Building the GC Role. Part 1. ...ilding the GC Role. Transcript

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**SPEAKERS**

Brett Pletcher

**Brett Pletcher** 00:00

**Brett Pletcher** 03:35

Good morning, good afternoon, good evening, wherever you are. Thank you for joining us for the Building the GC Role webinar, part one, my name is Brett Pletcher. I'll be the speaker today. Just a couple of preliminaries. We are recording this session. And we will be posting it on LinkedIn and on our website for those folks who may not be able to stay for the whole session are for others who are unable to attend and will catch up, catch up with us a bit later.

**Brett Pletcher** 04:00

The program is qualified for MCLE in New York and California, so I will be reading off a couple of codes during the course of this session, and you'll need that to be able to redeem that credit. And then we won't be able to have a live Q&A, but there is a Q&A button where you can drop some questions into that if you have them. And then when we're at the end, I will leave some time for us to addressed this. And of course, if I don't get to all those questions, I'm happy to follow up either by email or on the phone after this session.

**Brett Pletcher** 04:39

So just by way of introductions, for those of you who don't know who the firm Gunderson Dettmer is, we're a firm of about 400 attorneys that are all over the world and live in different offices have been around since 1995. The firm is solely focused on the innovation economy and has only been focused on that for its entire existance. So for example, we represent most of the major venture capital funds when they form themselves and gather the capital that they're going to invest in new companies, and then we represent them when they invest that money into new companies.

**Brett Pletcher** 05:16

We also have about 4500 what we would call kind of emerging economy, startup companies that we work with. Obviously, many of them are or all of them are trying to get venture capital funding. Over the last 10 years, or for 10 years running. We've been the most active firm in the venture capital space in terms of the number of financings completed and via efforts as an example, we did over 1800 of those in 2022 alone. In addition to venture financings, we do IPOs and m&a transactions, Over 300 of those since 2022. And once companies go public, we represent them as well.

**Brett Pletcher** 05:53

So by by just by introducing my introduction of myself, I thought I'd give you a little bit of background into me and why it is that I can speak to this topic of how do you build a GC role. When I first got out of college, I started at Price Waterhouse, which is now Price Waterhouse Coopers. I started there as a consultant to law firms and law departments where we were doing all sorts of operational things like putting in financial systems, complex systems, document management, litigation, support type things. And then I went off to law school after that I joined Gunderson Dettmer. Right as it was starting 30, about almost 30 years ago now. And I had the typical Silicon Valley practice that I was just talking about, where drivers are consenting venture capital firms, putting money into startups, representing the startups as they grew from taking in venture capital to going public to selling themselves. And then representing public companies once they became public.

**Brett Pletcher** 06:47

In 2005, I left the firm and went to Gilead Sciences to set up their transactional practice. They had just launched a, a blockbuster new drug and so the company's stock price was rising and the cash ord was rising. And so they were going to do some really interesting transactions, which they did. And then after about four years, I took over the General Counsel role. While I was there, at Gilead, we grew the legal department from about 15 people to over 350 people, a lot of time I left 17 years later, during that period, I've worked with three different CEOs, managed through periods of massive financial and geographic growth, and also periods of stagnation, both in revenue and in stock price. And handle many bet the company litigation and Department of Justice and other types of investigation matters. One thing I do want to point out is that when I became General Counsel, I did not report to the CEO. So I had to earn my way there. And a number of the things that I'll be talking about today are strategies that I used to be able to earn my way into the C suite.

**Brett Pletcher** 07:53

Okay, just to give you an idea how broad the practice, there are Gilead got. We had obvious areas like corporate securities and governance, and a very large compliance program, because we're all over the world in selling drugs, lots of litigation, lots of intellectual property activity, a very large international footprint all over the world did a lot of labor of employment privacy competition law and built a legal operation. I will go over in a later session, what a fully formed GC role legal department looks like. I would say this is pretty close to it, but there are other areas that we could have been involved in, that we were not at at that point, but I'm sure over time they will.

