

# GENERAL COUNSEL AND SURVIVAL STRATEGIES - - FOR THEMSELVES AND FOR EUROPEAN MANUFACTURERS

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Today's global upheavals are having a profound impact on the role of the general counsel within the manufacturing sector. To measure the impact of this technological and geopolitical change, and shed light on the new legal responsibilities and challenges facing general counsel, Forbes Insights and global law firm K&L Gates conducted a survey of 200 general counsel, as well as nonlegal senior executives, and engaged in qualitative interviews with general counsel in Germany, the U.K., France, Italy, Poland and Spain.

The full report, "[General Counsel in the Age of Disruption](#)," sponsored by K&L Gates, explores the role that the general counsel plays, as well as future expectations for the manufacturing industry, outlining the trends reshaping this role and the strategies manufacturers are embracing to ensure success in this age of disruption.

As European manufacturers adjust to political turbulence and emerging technologies, a new crop of job requirements is starting to surface. The legal skills that defined generations of general counsel are being supplanted with international and geopolitical business smarts. At the same time, organizations are discovering new and innovative ways to manage disruption while achieving greater growth. Here are the top survival strategies guiding European manufacturers in today's complex business environment.

**Encourage the gathering of greater international and geopolitical acumen.** Because of significant shifts in footprint, as well as the international expansion of companies, the expertise demanded of general counsel is rapidly evolving. For example, international law is now seen as the most needed legal expertise over the next three years.

The biggest change in the job of a general counsel has been adding more of an international outlook, and, beyond understanding the legal issues, the most important competency is possessing international and geopolitical acumen (cited by 52% of survey respondents). An understanding of business issues (43%) also ranks high as a much sought-after competency.

Fueling the need for a more business-savvy general counsel are a series of recent geopolitical events, including Brexit and the election of the new U.S. administration. In fact, European manufacturing executives view Western Europe and North America as the originators of the most challenging legal issues.

**Support progress through carefully selected partnerships.** Forming partnerships or alliances has emerged as a top growth strategy for European manufacturers. This is due to the complexity of today's business environment, especially the introduction of new technologies, which means that companies can no longer rely on themselves to stay on the cutting edge. Instead, they are forming partnerships and alliances with their supply chain partners, startups, customers and even competitors.

Industry-specific regulations are also driving European manufacturers to form partnerships with key players. Of the political, trade and regulatory changes most likely to affect an organization, 63% of survey respondents cited industry-specific regulations.

There are two other areas that executives have flagged as critical. One such area is taxation, in which base erosion and profit-sharing project (BEPS) has revealed many potential risks associated with tax loopholes. The second area involves laws associated with data protection, and, especially, different data privacy protection standards in the European Union versus the U.S.

**Make collaboration part of your corporate culture.** With the increasing intensity of the regulatory environment and its effects on business outcomes, there is a need for the legal function to work in unison with all other functions. From the legal perspective, corporate development and regulatory compliance are seen as fraught with the most risks.

The new era of disruption demands new thinking from the general counsel. Here are some approaches and tactics to keep in mind to fulfill the company's expectations:

**Beyond Legal.** While the regulatory environment is the key trend from the point of view of the general counsel, they should expand their horizons and see themselves as business consultants rather than contract-minders. This is what companies demand from their general counsel. This added dimension can seriously exacerbate workload, and thus requires time management and leadership skills.

**Partner Up.** Collaboration has emerged as the top way for companies to grow—the world is simply too complex to go it alone. This is true internally as well. Collaboration with other functions will help the general counsel to meet their companies' expectations. Partnership with business executives provides access to their business acumen as well as the ability to more closely monitor their operations from a legal point of view.

**Stay Agile.** Agility and digital transformation are what drives today's companies. Speed to market is emerging as a top capability to stay competitive. Transforming fast is a lawyer's nightmare, especially in an environment of increasing regulations. But the general counsel must be able to balance speed with compliance, staying agile so that their companies can move fast enough to stay competitive.

**Adopt A Digital Mindset.** Technology is a major driving force of today's business. It affects the company's business models as well as its internal operations. The general counsel must stay abreast of technology to make sure that the company utilizes technologies while adhering to regulations. At the same time the general counsel needs to digitize the legal department to ensure better and faster collaboration with other functions and more effective monitoring.

**Focus On Talent Management And Leadership.** It is easy for the general counsel to focus on law and not on people. In fact, the general counsel does not seem aware of the importance of management and leadership, and the degree to which other executives expect such abilities from the general counsel. But leadership and talent management are as crucial for the legal department as they are for the rest of the company.

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