



O Shaped
Client led, people focused

HUMAN &
BUSINESS SKILLS
for a Customer Centric
Legal Profession

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THE LEGAL ECOSYSTEM

The legal industry is an ecosystem of interconnecting parts, each of which plays a pivotal role in the ongoing education and development of lawyers to prepare them for a customer-centric legal career.

While there are others in the ecosystem, this report focuses on corporates, in-house legal teams, law firms and law schools.

Corporates

Businesses expect their group functions to be aligned with the corporates purpose, vision and strategy. In these organizations, great customer experience is lived, breathed, and delivered every day, often ingrained in the experience of every employee in the company. The legal function is no different. As legal teams have grown, so too have the expectations their companies place on them. Put simply, businesses expect value from their legal function – as they do from any function.

Corporates

In-House

Law Firms

Law Schools

In-House Teams

In-house teams operate in a more complex legal and regulatory environment than ever before. To meet the needs and goals of their businesses, in-house teams in the US have grown significantly over the last 25 years, becoming more sophisticated and playing a leading, rather than just a supporting, role.

In-house teams have had to move away from simply being legal advisers to instead creating a great customer experience for their business colleagues. This transition has required a different mindset and skillset. Developing this has become a priority for most in-house teams. As one GC we met put it, their team needs “excellent lawyers with business and people-oriented skills”.



Law Firms

Law firms have traditionally focused on developing their lawyers' technical legal skills because that is what clients have demanded.

As in-house teams become more aligned with their organization's objectives, their expectations of outside counsel are also changing. General Counsel are increasingly focused on strategic partnerships that require a range of allied services (such as consulting, operations and technology) in addition to top-notch legal advice.

Being good at the law helps clients address legal issues, but it doesn't necessarily help them solve business problems.

Law firms that want to differentiate themselves from the competition in the future must develop their lawyers to be more aligned with meeting their clients' business objectives.

Law Schools

If law firms shift their approach to lawyer development, then law schools, too, must ensure they are producing well-rounded graduates with a more commercial outlook.

To do this effectively, law schools must teach the next generation of lawyers what it is like to be a client on the receiving end of the legal advice, rather than simply feeding future lawyers more black letter law. That way, students will learn to contextualize their advice with the needs of the businesses they will advise.



BACKGROUND

Background to the Interviews

O Shaped was founded in 2019 to make the legal profession better for those who are in it, those who use it and those who are entering it.

A profession is ultimately about people – and our vision is about realizing potential in a way that leads to improved customer outcomes.

The O Shaped UK Report 2020

In February 2020, O Shaped published a report of interviews with 18 senior in-house leaders in the UK. The report, 'Transforming the Training and Development of Lawyers', led to the creation of the 12 O Shaped Attributes – a competency framework which has since gained significant traction in the UK.

The report highlighted that the legal profession had placed a disproportionate focus on substantive legal skills at the expense of the increasingly important human and business skills.

Our research showed that the overly-focused pursuit of legal excellence contributed to a misalignment of approach between lawyers and the businesses they were advising. The lawyers were focusing on the law and the businesses were focusing on achieving their strategic objectives.

The interviews suggested that the training and development of lawyers has traditionally been too centered on identifying problems and risks. What businesses really wanted (and needed) were lawyers who could use their legal expertise to help solve business problems.

The report documented the need for a shift of mindset away from being about knowledge and toward being about business, enabling lawyers to place less emphasis on being technical experts and more on becoming value creators.

A Global Issue

Following the publication of our 2020 report, many people have connected with us to share their thoughts about lawyer education and ongoing development around the world.

As a result, we know that the challenges we identified in our 2020 report are mirrored in many of the major legal jurisdictions. We wanted to understand what the position was in one of the largest legal markets of all – the United States.