**Brett Pletcher** 08:37

What my current practice is I came back to Gunderson in the middle of 2023, after spending several months figuratively on the beach, trying to rest and recover from having been in the role for 17 years. And the current practice that I'm working in is providing an in house perspective on approaching legal and governance challenges within a company, also advising life sciences and public companies on issues that are specific to them. And then serving as we may quite figured out how to call it but sort of a GC in residence where I'm helping GCs, think through operational, legal and governance issues, working on mentoring key C's on their own personal development and the development of their legal team. I've been working with CEOs thinking about how do they establish a legal department, or how do they bring their legal department to the next level, and then helping evaluate legal departments and their structure and the talent level within that department, and also consulting on what the resourcing are, and maybe some things to think about in terms of the way that that department is structured. And then finally, kind of a phone a friend, which is, you know, when I was in house, a bunch of different things come up that you've never seen before. And it's always helpful to have someone out there who you can call to say, you know, hey, this came up and it helped me think through how to approach that. So that's one of the things I most enjoy about the practice and had wished that I had someone consistently to call when I was in the practice.

**Brett Pletcher** 10:02

So as an agenda, I'm going to go through where you have three sessions for this webinar that the first part, the agenda we'll be talking about the big question that I get from people is how do I build my GC role. And we'll discuss some of the reasons why the GC isn't in the room where it happens. And talk a bit about how the GC can change that dynamic. And then we'll talk a bit about the GCS most important relationship, the CEO, and what that relationship should look like, what the CEOs are looking for, and how to develop that relationship.

**Brett Pletcher** 10:34

In part two, we'll get a bit more into strategies for expanding your role becoming that C suite partner versus, you know, maybe a crank Turner in the back room, getting the contracts done, and just keeping the legal stuff off the executives desks. We'll talk a bit about what a fully formed GC role can look like over time, and then ways to think about how do I start to build that and based on where my company is today, and we'll talk a little bit about some obstacles that you can run into when you start to do those things.

**Brett Pletcher** 11:04

In part three, we're going to talk about the board. What's the GCS relationship with the board, how do you get exposure to the board, that's one of the things I hear from folks is they can have difficulty getting in front of the board. Sometimes that's because outside counsel is attending and kind of crowding them out, we'll talk about how you coexist with the outside counsel at the board level. And then we'll go through some key questions for developing your strategy for developing yourself and the legal department that can help you kind of really focus in as you're developing your strategy for advancing yourself and advancing the legal department's role within the company.

**Brett Pletcher** 11:40

So as I mentioned, the biggest question that I get in my current practice, and then I got at Gilead and even before Gilead was how do I build my GC? And, you know, I hear a bit of frustration at times from heads of Legal and General Counsel's, you know, feeling like they're constrained in their role, and they're not really seeing a path to be able to expand the role and feel like they're kind of going to be in this crank, Turner, position. And I also talked to heads of legal who will not yet have the title of general counsel or have a clear path to get that, and they're trying to think about what do I need to do to be able to be seen as someone who can be general counsel, I also get CEOs call me asking, you know, what do I need to do to like and start to see this person in the role as general counsel? And why does this what does this look like for people? You know, sometimes you'll have the CEO that doesn't include the General Counsel and strategic conversations that would benefit from legal input clearly. And, you know, it's sometimes that's because the CEO doesn't think to bring the person in sometimes it's because CEO doesn't think that the person can provide some value for whatever reason, sometimes the General Counsel is reporting to the CFO and maybe a little bit hidden to the CEO.

**Brett Pletcher** 12:56

Or your you'll see CEO and other members of management engaging in self help. And by that, I mean, by that, I mean, you know, just doing it themselves or falling outside counsel instead of engaging the CEO. And then sometimes it's just a lack of interest in this CEO at that point in time in the activities or development of the legal function. And there are sometimes reasons for that. So I thought we'd spend some time going through your why is it that in some cases, the GC is not in the room where it happens?

**Brett Pletcher** 13:24

Now, this training is largely aimed at those innovation economy, companies, newer companies that are just developing the legal department, a lot of times, you'll have CEOs who are CEOs for the first time, maybe they haven't worked with a lawyer before. And so I've tried to put together a list of things that might be causing the the GC not to be in the room where it happens. And but I'm sure I've missed some things. But it's really just an effort to give you some tools to think about, if you're kind of in that situation, what might be causing that. And that will then kind of be the, the entree to starting to figure out how to resolve some of those issues.

