

All Aboard: Successful Transitional Steps for A New General Council





DON LIU

*EVP and Chief Legal & Risk Officer
Target*

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*EVP & General Counsel
CNA*

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ALL ABOARD: SUCCESSFUL TRANSITIONAL STEPS FOR A NEW GENERAL COUNSEL

by

**Michelle Banks
Lloyd M. Johnson Jr.**

Depending on the size, stability, and strategic scope of the enterprise and other prevailing factors, routes into the general counsel function can be all over the map.

If you are joining a multinational manufacturer with global reach and legal outposts to match, your onboarding will differ from that of, say, an SEC-registered investment advisor with a boutique legal team or a sports franchise with a single in-house lawyer. Are you switching from a public to a private company, where the general counsel may be less likely to report directly to the CEO? Or are you assuming the reins from within, entering a new industry from outside, creating a department from scratch, or maybe stepping onto a burning platform?

Amid these and other variables, GCs can follow a common pathway for navigating the roughly 30-day prelude to the job and the ensuing first six months or so of transition.

In our respective coaching roles, we bring to bear a well-integrated, 360-degree understanding of what works and what doesn’t work for general counsel in transition. Together, we have a confident handle on the proven strategies, the known challenges, and the unforeseen pitfalls that onboarding GCs must navigate. Yet as linear and well-

groomed as the path to the GC seat may seem, there are still invariably kinks or detours along the way. Which is why, to make this document as reliable and informative as possible, we reached out to six legal leaders, all with multiple tours of duty as GCs and one now serving as an executive coach, to share with us their road-tested strategies for onboarding success. Not all of our recommended steps are obvious, and some may even appear counterintuitive, but all should be considered in your action plan.

BEFORE GETTING SEATED

Now GC of his fourth public company, Don Liu of Target has mastered the 30-day countdown drill. “Do your homework,” he says. “Topics include learning about the legal department’s reputation, weaknesses you may be fixing, and insight into the mindsets of your team—including people who may have vied for your job.” Plus, no secrets: “Your new employer will have studied you as well, so address any skeletons in your closet head-on.”

“I inquire industry-wide to attain a clear picture of my role, the CEO, potential landmines, and more,” notes three-time GC José Ramón González, currently with CNA Financial. “That allows me to hit the ground running.”

Securing a seasoned executive assistant can be a make-or-break move for many reasons, from assembling the all-important corporate playbook (see *Required Reading*) to securing appointments on busy executive calendars.

CONVERSATION STARTERS

“I meet right away with key board members, the CEO and CFO, my direct reports, and business heads,” says four-time GC April Miller Boise, who joined global power company Eaton last year. “Geared to the broad-lens perspective, these discussions help shape my objectives and focal areas as a functional leader.”

Fannie Mae’s Stergios “Terry” Theologides also goes straight to the centers of power. “It’s less about the organizational chart than about who influences and makes the key decisions,” says the four-time GC. “Connecting with those stakeholders helps calibrate your leadership role.”

Then, focus on forming alliances. “You cannot be successful without relationships,” says Boise. “Those start with the CEO.”

RULES OF ENGAGEMENT

Before meeting the CEO, González confers with their direct reports to get a sense of their style and expectations. “From there, it’s about setting the right cadence for evolving our relationship,” he says. “There is no one-size-fits-all approach—CEOs differ as much as company situations and challenges. Establish a conversational rhythm, calibrating and refining your position as you go, to reach understanding.”

To become a trusted *consigliere*, approach the CEO as your best teacher. “For my first five months, we met once a week for 90 minutes,” says González. “In those sessions, he provided his unvarnished perspective on whom to talk to, hidden agendas, and more. In my mind, that’s the model for building rapport and shared purpose.”

Boise intentionally checks in with the CEO as she executes her onboarding plan. “By regularly running my feedback from other stakeholders by the CEO, I can effectively test, adjust, and align my ideas based on their input,” she says.

Now an executive coach, two-time GC Marla Persky directs clients to “dive deep into the CEO’s mindset and priorities, and to get their introductions to the board and other key players to align and cement your relationship.”

The CEO is an important linchpin for board relations, as well. “Make sure that your CEO can completely trust you to be open-book about every one of your conversations with your board members,” says Liu.