The US O Shaped Report

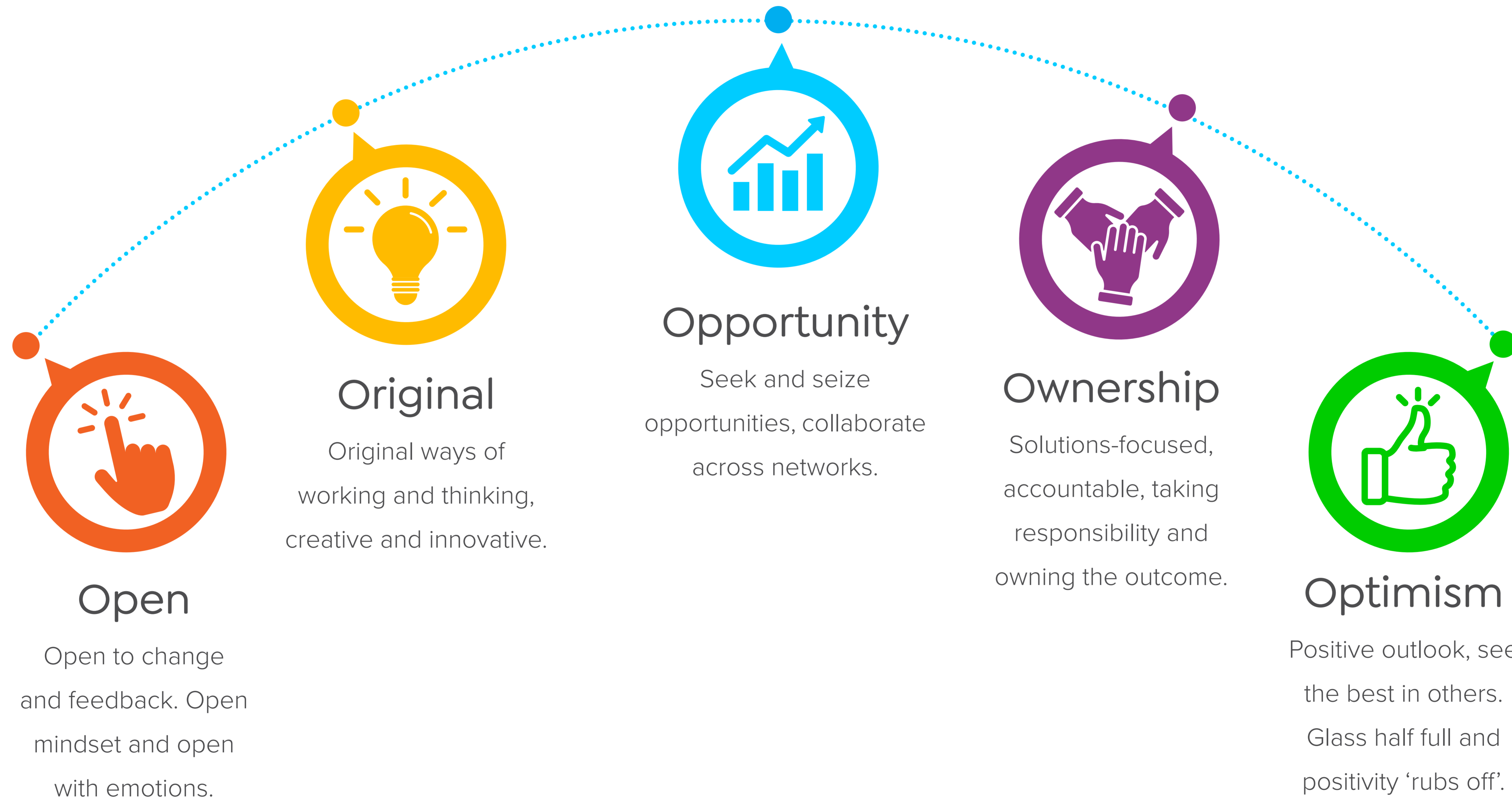
So, in late 2022, we spoke to 17 senior in-house leaders in the US from some of the most recognized global brands. We asked them about what their customers expected, what skills their teams needed, and how they obtained those skills to provide effective legal services to their organizations.

In advance of the interviews, we shared the O Shaped Mindset and the O Shaped Attributes frameworks (see pages 7 and 8).



