

Perspectives from In-house Counsel at High-growth Companies

Law Department Management



The rewards of working at a fast-growth company are plentiful. At the same time, approaching these kind of in-house legal jobs comes with a specific list of daily challenges, including handling the daily tension between rapid business growth and legal risk management, knowing when to use outside counsel vs. expanding your in-house team, hiring specialists vs. generalists, onboarding new hires in a rapidly changing environment while preserving the company culture, and calibrating internal hiring, operational systems, and external resources to company growth.

Priori Legal, which works with legal departments to streamline and optimize the hiring, budgeting and management of boutique firms, solo practitioners, and temporary lawyers, recently gathered a group of accomplished in-house counsel to share their experiences and advice for succeeding in this kind of environment. This group included Vince Cogan, former corporate counsel, head of product legal, and legal operations at Stripe; Kate Karas, VP, senior associate general counsel at Lending Club; Steve Siger, managing counsel at Thumbtack; and Chester Te, assistant general counsel at Silicon Valley Bank.

Using data to communicate risk

The fundamental question facing in-house counsel at fast-growth companies is determining the actual risks that the company is facing. Siger explains it best: “The legal department’s greatest value is understanding risk, communicating it to your internal clients, and working with them to mitigate it.” Another important aspect of managing risk is effectively communicating how this risk will practically impact the company. A task that can be particularly challenging when the company is focused on performance-based growth metrics.

Karas suggests taking a data-driven approach to maximize client buy in: “We explain risk and try to

identify a workable path to the goal articulated by the business team. We try to quantify risk and ask how likely it is that the negative impact will occur. We then assess what the impact would be — is it brand? Customer confidence? Or another metric important to the business or the company? Having this type of data-driven approach to risk really helps legal speak the business language."

If this strategy doesn't work, Karas uses another approach that is quite effective. "If all else fails, I follow the decisions of the SEC, FTC, and other regulatory bodies and point to those examples. This is a very effective way to overcome the 'legal is just being conservative' argument. It's a neutral way to point out that a suggestion is, simply, a bad idea," she adds.

Siger also uses external sources to support his rationale. "If something really isn't a great idea, explain why and use recent news articles about how someone else got in trouble for doing something similar," he explains.

Building relationships from the get-go

Oftentimes, when a company is going through explosive growth, it's incredibly important to build and maintain relationships with business stakeholders. "As one of the initial lawyers at a fast-growth company," Siger explains, "you're frequently working with lots of business people who simply aren't used to working with legal. It takes time and relationship building to show your value." While this process can be time-consuming, setting up the right foundation initially increases the likelihood of long-term success. "On your first day, you see everyone going crazy, and it's okay not to know how to help. Take time to learn, meet people and don't stress about not being able to help immediately. Having more patience in the beginning is key in setting you up for success going forward," he adds.

In-house counsel at fast-growth companies frequently join early, which allows them to learn about the company's existing and new products in depth — an important tool in establishing legal as part of the overall process. Cogan explains, "When you're an early member of the legal team at a technology company, the more you understand the products at a fundamental level while working closely with engineers and business teams, the more effective you'll be as an embedded partner. That's the advantage of joining a company early on — legal can organically become part of the process, and that's definitely the path of less resistance."

Addressing critical needs

One of the most challenging tasks at a fast-growth company is managing the competing business needs thrown at a small (or even solo) legal department consistently and at a rapid pace. Succeeding at this task requires both input from the business team and an effective communication strategy. As Siger explains, "I find that figuring out what to do and the order to do it in is, often times, harder than doing the actual work. It takes quite a bit of time to determine what 'urgent' actually means at a given company. The business partner is critical in helping legal figure out where their request falls on the continuum of needs, and open communication is the lynchpin to make it all come together."

As legal cannot provide timely responses to every request that comes, "Instead of trying to prioritize, we empower the business teams to do it for us. We build relationships, and we rely on them to help us understand which tasks are critical," Karas recommends. Effectively communicating why legal is prioritizing one task over another can also help maintain a positive relationship with internal clients. Te adds, "It's so difficult to tell someone that the thing they want to do isn't necessarily the most important in the big picture. I work hard to communicate the message in a non-personal way, and sometimes, you just need to escalate and have someone step in. Legal can't always be the arbitrator

of competing business interests.”

Generalists vs. specialists

As companies grow, the legal department needs to scale to meet its shifting needs. Frequently, this means hiring generalists in the beginning, and then homing in on specialists as the legal department grows. In either case, the critical factor to hiring any legal team member is fit. As Karas explains, “More than focusing on generalist vs. specialist, I always try to remember that it only takes one person who isn’t a fit with the legal or business team to create a destructive environment and really bring down morale.”

“The reality is that you will likely need both generalists and specialists. If you’re looking for specific subject-matter expertise, it may mean hiring a specialist with significant firm training. If you’re looking for someone to jump in and tackle any topic, you’ll want a generalist who is comfortable being uncomfortable. In either case, the key is fit, and making sure this person can go in front of your key business stakeholders and executives. Soft skills are critical, and you can use past experience and resume to verify the hard skills,” adds Te.

Cogan echoes this approach, but encourages taking a long-term view of where the legal department is heading: “In the early stages, you’re looking for someone who is intelligent, curious, adaptable, and a culture fit. Over time, you start focusing on hiring more specialists because you have a clearer strategy for the legal department as a whole. The earlier you can start thinking through what you’d like your department to look like, the higher the chances you’ll know who to hire, and be able to clearly communicate to the potential employee how they’ll fit into the team as it grows.”

In thinking through how the legal department will take shape and when it’s appropriate to shift from hiring generalists to specialists, it’s also important to consider how these kinds of transitions will impact the existing legal team. “It can be challenging to transition someone from generalist to specialist. It’s so important not to avoid the hard conversations. Involve the individual lawyer, be honest and genuine, and closely collaborate about the structure of the job you would like the lawyer to move into, even if that is more narrowly tailored than the role they currently fill,” says Karas. If department leaders have done their job correctly and managed expectations, “employees understand where the shift is coming from and it shouldn’t be a surprise,” adds Cogan.

When it comes to fast-tracking your growth as in-house counsel, few environments provide a better opportunity than a job at a fast-growth company. To achieve long-term success in this kind of environment, in-house counsel must be able to effectively prioritize the needs of the business, manage expectations from key stakeholders, and balance the need to protect the company against risk yet still support the kind of growth required for the company to move to the next level. By focusing on the company’s culture, effective communication with internal clients, and consistently reassessing the needs of the legal department, in-house counsel will be an integral part of the company’s overall success.

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