

***Becoming In-house
Counsel:
A Guide for Law Students
and Recent Graduates***

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Provided by the
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The following materials are intended to provide law students and recent graduates with information about the role of in-house counsel and how to pursue a career in that field. This information should not be construed as legal advice or legal opinion on specific facts, or representative of the views of ACC or any of its lawyers, unless so stated. This is not intended as a definitive statement on the subject but a tool, providing practical information for the reader. We hope that you find this material useful. Thank you for contacting the Association of Corporate Counsel.¹

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I. An Introduction to Serving as In-house Counsel

The CEO of Reebok once quipped to his general counsel, “I hate lawyers—not you, Jack; you don’t count.”² This anecdote typifies the widely held notion that corporate counsel is a breed apart from other attorneys. This begs the question, “What exactly is an in-house lawyer?” Are they attorneys or are they merely corporate employees? What is their function within the corporate structure and to whom do they owe a duty of loyalty? What is their correct title? This InfoPAKSM will answer these questions, and address common notions and misperceptions about the identity of in-house counsel and their role in a corporate entity.

A. What is an In-house Lawyer?

Simply stated, an in-house lawyer is an employee who works as an attorney for the corporation. The in-house lawyer, like any other employee, serves primarily to advance the needs of the business. The in-house counsel acts in a professional capacity as an attorney and, as such, is subject to the rules and regulations governing the practice of law.³

Within a typical corporate law department, attorneys fall within one of two groups: senior counsel (including general counsel and other senior level attorneys with oversight responsibilities) and staff attorneys. The law department is headed by the General Counsel (GC), who also serves as the Chief Legal Officer of the company. The GC typically advises the Board of Directors and the corporation’s officers in all legal proceedings. The GC often reports directly to the Chief Executive Officer and is considered an essential component of the management team.⁴

Senior attorneys are charged with supervising lower-level staff attorneys, advising the company in one particular field of law, or supporting the GC in coordination with outside counsel on litigation matters. Staff attorneys, similar to junior associates at law firms, are typically assigned research-oriented tasks or are asked to provide support for the senior staff attorneys. A few law departments have removed this hierarchy by eliminating these titles. Thus, with the exception of the General Counsel, attorneys are referred to as corporate counsel.

Despite this general title, however, in-house counsel is more than just a legal adviser to a corporation or entity; in-house attorneys affect the full range of that body’s decisions. While counsel will typically have a greater investment in the legalities of the decision-making process than with the substantive implications of the companies’ business strategy, knowledge of the latter is essential for counsel to effectively protect the company’s legal interests.

² Jack Douglas, *405 ACCA Boot Camp: An Introduction to In-house Practice*, ACCA Annual Meeting 2002, available at <http://www.acca.com/education2k2/am/cm/405.pdf>

³ *Corporate Lawyering*, ACCA Annual Meeting 2000 Program Material, available at www.acca.com/education2000/am/cm00/html

⁴ J. Randolph Ayre, *Corporate Legal Departments: Strategies for the 1980's*, p. 1-2 (1984).

B. Who is the Client?

Unlike lawyers at a typical law firm, in-house counsel have one and only one client—the corporation. They do not represent the board of directors, principal officers or other individuals, even though those individuals act on behalf of the corporation. As Model Rule 1.13(a) provides, “A lawyer employed or retained by an organization represents the organization acting through its duly authorized constituents.”⁵

The parameters of counsel’s representation is clear, and the Model Rules take pains to emphasize that the in-house counsel must advance the interests of the corporation above those of the individual officers. Model Rule 1.13(b) goes so far as to impose an affirmative obligation on in-house counsel to advance the needs of the corporation over that of an individual officer or director if the latter is in conflict with the corporations’ best interests. It provides that:

“[I]f a lawyer knows that an officer, employee or any other individual associated with the corporation is engaged in action, intends to act, or refuses to act in a matter related to the representation that is a violation of a legal obligation to the organization or a violation of law that reasonably might be imputed to the organization and is likely to result in substantial injury to the organization, the lawyer shall proceed as is reasonably necessary in the best interest of the organization.”⁶

In light of recent legislation such as the Sarbanes-Oxley Act of 2002⁷, in-house counsel is now, more than ever, being held responsible for actions taken by corporate officers or directors that cause harm to the corporation and/or outside entities or individuals.

C. What Are the Duties of In-house Counsel?

Until the 1970’s, corporate counsel functioned essentially as conduits between their employer, the corporation, and outside law firms. With work confined primarily to corporate housekeeping and other routine matters, the corporate attorney was little more than glorified middle management with a law degree.⁸ However, the rising cost of legal services has seen an expansion of corporate counsel’s responsibilities to the point where in-house counsel now are able to cherry-pick what they want to do and give the “boring stuff” to outside firms.⁹ Now, as many organizations have legal departments that rival law firms in both size and qualification, more and more corporate matters are being handled in-house.

