

Advising the Enterprise in a High-Stakes Environment

Community

Law Department Management



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In an era of heightened political polarization, geopolitical uncertainty, and growing expectations of corporate leadership, chief legal officers face an increasingly complex challenge: helping their organizations exercise sound judgment when the stakes are high, the facts are incomplete, and the pressures to act — or remain silent — are intense.

At ACC's Washington, DC CLO Circle Roundtable, 19 chief legal officers explored two interconnected dimensions of this challenge: advising the CEO on when the company should speak publicly on contentious issues, and building the trust, credibility, and independence necessary to serve as an effective strategic adviser to the board.

Five strategic themes emerged from the discussion.

1. Corporate speech: Define your universe of stakeholders before deciding whether to speak

When should a company take a public position on a divisive social, political, or cultural issue? The discussion underscored that the answer begins not with the issue itself, but with the organization's purpose, values, and stakeholders.

"What is your relevant universe of stakeholders?"

The question provides a critical starting point for assessing whether an issue has a meaningful connection to the business. Employees, customers, investors, regulators, and communities may have different — and sometimes conflicting — expectations. A company's responsibility is not necessarily to respond to every controversy, but to understand whose interests are implicated, what its institutional values require, and whether speaking will advance a legitimate business objective.

Participants also explored the tension between corporate values and legal or reputational exposure. In an increasingly polarized environment, both speaking and remaining silent carry risks. Consistency, credibility, and a clearly articulated decision-making framework are therefore essential.

2. Crisis leadership: Distinguish the smoke from the fire

One of the most compelling themes was the CLO's responsibility to bring perspective and disciplined judgment to moments of uncertainty.

"In a crisis, there can be a lot of smoke. But where are the real fires? How many are burning — and how do you find them?"

The metaphor captures a defining challenge for legal leaders: distinguishing genuine enterprise threats from noise, political pressure, and temporary controversy. Effective CLOs must identify the material risks, evaluate their potential consequences, and help management prioritize an appropriate response.

Equally important, **crisis leadership cannot begin only when the fire is already burning.** The relationships, communication channels, and institutional credibility necessary to navigate a crisis must be established well beforehand. A CLO who engages proactively with leadership and the board is better positioned to recognize emerging threats, challenge assumptions, and guide the organization when decisive action becomes necessary.



3. Board relationships: Be ubiquitous, but not obnoxious

The discussion emphasized that effective board engagement requires sustained relationship-building beyond formal meetings and scheduled presentations.

“Be ubiquitous, but not obnoxious.”

The phrase captures the balance CLOs must strike in the organization: maintaining sufficient visibility across the enterprise to preserve a *30,000-foot view* of its operations, strategy, and emerging risks, while avoiding unnecessary intervention or becoming a bottleneck.

CLOs benefit from developing relationships with individual directors, committee chairs, and the lead independent director, as well as understanding the board’s priorities beyond the formal agenda. These relationships help establish the CLO as a trusted source of independent perspective rather than simply the executive responsible for legal compliance.

The discussion also raised an important governance question: **Does the CEO view the CLO as an independent strategic adviser — or as a lever to pull in managing the board?**

The distinction goes to the heart of the CLO’s role. Effective legal leadership requires close partnership with the CEO without compromising the independent judgment and credibility that directors expect.

4. Gravitas, judgment, and trust: The CLO’s essential leadership capital

Technical legal expertise remains indispensable, but it is insufficient on its own to establish the CLO as an enterprise leader.

“Gravitas, judgment, and trust are critical to your role. But how do you wield them?”

Participants explored how CLOs build the credibility necessary to influence difficult decisions, deliver unwelcome advice, and challenge management or directors constructively.

That credibility depends on business fluency, sound judgment, clear communication, and a demonstrated understanding of the organization’s broader strategic objectives. It also requires knowing when to intervene, when to elevate an issue, and when to allow management to exercise its own judgment.

Trust is accumulated through consistent performance and candor over time. Particularly in high-stakes situations, the CLO’s effectiveness depends less on formal authority than on whether the CEO and board genuinely value — and are prepared to act upon — the CLO’s independent counsel.

5. From reactive counsel to proactive enterprise leadership

Across both sessions, a common thread emerged: the most effective CLOs do not wait to be invited into consequential decisions.

They cultivate relationships before crises arise, understand the business beyond the legal function, anticipate emerging risks, and help leadership distinguish between what is urgent and what is truly important.

This requires a shift from reactive legal problem-solving toward sustained strategic engagement. It also demands a careful balance: being sufficiently involved to influence decisions early, while

retaining the independence and perspective necessary to challenge them when appropriate.

The strategic takeaway

The modern CLO's value lies not simply in identifying legal risks, but in helping the enterprise exercise sound judgment amid uncertainty.

Whether advising on a contentious public statement, navigating a crisis, or counseling the board, effective CLOs combine **business fluency, independent judgment, trusted relationships, and the courage to speak candidly.**

The central leadership challenge is knowing when to speak, when to listen, when to challenge, and when to act — and building the institutional trust necessary for that judgment to matter.

ACC CLO Circle Roundtables convene senior legal executives for candid, peer-level discussions of the strategic challenges facing today's chief legal officers. This summary reflects overarching discussion themes without attribution to individual participants or organizations.

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