

Straight to In-house Practice — Internships & First Year Programs

Employment and Labor

Career Development



While there is no one path to in-house practice, many may think that “going in-house” is something lawyers do after they do the firm thing — an option for later in their legal careers. However, just like the practice of law is constantly changing, so are the thoughts and opportunities associated with in-house practice. Young lawyers today, and those close to graduating with that coveted JD, have more options than ever, options that go beyond firm or clerkship work.



That said, firm practice is still the most common entry point to the workforce for recent law school grads. According to the ACC Global Compensation Report, released in July 2018, 75 percent of in-house counsel who graduated after 2000 worked in a law firm before going in-house. Further, 2016 statistics compiled by the Section of Legal Education and Admissions of the American Bar Association (ABA) found that 45.5 percent of graduates obtained positions with law firms, while 13.5 percent obtained positions in business and industry.

However, ACC's recent survey did find that lawyers are in fact moving straight to in-house law departments at a slightly higher rate, bypassing law firms, government, and academia. Overall, 15 percent of all survey respondents reported going directly in-house after law school. At six percent, in-house counsel in Canada were the least likely to start their legal career in-house compared to the regions/countries studied, while 18.5 percent of respondents in Asia Pacific say they went directly in-house after law school.

For more data from ACC's compensation survey visit the Research and Insights page *where you can learn about top box and median salaries, bonuses, and total compensation. For example, the survey highlights that recent graduates report a median total compensation of US$90,000, with 79 percent beginning their career in the legal counsel role.*

These findings and career trends indicate that the legal profession is changing, especially as it

relates to the traditional firm model. This means that law students are considering in-house careers earlier, and many organizations are working to attract law students, and perhaps even hire “directly” from law schools.

In this series, ACC has explored this “straight to in-house” trend through interviews with — and topical articles by — new lawyers who have made the move to in-house practice, as well as the in-house counsel who hire and train them. The straight to in-house series has profiled Jason Churn of Citibank, a straight to in-house hire; Microsoft’s Dennis Garcia, who was hired after law school over 20 years ago and advocates for companies to consider the practice; and Tara Rosnell of Procter & Gamble, who also began her career in-house and has hired and trained others who followed the same path.

In this last part of the series, ACC talks to Independence Blue Cross LLC’s (Independence) Laura Grossi-Tyson, senior director, Benefits, Employee Relations and HR; and Joel Stern, CEO of the National Association of Minority and Women Owned Law Firms (NAMWOLF) to get their thoughts on hiring recent law school grads. A former deputy general counsel, Grossi-Tyson understands the inner workings of a legal department and the benefits and challenges associated with bringing inexperienced lawyers into the legal department. While her current company does not hire law school grads, they do hire interns during the summer, competing (quite well, in fact) with summer firm associate programs in Philadelphia. For his part, Stern has hired recent graduates in previous in-house roles and even started his career inside a corporate legal department. He strongly encourages organizations to consider the practice, even when traditional views encourage hiring attorneys to only consider applicants with at least a few years firm experience.

If you’re considering a straight to in-house or a summer associate program within your legal department, read on for insight into what to expect from both executives — as well as a few tidbits from those interviewed earlier in the series.

A trend

Recent graduates starting their legal careers in a firm may be the norm, however a desire for “work-life balance” as well as increased knowledge about corporate practice is changing things. The overall elevation of the stature of in-house counsel and the role they play in not only advising on legal issues, but advising and influencing the business itself, has caused some graduating law students to think of in-house practice first. “After doing more research into the differences between working in-house and private practice, I decided that in-house was a better fit for me,” said Jason Churn, counsel at Citibank, when asked how he came to his first position after law school in Citibank’s law department. Dennis Garcia, current assistant general counsel at Microsoft, also started his legal career in-house at IBM. While in law school, Garcia worked part-time at the company’s corporate headquarters and later became an intern in their legal department, which he says served as a great introduction to in-house practice and led to his first in-house job. “IBM liked my work and offered me a fulltime position to work in their legal department as a lawyer after my law school graduation.”