In-house counsel in small legal departments of less than ten lawyers may be exposed to a practice that encompasses a wide range of issues on a regular basis. In contrast, lawyers in large in-house departments are usually assigned to work in a single practice area within a specific practice group.

⁵ Model Rules of Professional Conduct Rule 1.13(a) (2002)

⁶ Model Rules of Professional Conduct Rule 1.13(b) (2002).

⁷ The Security and Exchange Commission’s rules regulating attorney conduct (promulgated under 17 CFR Part 205) <http://www.sec.gov/rules/final/33-8185.htm>.

⁸ Abram Chayes and Antonia Chayes, *Corporate Counsel and the Elite Law Firm*, 37 Stan. L. Rev. 277 (1985).

⁹ Audret Duff, *Chiquite Flies Solo in Stock Sale*, American Lawyer, p. 46 (March 1991).

For example, Nextel Communications has a legal department of 80 people specializing in areas such as communications and governments affairs.¹⁰

In-house attorneys affect the full range of corporate law. Practice areas include antitrust law, international trade, corporate securities, tax, real estate, government contracts, ethics, privacy, and intellectual property as well as the standard contracts and employment law issues. The in-house counsel serves as a trusted advisor in areas that may extend beyond a strictly legal role. The exact role that counsel will play within the corporation often varies depending on the individual relationships formed between counsel and corporate officers.

Without the guarantee of more and new business around the corner, the primary duties of in-house counsel take on greater importance as a company's ability to manage risks is jeopardized. Experts state that four of the biggest issues on the minds of in-house counsel are: controlling litigation costs; satisfying new corporate governance rules, including Sarbanes-Oxley; diminished insurance coverage and rising premiums; and potential liabilities arising from workforce terminations.¹¹

Primary Duties of In-house Counsel

- Foster corporate conscience and set the tone for its ethical culture
- Implement legal educational responsibilities of management and employees
- Handle day-to-day corporate legal affairs
- Select and supervise outside counsel
- Effect corporate housekeeping
- Supervise relationship with outside auditors

1. Legal Duties

The goal of the in-house counsel is to plan for the future of the corporation, institute measures to prevent future litigation, and monitor the activity of the organization and its employees. In-house counsel endeavors to ensure that the organization is in compliance with all applicable laws and protects the legal rights of the corporation from abuse by others. Recent corporate scandals and the passage of the Sarbanes-Oxley Act have made these responsibilities among the most significant of the tasks performed by in-house counsel.

While much of the in-house counsel's work is to avoid litigation, sometimes it cannot be avoided. Whether it is in pursuit of protecting the corporation's rights or defending it from lawsuits, in-house

¹⁰ *New to In-house Practice*, ACC InfoPak (May 2005), available at www.acca.com/infopaks/inhouse.html.

¹¹ Amy Johnson Conner, *Sluggish Economy Heightens Role of In-house Counsel*, New England In-House (April 2003).

counsel must be prepared to oversee all litigation matters. Often, counsel will work with outside law firm attorneys preparing and defending the company from suits. However, the in-house counsel is usually involved in all stages of litigation, from the discovery process through settlement negotiations or trial.

2. *Business Duties*

It is imperative that in-house counsel fully understand the complexities of a company's business as well as the respective industry to best serve their client. In-house counsel has the luxury of being able to approach business problems without having ultimate responsibility for resolving the matters. This objectivity enables counsel to contribute meaningful suggestions to be used in resolving complicated business questions. In-house counsel can utilize their unique position within the organization's structure to play an integral role in the strategic planning of the company's business.¹² Counsel can provide legal insight that might otherwise never be addressed from more business-oriented directors.

D. Non-Legal Function Within the Corporation

In-house counsel are not constrained in their opportunities for advancement within a corporation. The significance of a legal degree in today's corporate environment is invaluable, enabling counsel to move from a strictly legal position to one in the upper levels of corporate management such as Chief Executive Officer (CEO), Chief Financial Officer (CFO) or a member of the Board of Directors. In a 2001 ACCA poll, 11 percent of in-house counsel respondents served as CEO, six percent served as CFO, and another seven percent served as Chief Operating Officer.¹³ In addition, 5 percent served as head of a business unit and almost 25 percent served as head of a Human Resources Department. By combining knowledge and understanding of the legal side of the business with a strong grasp for the business operations of a company, in-house lawyers can maximize their own value to the corporate entity. It is this value which eventually leads to advancement outside of the legal department.

¹² 2002 ACCA/GCCA Poll, *405 ACCA Boot Camp: An Introduction to In-house Practice*, ACCA Annual Meeting (2002), available at www.acca.com/education2k2/am/cm/405.pdf.

