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