

The Road to In-House Practice

BY STEVE MIMS

ILLUSTRATION BY RYAN DAY

ONCE undeservedly chided by some outside counsel as unnecessary gatekeepers to their clients' senior management, today's house counsel are vital partners to outside counsel in the client relationship, offering the inter-disciplinary "business lawyering" perspective so vital to risk management decision-making.

The evolution of an in-house lawyer usually begins in a law firm environment, where, ideally, associates are allowed the client contact and mentoring necessary to experience how the law can complement and not unnecessarily complicate the client's business objectives. This real world vs. law review/risk management vs. damage control experience is an invaluable catalyst in the process of transitioning to "the client side."

Your job will not be to bless every commercial decision from a legal perspective, but it will be your job to **advance the company's business objectives within commercially acceptable risk parameters.** Practice knowing your client's culture and business, its organizational structure and its risk management philosophy.

What are the qualities of an ideal candidate for an in-house position in today's marketplace?

A minimum of two to three years of hands-on, client-centric, "business lawyering" experience in a law firm. Although specialists in diverse categories are demanded by corporations (litigation, IP, labor and employment, real estate, tax, securities, antitrust, etc.), it has been my experience that candidates with general corporate and commercial contracts experience, tempered by some exposure to litigation, enjoy a higher prospect for vertical mobility within a corporate law department, if that is their ambition. An IP lawyer is an obvious candidate for a high-technology company, but the general counsel of that company will have complemented that requisite knowledge base with experience in the law relating to how the company gets its goods or services to market, corporate governance, financing operations, employee relations, and governmental regulations affecting the business, to name a few.

A demonstrated record of team play and a strong work ethic. Lone wolves, Lone Rangers, hot dogs, and divas have no place in the modern law department. Nor will candidates seeking a "quality of life adjustment" (read: no time keeping and shorter hours) find themselves in demand by house counsel who work just as hard as their outside counsel, having only traded one form of accountability

for another. You won't have to develop business or compete with your peers for billable hours, but you will be sharing office space and meeting with your client on a daily basis. Experience as a seconded lawyer to a law firm client is invaluable "day in the life" experience as house counsel for a young lawyer. (Note: www.inhouseblog.com is a new and informative look into the world of the in-house lawyer.)

Well-developed interpersonal and business communication skills. Because you will often be called upon to defend your advice to non-lawyers, you cannot afford to be a shrinking violet. Your oral and written communication skills must be persuasive, precise (the "all herein to the contrary notwithstanding" lingo will have to go), and adaptive, as you will be dealing with all levels of management. Some negotiation experience (lead role in a transaction) or training will also make your transition in-house easier.

A proactive, service-oriented attitude. If you enjoy the security of the ivory tower and are uncomfortable giving less than law review quality advice, then you will be uncomfortable giving "hallway advice" sometimes demanded by your in-house clients. In-house time is money, not billable hours, and your multi-tasking/legal triage skills will be in high demand. And you will not always have the mentor backstop to second-guess

your advice. Your job will not be to bless every commercial decision from a legal perspective, but it will be your job to advance the company's business objectives within commercially acceptable risk parameters. Practice knowing your client's culture and business, its organizational structure and its risk management philosophy.

Deriving career satisfaction from your job content. Income-driven candidates will be disappointed by most in-house compensation packages, which are driven more by net worth building and are often at best lateral to large law firm compensation levels up to the income partner level. Trying to keep score by comparing your compensation with the 10 percent to 20 percent of your former law firm peers who will make partner is a useless apples-to-oranges comparison. Hence, make sure that the in-house job content is intellectually challenging. Increased responsibility and reward will follow.

For more senior in-house positions, demonstrable management skills. This is difficult to accomplish below the partner level in a law firm, but the ability to manage a professional staff will be important to your vertical mobility in-house. Project team leadership, firm committee chair responsibility, and community outreach initiatives are opportunities to develop your ability to motivate and "herd cats."

How does one identify and pursue in-house opportunities?

Networking. Recruiting industry studies consistently show that personal referrals are the most effective vehicle in job transition, and this is true of the in-house legal market. General counsel routinely contact their outside counsel for such referrals with the presumption that candidates from such a source are pre-qualified in terms of requisite skills and “fit” with the client culture. Although they are seldom eager to lose a valued associate or partner, law firms often view the opportunity to place such individuals into a client organization as an effective long-term business development strategy. You must carefully choose the right mentor before volunteering your candidacy for such an opportunity as your perceived loyal-

ty to the firm can be compromised and affect your career with the firm. Other effective networking opportunities include membership in trade organizations populated by in-house lawyers, serving on CLE panels with in-house attorneys, and bar activities targeting the in-house community; however, avoid activities over-populated by private practitioners descending upon in-house attendees like locusts, as they are often counter-productive. Finally, peer-level networking, especially with those who have successfully transitioned in-house, can be effective but the risk to the confidentiality of your mission can be quite high.