Going straight to in-house practice hasn’t traditionally been the path, but it seems to be a viable option for many new attorneys. That said, is there an actual trend here? According to Stern, it is cyclical. “In the early ‘80s, I witnessed several corporations interview at law schools for summer interns with the goal of hiring these interns immediately after graduation. In 1983, I was one of those students who was so excited when Allstate Insurance Company came to Cleveland, Ohio looking for future lawyer talent. In the 1990s, this practice seemed to wane a bit, and then it took off in the early 2000s. That died down, and I do see [a trend] right now.” Conceding that those companies seeking out recent graduates are the minority, Stern is hopeful that the tide is turning and believes that the

practice supports diversity initiatives as well. “With articles like these and other initiatives showing the benefits of hiring directly out of law school, I’m cautiously optimistic that we will see an increase in this practice,” he says. “I’m also hopeful it will be correlated to the positive diversity and inclusion wave we have right now in our legal profession. It’s being talked about more than it ever has before, and I’m confident we can marry those two up together and get people to understand that you can enhance diversity and inclusion by hiring first-year lawyers through law schools that you may not have looked at otherwise.”

While there are benefits like those outlined by Stern, there are also challenges associated with the practice. According to Grossi-Tyson, while students may be interested in in-house opportunities right out of law school, some corporate law departments may not be able to embrace the trend just yet. “I think more students want to take a path to in-house [practice], but the barrier is the corporations themselves.” Corporations are different than law firms in many ways, including the fact that firm attorneys generate revenue. “In a corporation, a law department is not a profit and loss area. It’s a staff function and does not generate revenue for the business,” says Grossi-Tyson. “So, they don’t have the luxury, like the law firms do, to just hire lawyers to evaluate talent.”

Company-wide budget constraints that allow the legal department (and all departments) to hire only when there are openings is one of the reasons corporations tend to want new hires to have some firm experience. “Corporations need to have attorneys who can come in and start working with the clients immediately. So, while there may be a lot of students interested — and the interest is there, which is evidenced by the fact that we get a significant number of applicants to our intern program and a lot of students ask me ‘how do I get a job in-house’ — unfortunately the opportunities are not readily available.”

Understanding the budgetary and time constraints outlined above, Stern urges corporations that don’t hire directly out of law school to think about hiring law students for first- or second-year summer internship programs. “As part of the summer experience, have them spend time with your primary law firms, prove themselves there, get hired by the law firm, and then you can bring them back after a few years,” he says. “It’s a low-risk, high-impact way of acquiring excellent talent.” He continues, “However, I would suggest to anybody who would listen to me — try bringing that person on board day one. I love the concept of bringing in first-year lawyers. They do anything you ask, and they do it with passion and energy. Their eyes are wide open. They are motivated to climb up the ladder and they are malleable. And, similar to the law firm hierarchy, when you bring in the next first-year lawyer, you then elevate the lawyers that were previously first-year lawyers, etc., and it elevates everyone.”

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According to Stern, his experience with these hires has always been positive. “I would suggest, at least from my history of doing this and going through it myself, that ultimately you will have a higher engaged, more productive, better legal team when you bring in the first-year lawyers into your base, for several reasons. And, I look at the lawyers who we brought in directly out of law school, 20 years after we started doing that, and they’re either still at Accenture or in senior-level positions at corporations and doing great — all cases, not one failure.”

Straight to in-house: Challenges and opportunities for new lawyers

Opportunities associated with in-house practice that are attractive to recent graduates include things like being involved with the business side of things, learning about multiple areas of the law, and not being tied to the billable hour, to name a few. “Work-life balance. It’s one of the biggest benefits of being in-house,” says Grossi-Tyson. “I know a lot of law firm attorneys that will put in an incredible amount of hours. They give up a great deal in their social life to work evenings and weekends to attain the billable hours requirements. While in-house attorneys work hard, there is no billable hours requirement, so there is more flexibility.”

Outside of the billable hours requirement at many firms, starting one’s legal career at a firm does, in many ways, teach new lawyers how to be lawyers. On the flip side, in-house practice teaches them how to also be a partner to the business. According to Grossi-Tyson, the interns who work in the legal department at Independence get the added benefit of learning how a corporation actually functions, which is also true for new corporate counsel hires. “They get to learn the business, which is not something that you’re going to get at a firm, writing briefs, and doing research in the library. They get real hands-on experience working with the clients and getting to see how a business or corporation operates,” she says. Tara Rosnell, associate general counsel, IP, at Procter & Gamble, echoes that thought. “I think the best opportunity for in-house lawyers versus law firms is the ability to learn the business and work directly with the clients.”