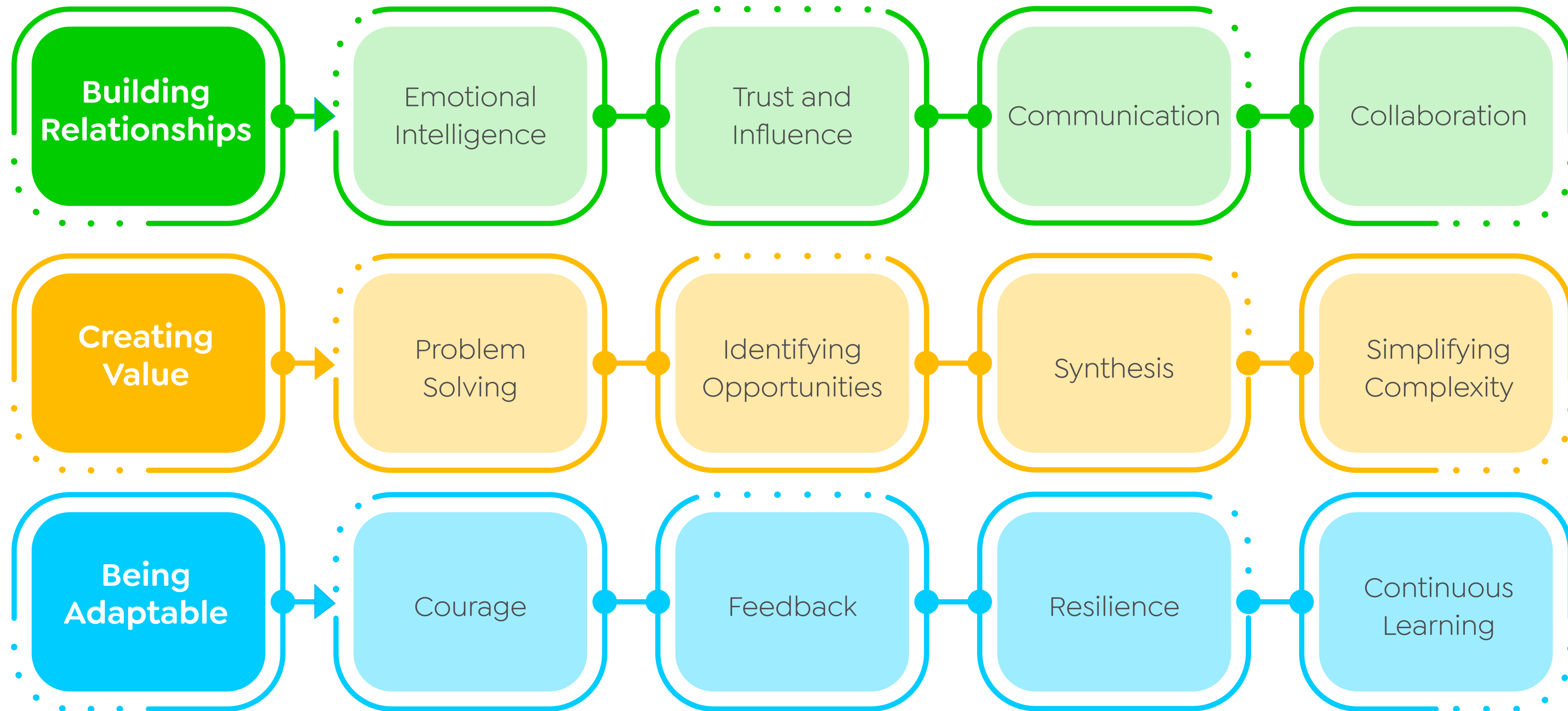
THE O SHAPED MINDSET

The 5 Os represent the mindset of an O Shaped legal professional.



THE 12 O SHAPED ATTRIBUTES

The 12 O Shaped Attributes were developed from a series of interviews with 18 senior in-house leaders in the UK.



CUSTOMER CENTRICITY, MINDSET AND SKILLSET

Substantive knowledge

As in the UK interviews, the need for strong substantive legal skills was a given. This doesn't suggest that technical expertise is any less important – it remains critical. But expertise is no longer considered to be a differentiating factor in what makes a great lawyer.

