

Q&A with the EiC: Walmart Executive VP & GC Karen Roberts on Growth and Change

Interviews and Profiles





Karen Roberts, executive vice president and general counsel of Walmart Stores, Inc., has enjoyed a varied career that has led her to one of the largest and most recognizable retail companies in the world. Recently, the busy GC took a few minutes out of her day, which includes managing more than

150 lawyers in the United States alone, to participate in an ACC Fireside Chat with *Docket* Editor in Chief Tiffani Alexander. In this Q&A adapted from the chat, Karen shares a little about her path to Walmart, the importance of embracing the opportunities presented by change, and how using technology can help manage those changes (and the legal department), the work the company is doing to promote diversity and inclusion in the profession, and more.

Career and the journey to Walmart

ACC: Did you always aspire to be an attorney, and if not, what was your first career aspiration?



Karen Roberts: I grew up in a very small town, Hope, Arkansas, and in high school had some interest in going to law school. After graduating, I went to college at Harding University in Searcy, Arkansas, and there my interest in going to law school grew. I enrolled after graduation in the University of Arkansas School of Law. So, by the time I started high school, I did think that I wanted to be a lawyer. I didn't necessarily know that I wanted to be an in-house lawyer. I had of dreams of being a high profile, high-powered appellate lawyer, who would try cases before the Courts of Appeal and the US Supreme Court. Every young student has different notions about what lawyers do, and it wasn't until I began to work for Walmart that I really understood what an in-house career could offer.

ACC: What sparked your interest in in-house practice, and what led you to Walmart and, ultimately, to the GC position, as head of legal for the retail giant?

Karen: At the time of graduation, I'd done some interviewing with firms. I had also clerked during law school at Tyson Foods, which is located here in Northwest Arkansas, as well as at Walmart. During that clerkship, I began to understand what an in-house career might look like and how interesting it was to hear conversations between the business and the attorneys. There was a job posted here at Walmart. I decided to interview for it, and I actually got it. My first job at Walmart was on the real estate side of the company, in the business; it was not in the legal department. Through that job, I learned a tremendous amount about how the company works, about business, and that led to me ultimately joining the legal department some years later.

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our clients and help them and our business partners serve our customers, as well as mitigate risks for the company and defend it in lawsuits and regulatory matters.

— Karen Roberts, Executive Vice President & General Counsel, Walmart Stores, Inc.

ACC: You've held several positions at Walmart, including a previous GC position within Walmart Realty and chief compliance officer. What does your typical day look like today, and how does it vary from your previous roles? Further, how have your previous positions informed your current role?

Karen: A little background on my career here at Walmart: I started out in the real estate division and ultimately on the business side became a real estate manager. I was responsible for selecting sites for new stores in various parts of the United States, which was a great experience. In the late '90s, I moved over and joined the legal department and supported the real estate division that I'd been a part of, ultimately becoming the general counsel for that group of lawyers. In 2008, I moved over and became the senior vice president and chief compliance officer for the United States, and then in 2011, I became the executive vice president and president of Walmart Realty, which is the domestic real estate program in the United States. I ran that program and led that team of professionals, moving into this role at the very beginning of 2013.

Of course, I now serve as general counsel, so as you can imagine, there's not really a typical day! I don't think there would be for any company but certainly not for this one. There are lots of complex issues, and we spend our days trying to solve problems for our clients and help them and our business partners serve our customers, as well as mitigate risks for the company and defend it in lawsuits and regulatory matters. But the business knowledge that I gained throughout the years in the various roles that I held helped me to better understand the pressures that our business partners face and what their needs are and how they think. Perhaps my career has been somewhat unique in that regard, but I've certainly enjoyed it!

The legal department and legal operations

ACC: The global legal team at Walmart — how large is the legal department you manage, how is it structured, and what best practices can you offer per managing and "connecting" lawyers working in different areas of the world?

Karen: In the United States, we have about 150 lawyers who work for the Walmart legal department. In addition, we have lawyers in every market that we serve all around the world. For instance, we have lawyers in Mexico, Chile, Brazil, the United Kingdom, Canada, Japan, China, India, Central America, Argentina, and South Africa — I think I covered them all. But here in the United States, our lawyers are mostly based in Bentonville, but some are in Hoboken, and in San Bruno, California, as part of our e-commerce operations.

Connecting lawyers in various parts of the world who are facing any manner of risk requires a level of engagement, inclusion, cooperation, and collaboration. We obviously have to work across functions and across time zones to share information and solve issues and problems that the company is facing. Communication, collaboration, and coordination are key to the effective management of a global legal team — and technology has certainly made that easier than it was even just a few years ago. It helps to maintain an effective communication structure to connect and support attorneys and professional staff.

Technology certainly makes that easier than it has been before. And we try to stay connected

because we often find that somewhere in our company we have faced an issue before, and if we spend a little time trying to understand the before, we can move towards a solution or resolution. Often there are things we can learn from our lawyers all around the world who have helped solve those problems before — we try to make sure that we do that.