That includes consulting with the CEO on how the board operates and other essential insights before reaching out to individual directors before your first board meeting. Then, use individual meetings to build rapport with the board. Essential questions to ask include what’s working and what’s not, areas needing improvement, and their advice for, and expectations of, you.

While many people think of the CEO and CFO forming the C-suite power triumvirate with the GC, Liu’s go-to for important internal issues is the chief human resources officer. Why? “Because they probably hired me and have skin in the game in terms

of seeing me succeed,” Liu says. “In retail especially, the CFO, CHRO, and GC are the high-functioning three-legged stool.”

C-suite friendships are important, he adds—to a degree. “That goes far in resolving thorny issues,” he says. “There is a balancing act between being open and preserving distance, however. I’ve had to fire fellow executives, CEOs included, where that positioning helped to clarify that I was strictly the messenger.”

Bottom line: Be emotionally intelligent in forming and cultivating all relationships. And that means taking your time. “Blending with your inherited team only happens after you have traveled, dined, and worked together,” says Boise. “Seeing you in action, virtually or otherwise for now because of COVID-19, is how they’ll come to appreciate your leadership ability, your business judgment, and how well you know the company and understand the strategy.”

Keys to getting to know your direct reports and other legal department team members include assessing individual strengths and weaknesses and knowing whom to watch out for, says Liu. “My predecessors have been most helpful in this regard,” he says. “Once you have that feel for the room, use your introductory group and individual meetings to set the right tone, make the right impression, and impart an important message or two. Get across that you are transparent, trustworthy, and approachable.”

Boise, however, takes the opposite approach. “I don’t want any information or views about the team I’m inheriting from the prior GC because I want to spend time forming my own views and opinions,” she



APRIL MILLER BOISE
EVP & General Counsel
Eaton

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TERRY THEOLOGIDES
Executive Vice President,
General Counsel, and
Corporate Secretary
Fannie Mae

“With external events dictating the clock, I had to ramp up quickly in setting and executing the agenda. There was little time to think, process, or build consensus with my key stakeholders.”

says. “I’ll usually circle back for their input, but only after six months or even a year.”

LEARNING THE CULTURE

Forewarned is forearmed when it comes to melding—or not—with your new corporate culture.

“Promising opportunities on paper may be poor fits in terms of the culture, values, and direction,” says Liu. “Ask the recruiter what they know—your success is their success. Better yet, tap your network and the people most familiar with your style, personality, and ambitions to ascertain how you might match up.”

Outside counsel can be valuable sources of inside knowledge and onboarding advice. Invite their tutelage on topics that are important to you, such as governance, compliance, and pressing litigation, and encourage them to point out anything else they consider important. They may reveal hidden problems or sensitive areas that you may not know about from your interviews.

“Before starting my current position at Discover Financial Services, an external lawyer from my PayPal and American Express days acclimatized me to the company’s dynamics,” says two-time GC Wanji Walcott. “That was most helpful.”

Once you start, key sources of information about the company’s unwritten rules start with the board and senior leaders but may also include the CEO’s executive assistant or chief of staff, if they have one.

Not every company offers onboarding support, which Liu and Walcott, who were left largely to self-orient in their current positions, see as a major flaw.

Persky advocates for HR or externally directed leadership assimilation programs to facilitate key appointments during the transition phase.

Boise, however, says she has benefited immeasurably from the uniquely structured flow into her current role at Eaton. “I have a cultural coach devoted to providing insight into Eaton’s inner ways and workings and a transition coach for evolving my six-month onboarding plan,” she says. “Both are proving indispensable.”

SETTING YOUR PRIORITIES

For Boise, getting her arms around the business comes first.

“As the leader of the legal function, an executive leader in the C-suite, and an advisor to the board and CEO, it is imperative that I know what is important to the business, where the business is going, and how those will impact my role,” says Boise. “Accordingly, I devote much of my onboarding time to understanding the company strategy and the operational interplay with our business units, customers, and end markets.”

Boise creates a written plan and a calendar of objectives in 30-day increments, prioritized as high, medium, or low. “You need to have an idea of what you can accomplish in that time,” she says.