Of course, the added exposure to the business, especially in a smaller legal environment, means a lot of trust is placed in the new attorneys. “One challenge about going directly in-house is that a lot of trust is placed in the lawyer right from the beginning, which can be uncomfortable until the attorney gains some confidence,” says Rosnell. “An in-house legal department can counterbalance this by having a formal training program for newer attorneys.”

One way to counter this challenge is through mentorship, which is a big part of any new straight to in-house program.

Proving value — An Accenture case study

Joel Stern: One of the greatest stories about our program of hiring lawyers right out of law school is that around four or five years into the program — and this is the early 2000s — we wanted to prove that the lawyers we brought in from law school were equally if not better trained than the lawyers at the law firm. We asked one of our law firms (one of the largest in the world) to assess the four or five lawyers who we hired out of law school and compare them with their lawyers of the same status and tenure at their law firm. And they said to us that our lawyers were better equipped to handle the work that we had, or that they were doing just as well as their lawyers, which basically to me was the metric that I had been waiting to hear. I knew it qualitatively, but I wanted to see it quantitatively. To have a law firm say that the law students that we brought in, these first-year lawyers, four or five years down the line were equally if not better trained in position to handle the work that we had than their lawyers, was music to my ears.

I came out of law school and went directly in-house at Allstate Insurance Company. IBM used to have a great program that Dennis [Garcia] took advantage of, and many of us went through the program and we not only survived, we thrived. But to debunk the myth that only law firms can equip these students, first-year lawyers, with what they need to be successful, our program was structured in detail to maximize the likelihood of success. And part of that program was giving these first-year lawyers an opportunity to spend time with the law firms so they could get that “law firm-specific training” and acclimated to the law firm culture as well. It was the way around the “law firms train

better” issue. We took our first-year lawyers and had them spend time with the law firms, and offer them the opportunity to learn what it is like to be a law firm lawyer. But in the end, that was maybe 10 percent of their time with us during the first year. And by the end of the second year, they were flying solo and doing an amazing job.

Considering a straight to in-house program

Stern, who started a straight to in-house program while working in Accenture’s legal department, helped to grow the legal department from around 50 to over 1,200 globally during his tenure. The program he started contributed greatly to that growth. “I had always been a proponent of having a summer internship program and also hiring first-year lawyers,” he says. “The general counsel at Accenture at the time was not an advocate of it and thought that the best breeding ground for third-year law students and first-year lawyers was at law firms and not in-house. But I give him a lot of credit because he said, ‘Joel, if you want to try it and pilot it, I’m very open to it. But you’re going to have to prove me wrong.’ And we did!”

The general counsel’s response is likely not an uncommon one. As Grossi-Tyson pointed out, legal departments don’t typically enjoy the same financial means that firms do. As a cost center, they need lawyers who can get the job done. However, Stern wasn’t deterred by his GC’s words. “As a result, we created a program that we knew would work. We created structure. We engaged supervisors Who knew how to manage. We created an interviewing program that was designed to get the best of the best. We established a course curriculum for the first-year lawyers that was a combination of on-site, in-person, and with our favorite law firms. We mentored them. We managed them. We listened to them to seek continuous improvement in the process.”

Mentorship is an integral component part of the program, whether it be a summer internship or first-year in-house counsel program. “First of all, I think all managers should be mentors,” says Stern. “There’s an element of mentorship that if you don’t take seriously, that’s a problem in and of itself. In addition, however, we created a line of mentorship that had no accountability for that individual’s performance.” Stern helped created a mentorship mentor/protégé program where the first-year lawyers would have a mentor outside of their line of reporting, in addition to their manager. “Our program for first-year lawyers included a formal career counselor, and then separately a formal mentor, and the first-year lawyer was the protégé learning from that mentor. And that was a safe haven for the individual. You could ask the mentor any question and the mentor would never second-guess it nor share it with anyone up the first-year lawyer’s chain of command. His or her job was to help you get through this and be successful.”

Getting a program started

As with any new endeavor, there will be challenges — especially in legal departments often charged with doing more with less. Stern points out a few challenges, including: (1) the headcount expense challenges that arise whether they’re first-year lawyers or not, (2) the naysayers — the people that don’t think it’s a good idea and are not open to being proven wrong, and (3) the fact that if you’re going to start this kind of program, you need to be in a hundred percent in. “You have to treat it like any other strategic program,” says Stern, “which means you have to have an understanding of what you’re trying to do. You have to have it very structured with a rigorous process around it. You have to

have metrics that you measure not only for the first-year lawyers, but also for the people who are responsible for the orchestration of the program."

