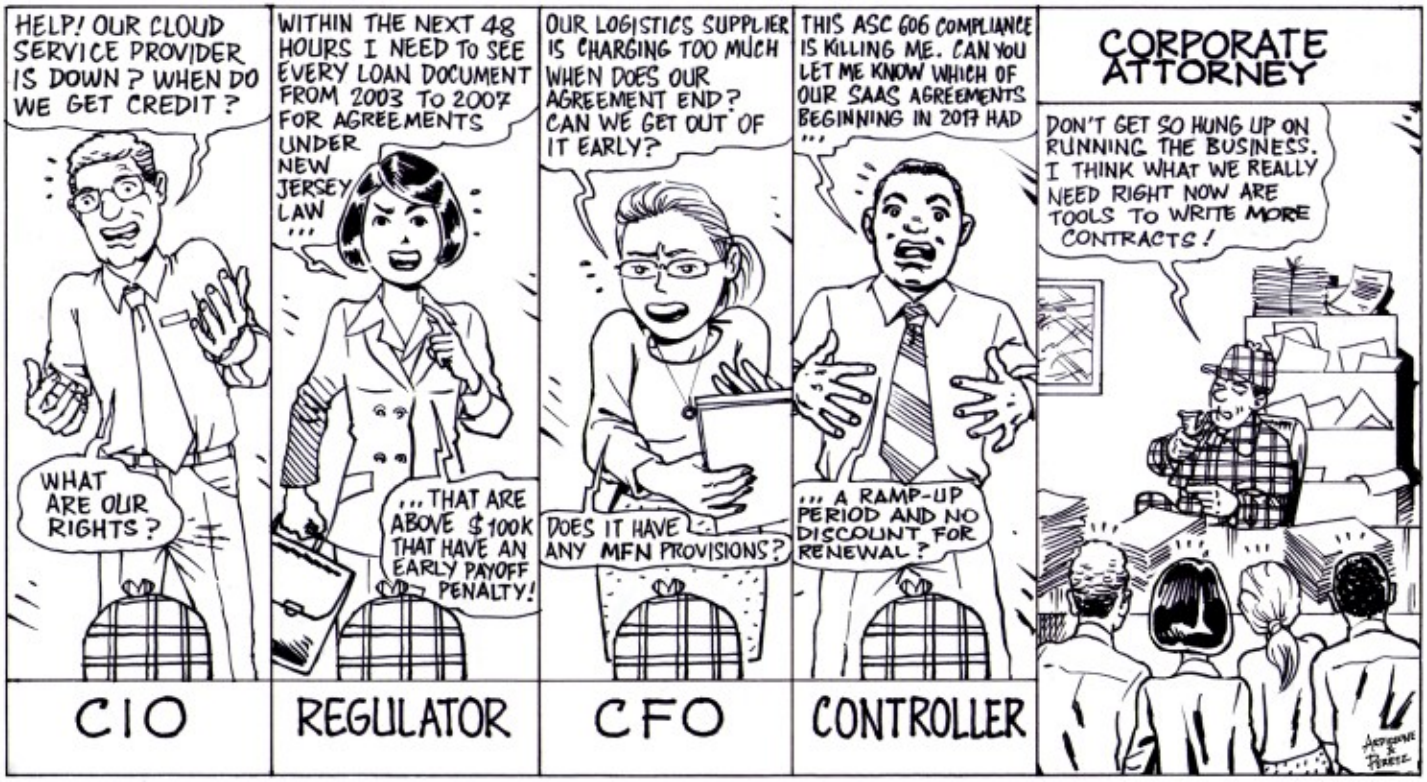


How to Elevate Your In-house Practice by Taking a Page from the CFO Playbook

Career Development



HELP! OUR CLOUD SERVICE PROVIDER IS DOWN? WHEN DO WE GET CREDIT?
WHAT ARE OUR RIGHTS?
CIO
WITHIN THE NEXT 48 HOURS I NEED TO SEE EVERY LOAN DOCUMENT FROM 2003 TO 2007 FOR AGREEMENTS UNDER NEW JERSEY LAW ...
...THAT ARE ABOVE $100K THAT HAVE AN EARLY PAYOFF PENALTY!
REGULATOR
OUR LOGISTICS SUPPLIER IS CHARGING TOO MUCH WHEN DOES OUR AGREEMENT END? CAN WE GET OUT OF IT EARLY?
DOES IT HAVE ANY MFN PROVISIONS?
CFO
THIS ASC 606 COMPLIANCE IS KILLING ME. CAN YOU LET ME KNOW WHICH OF OUR SAAS AGREEMENTS BEGINNING IN 2017 HAD ...
...A RAMP-UP PERIOD AND NO DISCOUNT FOR RENEWAL?
CONTROLLER
CORPORATE ATTORNEY
DON'T GET SO HUNG UP ON RUNNING THE BUSINESS. I THINK WHAT WE REALLY NEED RIGHT NOW ARE TOOLS TO WRITE MORE CONTRACTS!

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Companies need lawyers closer to their day-to-day business operations to handle the new, complicated, and increasingly global legal landscape. The proliferation of new regulations, combined with the need for businesses to move faster than ever before, present major opportunities for in-

house attorneys. But before demand a spot on the executive committee, it's time for an attitude check.

