
CHANGING ROLE OF GENERAL COUNSEL



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The role of General Counsel has changed dramatically over the past few years, especially for counsel working for multinational companies. The scope of responsibilities has expanded beyond legal administrative tasks to include risk management, regulatory compliance, cost control, and other major areas that impact the success of an organization.

The following are several key areas of focus and concern for today's General Counsel.

GLOBALIZATION

With more and more companies continuing to expand into international markets, General Counsel are faced with the challenge of how to successfully manage both in-house teams and teams in multiple international jurisdictions. Legal departments recognize the complex nature of managing the flow of business information and activities, while keeping up-to-date with different local laws (ranging from payroll and accounting to data privacy and security) and federal laws governing overseas transactions, such as the Foreign Corrupt Practices Act (FCPA).

General Counsel must build sustainable internal and external teams that are not only knowledgeable in the latest versions of federal and international laws and regulations, but also in how these laws and regulations can impact business operations. Counsel must also promote ease of collaboration between these teams, and be able to recognize and take appropriate actions in dealing with coverage and competency issues.

COMPLIANCE & RISK MANAGEMENT DUTIES

Corporations are facing more scrutiny by regulatory officials. Due to the increasing number and variety of risks—many of which have the potential to cripple business activities—companies are looking to General Counsel to prevent or mitigate these potential threats. General Counsel must take a more forward-thinking approach, developing strategies for compliance standards, developing and reviewing information management controls, and eliminating problems with operational processes.

In cases where legal counsel and risk & compliance responsibilities are split between the General Counsel and a Chief Compliance Officer, it is essential that both sides work collaboratively in order to work efficiently, avoid conflict, and prevent the overlooking of key areas.

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DATA PRIVACY AND SECURITY

Recent high-profile cyberattacks have brought the issue of data privacy and security to the attention of the public and to government regulators. Companies can no longer ignore the technology limitations, or the limitations of company's insurance policies, to cover the loss of profits and reputation created by cyberattacks.

Cybersecurity programs, information management controls, and third-party auditing of control objectives have become paramount for an operation's technology systems. General Counsel should be prepared to develop, implement, review, and update preventative strategies, policies, and procedures, as well as create a contingency plan in the event of a breach.

When it comes to data privacy and security in international jurisdictions, General Counsel must deal with another level of complexity. It often falls upon their shoulders to develop a centralized plan for data use and limiting authorized access. This must be done while abiding by the privacy regulations and data residency standards set by foreign countries, which can vary from one jurisdiction to the next. For example, a country may require that databases and servers be physically located in that country. Or, a country may have stringent rules regarding the storage or transfer of data outside a jurisdiction. It is imperative that General Counsel work with experts who are up-to-date with data privacy regulations and challenges.

LEGAL PROCESS OUTSOURCING

Many companies have found [legal process outsourcing](#) (LPO) a cost-effective way to manage additional risk management responsibilities. Firms have ready access to global talent, thereby reducing the need to hire and train in-house legal personnel and allowing them to focus on their core businesses.

There are a variety of situations in which LPO makes sense. If a firm is under a strict deadline and lacks the time or expertise to complete the task, an LPO provider could prove extremely helpful. If the cost of doing business externally is less expensive than an internal option, an LPO provider may be the right choice. Outsourcing also allows firms to dip into a global talent pool.



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However, General Counsel must still consider the issues, such as quality control, that can arise from working with a third-party service provider. That is why it is important to perform due diligence in order to find a reputable company doing high-quality work.

CONCLUSION

General Counsel has become key decision-makers for large corporations, providing insight and proactive strategies for a range of tasks and considerations when dealing with local and international operations. Their innovation and leadership places them into unique positions to enhance the corporate environment on a large scale.

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