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ACC: The legal operations function plays a major role in the management of the legal department at many organizations. Can you share how legal ops is integrated into the department at Walmart?
Karen: First, we have a structure here largely based upon the way our business segments are established: there is a team led by general counsel that supports Walmart US, a team of lawyers led by general counsel that supports Sam's, a general counsel for international, a general counsel for all the company's litigation, a general counsel for e-commerce, and a general counsel for investigations as well. Lastly, there is a GC for legal operations and that legal operations team is responsible for functions that provide support to all those groups I just named, including providing them with data and analytics, helping with outside counsel management, initiatives related to diversity and inclusion, the training and development that we engage in within our department, communications that go department-wide, as well as our *pro bono* program.

That legal operations team is led by Phyllis Harris, senior vice president and GC of legal operations, and under her direction, we've transformed our department so that it's better aligned with the strategic goals of the company. The legal operations team's efforts and analytical capabilities, the initiatives and the processes and policies they've put in place have helped us to more effectively manage our supplier and outside counsel relationships and to manage change. Legal operations has also improved opportunities for career growth within the department and implemented an effective communications structure to help support change management as it relates to new initiatives with which the legal operations team is assisting the entire department.

ACC: How does the legal department measure value? What's most important to senior management and how does that inform what, and even how, you track things like outside spend, etc.?

Karen: Our goal is to become, and I think that we are, a trusted advisor and counselor to the business. What the business expects from us is operational excellence — in other words, the business expects excellent advice and highly competent lawyers, and it expects us to be efficient with our time, our resources, and their time. Operational excellence and efficiency are important to senior management. We are using data to make data-driven decisions to help us drive efficiency and reduce expenses. But things are only efficient if they don't compromise our high-performance standards. We don't view something as more efficient simply because it is more economical. It has to meet our high-performance standards, and if it also achieves operational or economic efficiency, that's a win. If it's only economically efficient, we don't consider that to be more efficient at all.

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Obviously, we've got a lot of initiatives under way. We are particularly proud right now of an operational dashboard that we developed internally for our use. It helps provide greater visibility and tracking of our legal matters, outside counsel spend, and our diversity metrics. All sides of the legal department have matter management systems that they utilize, and certainly we're no exception to that. This dashboard is unique though in the regard that it allows us to compare workloads of in-house lawyers and compare workloads and case management of outside firms, as well as the cost of the various outside firms and their diversity and inclusion metrics. It's sort of a single point of information. It makes it much easier for lawyers who are charged with managing outside counsel spend and risk for the company. It allows us to make much better decisions.

Diversity and inclusion at Walmart

ACC: I understand that you lead the Medical-Legal Partnership Program and Walmart's diversity and inclusion efforts. Can you tell us a bit about the program?

Karen: In 2011, Walmart Legal formed a medical-legal partnership with Arkansas Children's Hospital and Legal Aid of Arkansas, and since then I'm proud to say that more than 150 Walmart associates have provided assistance to 170 families. In 2016, as an example, Walmart associates volunteered 420 attorney hours and 70 paralegal hours to provide assistance to Arkansas families. The kinds of things they work on, the cases they handle, are referred to us by Legal Aid, and typically fall into one of three categories. Usually, we work on appeals of Medicaid denials of treatment, and we negotiate with school official to obtain access to appropriate education and educational tools, and guardianships.

We often find that parents need assistance in obtaining guardianship over children who are developmentally disabled and turning 18. As those children become adults, we help parents maintain their guardianship, so that they can continue to make healthcare decisions for them. Last year, our MLP was one of two medical-legal partnerships in the nation to receive the 2017 Outstanding MLP of the Year Award at the National MLP Summit in Maryland. This particular area is one of which I am very proud. When it comes to diversity and inclusion, we have a broad commitment.

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ACC: Please tell us more about the diversity and inclusion work being done at Walmart.

Karen: With respect to diversity and inclusion, our strategy focuses on four key areas: Our in-house legal department, our outside counsel, strategic partnerships with bar organizations and diverse affinity groups, and pipeline programs. We want to make sure that here at Walmart, our legal department is not only diverse, but it's an inclusive place to work for all our attorneys and professional staff. Toward that end, in 2015 we established a 14-member Leadership Council on Diversity and Inclusion within our legal department. The Council is charged with helping to oversee our strategy for creating a more diverse and inclusive legal department and implementing diversity and inclusion initiatives, programs, and training. That's the internal aspect.

With respect to bringing about change externally, we have an opportunity and a responsibility to

impact the profession as a whole through our support of external diversity initiatives. In 2005, we began to use our size and scale to bridge the diversity gap that we see with outside counsel. Early initiatives included increasing diversity among the attorneys serving as our relationship partners, and we have continued on that path. Today, I'm pleased to say that we have 200 women and diverse attorneys who serve as relationship partners at our outside counsel firms, and they control a significant portion of our annual legal spend within their firms.