Print ads, electronic job boards, and company websites. Of course, these are the most visible evidence of in-house market activity, but they account for

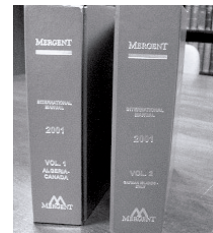
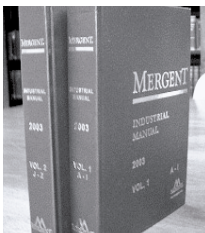
less placement activity than networking. The ads are either “blind,” meaning the employer’s identity is not disclosed, or open ads with full disclosure of the employer and the job description. Be cautious in responding to these ads, especially with your resume enclosed, as you are totally dependent upon the recipient to maintain confidentiality. Additionally, these ads typically draw large responses which may be vetted by non-lawyers who are less experienced in recognizing the relevancy of your experience and attributes to the position requirements. Using an “in” (with a company actively seeking to fill an in-house position through advertising) to short-circuit the route to a decision-maker in the recruitment process sometimes carries the risk of being rejected for not following the required response protocol.

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A Statistical Profile Of Corporate/In-House Counsel in Texas

Recruiters. Though they account for less than 20 percent of total in-house placements, respected attorney search specialists can be a valuable asset in your search effort, especially when they have the respect and ear of the client to vet the best candidates. The threshold concerns you should have in dealing with a recruiter are whether he or she has the authority to represent the client in the search and whether you should give the recruiter the express authority to present you to the client. Since most recruiting assignments at the junior or mid-level in-house attorney level are performed on a contingent fee basis (i.e., the recruiter can only claim a fee from the client upon the client's employment of a candidate presented by the recruiter), there is a less ethical segment of the recruiting community tempted to play fast and loose with such authority in an effort to lay claim to you as a candidate. Ask, or best case, meet with the recruiters about their authority from the client and quiz them about their knowledge of the position specification, client culture, and law department organization, at a minimum, to satisfy yourself that your resume is safe in their hands. Some recruiters enjoy exclusive recruiting relationships with clients and possess a wealth of market information and client history important to your decision to accept or reject an offer of employment.

STEVE MIMS

is an attorney search consultant with Prescott Legal Search in Houston with more than 20 years of experience in the field. Mims was formerly a senior counsel involved in law department management with a Fortune 500 corporation. He holds J.D. and B.A. degrees from Southern Methodist University and Tulane University, respectively.

OCCUPATION OF STATE BAR MEMBERS	1994	2004
Private law practice	75%	68%
Government attorney	9%	11%
Corporate/in-house counsel	8%	9%
Full-time judge	2%	2%
Law faculty	1%	1%
Other	5%	9%
 Number of corporate/in-house counsel	 3,936	 6,352

GENDER	1994		2004	
	In-House	State Bar	In-House	State Bar
Male	73%	76%	67%	70%
Female	27%	24%	33%	30%

RACE	1994		2004	
	In-House	State Bar	In-House	State Bar
Caucasian/Anglo	95%	91%	90%	86%
African American/Black	2%	3%	4%	4%
Hispanic/Latino	2%	5%	4%	7%
Asian/Pacific Islander	<1%	1%	2%	2%
Other	<1%	1%	1%	1%

AGE	1994		2004	
	In-House	State Bar	In-House	State Bar
21 to 25	<1%	1%	<1%	1%
26 to 30	4%	11%	3%	9%
31 to 35	13%	16%	11%	13%
36 to 40	22%	18%	16%	13%
41 to 45	24%	17%	19%	14%
46 to 50	18%	14%	19%	14%
51 to 55	9%	8%	17%	13%
56 to 60	5%	4%	10%	10%
61 to 65	4%	4%	3%	6%
>65	2%	7%	2%	7%
 Median age	 43	 42	 46	 46

CORPORATE/IN-HOUSE COUNSEL INCOME	2000	2003
	Median income	\$124,766

Median income by years of experience	2000	2003
	6 or fewer years	\$95,606
7 to 10 years	\$105,000	\$147,724
11 to 15 years	\$117,499	\$130,189
16 to 50 years	\$153,125	\$189,583
21 to 25 years	\$156,250	\$148,682
More than 25 years	\$167,856	\$183,990

Median income by gender	2000	2003
	Male	\$145,258
Female	\$108,333	\$111,477

Median income by region	2000	2003
	Houston/Galveston/Brazoria CMSA	\$143,749
Dallas/Fort Worth CMSA	\$122,916	\$122,500
Austin/San Marcos CMSA	\$104,166	\$118,750
San Antonio MSA	\$99,999	\$117,500
Other	\$94,642	\$137,500

Source: State Bar of Texas Department of Research and Analysis, www.texasbar.com/research.