**Brett Pletcher** 14:01

So the first topic here is one that I spoke about in the LinkedIn article I posted when, when I was announcing this series, and that is, you know, startup CDOs. They act as the company's lawyer for quite a long time. They think they find a lawyer to help them get incorporated, they adopt a stock option plan, they go get a lease, they get started hiring employees, they get the medical benefits set up doing a whole bunch of legal like activities for a fairly long time while they're staffing up getting funded, and then eventually hire a lawyer and so they might just look at the legal worker saying look, I did that for two years. I always know that doing it now they don't have time to I just want someone to take this on. And you know, really not bother me with it and finish it off and not really thinking about the lawyer as a someone who can be strategic and maybe just not having even the background to think about that because it's the first time they've been a CEO No.

**Brett Pletcher** 15:02

And a lot of early stage CEOs, they've never worked with an attorney before. They just don't know what attorneys can do. And so they don't just they don't think about it involving the attorney when they're doing things that are probably legal related. So we'll talk a bit later about how do we educate the CEO around some of those issues. The other topic isn't related to the CEO at all. It's related to the the GCS and heads of legals, a lot of times, people coming into those roles are coming out of law firms, where they've been had a very particular focused practice. And other than having a CEO as a client, they've never worked with a CEO before. I know when I came out of the law firm, I had been a partner in a law firm, I knew how to do, you know, corporate work and get companies financed and sold. But from the day to day perspective, you know, I didn't have experience working with the CEO. And that was something that I needed to learn. And so because of that, you know, many new and newly arrived in-house lawyers, we don't really show up as ready for the C suite. You know, when you step into that kind of legal role or general counsel role, now, you're not just focused on what your niche was in the law firm in terms of you know, corporate law, or strategic transactions, or IP or litigation. Now, everything that the company is doing is coming across your plate, you're having to figure out how to work cross functionally, in a way you didn't have to do in the law firm, you're having to figure out, you know, how to how the politics work within within the company. So there's so much to learn coming in there. That, you know, we just don't show up as somebody who's ready to provide that strategic support. I know I wasn't when I got there. So it's something that we need to be patient about when we when we get in and realize that we have lawyers coming in, have some growing and learning to do and some experience to gain in the in house environment before we can really contribute at that C suite level.

**Brett Pletcher** 16:56

The other problem I see people have is the company may have been operating for years that attorney and the leadership team may not see the strategic value added having an attorney around and when attorney shows up and says hey, you know, we've got X and Y, we need to deal with Mike get the response. I've been doing this for five years, that hasn't come up as an issue, I don't see it coming up in the feet in the near future. So you know, does this leave me alone. And so it will take some skills and some effort on the behalf of the general counsel or head of legal to educate the team on you now that they do have an attorney, what is the value that the attorney can provide, and that the attorney is not just there to make their life harder, it's there to prevent things from becoming difficult, further on down the road.

**Brett Pletcher** 17:41

And then one thing they think about is, you know, some companies when they're so early stage, you know, think about a company that's preclinical in the life sciences that doesn't have a drug in clinical trials yet, so just trying to identify a drug and make sure it's safe before it can put it in humans. At that stage, there's not a lot going on legally for the company, maybe there was a license, they were doing some financing. But, you know, you might have a situation where the company is so young and so early, that there's not a legal space for a large strategic role for the lawyer. And so it's important to think about where are you in the development of the company. And then to think forward, you know, as a company develops, where can that lawyer become more and more involved.

**Brett Pletcher** 18:22

And then finally, you can have situations where maybe because of what I just talked about, that the CEO is not yet like prioritizing, building a robust legal function, they're focused on getting finance, they're focused on figuring what the product is going to be focused on getting a team developed, so that they can start working on the product, and kind of leaving the legal function behind. And really, at that point, maybe they are just looking for someone to get the work done. And not yet ready to build that team. So all of those, all of these are reasons why you could find yourself in a place when a GC is not in a room where it happens. But hopefully, they give a little bit of a framework for starting to identify, you know, what is the reason that we're, we're seeing some of this, and then we can talk a little bit about, you know, how do we change some of that.