Walmart Ready and more…

Karen: A couple of years ago, we launched a program that I think is pretty unique to further assist in bridging that diversity gap, and it's showing some promising results. It's called Walmart Ready. It was designed to educate women and diverse outside counsel about our business, our performance expectations, how we operate in the legal department, and our unique corporate culture as a company. The program afforded attendees the opportunity to come to Bentonville and speak directly with in-house lawyers who are responsible for assigning matters to firms. One of the goals of the program was to make sure that we are utilizing a pool of diverse outside counsel, but really it was designed to make sure — and that's why we call it Walmart Ready — that these firms were ready when the need arose. We are trying to position them to be prepared when the call comes for business. We had an initial on-boarding session in 2015 and as a result, 25 percent of the firms that participated received an assignment. We held a second event in the fall of 2016, and we are going to host future events as well.

There are a number of other external initiatives that we participate in, including the Engage Excellence Initiative, which is an inclusion initiative that directs business to ethnically diverse and openly LBGT attorneys at majority owned law firms. We are very, very proud to participate in that. We also participate in NAMWOLF's Inclusion Initiative, and we generally require outside counsel to promote and support balanced work arrangements. We recognize that a lack of work-life balance can impact the ability to retain and advance women in particular in their careers.

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In-house counsel and career transition

ACC: As an executive who has held various positions at Walmart, what advice do you have for in-house counsel who aspire to the role of general counsel — or an advanced position within or outside of the legal department?

Karen: I have been the beneficiary of some phenomenal mentors and relationships that I have built internally and externally over the years. Relationship building — finding a mentor who can assist you and will truly be honest with you and provide you with candid feedback — is a gift. The world around us is changing at a pace that is, in my view, unprecedented. We always talk about Walmart being part of a very fast-paced, changing retail environment. So, one of the things I've said to young people is you have to accept that things are going to change. You need to adapt and try to make sure that your skills remain relevant going forward. We also talk about intellectual curiosity at Walmart — that folks who are successful have a general intellectual curiosity, whether it's about retail or about technology.

I also don't think that you can underestimate that plain old hard work pays off. I have a saying that opportunity looks a lot like hard work. It does not come in a package with a bow on top. It usually comes in the form of a problem to solve or a crisis to manage. It's an exciting time to learn something new, to test yourself and to be exposed to different people and issues. Utilize that. Maximize that. Those are the opportunities where you build relationships and where you become battle tested.

Challenges and today's GC

ACC: Change is often the cause of challenges (a new administration, a major piece of legislation, etc.). What is your advice for advising in times of change? And further, how do you keep up-to-date with a rapidly evolving regulatory environment?

Karen: Adapting to change is hard. I think it is just human nature; it's hard for everyone. I think we as lawyers can sometimes have an even harder time. Walmart is a part of a rapidly changing retail environment. Here in our legal department we actually spend a lot of time talking about it and focusing on if we are looking at risk through the right lens.

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The regulatory environment is changing. Are we focused on the right issues, and are we continuing to develop the right skills that will support us being able to help our clients and business partners in the future to solve problems they need to solve to continue to serve customers? On a personal level, I've tried to challenge myself over the last year or so — and it's a department-wide initiative — to use data and technology to make better decisions. I've tried to take myself out of my comfort zone and use technology in ways that maybe we hadn't before. Therefore, my advice is that you have to rapidly adapt, be very deft and nimble, and move with the pace of change.

ACC: From government interventions to breaches in security — in-house counsel are tasked with not only keeping the "company" safe and compliant, but with protecting the C-suite and themselves from personal liability. With that in mind, what are the most challenging aspects of being in-house counsel today?

Karen: The role of today's GC is much broader, and this has been evolving over a period of years. Again, like everything else, the pace of change is accelerating in this space like it is everywhere, and the role of a GC is much broader than just being a legal advisor. Today a general counsel advises not just on legal issues and risks, but also on strategic initiatives, reputational issues, talent, and more. A good GC is able to show value in all those spaces and participate in those conversations. A good GC helps the company in developing its strategies to support the company's long-term goals and initiatives. So the role of GC is a bigger role than it has been in the past, and much more is expected out of general counsel of public companies today.

Getting to know… Karen Roberts

What one piece of advice would you give your younger self?
I'd tell myself to lighten up a little. I probably took life a little too seriously at times. I have a wonderful career; I have a wonderful family, but I think that there have been times when I've taken things a little

too seriously. I would tell myself to kind of enjoy where you are and just savor the moment.

What's next for you?
For me personally, I'm just looking to continue to learn and challenge myself, and we talked about this, but the pace of change. I read a lot about what other companies are doing, about technology in areas unrelated to retail. You have to have an intellectual curiosity to be successful in these positions, and I'm trying, myself, to keep up with the pace of change. For me, it's continuing to learn and to grow.

Name one person, living or dead, who you'd love to have a cup of coffee with?
That's easy, my grandfather. He died when I was in law school, and I would love to have the opportunity to visit with him again, to talk to him about my kids and my family and just what's going on in my own life. But also I would love to hear — I always found him to be a very wise person and very funny — and I would love to have his perspective on what's going on in the world today. I think it would be a really fun conversation. And I miss him.

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