¹³ These positions were held in addition to that of General Counsel. See www.acca.com/practice/stats.php

II. Why Become an In-house Attorney?

Flexibility and predictability are factors that make working for a corporation more attractive than the lifestyle common to the large firm attorney. As one ACCA member said, “The beauty of in-house counsel is that every day brings new challenges and experiences” without the stress of billable hours.

A. Hands-on Law Experience

While first-year associates at law firm are likely to be placed in a group specializing in one area of law, in-house counsel have the opportunity to handle matters that cross the spectrum of legal issues. Whether it involves a relatively simple contract law issue or complex civil litigation, an in-house attorney must be prepared for the multitude of legal issues that present themselves. Corporate legal departments offer substantial opportunities for hands-on experience in litigation matters. Even in situations where a corporate entity retains outside counsel, the in-house lawyer continues to play a substantive role in the matter.¹⁴

B. Concentration on the Client

Corporate counsel is responsible for one client—the corporation. The lack of divergent and/or conflicting alliances benefits both counsel and the corporation. Individual attorneys never need to assume the role of rainmaker, or concern themselves with bringing new business into the firm. Eliminating this responsibility allows attorneys to focus their energy and efforts completely on the corporate client.¹⁵ Not only does this create a less stressful working environment for counsel, it benefits the corporation because it receives the full attention of its attorneys. This focus also allows counsel to understand the dynamics of the company, and fosters an intimate familiarity with full range of issues faced by the corporation. This insight is integral to counsel’s ability to proactively protect the company’s legal interest and craft the most aggressive and effective defense in the event of litigation.

C. Opportunities for Growth

Attorneys working in a firm are often driven by their desire to become a partner. “Seven years or out” is a common phrase young attorneys hear as they advance up the firm ladder. Failure to make partner means that a young attorney will be forced to move on, as the firm will prefer to focus on more “promising” attorneys. Unlike firm attorneys however, the career advancement of corporate attorneys does not follow such a rigorous and inflexible schedule. Because corporations and businesses do not organize their legal departments in hierarchies that require employees to rise to the top of one particular field, in-house attorneys tend to have more varied promotional

¹⁴ Grace Giesel, *The Business Client is a Woman: The Effect of Women as In-house Counsel on Women in Law Firms and the Legal Profession*, 72 Neb. L. Rev. 760, 792 (1993).

¹⁵ Clifford Ennico, *A Primer for New Corporate Lawyers*, p. 8-32 (1990).

opportunities. This potential for advancement is due in large part to counsels'¹⁶ direct and daily working relationship with corporate officers.

As corporations seek to reduce legal costs, they are increasingly turning to in-house counsel to handle legal issues. The reliance has, in turn, led to a greater need for corporate counsel, who now handle more complex matters.¹⁷ While junior associates may spend their first few years working on large document reviews or writing memos for more senior attorneys, even the most junior in-house counsel will enjoy the dual benefits of having daily contact with the client and working on substantive issues. Engaging in the legal side of the business allows young in-house counsel to gain greater insight into the corporation itself, while also increasing their knowledge of the business world. While law firm attorneys restrict their focus to legal issues, in-house counsel must be aware of the business ramifications when providing advice. The multi-faceted nature of corporate counsel's responsibilities allows counsel to enhance their experience base and foster their ability to meet the needs of their corporate client.

D. Women as Corporate Counsel

The opportunity for women to rise to positions of prominence within corporate legal departments has never been greater than it is today. According to ACC's 2001 In-house Counsel census, 31.5 percent of in-house attorneys are women.¹⁸ Currently, of ACC's 4,622 members who serve as their respective organization's General Counsel or Chief Legal Officer, an incredible 24 percent are women. Women represented 8.4 percent of all Fortune 500 general counsel in 2000 and 12.6 percent in 2002.¹⁹ In present numbers, 62 women are chief legal counsel for Fortune 500 Companies.²⁰ In the most recent survey, the National Journal found that twenty five percent of corporate attorneys reported having at least four female colleagues while only 10 percent of attorneys in large firms could report the same.²¹

As one in-house counsel noted, "I went in-house after my firm merged with a larger firm that required partners to do a lot of marketing. I'm not good at marketing, I'm good at being a lawyer."²² Working for a corporate legal department allows women to focus on their skills as attorneys rather than being forced to take time away from their job in order to find clients. Further, lawyers who

¹⁶ Robert Berkow and Laura Sejen, *Benefits: A New Focus on Families*, American Lawyer, p. 49 (July-Aug 1991).

¹⁷ *National Law Journal 250: Annual Survey of the Nation's Largest Law Firms*, Nat'l. L.J., September 30, 1991.