**Brett Pletcher** 19:09

So how do we change this dynamic of the GC not being in the room where it happens, or not having as a broader role? And I'd say the first thing, and I mentioned this a little bit is, you know, for the GC to practice self awareness. And in terms of, do you understand what a fully actualized GC role looks like? So do you. In other words, do you understand what the company needs from you over time, and what of that you need to be working through right now, that's an important piece. And sometimes it takes a little bit of time in role to start to really understand where the organization needs help right now and where it's going to need it down the road.

**Brett Pletcher** 19:52

The other piece is, do you have this experience and skills to perform in that role? So if you were to take on more of the discussions with external partners or take on a bigger piece of the discussion with investors, or do you have the experience and skills to perform those functions. And I think that's an important piece that you're going to need to think about before you take it on. Because if you take on some of those things before you're ready, then you're probably not going to be allowed to take on additional days, and people will say, this person needs a little bit more seasoning. So having some self awareness as to what and when you take something on is going to be important.

**Brett Pletcher** 20:30

And then, you know, operating, the other thing that I would say is you need to start operating in a way that makes the CEO believe that you can own a broader role. And then what does that mean? That means and we'll get into that some more, showing the CEO that you're more than the person that can turn the crank and get the contracts done. You're someone that can kind of help them see through the windshield, help think about legal issues that you're going to run into as the company starts to develop and execute on its strategy, or making the CEO believe that you're a good utility player and can be taking things on that may not be legal but they can see that you're able to deliver for them. So an area where they're kind of focused on going to you and kind of how you are performing in the role.

**Brett Pletcher** 21:21

The next thing is relationships, and most relationships, the most important relationship that a general counsel or head of legal is going to have in the company is with the CEO, and so it's very important to get focused on that. And one of the questions I asked people, when they, when they call me and say, How do I expand this role? The first question I ask is, what's your relationship like with the CEO? How much time do you spend with the CEO? You know, why is the CEO important? Well, they're the person who's going to invite you on to their executive team, they're the person who's going to invite you to a board meeting, the person who's going to instruct someone else on the leadership team to go talk to you about a particular issue or get you involved. And so that constituency in the CEO is very important. I'm going to spend a lot of time and a few minutes on, what is the CEO looking for from the general counsel, and what are some things you can do to help develop that relationship with the CEO.

**Brett Pletcher** 22:10

The next piece, I would say, is to educate the CEO and management. And we talked a bit about the first time CEOs, maybe never having supervised lawyers before, and the fact that they're going to need to learn over time how to best utilize those services. Well, that learning process can be assisted by the General Counsel, or the head of legal that's in front of them, and helping them understand where the legal lawyer can get involved. Because I can tell you that when I talk to kind of newer CEO, sometimes they don't have a good sense of where the lawyer can be involved. And just talking them through some of the things that lawyers can do, and starts to turn on some lightbulbs. And they think, okay, now I get some area, other areas where I can get this person involved. So that's a role that the general counsel can play, as well as educating the CEO.

**Brett Pletcher** 22:55

And I'll tell you that, you know, these newer CEOs, their views of what lawyers can do is gonna be heavily influenced, you know, by the person in front of them. And, you know, if that person's, you know, identifying issues, if they're communicating well, or if they're just putting up roadblocks, that is going to affect how much the CEO is going to want to lean on the CEO, or lean on the General Counsel. So that's one thing I'd say you'll hear my consistent theme through here is kind of self awareness, and how are you showing up and developing a general counsel in a particular particular company is going to depend on the person that's in that role in that company.

**Brett Pletcher** 23:35

So one of the one of the things that you can see with some lawyers to come in when they're kind of relatively junior or relatively inexperienced in the General Counsel role, you know, their comfort zone is going to be and kind of turning the crank on those contracts or, you know, making sure the patents are getting filed, or dealing with some of the, the employment type issues. And so they can fall into the kind of that crank turner role, because that's where people are comfortable, and maybe not spending the time that maybe should be spending on talking about or thinking about, or addressing some of the more strategic issues that the company is thinking about as it looks at its strategy, and looking forward.