Where relationship building and creating value are concerned, lawyers need to look beyond the technical skills, develop human and business legal skills, if they are to thrive.

Mindset

Many of the General Counsel spoke of recruiting people to their teams who demonstrated the “right” attitude. Several talked about lawyers needing to demonstrate humility and not overstate their importance or intelligence.

Possessing the right mindset was considered crucial for lawyers to be able to increase credibility with business colleagues and build better relationships across the business.

Multiple interviewees referred to lawyers needing to find the right balance between confidence and arrogance.



CUSTOMER CENTRICITY & MINDSET & SKILLSET

Legal knowledge

While critical for every lawyer, narrow technical expertise isn't enough to create the customer experience that in-house teams are striving for.

“ You need to understand the people you are working with and create a genuine relationship ”

“ Technical excellence is one thing, but you need to bring people along ”

“ Technical competency is assumed – how you work with others and get things done is what sets you apart ”

“ We know they have the technical skills, but do they have the human skills to interact with the business? ”

Mindset

To be effective service providers, lawyers need to be capable of building strong relationships. That requires a shift in mindset.

“ Be authentic, open to new ideas ”

“ Mindset and behaviors are very important ”

“ Bringing a positive attitude to the workplace is important ”

“ It's okay to be the smartest person in the room, just don't let anyone know that! ”

“ We don't always know the answer – that's ok ”

Skills

It has become non-negotiable for lawyers to develop the skills that will enable them to build stronger relationships.

“ Have empathy for everyone's roles ”

“ General kindness is by far the biggest asset ”

“ Compassion is the best skill to acquire and is often lacking ”

“ Show them [internal colleagues] you understand their business in a human way ”

“ The hardest part of skills development is showing those skills everyday ”

Leadership

Leaders are responsible for creating a safe environment based on trust, which is critical to building the credibility of the function.

“ Build a culture where people feel comfortable to try things differently ”

“ Learning from mistakes is top of the list ”

“ If you create a more inclusive environment, then you get the most brain cells working ”

“ Ensure that young lawyers have the space and the opportunity to fail ”



CUSTOMER CENTRICITY & COMMERCIAL AWARENESS

Know the Business

A consistent thread in the responses was just how committed the general counsel are to encouraging their teams to spend time with the business.

One GC emphatically made this point, saying that their team was “involved with the business long before there is a reason for legal support.”

It is the integration with colleagues around the business that generates the commercial knowledge and, in particular, an appreciation of risk tolerance.

“We can add the most value when we are business partners and are viewed as such.”

Only by understanding the needs of the business can lawyers create value for their organizations. Several respondents highlighted the importance of proximity to the operational side of the business, which supports an understanding of business risk (as opposed to just legal risk). The GCs talked about a significant gap in lawyer development when it came to understanding business risk.

Understand the Business Risk

Risk philosophy and training were consistently top of mind for the GCs we spoke to. A key differentiator between the most commercially-minded lawyers and the rest was the ability to recognize the lower risk issues and allow them to pass. This is much harder than it sounds – and runs contrary to much of the training lawyers receive.

Even where the legal risks might be more significant, the most commercially-minded lawyers still view them through the lens of potentially bigger business opportunities and do not simply shut the conversations down.

As one GC said:

“The hardest thing to break is someone who only sees the big legal risk and not the business opportunity.”

Many GCs said they would only hire people who have had a variety of work and life experience. Just one the senior leaders we spoke to was interested in hiring someone with fewer than five years post admission experience.

Business Ready Advice

The interviewees unanimously agreed that the biggest challenge facing many lawyers is the ability to articulate advice in a succinct, to-the-point way that could be applied immediately by colleagues outside the legal team. The importance of ‘business ready’ advice was a repeated theme.



Legal functions can and should add value to their organizations and even take the lead when appropriate to do so. One GC went further, suggesting that GCs can play a role in business generation – and pointing to the \$10 million they generated for the business from facilitating introductions across the organization.

As one GC put it:

“The challenge for in-house teams to create and demonstrate value is a global one, highlighting the difficulties some teams face in tying what they do to profit generation.”



