

Commentary

‘So you know the law? Now help me run my company’



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When Stephen Sigurdson, a former managing partner of Osler Hoskin & Harcourt LLP, joined [Manulife Financial](#) as general counsel for Canada earlier this year, he says he faced “a huge learning curve on the operational side.”

He’s not alone.

Most prominent corporate in-house counsel are still hired directly from law firms, but they are now increasingly expected to take part in company strategy and business decisions. However, only a small minority of lawyers actually get a taste of management experience inside a law firm, by acting as a managing partner or head of a practice group.

In the end, Manulife found the right guy. But Canadian companies could easily fall short on the business part of the equation if they don’t think creatively about finding their senior counsel. On the flip side, Canadian lawyers seeking senior in-house legal roles need to be able to sell themselves as experienced managers of people and operations rather than simply as skilled legal technicians.

In [the United States](#), CEOs and human resources heads tend to avoid recruiting partners from law firms for general counsel positions, assuming they lack the commercial savvy to be successful. They prefer general counsels from similarly sized corporations, general counsels of large operating divisions or deputy general counsels with skills that match their most urgent needs, such as former heads of litigation, heads of corporate and securities or other functional heads.

This bias against law-firm partners for senior in-house roles is not a bias Canadian companies can afford to indulge. The breadth of meaty, in-house divisional or second-in-command roles for lawyers in corporations that exist in the U.S. market simply does not exist here.

Companies based in Canada will need to continue to mine law firm talent. But more and more they should focus on private practitioners who have also demonstrated real management and leadership abilities within their firms. The good news is, managing partners and other operational leaders may be quite recruitable for plum general-counsel roles if the compensation is right. Having developed a taste for the business of law, many aspire to hone their commercial and operational abilities in-house.

Still, Canadian companies may need to expand further their search parameters to include talent from outside the country. While historically a long shot, the current economic climate and the expanding international presence of Canadian companies make it more feasible to attract legal talent from the U.S. and elsewhere.

It is already happening. Michael Capatides and Charles Gerber, the top two lawyers for CIBC, are Americans. So is Scott Toop, general counsel of Tim Hortons. Simon Fish, general counsel of Bank of Montreal, was born in South Africa and educated in the United States.

Private companies may be another overlooked source of talent. Senior in-house counsel outside of the largest public corporations may very well have had to serve in a broader strategic capacity, often wearing multiple hats.

A 2010 study published in In-House Counsel Barometer examined the work allocation of in-house lawyers in Canada and confirmed that the time devoted to strategy increases among private companies as against public companies. While general counsels at private companies will likely not have had large teams to manage, they may have played a significant role in business decisions and day-to-day operations.

Management experience and business know-how are moving from “nice to have” to essential parts of the new in-house legal toolkit. To keep up, it is clear that Canadian companies will need to expand both the range of talent they consider and the way they search for a senior legal hire. And Canadian lawyers with an eye on in-house jobs should be prepared to take on a bigger role that goes beyond the purely legal.

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