A deep dive into the business strategy and financial drivers comes first. “I want to know the short-, medium-, and long-term vision, and what the board, C-suite, and business heads think are the biggest challenges and brightest opportunities for the company and the legal department,” says Boise. “By looping their diverse perspectives into successive conversations over

each 30-day block, and repeating that input back to the CEO, I am able to continually tweak, refine, and solidify both my plan and my role based on my comprehensive understanding of the organization's needs."

Underscoring her point, Boise adds, "The most ineffective functional leaders know only their function, but not the business."

González emphasizes the "listening" part of the introductory tour. "That came directly from the CEO, and it's sound advice," he says. "Hearing the priorities, themes, and concerns of the CEO, my C-suite peers, and my leadership team allows me to fully assess the landscape and then step back and reconcile and align my ideas and priorities toward forming and refining my plan."

Persky recommends delivering "low-hanging fruit" in the first 60 days to establish a positive image with the CEO, their leadership team, and the board, and a foundation upon which to build continuing relationships and successes. "For example, you could expeditiously resolve a pesky litigation or streamline the legal budget," she says. "From there, you also want to set mid-range and longer-range goals to keep visibility and attention on your achievements and progress."

REDESIGNING THE LEGAL DEPARTMENT

Once you've taken the wheel, how do you go about aligning the company's mission, vision, and strategic plan with the legal function and doing your part to drive the organization forward?

We find that best-in-class legal department reorganization starts with

structure, not individual people. How many direct reports can you manage? Which functional, geographical, and business areas should report to you directly? Which high-profile areas need change? Once you have settled on the answers to those and other key questions, then layer in your talent.

Those personnel decisions also require deft judgment, especially when it comes to thinking through retention, development, and compensation. Who are the stars, and are they in the right roles? Who does not fit the picture? And importantly, where do you place an incumbent who was passed over for your job? "Assume that person was valued," says Persky. "Consider them for a potential significant role on your team."

Leadership succession planning is another forefront consideration at best-in-class organizations. Even if it is not set as an expectation, plan on identifying and developing top performers who will support your success and potentially take your seat one day.

Some CEOs will test your resolve by asking for immediate firings. Stand your ground and negotiate for time—or recognize when to stand down. In reaching four turns as GC, Liu has learned to ease into reorganizing.

"While change is inevitable, I believe that the benefits of short-term stability, say, up to a year, outweigh an immediate major restructuring," he says. "While there are generally people who need to go in 30 days, I have always given the benefit to every individual who works for me, and that approach has worked for the most part."

GETTING DOWN TO BUSINESS

At the same time that you are navigating the flurry of conversations and interactions with the C-suite, the board, and other internal stakeholders, you must be sharply focused on how you will lead your legal team, how you will start handling your financial responsibilities, and how you will execute your plan as both legal guardian and strategic business leader.

And time may be a luxury. Immediate initiatives forced Theologides "to hit the ground running, with little time to think, process, or build consensus with my key stakeholders," in his GC roles at CoreLogic and for Morgan Stanley's U.S. residential mortgage business. The latter concerned mapping out a new organization around mortgage consolidation, while the former involved guiding the company through a spin-off transaction into a stand-alone public company. "With external events dictating the clock, I had to ramp up quickly in setting and executing the agenda," he says.

When there is breathing room, early action items include developing strong financial acumen and familiarity with the company's preferred financial terminology. Delve back at least three years into the legal department budget and other financials that you may be managing, such as for the board.

Persky highly recommends specific actions such as creating quarterly spreadsheets showing money made and money saved by the legal department.

"I trained my legal team on listing, for example, money reserved for



MARLA PERSKY
CEO & President
WOMN LLC

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WANJI WALCOTT
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Discover Financial Services

“Before starting my current position at Discover Financial Services, an external lawyer from my PayPal and American Express days acclimatized me to the company’s dynamics. That was most helpful.”

resolving a litigation and what was actually spent for settlement. I also had them review royalty agreements, where we often found payments were not being enforced, and even engage the team in looking at where we could save on supplies,” Persky says. The value of this drill was “being able to go to the CEO and CFO and dispel the notion that the legal department was only a cost center.”

Persky equally promotes the scientific method when calibrating the vision and strategic plan for the legal department.