CUSTOMER CENTRICITY & COMMERCIAL AWARENESS

Know the Business

“ Highly successful if the legal team is sitting with the business team – need to sit at the table ”

“ Have to develop business acumen as part of the on-boarding ”

“ Learn who has the hard job and recognize how to take the burden from them ”

“ Take the top performers out of the legal department for 2-3 years to get that business hat ”

“ Everyone that joins has to spend at least a day with the trade team going to stores ”

Understand the Business Risks

“ Allowing the low-risk things to pass ”

“ Ability to spot risk and influence stakeholders ”

“ Proposing potential solutions not just flagging the risks ”

“ The ability to cross multiple disciplines ”

“ Being able to operate in the grey is the commercial way ”

“ Never just a legal issue but a business issue ”

Provide ‘Business Ready’ Advice

“ Business has to be able to quickly process and understand the information given ”

“ Moving outside of the playbook and the template structure ”

“ Lawyers tend to write and speak in paragraphs and need to write and speak in bullet points ”

“ We don’t want people to just report the problems up the chain ”

“ Being able to use fewer words, but be very intentional about the point you are making ”

“We don’t aspire to be only used in the emergency. We want to be viewed as someone who is shoulder to shoulder with the business.”



CUSTOMER CENTRICITY & THE ECOSYSTEM

We heard about the challenges and the opportunities for two of the main stakeholders in the legal ecosystem – law firms and law schools.

Law Firms

In-house teams in the US viewed the relationships with outside counsel as more transactional than their counterparts in the UK, where there was more openness towards somewhat strategic partnerships with external providers.

There was a real divergence of thinking between the interviewees on whether this transactional approach was the right one. Some wanted to build stronger relationships with their external providers, whereas others regarded them as people to be called upon only when absolutely necessary. The latter were more interested in accuracy and responsiveness from outside counsel than in a strategic partnership.

The sense of two very distinct strands to the legal profession in the US – private practice and in-house – was stronger than in the UK.

Money

Money continues to be the greatest source of tension between in-house and outside counsel. As one GC we spoke to said, “we aren’t good at having conversations about money in the legal profession”.

The GCs generally took the view that law firms were primarily about profitability and other metrics either did not exist or were not valued.

One GC said that:

“other skills are unrewarded and unpaid”

The GCs observed that many law firms say the right things, but don’t back them up with actions.

The six-minute unit and the billable hour came in for scathing criticism, including that the law firms’ reliance on this approach saps value and inhibits innovation.

Fear

When it came to outside counsel, the GCs perceived a sense of fear. For some, that was a fear of being sued which led to a ‘cover your back’ mentality; for others it was about fear of making mistakes and therefore choosing to commit every detail to writing to make sure nothing was left out.

Behaviors

The division between private practice and in-house was evident when we asked the interviewees about behaviors. One GC said the firms they worked with are “technically great, but very poor outside of this, and there is no focus on the human side of work”.



CUSTOMER CENTRICITY & THE ECOSYSTEM

Another commented that the behaviors they observed reflect the fact that the legal profession is focused on what is profitable at the expense of anything else. This means that poor behavior is tolerated provided those individuals remain profitable.

“You can provide top rate legal advice but if you don’t have a relationship with your client, it doesn’t often resonate.”

Many GCs believe that although the right things are said, actions are far removed from the words, noting that the quality of US firms in this regard is years behind other countries, particularly the UK. For example, purpose and values don’t yet feature in the US market on anything near the same scale as in the UK.

The interviews establish beyond a doubt that there remains a level of scepticism from the GCs about both the value outside counsel can provide and whether this could be increased by having a more open, transparent relationship.

Law Schools

Interviewees were unanimous in their views of law schools focusing strongly on substantive law leads to a failure to fully prepare future lawyers for a customer-centric legal career. (Many GCs observed that In the US the training is very good on black letter law.)

Senior leaders acknowledged that it had been many years since they had direct experience of law schools. However, some teach courses at law schools and others retain a keen interest through the lawyers they recruit or use as outside counsel.