¹⁸ ACC's Census of In-house Counsel available at www.acca.com/surveys/census01

¹⁹ *Creating Pathways to Diversity: The Myth of the Meritocracy — Bridges and Barriers to Success in Large Law Firms*, Minority Corporate Counsel Association (MCCA) 2003, available at www.mcca.com/site/data/researchprograms/RosePathways/careerpaths.pdf

²⁰ Hope Ferguson, *Beyond the Glass Ceiling, Diversity and the Bar*, 7 (March 2002), available at: www.acca.com/education2k2/am/cm/205.pdf.

²¹ Grace Giesel, *The Business Client is a Woman: The Effect of Women as In-house Counsel on Women in Law Firms and the Legal Profession*, 72 Neb. L. Rev. 760, 788 (1993).

²² *Creating Pathways to Diversity*, www.mcca.com/site/data/researchprograms/RosePathways

joined in-house departments from law firms found themselves being closer to the center of decision-making and more actively involved in company initiatives.

Many women also find it easier to balance work and family demands as in-house counsel. As the top legal person at The Gap, a woman, said, “generally, in-house is more conducive to a woman having control over her life. Balance is more possible.” On the other hand, such a balance may be difficult to achieve in a law firm setting. A law firm partner who used to work in-house noted that, for a woman joining a practice, “it would be extremely difficult to start a family at the same time. My hope now is to get home by 7 o’clock; that almost never happens. I get home by my son’s bedtime, I hope. It’s not ideal.” Her son is twelve.²³

E. Quality of Life

In general, the greatest benefit that corporate attorneys possess over their firm brethren is the high “quality of life.” The predictability of in-house counsel’s work environment is invaluable: the lack of mandatory billable hours, the absence of responsibility for cultivating new clients and the elimination of a partner track distinguish the in-house profession from that experienced by attorneys at firms.

Don’t be fooled, however. Working as in-house counsel is no cakewalk. Depending on the particular corporate entity, some in-house counsel’s hours may rival those of any law firm associate. The increase in the use of email, voicemail and Blackberries has led clients and senior attorneys to demand answers to their questions or concerns 24 hours a day, seven days a week. The use of technology has led to increased pressure for lawyers to provide a fast turn-around to legal questions.²⁴ In the end though, as many counsel have reported, it is the ability to have more control over those hours that separates the life of an in-house counsel from that of a law firm associate.

With the parity between some in-house positions and firm life in some cases, why don’t more in-house counsel jump ship? While the lure of six figure salaries and expense accounts may seem to be a natural draw for those working in corporate legal departments, the fact is that only seven percent of in-house counsel would leave their corporate position to become a partner at a large law firm.²⁵

While in-house counsel do not necessarily work fewer hours than attorneys in firms as a rule, they do function in a work environment free from the pressing demands of billable hours that drive law firms. In an informal survey of ACC members, in-house counsel reported working on average 50 hours a week.

²³ Ray DeLong, *Are You In or Out?*, Business Law Today, vol. 13, no., 4 (American Bar Association March/April 2004).

²⁴ The Legal Affairs Director for Tgs-Nopec Geophysical Co. in Houston, Texas is the sole in-house lawyer for a company with 280 employees. He works every weekend and has not taken a vacation since 2000. Eriq Gardner, *Picking up the Pace*, Corporate Counsel (November 20, 2003).

²⁵ Barbara Lyne, *The Pressure is On*, Nat’l. L.J. S.6 (September 9, 1991).

This ability to predict and control a work schedule makes an in-house corporate position particularly attractive to individuals with families.²⁶ The growing acceptance in the corporate culture of alternative work schedules—flex-time, telecommuting, part-time and job sharing—makes in-house counsel positions particularly attractive.

Again, however, avoid painting all corporate counsel opportunities with a broad brush. While this more relaxed environment is common for many in-house attorneys, it is by no means standard for all in-house positions. Thus, when researching possible corporate legal positions, it is important to talk with attorneys currently employed by the company and explore whether the corporate expectations comport with your own goals. These individuals can provide valuable insight into the lifestyle and work environment fostered by the corporation.

Many in-house counsel are busier than ever due to the Sarbanes-Oxley Act and the fallout from the corporate scandals of the last few years, such as Enron and Tyco International. According to Corporate Counsel's 2004 Quality of Life survey, almost half of the 405 respondents who identified themselves at GCs feel that the recent corporate scandals have sullied the perception of the nation's GCs within the legal profession at large. Slightly fewer – 43 percent – of the non-GCs gave the same answer. Despite some anxiety about how they are viewed within the larger legal profession, the 1,139 in-house lawyers who responded to the 2004 Quality of Life survey are satisfied with their role as in-house counsel. Almost two-thirds of the respondents said they were very proud of being an in-house lawyer. The majority think their department is collegial, that their colleagues are either of above-average competence or very competent, and that their area of the corporation is well managed.²⁷

The best testament to the quality of life of an in-house counsel can be found in the words of in-house counsel:

- “A typical day involves so many different facets of law and management that it makes the job fun.”
- “I spend most of my working time in the office. Very little travel or outside meetings.”
- “I will work until Noon and then I try to head to the gym for an hour. I have a light lunch at my desk and leave at about 5:00 P.M. ”

²⁶ Grace Giesel, *The Business Client is a Woman: The Effect of Women as In-house Counsel on Women in Law Firms and the Legal Profession*, 72 Neb. L. Rev. at 788 .