**Brett Pletcher** 24:15

So one of the key issues in the education process is helping the CEO and other executives see the connection between the key legal issues, and the success of the company's business plan and strategy. So one example that I can think of is, you know, AI. And a lot of companies of all different stripes are trying to figure out what to do with AI. And at the same time, there's a whole regulatory regime that's being developed around the world that's constantly changing every single day. And so if you're an AI company developing a product, you need to think about, where are those regulations going? What are the principles behind those, they're changing all the time, but maybe there's some principles we can latch on to, and we can start to build into the product so that when we get down the road, we're not surprised and we've built in some flexibility into our product in a way that allows us to keep them hoping it if you know some of these regulations are adopted, and so that would be a very strategic thing to talk to the CEO about because they will understand that if they don't get focused on that, you know, they can kind of develop the product into a into a dead end.

**Brett Pletcher** 25:17

Alright, this is the first MCLE code 7537. Again, 7537. Alright, so the next piece to be thinking about is, you know, how do you change dynamic is to realize that all GC roles, they grow over time, and they grow as the company's needs expand. And they grow as the CEO, the executive, the board, gain respect for the capabilities of the General Counsel, and the potential general counsel, and they grow as a general counsel's capabilities go over time. So a lot of these roles are easy to define and say, Okay, it's on day one coming in, you're going to do this, this and that, it's something that you'll find that you need to expand and grow over time and that takes some patience. And, and sometimes it takes more time than you want, but it's something to always realize that this is something that develops. And so what I would say to that is, you know, initiate an ongoing dialogue with the CEO about the general counsel's role at the company, and think about, you know, think, how does it how do you envision the department needing to grow over time based on the company's strategy and speed of development? How does the General Council need to develop over time. And I would say, you know, one of the ways to show the CEO that you can, you can get a lot done is to volunteer for and just crush those special projects that that come up from executive teams, or CEOs always have these projects that don't fit in anybody's job description, but they need to get done, take those on, rush those, and then those conversations that you're having with the CEO about broadening your role over time, because the company is going to need it is a situation where the CEO becomes more receptive to that, because they see you're able to perform all these things for them

**Brett Pletcher** 27:05

Then I would say you learn the potential of your your particular role your company is in a particular market, it's got a particular amount of money, it's got a particular amount of time it's going to take to develop. Think about that, and how that what the company needs now that with a company is going to need in the future. And I would say until you sit in a particular GC seat, you're not going to fully understand its demands, and you're not going to understand it fully three months, or even six months. And it's something that that takes some time. So as you learn more and more about what your role is going to need, that's when I would say, you can really start having those conversations with the CEO about where you want to take that. And I would say this isn't just something that you know, more junior lawyers struggle with, I've seen longtime law firm partners, and even longtime in house counsel who have been, you know, number two, or three in an organization have a similar challenge, where it takes them a while once they get in that seat to understand kind of what their potential of their particular role is, and to kind of really be able to start thinking about where to take that role.

**Brett Pletcher** 28:07

And then, as you learn that role, I'd say, gradually expand your reach. As people become more amenable to that, as you become more confident in your role becoming more capable and things that you can do, develop your vision and strategy for expanding that contribution of that role. And then constantly talking to the CEO and other executives, about, you know, where you see legal being able to fit into what their needs are over time. And one thing I caution people on a lot, when particularly early in their in house career is, you're likely to struggle if you take on too much too soon. And it's very enticing to come in and say, you know, just this, give me everything, give me this very broad, juicy role, you know, within the first six months to a year. And I would say that, that's just going that could be a recipe for really struggling, because you're just trying to cover too many bases before you have kind of formed the experience and the judgment, and the understanding of the in house environment and what the GC role can do and what you personally are going to be able to do.

**Brett Pletcher** 29:10

Another thing to be careful of is don't make it about you, though, if you want to have a if you're head of legal, you wanna have a GC roll over your GC, and you want to get more involved in the C suite, it's not a discussion with the CEO that says, you know, for me to be happy in this role, I need to, you know, have the GC title or I need to attend board meetings, or I need to attend the C suite meetings. It needs the CEO if he hears that or she hears that it's likely just didn't want that. That's more about ambition than it is about helping me in my role. And so it really should be a discussion about, hey, if I'm not in the room where you guys are talking about where you want to take the product, I'm not able to identify those areas where you know, AI let roll of legislation may be telling us we should be going in a different direction, may not understand the strategy in a way that I need to understand in order to give you the legal advice that you need to have so needs to be tied. to what the company needs and less about you.