Substantive Law

“Law school never teaches you anything other than thinking like a lawyer”

One GC even described legal education as a form of brainwashing that teaches how to think like a lawyer, rather than what it actually means to *be* a lawyer.

The purely technical approach of the bar exam was also highlighted. One occasion it was said to be so out of touch with reality that it leads to imposter syndrome when law students then enter the workforce.

Teaching Promotes Competition not Collaboration

To highlight how far removed law school education is from legal practice, one GC spoke about how rare it is in practice that people work alone, but how common it is for students to study that way.

Being part of a team is common and learning how to work with teammates professionally is incredibly important, yet is overlooked at law schools – collaboration isn’t taught in a meaningful way.

Instead, the skills gap is fostered by the Socratic method which increases competition rather than fostering cooperation.



Human and business skills don't feature sufficiently at law schools

All of the interviews referenced the failure to teach human and business skills as a significant gap in legal education.

The traditional model of teaching lawyers doesn't feature these skills, yet they are critical to every day legal practice. This significant gap needs to be addressed; many of the interviewees pointed out how a real life focus is missing.

There was a general understanding that students come out of law school with a lack of commercial awareness. They are taught to be very risk averse – to highlight each and every risk, without being able to understand the context or the needs of the business they are advising. It's rare that in-house lawyers will answer 'no' without any qualification, but by focussing solely on the risks, students are being prepared for that approach.

Several respondents noted a lack of focus on leadership skills, stressing that these skills are the ones that will better prepare students for life in practice. However, they also noted that some law schools are doing great work around innovation, practical skills, business acumen and more.



CUSTOMER CENTRICITY OPPORTUNITIES

While this report has identified key challenges the legal profession faces in achieving a more customer centric approach, the interviewees also highlighted the many opportunities this brings.

What Law Firms Can Do

Although some in-house leaders wanted to keep their external law firms more arms-length and use them in a transactional capacity, the majority we interviewed did want to build stronger, more sustainable relationships with their outside counsel. There is an opportunity for law firms to think and act differently and to establish more trusting, deeper, longer term relationships with clients.

“ We encourage outside firms to be as integrated as possible. You can read about what a company does but, as an outside firm, you want to spend time with the business. ”

“ If you want to build a relationship with me, find out what I care about. ”

“ There needs to be a genuine partnership, expertise and a good relationship to hold you accountable. ”

“ Lots of touch points even when not working on a matter is very important. ”

“ Need people who have an understanding and are emotionally intelligent. ”

“ We like to have relationships with firms so they know how our business works but there is always a filter and we always know that they don't know what the business is looking for. ”

“ It helps to have a social element to the relationship. ”

“ The communication part is tremendously important – that is where the resolution lies almost always. ”

“ A true partnership with private practice requires human skills to foster this relationship. ”



What Legal Educators Can Do

Legal education and continuous lawyer development were criticized heavily in the interviews for failing to prepare lawyers for practice when it comes to human and business skills.

This presents an opportunity for individuals, law schools, law firms and education providers more generally to invest in their careers and those of their students/lawyers with much more of a practical focus.

“ Business relationships and interpersonal communications should be mandatory teaching at law schools. ”

“ Law schools need to teach collaboration. The more lawyers collaborate the better they get. ”

“ Practical client engagement needs to be taught earlier. ”

“ Without business or financial education, lawyers won't be that great at their job. ”

“ Need to be able to articulate legal risk in the context of the commercial risk. ”

“ Understand the ways that clients look at problems from a P&L perspective. ”

“ Peer to peer teaching and knowledge sharing should be encouraged. ”

“ Lawyers aren't good at risk –it should slot into their education. ”

“ Make lawyers more self-aware – you cannot start this too soon – it is the foundation for everything else. ”

“ Students should learn about time management. ”

“ Need to make the black letter law applicable. ”

“ Have some commerciality drilled into you at law school. ”

“ Learn how to build relationships earlier ”



BRIDGING THE CUSTOMER CENTRICITY GAP

In-House Leading the Way

Our research has shown that there is a significant gap between legal services delivery and customer experience.