At Accenture, they included the lawyers in the straight to in-house program in the performance review process. "We made sure that the lawyers who were part of the program — either direct line manager, mentor, part of the orientation process — that during their review cycle that they had goals that related to making this program successful. And they were rewarded or penalized if they didn't do what we asked them to do with respect to that. It really was a total strategic program where we invested time and effort to make it successful." According to Stern, this process allowed them to have metrics which they were then able to use to determine success or failure — an important part of addressing the challenge associated with "naysayers" and bosses who need to see the positive impact the program is having on the legal department. This, of course, is a big undertaking, which goes back to being "all in." "The biggest challenge is treating it like any other important initiative that the law department takes on. That takes a lot of time and effort," says Stern.

In addition, companies considering a similar program need to take into account who on the legal team and beyond will be involved in the program. You need the right people onboard to help your new team members get acclimated to not only the legal culture, but the corporate culture of your company. According to Stern, you need smart lawyers who are also good managers. "You need to literally handpick those people who can help nurture these first-year lawyers because while we all need nurturing, they need extra nurturing to make sure that they're successful. The managers need a vested interest in making the first-year attorneys successful."

Another challenge is making sure that the structure you put in place is actually adhered to. "If you're not careful, you could set up the most amazing curriculum and program for these first-year lawyers but all of a sudden, day one, a huge project comes into play and all bets are off — you ignore the curriculum and the structure you put in place. That's a recipe fraught with peril. You have to stay the course with the first-year lawyers, especially," says Stern.

Not your typical summer associate program

Some of the challenges outlined above may make the thought of establishing a straight to in-house program a bit daunting, especially for smaller organizations that really depend on the legal team to tackle those big projects and put out fires without the added benefit of a larger team. However, those teams can benefit from the fresh, eager to jump right in lawyers (to be) finishing up their legal education.

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Grossi-Tyson worked to establish an intern program at Independence Blue Cross (Independence), similar to intern programs at law firms, back in 1999. Working with the then-new general counsel, the two started talking about bringing in outside help for special projects, and Grossi-Tyson brought up the idea of an internship. "I indicated that we had an intern program at Sunoco, and it was a great opportunity to bring in individuals from law school. They could take some of the lower level attorney work, because that was an issue for the department — a vast majority of the attorneys in the department were senior counsel and there were few lower level attorneys. I felt that the students

could assist with some of the lower level work, and that in addition to the summer, we could retain some interns during the school year." Extending the program beyond the summer can offer additional opportunities, including a longer period for student evaluation, which to Stern's earlier point about bringing previous interns back into the company, can be used to evaluate the interns for future job openings.

According to Grossi-Tyson, Independence's summer intern program has been going strong since 2001, with increased interest in the program year after year. "We've had a lot of interest in it, and we've interviewed every year," she says. "In the fall, we participate in the intern interviews at the local law school in the same manner as the law firms. A committee does the interviewing, and when possible, consists of alumni from the schools they work with. The interview process eventually pairs down to the top couple of candidates from each school." In addition, the company interviews individuals from the Philadelphia Diversity Law Group (PDLG). According to Grossi-Tyson, the number of interns hired depends on the amount of work the firm has and the budget. "Generally it's around two individuals who are hired to work in the intern program," she says. "One intern is hired from the PDLG and the other from one of the law schools. During the summer, we try to give them a broad-based experience to try to make sure they get assignments from all the different practice groups, for example: from the litigation practice group, the provider practice group, the corporate practice group, the marketing practice group, and the labor and employment practice group. At the end of the program, we evaluate their performance, and those who are interested can maintain their employment through the school year on a part-time basis."