**Brett Pletcher** 30:04

And then finally, on this topic, I would say, it's really, really important to be patient. This takes a while to develop yourself, it takes a while to develop the understanding of the CEO and the executives what the GC role can do, it takes a while for the company to develop to the point where it needs or has the resources to expand the role. And the way that it may need to be expanded. That way you may want to expand it to patients is something that's important to this entire process.

**Brett Pletcher** 30:33

Okay, so I talked about the importance of the CEO relationship, and how that's the most important relationship that GC is going to have that relationship, the CEO is going to be the best indicator of how successful a GC can be in a particular company. So I thought I would talk spend a little bit of time about what is a CDO looking for, from a general counsel. And maybe the CEO may not know they're looking for these things, because they haven't worked with the general counsel before, there haven't been a CEO before. But I can tell you having worked with three CEOs directly in house and a lot from the outside, these are generally what they're looking for. I may not have a full list here. But I would say that all of these on the list are things that a CEO is going to be looking for.

**Brett Pletcher** 31:19

The number one attribute that a general counsel or head of legal should have and should become the brand of the General Counsel is that they're a trusted adviser. When the see the General Counsel is going to know a lot of things and have a lot of conversations with people that people have to trust that no one is going to hear about. They need to trust the advice that's being provided that make sure that it's objective, that is not being given to advance your career or to advance a political agenda that you're aligned with within the company that its objective. And they need to know that whoever comes to you for that advice is going to hear the same objective advice that they're hearing.

**Brett Pletcher** 32:04

And also to be direct that the CEO is oftentimes are told what they want to hear and often don't hear what they need to hear. Sometimes they don't really want to hear what they need to hear. But you need to be the person in the room who is giving the CEO that trusted objective and very direct advice. Sometimes they will like it, sometimes they will. And their willingness to take that direct advice from you, is going to be a function of how good that relationship is. So that's why it's important to work closely with the CEO and develop that relationship.

**Brett Pletcher** 32:36

They also want to see yours also want you to be the go to provider of solid business and legal judgment, they want to be able to call you and get from you. Like I said, the objective advice, get solid advice from a understanding of the business and have a high level of trust and your legal judgment. That doesn't mean that every time they call you, you have to know all the answers. But they have to trust that when they call you that you'll be able to quickly figure out what the issues are. If you need some assistance from outside counsel or someone else to answer the blessing that you'll get that and you'll be back to them with something that is very practical, understandable and doable within the context of the company.

**Brett Pletcher** 33:16

I touched on this a little bit truth teller, you know that, again, the CEO is not often told what they need to hear, sometimes you want to, they don't know that a particular department is faltering. And someone needs to tell them that or that they don't sometimes understand that their behaviors are disruptive or causing a morale problem. Someone needs to tell them that. So being the truth teller is important. Also, what you'll find in and I've seen this in C Suites is you tend to get some groupthink, everyone's drinking the same Kool Aid. And so I think that's an important role for general counsel to play is the devil's advocate, even if you agree with where the group is headed, you know, force the group into thinking about whether that is truly the right approach to go by giving them some challenging questions. And again, this is an area where you have to have developed trust with the CEO and some understanding with the CEO for that CEO to allow you to do that. But to the extent that people see you as a trusted, objective, direct person, they will allow you to do those things. And while they may not be happy with you in the moment, while you're playing those roles, I have found more often than not the CEO is very, very much a value, that willingness as a general counsel to be able to do that.

**Brett Pletcher** 34:30

Another piece is to be very proactive and a clear communicator. One of the things I tell people, and I saw this a lot in house with lots of different attorneys is that we had very talented people who understood the law backwards and forwards but sometimes struggled to communicate the law and the conclusions and the advice they were giving in a way that would resonate with the CEO or other members of management and oftentimes he would send people to trainings where they would be trained and prac dishonoured communication, because, in my opinion, 80% of the effectiveness of a lawyer is their ability to communicate. And you know, 10 20% is their really ability to understand the law. And so that's an important piece. And so you want to have someone who's willing to call you because they know they're going to get a straight scoop, and they're going to understand it.