²⁷ *2004 Quality of Life Survey*, Corporate Counsel (November 17, 2004).

III. The Downside of In-house Practice

A. Lower Pay

On average, in-house attorneys earn less than their law firm counterparts. The recent recession and corporate desire to maintain costs has led companies to hold down legal costs by cutting back on in-house salaries. The recession has hit in-house counsel harder than those in the private sector. The 2002 national average salary for all in-house counsel was \$149,693, with an average of \$56,358 in bonuses.²⁸ The 2003 national average for staff attorneys (entry level with at least one year of experience) was \$63,000, a 10.5 percent downturn from the previous year.²⁹ A typical first-year corporation counsel can expect to earn between \$47,250 and \$74,250, while attorneys with one to three years of experience will earn between \$59,500 and \$88,000.³⁰ Salaries for upper-level corporate attorneys ranged from \$267,500 (CLO) to \$100,725 for intermediate-level attorneys without supervisory responsibilities.³¹ Senior attorneys have seen their salaries decline by five to ten percent in the past two years.³²

A further drag on in-house counsel salaries is the fact that, unlike firm partners, corporate attorneys do not share in the profits of the corporation. While their salary and bonus structure may earn them significant compensation, their salaries will never rival those earned by top attorneys in private practice. Companies used to offer stock options as an incentive to attract and retain quality in-house counsel; however, such offerings are now rarely, if ever, extended.

Compared to salaries of \$75,000 to \$120,000 earned by first year associates at the largest law firms and multi-million dollar salaries for partners, in-house counsel seem to be receiving insufficient compensation for the work they produce.

However, for General Counsel employed at the largest corporations, compensation has been relatively unaffected by the recession. GCs at Fortune 100 companies can still expect to earn at least \$500,000 a year. Many practice areas also remain strong. Demand and pay for intellectual property counsel remains high. The labor and employment practice area is up as well, due in part to issues relating to downsizing. Experts caution, however, that this may be a short-term trend. Technology companies, to some extent, also continue to offer equity packages and compete aggressively for the top talent.³³

²⁸ *The Dish on Departments*, Corporate Counsel (December 2003).

²⁹ *New Findings on In-house Compensation*, Law Office Management and Administration Report, (January 2004), available at www.ioma.com/pub/LOMAR/2003_01/516037-1.html; *Latest Data on Law Firm Compensation and Benefits*, Compensation & Benefits for Law Offices (December 2002), at www.ioma.com/pub/CBLO/2002_12/510155-1.html.

³⁰ *Robert Half® Legal 2004 Salary Guide*, available at www.rhi.com

³¹ In-house counsel's average salary rose to \$153,122.

³² *New Findings on In-house Compensation*, Law Office Management and Administration Report, (January 2004), available at www.ioma.com/pub/LOMAR/2003_01/516037-1.html.

³³ Steven Anderson, *Reality Check: The In-house Counsel Compensation Report*, Corporate Legal Times, vol. 12, no. 124 (March 2002).

B. Isolation from Other Lawyers

A majority of corporate law departments maintain a legal staff that numbers in the single digits. In fact, almost 22 percent of law departments are staffed by a solo practitioner; 38 percent of departments have between two to five attorneys; nearly 25 percent of organizations employ between six to 20 in-house counsel; and 15 percent of law departments have 21 or more attorneys.³⁴

Perhaps the greatest disadvantage of being the sole attorney for a corporation is that such an arrangement has the potential to foster a sense of isolation from other attorneys. Because counsel's ability to bounce ideas off other attorneys may be limited by the size of the corporate legal department, it is wise for in-house counsel to secure membership in organizations such as ACC. The ACC Chapters and Committees provide forums through which members (and non-members) can network with their peers. Utilizing ACC's database of sample forms, articles and informational packages or InfoPAKSSM allows a single attorney or small law department to operate as if they had a large legal research group at their fingertips.

C. Moving On—Once In-house, Always In-house?

Attorneys who become in-house counsel after leaving private firms often worry about whether they will be able to transition back to a law firm. While it is unclear what percentage of lawyers seek to move back to firms after serving as in-house counsel, the desire to move back can be daunting for mid-level attorneys.³⁵ Law firms are designed around “the partner-track”—that mythical career path that ends with attorneys becoming partners in the firm. For lawyers who leave a firm to serve as in-house counsel, this path is not easily retraced. While the individual attorney may be gaining valuable experience working within the corporate environment, he or she will need to demonstrate an ability to bring clients, and thus revenue, into the firm.

