

# How do I demonstrate the value of in-house legal?

Getting your business to recognise the value of your in-house legal team is an important challenge for GCs and Heads of Legal around the world.

If you're viewed purely as a necessary cost centre, it's hard to get the type of resourcing you need to build a high-performing team.

If you shift your value perception upwards, you can unlock the support you need to turn the needle from survive to thrive. But how do you do this?

LOD spoke to twenty prominent legal leaders to get their thoughts from the frontline. We married this feedback with some leading academic and industry thinking to produce six key ways to demonstrate value.



## Six key ways to demonstrate value

### 1) Business partnering

In a 2019 academic paper from the North East Journal of Legal Studies on establishing the strategic value of in-house legal, nineteen general counsel reached consensus on what practices best demonstrate their value. Using the robust Delphi method to forge consensus, one of the top four practices was participating in business processes.

This idea of in-house legal participating in business was echoed in LOD's conversations with GCs and is also reinforced in FTI Consulting's paper (see link below) in the section "Aim to get involved in projects early on". Business processes will always interface with legal and the earlier the legal department can get involved, the better. Think about how vital legal has been for recent corporate projects such as preparing for Brexit in the UK and IBOR globally. You couldn't imagine those fundamental tasks being undertaken without the help of legal.

How many times have you been presented with a business hurdle that could have been avoided if a lawyer had been in the room? This ties into our next point.

## 2) Anticipation & proactivity

According to the paper, another one of the top four practices to demonstrate value was ‘understanding the business and proactively addressing legal issues, trends and risks that impact the company’. This is critical to both adding and demonstrating value. This is something which echoes across the literature and what we hear from GCs. It’s this type of work which can shift you from a firefighting, reactive department to a more forward-thinking one. Lawyers can do more than fix issues; they can identify real business opportunities as well.

For example, having a lawyer in the room when formulating a commercial business deal may ensure that the Heads of Terms address key contractual issues which are vital to your business rather than the business agreeing to broad Heads of Terms and the lawyers then having to unpick these at a later date which can often cause frustration on the part of the business, the other party and the lawyers.

## 3) Show me the data!

“Without data, you’re just another person with an opinion.” It shouldn’t be surprising that this quote comes from an engineer and not a lawyer. And while this shouldn’t be taken as an absolute truth (lots of law is opinion), it does reflect a fair position that the more you can back up your opinion with sensible data, the better. And whether you like it or not, business people like numbers and legal departments historically have been poor at providing data. From our discussions with GCs around the world, we have seen a steady rise in the requirement from the C-suite to receive dashboards and metrics from legal.

As popular legal writer (and former GC) Sterling Miller suggests, you might focus on your five biggest value generators: legal spend, contract completion, litigation, compliance and IP.

## 4) Don’t be afraid of marketing your efforts

This means you need to tell people the great stuff you’re doing – and tell them in a clear and easily digestible manner that explains the impact in a relatable way. Telling them you negotiated powerfully for a more favourable indemnity position isn’t as punchy as you think it might be. But telling them you helped to limit potential financial exposure by 90% might be.

Communicating your department’s successes is a key way of establishing your strategic value. And if you can nail the data point above, your story will be even more compelling as you visualise your success in the C-Suite’s native environment – Excel and PowerPoint.

## 5) Not an obvious one - training

Providing training on the legal consequences of management decisions using real-world examples, cases, or demonstrations is another practice that GCs feel helps to demonstrate their value. Which management team wouldn’t want to know how to avoid multi-million-dollar regulatory fines and career-ending reputational damage? And it goes to an undervalued function of the in-house legal team – empowering the wider corporate team to understand and mitigate legal risk.

The education of the wider team does a couple more practical things – it reminds the team of your expertise and it helps them appreciate your helpfulness. You’re not just there for when things break.

## 6) The obvious one – good legal advice

You need to provide timely, effective legal advice and updates on legal matters affecting the organisation. This is in-house legal 101. But it's the major reason you're there – so you can't afford to ignore this! The method of delivery here is key and it goes to the earlier communication point around knowing your audience.

If your advice can be punchy and visual, you're going to be more popular with the senior management team.

**And finally, if you're a GC and just want a nice easy statistic to throw around, try this one:**

“Companies with a lawyer-director result in an average 9.5% increase in firm value.” (see source 5 in Further guidance from academia & industry below).

Written by [Mark Dodd](#)

## Further guidance from academia & industry

1. [Establishing the Strategic Value of the In-House Legal Department](#), North East Journal of Legal Studies, Volume 38, Spring 2019
2. [Demonstrating value as an in-house legal team](#), FTI Consulting
3. [Optimising Value from the In-house Legal Function](#), International In-house Counsel Journal Vol. 8, No. 30, Winter 2015, 1
4. [10 Things from Sterling Miller](#)
5. [Lawyers and Fools: Lawyer-Directors in Public Corporations](#), Georgetown Law Journal, Vol. 102, No. 2 (January 2014).
6. [Using KPIs and value-added measurements to demonstrate value](#)

## Further LOD guidance



LODcast on [business thinking for in-house counsel](#)



LODcast on [how to be a trusted advisor](#)