**Brett Pletcher** 35:19

Confidant is another one. A lot of times I've had CEOs walk into my office, close the door and say, hey, you know, I've got these issues, I have no one else to talk to you about them? Can we have a confidential, confidential conversation about an issue I'm having with another executive, an issue I'm having with the board, and let's talk about strategies I might use. And then the CEO needs that relationship with somebody, the General Counsel is typically a good one for that, because again, you're in that trusted, objective, less politically oriented role. And a CEO position is an extremely lonely position. And so having someone that CEOs can talk to who they find highly, highly valuable.

**Brett Pletcher** 36:01

Consigliere is another one, I think that's sort of, you know, all these other things kind of fit into the definition of concealed carry. But I've heard a lot of times, CEOs say, you know, I need you to come to be my concealed carry. Now, we all know that this ego is not our true client, but they are the human embodiment of the company in a way. And so the idea anyways, or the client, you're not representing them personally, but you know, consigliere here's what I hear a lot of CEOs say that they need. Also, sometimes they need a personal representative, they can't be everywhere, all the time. And so they are asking me ask General Counsel to go out and deliver some messages either, you know, maybe it's a callin meeting, maybe it's to another executive, maybe it's still talking to a board member, but somebody that they can trust to go deliver a message. And I've already talked about kind of a utility player, there's projects that come up, they need to give to somebody that they know, it's gonna crush it. So that's an important piece that people will play an idea generator, you know, a lot of times because the General Counsel and legal departments covers the entire company, they have a better understanding of the entire company than the other executives, and often more than the CEO. And so you know, providing ideas based on that deep knowledge of the organization can be valuable.

**Brett Pletcher** 36:33

And then you get I mentioned, feedback, know, someone to pull the CEO aside and said, hey, you know, when you're always when you're, when you're starting a meeting, given your opinion, no one else is going to give their opinion after that one to think about giving your opinion at the end of the meeting, if you've heard anybody else out. Feedback, like that kind of is something that CEOs will find valuable. And they may not find it valuable in the moment, but they will find it valuable over time.

**Brett Pletcher** 37:32

So how do you develop that relationship with the CEO where you can get to this place. And so I would say that the number one piece of advice I would give you is get into the office after COVID, we have gotten used to working remote and just being okay with seeing each other on Zoom. But I can tell you, particularly as a, as a newer general counsel, and particularly with a newer CEO, you need to get that personal relationship. And you do that by getting into the office, it creates an opportunity for informal interaction and familiarity, and allows you to go to lunch or have coffee, you can be in the right place at the right time, the CEO is going to come walking down the hall looking for someone that can help him with something sees you. Now you're developing a relationship because the CEO sees you as someone who's there and able to take something on and you'll hopefully you'll crush that. And you'll get more of that.

**Brett Pletcher** 38:20

The next thing is help the CEO see around corners. We talked about this a bit. What legal issues is the company strategy going on into? And how do we start working through that now, and do that in a way that recognizes the fact that we're limited on resources, both human and capital, but at least start thinking about those kinds of issues. Now, another one is be proactive and anticipating CEOs needs, you know, think about people who have reported to you in the past, the most the people who are most valuable to you were the ones who were thinking about what you were going to need before you realize you needed them. That's what the CEO wants from you. They expect you to do the handle the handle the legal blocking, and tackling and turning that crank. But what they want from you is to you know, see those bumps in the road from a legal perspective, and help the company avoid that and speak to them about, you know, the legal strategy that needs to be in place to eventually affect the company's vision and its strategy.

**Brett Pletcher** 39:17

The next one, that seems a little bit obvious, but I can tell you from having in house and working with a lot of folks that it is not always obvious, and that is to be constantly available and predictably responsive. So whenever someone would email me or text me, I would always respond within five minutes and say, look, hey, I got it. I'm in a meeting for the next hour, I'll respond, I'll come back to that point in time. That lets the person who just texted you can check off at you'll get back to them. But if you want people to be calling you and including you, you need to be predictable in terms of how long it takes to get hold. And so being able to be very responsive. Even if you can't get on the phone at that particular moment. It's important and it sounds obvious, but I can tell you having worked a lot of folks, not everyone does it good. job of that is as they should.