Senior-level corporate attorneys may face less difficulty moving back into firm as they are often brought on as either a partner or a senior attorney. Their knowledge base, contacts, and expertise are assets sought by law firms, and make them valuable lateral additions to any legal staff.

Of course, in-house counsel's decision to leave his or her position may not be a matter of election, but one of necessity. While some law firms do go out of business, it is more common for a corporation to fold. Thus, it is important to thoroughly investigate the long-term stability of any corporation before accepting a position in their in-house legal department.

<i>Advantages of Becoming In-house Counsel</i>	<i>Disadvantages of In-house Counsel</i>
<ul style="list-style-type: none">○ Close to the business management and decisions	<ul style="list-style-type: none">○ Compensation is generally less
<ul style="list-style-type: none">○ Increasingly complex and more sophisticated practice than private practice	<ul style="list-style-type: none">○ Perceptions of the quality of the practice and of the practitioners can vary widely

³⁴ *In-House Corporate Attorneys: A Profile Of The Profession*, available at www.acca.com/news/press/survey.html

³⁵ See Barbara Lyne, *The Pressure is On*, Nat'l L.J. S6 (September 9, 1991).

<ul style="list-style-type: none"> ○ Broader practice, generally speaking (this can vary) 	<ul style="list-style-type: none"> ○ Resources are usually not as great as in a large firm
<ul style="list-style-type: none"> ○ Hours can be better regulated, (though not necessarily less than private firm hours) 	<ul style="list-style-type: none"> ○ Isolation—few colleagues to consult on ideas
<ul style="list-style-type: none"> ○ Greater direct exposure for advice and decisions 	<ul style="list-style-type: none"> ○ Career tied to the fortune of the company
<ul style="list-style-type: none"> ○ Less stress and pressure due to lack of billable hours, partner track 	

IV. How to Pursue a Corporate Counsel Career Path

A. Do Corporations Hire Recent Law Graduates?

The sad truth for most graduates looking to land in-house positions is that corporations rarely hire attorneys directly from law school.³⁶ Those individuals who are able to transition straight from law school into the corporate legal world, however, will likely be promoted at a slower rate than those who transfer from a law firm.³⁷ While a handful of corporations may consider hiring law students, most will only consider candidates with three to four years of experience working at a law firm. Larger corporations require candidates have top credentials, including degrees from a top-10 law firm as well as five to six years of law firm experience.³⁸ Students should recognize that only 11 percent of corporate attorneys practice in-house, while the remaining 89 percent are employed by law firms.³⁹

Research comparing the hiring criteria of law firms and corporate law departments indicates that the pedigree credentials are not as important though for many in-house positions as compared to similar size law firms. According to a recent MCCA study, law firms' emphasis on "box credentials—a degree from a Top 10 law school, membership in law review, or clerkships with federal judges—is not shared by recruiting departments at corporate legal divisions, where the emphasis is focused on experience, expertise, and one's ability to manage groups of attorneys.⁴⁰

As more attorneys are drawn to corporate legal departments and the pool of well-qualified attorneys increases, companies are able to be more discriminating in their hiring process. An informal survey of ACC members who work as corporate counsel reveals that most would not feel comfortable hiring a recent law school graduate. The lack of experience in legal affairs makes it difficult for young attorneys to quickly make the adjustment from student to legal counsel. Thus, it is likely to remain difficult for law students to move directly from the classroom into the boardroom.

The best opportunities for law students are in either small start-up organizations or corporations that have a history of direct hiring. Many start-ups may be operating under a frugal budget and seek to bring young lawyers aboard. By offering stock options instead of a higher salary, smaller companies may be able to attract bright, energetic attorneys into their fold. Non-profit

³⁶ Laura Carabillo, *Teaching the In-house Practice of Law – A Nuts and Bolts Approach*, Metro Corp. Couns. 23 (January 1998).

³⁷ *Creating Pathways to Diversity*, available at www.mcca.com/site/data/researchprograms/RosePathways

³⁸ Constance Sommer, *Job Growth Stable in the 6th Circuit But Don't Ask for Flex Time*, Corp. Legal Times, p. 72 (December 2000).

³⁹ Washington College of Law Career Services, *In-house Counsel Positions*, available at www.american.edu/ocs/corporations/.

⁴⁰ *Creating Pathways to Diversity: The Myth of the Meritocracy—Bridges and Barriers to Success in Large Law Firms*, Minority Corporate Counsel Association (2004).

organizations are another option. It has been estimated that 5,000-7,000 non-profits employ in-house counsel.⁴¹

As an alternative to a full-time position, candidates should consider applying to corporations that have summer clerkship programs⁴² Corporations such as Shell Oil, Aetna, and General Motors have run programs that led to the direct hiring of law students.⁴³ While both these options have decreased as of late due to the recession, they are still viable avenues worth pursuing for graduates who want to enter an in-house department and get their feet wet. Often the best resource into these departments is alumni from your law school who may be willing to bring you into the fold and train you in the skills necessary to thrive as a corporate attorney.