While other factors obviously go to an improved customer experience (such as better use of technology), there remains a fundamental mismatch between the skills that lawyers are taught in law school and develop through their careers and what customers need from their lawyers.

We heard a real desire to close that gap. The in-house teams we met are leading the way in doing so, demonstrating a real commitment to developing the mindset and skillsets of their people.

- They recruit people who are ‘hungry’ and have a proactive ‘can do’ attitude that will enable them to add value to the business.
- They expose their people to every aspect of their business as often as possible.
- They encourage secondments across both the legal function and wider business to create different learning experiences for their people.

- In-house lawyers benefit from their organization’s leadership development programs bringing together aspiring leaders from across the business, presenting the lawyers with brilliant networking opportunities.
- They want their lawyers to have a customer-centric mindset in all the work they do, taking steps to ensure they understand the business and can create value for it.
- Leaders foster a culture of learning and sharing which gives their teams the freedom to try new things, make mistakes and learn, knowing they will be supported by their managers.
- They learn about risk tolerance and management from the perspective of the customer and tailor their advice accordingly.
- They value bringing in people with experience from a range of different sectors and industries, who can contribute different perspectives.
- They see themselves as leaders in the business, not just playing a supporting role.

Can in-house lead systemic change?

One of the questions we have posed in this report is whether the more well-rounded (O Shaped) approach we are seeing grow in-house can act as a catalyst for change across the whole legal ecosystem in the US.

There are multiple challenges in achieving this.

- It’s not clear whether there is the same appetite in the US as in the UK for in-house leaders to pave the way for industry-wide change.
- The complexity and volume of work that in-house teams have leaves little time for the leaders to assume a wider leadership role across the legal ecosystem.
- The relationships between in-house and outside counsel appear slightly more strained in the US and there is less positive talk about creating strategic partnerships.
- Law schools are more disconnected from the ecosystem in the US than the UK. There isn’t the same demand from law firms to require law schools to adopt a more progressive approach to the development of the next generation of lawyers.



With Challenge Comes Opportunity

Despite the challenges identified above, we met incredible leaders who are passionate about working in a fairer, more business focused profession, recognising the role that the different parts of the ecosystem can play.

- Most of the leaders we met preferred to hire people with a minimum of five years experience. There was a recognition that there would be a real benefit in 'home-growing' more lawyers, taking them directly from law schools if they were trained in a more practical, business focused way.
- We heard some leaders describe the benefits of working closely with outside counsel, building relationships of trust on a personal, social level.
- Many GCs would love to take the tension points out of their relationships with outside counsel, particularly where money was concerned, but also in connection with understanding risk and what business ready advice could look like.
- Making leadership skills and development across the sector a priority from law school through to senior leaders across the ecosystem.
- A more joined up legal ecosystem, bringing cross-discipline leaders together from all parts of the sector to collaborate on the future of the profession is seen as a good starting point.



NEXT STEPS

What next?

O Shaped is about delivering cultural, cross-ecosystem change.

We want this report to be a call to action for those who are agitating for a more modern, progressive and human legal profession that puts people front and center.

We found lots of challenges identified, as well as many positives to take from people who see the potential for a more joined up, 'people first' profession.

We want O Shaped to provide the purpose, vision and direction for the industry to move forward.

For more information about O Shaped, including our mission, faculty and services, please visit:

www.oshaped.com and/or contact us at info@oshaped.com

We will achieve this in a number of ways:

- We will create a community of O Shaped in-house leaders and champions across the globe.
- We will publicize this report and inspire those who want to lead change across the legal ecosystem.
- This report should be the basis for discussion and action by the in-house community, leveraging its potential to lead change across the US, be it at roundtables, conferences or publications.
- In-house teams can use the O Shaped mindsets and attributes to influence their outside counsel, together they can work to re-purpose the curricula of law schools and ongoing lawyer development.
- We will share the ongoing learnings from the UK about how we are successfully influencing the development of lawyers from law schools to leadership.
- We will continue to deliver O Shaped workshops and programs across the world to enable teams in the legal ecosystem to bring O Shaped to life for their organizations.