Starting your own internship program

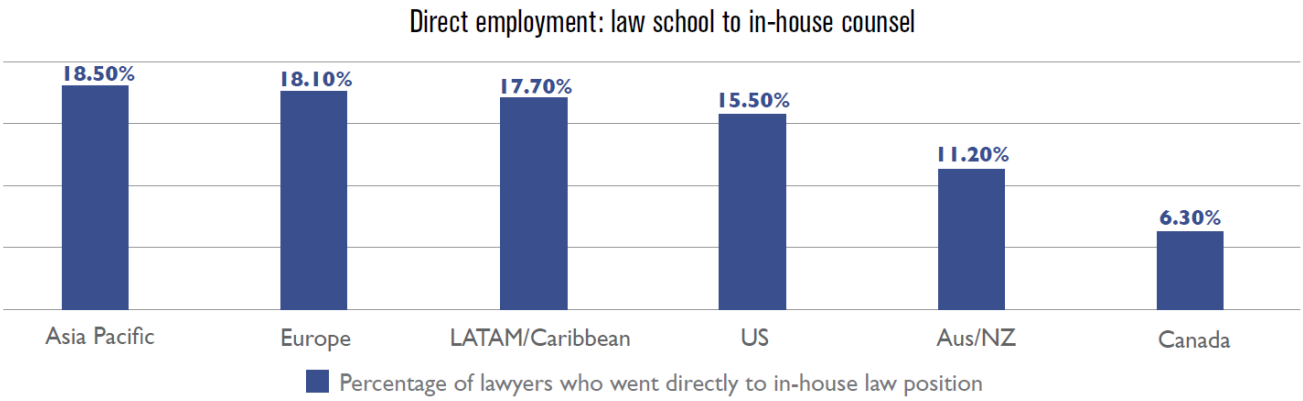
Grossi-Tyson recommends starting an internship program, especially for those organizations that may not be able to hire directly from law schools, but do see the value in bringing on new lawyers, perhaps a bit later in their careers, who have some exposure to in-house practice. "It is a win-win for both the corporation and the intern. Even if you don't plan on hiring them, it really is a good opportunity for the interns to see how a business operates, to see a different aspect of law, and to help them in making career decisions," she says. "They get a different experience than they would in a law firm, which I think is very valuable to them. It's even valuable, if they don't go in-house immediately, to law firms that would hire them because they do have that experience of working directly with clients, working in a business setting. I think it's very valuable to the business too. You really get some good talent and it gives you an opportunity to evaluate that talent early, so that when you have job openings, you have a ready pool of individuals to reach out to." She goes on to explain the cost efficiency of incorporating such a program into law departments. "Corporations often have limited resources and smaller departments so you end up doing a lot more work on your own than in a law firm. The interns can take some of that burden off full-time attorneys."

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How to get started? Independence started their program by reaching out to the career departments within the law schools. Having begun a similar program while working in-house at Sunoco, and currently working for an organization that hires summer interns in other departments, Grossi-Tyson had a bit of an advantage when it came to creating their internship program for law students. "I would suggest if a corporation is already doing a college internship program, that they [the law department] partner with the HR department because they may already have connections with the different

schools. They may not have connections at the law schools, but they may have connections with the individuals at the different universities who can connect them with the law schools. They may also already have a process built in for the hiring, et cetera."

Again, a common path for a law student is to summer at a law firm. How do you get your organization on the radar of these students? "In order to compete for top talent, I would advise legal departments to be on the same schedule as on-campus interviews (OCI). In other words, they need to be interviewing students at the end of their 1L summer and making offers in early Fall for 2L summer," says Rosnell. "The expectation should be that students get an offer at the end of their 2L summer, if they do a good job. For top diverse talent, it may be necessary to start even earlier, offering summer internships during 1L summer. I would also recommend that they participate in on-campus job fairs during OCI."



ACC Compensation Survey

Not a direct hire, but a great opportunity

It seems that a program that introduces law students to the practice of law in-house — whether it be an internship program or one that actually trains newly minted lawyers as new to in-house counsel — is a win for legal departments. "I think the program has been a win-win for the students and the company," says Grossi-Tyson. "We are very upfront with students that our internship is somewhat different from a law firm internship. In most law firm internships — at least in the past — if you participated in the internship program, as long as they liked you, you were offered a job. We inform our candidates during the interview process that more likely than not, you will not be hired at the end of the program. This is because: (a) we have budget constraints that some firms don't have, and we need to have an opening in order to hire somebody, and (b), we may not feel that they have enough experience to jump right into a role. Because if we do have an opening, we need somebody who can hit the ground running." She continues, "That said, we still have had no problems getting candidates, and good quality candidates. Even though we don't have job opportunities for individuals, they have been very successful in finding jobs because we work with a lot of area law firms who are always willing to give our candidates interviews."

