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A World-class Combination

Interviews and Profiles





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The announcement came on April 8, 2015. Not just any deal — a major deal, to the tune of US\$50 billion — the proposed combination of Royal Dutch Shell, one of the largest companies in the world and best known for its gasoline stations, and BG Group (BG), a natural gas specialist with significant activities in Australia and with deepwater drilling expertise, particularly off the coast of Brazil. Now it

was time for the integration planning process to begin.

At the time, Sarah Franklin was chief counsel for human resources and health, safety, security, and environment at BG and was asked to become BG's legal lead for integration planning. This was a once-in-a-career opportunity and Franklin threw herself into it. As with any merger, there were worries about who would remain and who would be told to move on. But there was also a lot of optimism around the deal. Forecasts said it would realize synergies between the companies — as much as US\$2.5 billion by 2018. The US\$2.5 billion in synergies announced for delivery by 2018 was actually delivered by the end of 2016 and the expected synergies were increased by a further US\$2 billion, to be realized by 2018. How did that happen?

The process began with pairings, and Franklin was connected with a Shell counterpart, Jim Hine. Hine and Franklin focused on the integration planning, with separate legal teams working on the deal itself. Looking back, Franklin says this proved invaluable as the tone in the integration planning was collaboration and partnership. This required a different mindset to that required for the deal lawyers.

In order to make sure everyone was on equal footing, they decided to work from a neutral location. “Jim and I were primarily brought in because during the integration planning phase, we were subject to substantial legal and regulatory considerations until we received all antitrust approvals and closed the deal. We also had to plan for the integration of our own two legal functions.”

Franklin explains that emotional intelligence was pivotal to success. “There was a huge amount of emphasis on the people side of things both during the integration planning phase and during the integration itself,” she says.

Throughout the process, the team stayed focused on value. After all, the whole point of the merger was to increase value and they concentrated on what BG did well. This included keeping the right people. “In order to ensure a balanced perspective, in legal for example, BG people were also on all the selection panels,” she notes.

Speed was paramount. “We learned from others that if we didn't go after these things quickly, they wouldn't happen,” explains Franklin. And Shell took that to heart. By the end of 2016, when the integration was complete, Shell and BG had combined businesses in more than 14 countries and retained 75 percent of BG's 5,000-person workforce.

Learning the business

Franklin grew up on the southern coast of England, between Portsmouth and Southampton. Her parents had a small printing and reprographics business. “I have never forgotten how hard they worked and it certainly gave me a work ethic and definite sense of duty,” she recalls.

She thanks her mother for pointing her toward law. When she was growing up, Franklin didn't take no for an answer and was annoyingly argumentative. “One day my mum said I should try to make a living out of arguing that gave me the idea,” Franklin remembers.

After law school, she worked at regional law firms as a civil litigator while also studying to become a solicitor in the evening. She had just completed her master's in shipping law when she moved in-house at BG. She initially provided employment advice to the business before expanding her role. During her first few months, she says, “I remember feeling very humble when I first moved in-house from private practice. I had a certain perspective about the importance of the legal issues that I was

spotting but it was when I came in-house I truly understood all the other risks that businesses face and which need to be weighed.”

While she worked with her business counterparts, Franklin added executive compensation, recruitment, and other governance matters, as well as human rights and whistleblowing investigations to her legal skill set. She set up BG’s first whistleblowing program.

When the combination with Shell was announced, she wasn’t sure if she would have a new role. And if she did, she was unsure of what it would look like. After the combination was complete, Franklin moved to her current position of associate general counsel for safety and environment. She is part of Shell’s Legal Service Projects and Technology Department and reports to General Counsel David Brinley. Franklin inherited a new team that focuses on complex safety and environmental issues. In Shell Legal, many lawyers advise on safety and environmental matters but it didn’t have a global core of experts. Shell Legal recently decided to create a dedicated Global S&E team and center of excellence to support the continued emphasis on S&E risk management. Consolidating legal subject matter experts allows for greater connectivity, clearer synergies and more consistent legal support. This model is designed to align with Shell’s larger business and organizational trends — favoring efficiencies and effectiveness of global teams. It’s a small team relative to the size and scale of the Shell Group so it doesn’t cover everything S&E and has to focus on making the best use of resources.

“I am still relatively new in the role and also new to Shell. As one of my team put it to me recently, these first few months have been about getting my Shell ‘sea legs.’ I have a lot to take in and learn from my team and they are being very patient with me!”

The global team currently has 12 lawyers spread over five locations, from the United States to Australia, and they are primarily or exclusively dedicated to legal work related to S&E business impacts. They have experience in operational, regulatory, large capital project, commercial, policy, advocacy, derived from supporting Shell businesses, regulators, governments, and other international oil companies either in-house or in private practice. “As we near the end of this first full year as a team, in the spirit of continuous improvement we are looking at where we have added value as a global team, where we have been able to offer globally transferrable deep expertise in S&E matters and where we need to focus our efforts in future.”

Getting to know... Sarah Franklin

What’s the last great book you’ve read and would recommend?

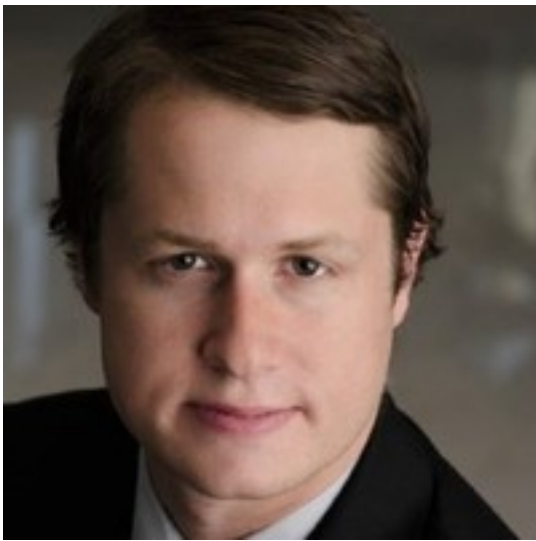
I am a mum to two very energetic boys and I have very little spare time and tend to prioritize exercise. I dip in and out of books when I have time, usually linked to the things that are most important to me. I currently have about four on the go, one is *The Happiest Kids in the World: Bringing up Children the Dutch Way*, which piqued my interest as I have a lot of Dutch colleagues working for Shell. Another is about the importance of sleep written by sports sleep coach Nick Littlehales. I am also (slowly) working my way through *Thinking Fast and Slow*. Before kids I used to read more novels and I loved Ian McEwan’s earlier work.

I know you like cycling. What’s the most beautiful place you’ve ridden?

That’s tough — it is hard to beat the South of England in the summer. The most spectacular ride has

to be when I cycled up the Stelvio Pass in Northern Italy. It is the second highest paved mountain pass in the Alps and is famous for its 48 hairpin bends. I rode it in late May a couple of years ago — it was an extraordinarily bright sunny day and we reached the top with 10 feet of snow on either side. Incredible.

[Joshua H. Shields](#)



Editor

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