“First, understand the company’s annual goals,” she says. “Then, develop legal department goals that wholly or partially support those company goals. To do this, I consulted with my direct reports to develop 15 such supportive goals, which I then ran by the CEO for review and approval. Once I had the green light, I asked each person in the legal department for four goals that supported my 15, and one that they believed would move their career forward. I also created my own personal goals, such as speeding up turnaround time for contracts. My direct reports were responsible for replicating this process with their people. The end result? You create goals that support the company while establishing what the legal department is responsible for and how that gets measured. And you repeat this process every year.”

NO OVERNIGHT SENSATIONS

Calm and cool, collected and connected, is the surest way forward.

“Hitting the ground running, making a positive impression, and setting the right tone are all imperatives for day

one,” says González. “To have that strong foot and frame of mind, take time off before you start. I only had a weekend for one of my transitions; it was jarring. Giving yourself a break and clearing your head makes a big difference.”

Worth repeating is the value of listening. “You don’t need to show off how much you know about the business or the law,” says Boise. “People appreciate when you are in learning mode and mostly just absorbing information and reflecting on what they have to say.”

Liu believes a spirit of openness has played a big part in his success. “Be transparent in a way that your colleagues and peers get to know you as a human being,” he says. “Be vulnerable and share things personal about yourself so that they understand who you are.”

And don’t try to be an overnight sensation. Forming new relationships, setting priorities, formulating strategy, redesigning the legal department, and more take time. While the cadence for communicating success is ultimately dictated by the nuances of company size, culture, and personality—as well as your relationship with the CEO—taking an open-minded, flexible approach within the traditional 180-day onboarding framework generally makes the most sense.

KEY LESSONS AND TAKEAWAYS

While no two companies or positions are alike, here are proven pearls for paving the path to GC success.

- Be relentless in your preliminary research.
- Build a playbook before you start.

- Have an executive assistant at the ready.
- Actively listen and genuinely learn.
- Forge relationships—get to know your colleagues and your team.
- Concentrate on where and how you can add value.
- Become an enterprise expert on business strategy, financial drivers, centers of power and influence, challenges and opportunities, and the company's people, culture, and history.
- Think broadly beyond the legal department.
- Be open-minded and follow your instincts.
- Set a regular cadence and be front and center with the CEO, the C-suite, the board, and your direct reports.

REQUIRED READING

Wanji Walcott had just one week off before joining Discover from PayPal. Helping her manage this tight learning curve was a package of corporate information prepared by Discover's former interim GC, who became one of her deputies. "That content remains invaluable," says Walcott, who brought the binder home with her for the pandemic shift. "I still refer to it—this is an onboarding must."

From readily available public documents to confidential materials available once you start the job, here are essential pages for your power playbook:

- Foundational corporate documents, including articles of incorporation and by-laws
- SEC filings
- Industry reports
- Analyst call recordings or transcripts
- External governance and other third-party reports
- Board presentations and minutes
- Corporate and law department mission and vision statements
- Company financials
- Legal budgets, including internal and external spend
- Litigation and compliance reports
- Strategic and business plans
- Risk assessments
- Bios and organizational charts
- Development and succession plans for your team
- Performance evaluations for your direct reports

About the Authors



Michelle Banks brings a deeply informed perspective on the critical onboarding period discussed in this article. As global general counsel of Gap Inc. for 10 years, she gained intimate familiarity with the entire GC life cycle. Today, she

uses that knowledge and experience to coach new general counsel across industries as a member of BarkerGilmore's senior advisor team.



Lloyd M. Johnson Jr., CEO of Chief Legal Executive, has worked in both corporate legal departments and law firms, devoting his career to helping lawyers advance and succeed through wide-ranging talent and

leadership development initiatives that include conferences, published content, thought leadership, and learning platforms.

barkergilmore

Michelle Banks
Senior Advisor, BarkerGilmore LLC
Executive Coaching and Leadership Development

San Francisco, CA
Email: mbanks@barkergilmore.com

Chief Legal Executive LLC

Lloyd M. Johnson, Jr.
CEO, Chief Legal Executive LLC
Executive Coaching and Leadership Development

4482 Arcadia Avenue – Oakland, CA 94602
Email: lloydj@chieflegalexec.com • Phone: 510.332.4557