B. How Does One Becomes an In-House Counsel?

Most in-house counsel are lateral transfers from private law firms. Counsel often learn of openings in corporations through their interaction with that company. The intimate knowledge of the corporation's legal and business issues gained from the outside counsel perspective allows for a smooth transition into to an in-house counsel position.

A number of participants in a MCCA focus group went in-house from government jobs as either prosecutors or staff attorneys for a regulatory agency.⁴⁴ The skills and knowledge acquired while working in agencies such as the Federal Communications Commission, Securities and Exchange Commission, or Federal Trade Commission can prove invaluable, especially when a lawyer moves to a company who's industry is regulated by their previous employer.

One tool that may assist young attorneys in their search for an in-house position is a business degree. Not only do attorneys with a MA/MS/MBA's earn more on average than those holding only a JD (\$155,912 as compared to \$133,000), they make themselves more valuable to the corporation by having a greater understanding of the business world.⁴⁵ Law school students may also want to consider a joint degree program. A number of schools offer joint JD/MBA, JD/MHA (Master of Hospital Administration), and/or JD/MLHR (Master of Labor and Human Resources) programs. While an advanced degree will not guarantee employment, it may open more doors.

As with any job hunt, one of the greatest resources available to young attorneys is their personal network. College and law school alumni, family friends and professional contacts on can all serve as

⁴¹ Christian Day, *Teaching Students How to Become In-House Counsel*, 51 J. Legal Educ. 503, 505 (December 2001).

⁴² ACC is working with the American Intellectual Property Law Education Foundation to identify internship opportunities for minority law students interested in pursuing careers in intellectual property law. For more information about the program visit www.thurgoodmarshallfund.org/studentres/index.cfm?map=B2.

⁴³ Steven Anderson, *New Blood: The Case for Hiring from Law Schools*, Corporate Legal Times 1 (January 2002); Constance Sommer, *Job Growth Stable in the 6th Circuit But Don't Ask for Flex Time*, Corporate Legal Times, 72 (December 2000).

⁴⁴ L. Catalyst, *Women in Law*; and Elizabeth Chambliss, *Miles to Go 2000: Progress for Minorities in the Legal Profession*, American Bar Association Commission on Racial and Ethnic Diversity in the Profession, (2000.).

⁴⁵ *New Findings on In-house Compensation*, Law Office Management and Administration Report (January 2004), available at www.ioma.com/pub/LOMAR/2003_01/516037-1.html .

networking resources to help land that desired in-house position.⁴⁶ Another strategy is to attend professional meetings or join committees where in-house counsel are likely to be present. Mentoring is also a valuable resource, as more experienced attorneys often enjoy the opportunity to pass on their knowledge to the younger attorneys. Where possible, graduates should take the opportunity to have an informational interview.

It is also important to make sure your resume accurately reflects your skills and experience. If a company does the advertising and hiring process itself, the person responsible for the initial screening will quickly eliminate any resume where the level or type of experience does not closely fit what the company is looking for. This person, typically not an attorney, will be looking for key words and phrases in the resume to match those in the job description.⁴⁷

Qualities Necessary to Become an In-house Counsel

- Ability to work quickly and creatively
- Strong research and writing skills
- Solid communication skills
- Ambitious and “value adding” attitude
- Sound business judgment
- Demonstrated analytical skills
- Prior experience and quality training at a law firm or company with a significant legal department and/or sophisticated practice

C. What Can I Do in Law School to Help Me Go In-house?

As more attorneys pursue in-house counsel careers, a growing number of law schools⁴⁸ are offering law classes focusing on training future in-house counsel.⁴⁹ Many of these programs seek to prepare these future attorneys to tackle the issues that are most common in corporate practice—contract negotiations and internal investigations—as well as the unexpected issues that may arise in the natural course of business (mergers, SEC investigations, etc.). Additionally, in-house practitioners are often invited to speak as guest lecturers, providing an occasion for students to obtain career advice, learn more about the profession, employment or internship opportunities.. Schools such as the Benjamin Cardozo School of Law offer internships designed to introduce law students to the in-house counsel

⁴⁶ As Rob Lavet, Vice President and General Counsel for Sallie Mae, said, “I found my position at Sallie Mae because I knew people at the corporation.” Mary W. Legg, *How Did They Do It*, Legal Times (August 17, 2004).

⁴⁷ Mary W. Legg, *How Did They Do It*, Legal Times (August 17, 2004).

⁴⁸ For example, Syracuse University, University of Houston, and Pace Law School.