In order to truly succeed in-house, you need to become an involved business partner, rather than a detached advisor. It's no longer your job to be a detached professional advisor whose work is judged on the sheer number of hours worked or "points scored" by finding flaws and dangers around every bend.

These days, the most successful, indispensable in-house attorneys are those who become a member of the company's core senior leadership team. To do that, attorneys would be wise to learn lessons from the chief financial officer (CFO) world, where a similar transition occurred over the last decade. Previously, the CFO was considered a "scorekeeper" who would tally results and perhaps push others for budget forecasts. Today, the successful CFO has transitioned from keeping score to becoming a day-to-day partner with the CEO in growing the business.

How did the CFOs make this transition? And are there lessons for lawyers who want to follow in their footsteps from the role of specialist counselor to core decisionmaker?

Embrace digital transformation

A 2018 study by Accenture involving over 700 senior finance leaders revealed that a key contribution of top CFOs was to lead many of their organization's digital transformation efforts. The result affected the entire company, not just the financial or accounting department. The entire C-suite had new data and insights to guide the business, which led to better corporate decision-making and growth. Rather than focusing on tools targeted solely at making their own life easier, the CFOs set out to make the entire senior team smarter.

Find new value

Over 80 percent of the successful CFOs surveyed focused on how to go beyond their traditional purview of cost-cutting to finding new value or revenue streams for the business. At Adobe, for example, the CFO was integral to the decision to launch a cloud-based subscription service that has propelled the company's growth. In addition to helping the company's financial performance, this strategy also helped make other team members — ranging from legal ops to product to sales and marketing — into revenue-enhancing heroes. It's not a surprise that these other senior executives suddenly wanted more CFO involvement in key business decisions.

Share information widely

More than two-thirds (67 percent) of successful finance leaders worked to train non-finance executives how to take aspects of financial planning, budgeting, and forecasting into their own hands, according to the Accenture study. Rather than hoard information as a source of power, the top finance executives built their power base by essentially deputizing employees in other departments to add a financial perspective and fiscal discipline to their own work.

So, what can in-house attorneys looking for personal and professional growth learn from the tremendous strides made by CFOs?

1. Lawyers have a tremendous opportunity to enable the company's digital transformation

because almost all of their company's core business relationships pass through their hands. The next time you work on a business agreement for a colleague, start asking how that business relationship will be operationalized after the contract is signed. Are there key systems that need to be installed to monitor performance or record goals? As a lawyer, you are at the forefront of identifying key business processes that can be brought from separate paper archives into the digital shared world.

2. Lawyers often overlook the opportunity to leverage technology investments by the company to make themselves more accessible and efficient. For example, in the software industry, large engineering teams utilize systems like Trello and Jira to assign and track tasks, and cloud-based applications like Google Docs to enable team- and project-based collaboration. Your company may already have a license to use tools like these, along with expert users just down the hall from you. Examine your ability to utilize this technology for your law department. A task could be assigned to a lawyer through a system like Jira or Trello and be fed into a prioritization queue that each lawyer could manage, easing collaboration and communication with those outside the legal department. Similarly, using a shared Google doc across multiple departments is a low-cost way to gather feedback or seek approvals where there are many internal stakeholders in an agreement under negotiation.
3. Remember that the law does not just create roadblocks and restrictions: It can also create new opportunities for competitive advantage for your company. If you can find the most cost-effective or efficient method to comply with a new rule, you can gain a tremendous lead on your competitors. Your job as a business partner is to think about how something could be done in a compliant manner by digging into the history, spirit, and nuance of rules, a task for which you are uniquely qualified.
4. Learn what would make your colleagues successful in their jobs, rather than focusing solely on your department's accomplishments. Find out what your internal clients need most to excel in their own areas. Learn about which information will enable them to make better decisions on a day-to-day basis, rather than just serving as their scrivener at the outset of a new business relationship, or their advisor after a mishap has already occurred. You helped them form those external business relationships, negotiating and drafting agreements with everyone from software providers to landlords to investment bankers. Find a way to help everyone remember the key metrics for executing on those agreements, which is much more rewarding than developing ex post facto arguments based on bad facts.
5. Remember that corporate law and corporate contracts are not a temple, and you are not a high priest. Contracts exist to serve businesspeople and their departments. Use your legal interpretation skills to help colleagues turn contracts into day-to-day goals and tasks that they can carry out. Deputize each relevant department to ensure that the value from contracts is maximized.

None of these steps requires you to sacrifice your legal judgment. Rather, these provide an opportunity to use your legal skills from the catbird seat at the heart of business negotiations, which will make your colleagues appreciate your value to the business much more than they already do today.

Neil Peretz



General Counsel

Sawa Credit Inc.

Neil Peretz has served as general counsel of multiple companies, particularly in the financial services and technology industries, as well as a corporate CEO, CFO, and COO.

Outside of the corporate sphere, he co-founded the Office of Enforcement of the Consumer Financial Protection Bureau and practiced law with the US Department of Justice and the Securities and Exchange Commission. Peretz holds a JD from the University of California, Los Angeles (UCLA) School of Law, an LLM (master of laws) from Katholieke Universiteit Leuven (where he was a Fulbright Scholar), bachelor's and master's degrees from Tufts University, and has been ABD at the George Mason University School of Public Policy.

He previously co-founded legal technology company Contract Wrangler, which applied artificial intelligence to read legal agreements. Follow him online at linkedin.com/in/neilperetz.