Advice for new to in-house counsel or those who aspire to be

"I know that when we are looking at résumés, individuals who have any type of work experience in college, or who took courses in business, are more attractive to us than the individual who obtained a political science degree. The same in law school," says Grossi-Tyson. She also recommends taking

different business courses like corporate law and mergers and acquisitions, for example. “Try to focus on areas you might be interested in, and then tailor some of your courses to what might be attractive to that company or area.”

According to Stern, there are a few things new to in-house attorneys should understand and do in order to be successful. “For one, understand how your company makes money. Have a good working knowledge of what a profit-loss statement, balance statement, and cash flow look like. Know what the company does and what differentiates it from others. Research their products/services offerings. Understand what intellectual property the company has and how they use it. Read The Wall Street Journal. I always tell people that I never even looked at a Wall Street Journal until I was at Allstate Insurance Company. That was a mistake. Understand the business, and how businesses make money, and how they operate, and the challenges that they have and do it before you interview and/or take the position.”

Further, in the event you land that in-house position and aspire to stand out to the leaders in the department, be authentic. **“I define leadership as the ability to influence others and to be authentic,”** says Stern. “I love that definition because it has nothing to do with how many stripes you have on your shoulders or what your title is or how much money you make. Leaders can lead day one by influencing others and being authentic.” Again, understanding the business and the current business climate, both before you get the job and while you’re in it, is extremely important to success. “If you’re at a healthcare company in the early 2000s, you better understand HIPAA. If you’re in the finance area today, you better understand Dodd-Frank. If you’re a technology lawyer, you better understand Blockchain and data privacy laws.” says Stern.

Grossi-Tyson points out the importance of getting to know your internal clients. “I would also recommend forming a relationship with your clients,” she says. “Not only is it important to develop an expertise in the business area you support, it is important to get to know your clients and develop a rapport with them to ensure that they are seeking your advice routinely, and that you are aware of what is transpiring in the business.”

Lastly, it’s recommended that new corporate counsel get involved with an organization with a “heavy populace of in-house counsel like ACC, MIHCA, and NAMWOLF.” “We [NAMWOLF] now have a pipeline sponsorship program, and I’m so proud that last year we gave out two US$10,000 sponsorships to students,” says Stern. “But even more importantly, the eight finalists who were chosen, we gave them mentors — either law firm mentors or corporate mentors to help them as their career takes off.” ACC’s National Capital Region Chapter has a similar program, and since creating the Corporate Scholars Program in 2004, has placed more than 100 students in these internships (see below).

About ACC National Capital Region’s Corporate Scholars Program

The Corporate Scholars Program of ACC National Capital Region (ACC NCR) is cultivating the next generation of in-house counsel by providing law students with unique opportunities to experience in-house practice.

Since 2004, the National Capital Region chapter has provided promising and high-achieving students attending law schools in the service area with scholarship awards and summer internships in the legal departments of prestigious local companies and organizations. The students experience the full range of corporate practice areas and legal advocacy that in-house counsel handle. As a result, they

gain valuable insights into the relationship between providing business and legal advice to clients in a variety of substantive areas.

The Corporate Scholars Program seeks students who have good grades, strong writing skills, previous work experience, and some professional maturity. Because the program is designed as a “diversity pipeline” program, we seek applications from populations that may otherwise lack access to these opportunities. Diversity for this program is used in its broadest sense and means obtaining a pool of applicants who are reflective of the work force in general and the communities that lawyers serve.

The internship opportunities afforded these students come from the legal departments of companies that are members of our association. Previous hosts have included large and small departments from public, private, and non-profit organizations. Click here to read testimonials from previous host organizations.

The Program was created with initial grant support from the Minority Corporate Counsel Association (MCCA). It is maintained with generous support from the chapter, its sponsors, and individual and corporate donors.

Since creating the Corporate Scholars Program in 2004, ACC NCR has placed more than 100 students in these internships.

Conclusion

The legal profession, while steeped in history and tradition, is one of the fastest changing and growing professions worldwide, and in-house practice allows a front seat to an ever-evolving global business environment. Exposure to the business is crucial for any new lawyer today and explains the “increased” interest in in-house practice earlier in one’s career. Legal departments may want to consider reaching out to this community of lawyers, or lawyers-to-be, sooner rather than later. Summer internship programs are a good place to start, and developing a path to in-house practice for recent graduates is a win-win for all departments — whether you can hire directly or not.

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