⁴⁹ Christian Day, *Teaching Students How to Become In-House Counsel*, 51 J. Legal Educ. 503 (December 2001).

environment.⁵⁰ These programs can be invaluable for students looking to gain insight into the skills necessary to thrive as corporate counsel.

Good communication and writing abilities are skills that a corporate counsel must bring to the table. Law students can better prepare themselves to master the tasks that will comprise a majority of their work as in-house counsel by taking classes in oral advocacy and legal writing. Interested students should also consider taking management and business classes outside the law school. While the knowledge gained in such classes cannot replace the skills learned on the job, it can give interested students material that will help them stand apart from the competition.

While internships with corporations are rare, don't discount this advice. Speaking to corporate attorneys to gauge their interest in hiring you as a part-time law clerk. While the work may not be glamorous, it will provide important insight into the operating procedures of a corporate legal department. More importantly, it allows the law clerk to establish contacts with people who can one day help secure them a position as an in-house lawyer.

⁵⁰ The Heyman/ACCA In-house Counsel Internship program introduces students to the practice of law in a corporate law department. Second- and third-year students work with in-house attorneys, learning the structure of the corporation from the inside.

Additional Resources

ACC Resource

Phillip R. Strauss, *The Facts of In-house Life: 80s Things I Wish I Had Known When I Went In-House*, ACC Docket, vol. 23, no. 3 (March 2005), available at www.acca.com/protected/pubs/docket/mar05/facts.pdf.

Journal Articles

Veta T. Richardson, Jyrl J. Washington, Anne Weisberg, and Linda A. Willett, *Insights of In-house Women: What it Takes to Succeed in Today's Corporate Law Department*, 2002 ACCA Annual Meeting, available at: <http://www.acca.com/education2k2/am/cm/205.pdf>.

Love the Job You're With, 2 Corporate Counsel 60 (December 2002). Summarizes recent positive job reviews by current in-house counsel.

Susan Hackett, *Inside Out: An Examination of Demographic Trends of the In-House Profession*, 65 Texas Bar Journal 222 (March 2002). Summarizes an ACC study of corporate counsel demographics. Offers a link to the full findings of the study online.

Dan McAllister, *Ouch! Women In-House Lawyers Say They're Hitting the Glass Ceiling*, 1 Corporate Counsel 16 (April 1, 2001). Provides a summary of a survey examining why women are less happy in in-house counsel roles than their male counterparts.

Sue McCutcheon, *Corporate Counsel*, 43 Advocate 15 (July 2000). Describes McCutcheon's positive experiences as in-house counsel to Novartis Seeds.

Frederick Krebs, *Profiles of In-House Lawyers: What Makes Company Attorneys Tick?*, 21 Legal Times S47 (Nov. 9, 1998). Details findings of a 1998 ACCA survey, giving statistics on factors such as age, diversity, problems faced, and more.

Lisa Brennan, *Getting Those In-House Jobs: Traits Prized by Law Firms Are Exactly Those That Companies Eschew*, The National Law Journal (March 16, 1998). Describes management skills prized by hiring corporations.

Neal Soloman, *That In-house Attraction Is Just a Mirage*, The National Law Journal, A21 (May 12, 1997). Argues that in-house counsel jobs offer little reward in exchange for long hours of menial work.

Books, Guides, And Directories

Larry Soderquist et al., *Approaching Corporation Law in Corporate Law and Practice*, New York: Practising Law Institute, 1999.

Corporate Counsel Directory, Virginia State Bar Corporate Counsel Section, Richmond, VA: The Section, 1991-.

Corporate Counsel Pro Bono Guide / ABA ACCA Pro Bono, Chicago, Ill.: American Bar Association, American Corporate Counsel Association, 1990.

Carole L. Basri, *Corporate Legal Departments*, 3rd ed. New York, N.Y.: Practising Law Institute, 1997.

Directory of Corporate Counsel, New York Law & Business (Harcourt Brace Jovanovich 2003-04).

Donna Gerson, *Going In-house: A Guide for Law Students and Recent Graduates*, 2d ed., National Association for Law Placement, 2003.

Martindale-Hubbell Corporate Law Directory: Corporate Law Departments, Association of Corporate Counsel Membership Directory (Martindale-Hubbell 2004).

Minority In-house Counsel Group Directory, American Bar Association, Commission on Opportunities for Minorities in the Profession (ABA 1996-).

National Directory of Women Corporate Counsel, ABA Law Practice Management Section (American Bar Association 1999).

Databases And Websites

Association of Corporate Counsel, www.acca.com

Minority Corporate Counsel Association, www.mcca.com

Martindale Hubbell In-House Counsel, www.martindale.com

Corporate Legal Times, www.cltmag.com

American Bar Association Section on Business Law, www.abanet.org/buslaw/home.html

Federation of Defense and Corporate Counsel (FDCC), www.thefederation.org