**Brett Pletcher** 40:03

That's why it says dive in and understand the details. And we'll get into this more in a little later webinars. But understanding the business is incredibly important. Understanding all the details about a particular issue is incredibly important. So CEOs can identify when someone's kind of surfing the issues, I can understand it enough to give some humble few bars. But you know, once you start digging in, you very quickly get to the end of their knowledge. That is something that when the CEO finds out with the General Counsel, it's a kind of a deadly mistake. Because they're expecting you to have a level of detail that can go as far as they can, or at least close to it. So get in there and understand those details.

**Brett Pletcher** 40:41

And then, again, another area that sounds obvious, but I can tell you, having watched a lot of people, it's something that a lot of people need to work on, and that is communicating legal and business advice clearly and concisely. Now, you'll hear a lot of people, you know, spending a lot of time what I call showing their homework and and by the time you kind of showed the homework on what you've done, people kind of lose the thread and what the question was and what your advice is. So think about what that very concise answer is that's going to resonate with the CEO who doesn't have a lot of time to think through those questions that the CEO is going to ask, practice the answers to those, you'll find that many times that you don't have all the information, you need to answer those questions that the CEO is likely going to ask. And then I have a lot of CEOs that talk to me when they're having a challenge with their legal person saying one of my biggest issues with the person that I'm working with, is that they come in and they dictate the legal solutions to me, they tell me what we have to do, versus coming in and telling me the parameters of the legal problem and having a discussion with me. So that's, you might get to the same answer you would you would give if you just came right in the door and gave the answer. But the CEO is looking for, you know, deep level of understanding and someone who he or she feels like, is willing to have a broad conversation about different options that might be available to the company.

**Brett Pletcher** 41:58

And then finally, as I mentioned, always be direct, always be neutral, approach everything from an objective perspective. And then discretion is important. I always found that I just, I couldn't, I couldn't really talk to anybody about anything, because I had confidential information from everybody. And I was trying to keep straight.

**Brett Pletcher** 42:17

The next piece, I would say, is just, you know, own the role. And what I mean by that is, you know, being proactive, as we talked about, but one of the things that I see people falling into is, is sort of asking the CEO for permission to go tackle certain things and to execute on basic elements of the role like, hey, you know, I see that that needs to be addressed. Are you okay? If I go deal with that? And typically, the CEO is going to say, You know what, I expect you to do that, you know, that the science guys don't ask me when they're going to run an experiment. And the finance guys don't ask me when they're running different analyses on the financial side, I don't expect my legal guys to be kind of checking in with me before I go do things. Now, of course, if there's a material issue, yes, I want to, to kind of have a conversation about that. But you don't you don't, I don't need to see Oh, to feel like I'm commanding and full and controlling lawyer. And I do see some folks falling into that a little bit. I would say when you're when you're meeting with your CEOs, it's okay to update them on the day to day legal activities that you're involved in, just so that they understand that things are getting done. But just remember, the CEO assumes that you are getting those done and expects that you're getting those done. So I would spend your time, as much as possible on strategic issues that relate to legal and the strategy and the business of the company. So things like I talked about with the AI, right, that all AI companies out there are going to have to have their eye on the ball with all the new regulations coming out, and have a way to pivot their product as those things change. And so having that conversation with the CEO early and having a process for doing that is going to be something that a CEO in that space should really really be focusing on.

**Brett Pletcher** 42:30

So those are just a couple examples of you know, spend more time on those kinds of issues than you spend on kind of the filling in the CEO and from the day to day legal activities. And what if you're not feeling empowered by the CEO and obviously some of the people that are asking for what I call permission to do some things aren't feeling that empowerment. So that's another opportunity to have a conversation with the CEO about, hey, I'd like to be able to go do these things and just get them done, I don't have to bother you about them. But I want to make sure I understand the limits of the authority that I have in my role, versus what you want to be involved in.

**Brett Pletcher** 43:57

Another example I came up with, you have a board member of your life sciences company and board member called you and asked for more information on the safety profile of the drug. And, and so you maybe go to the CEO, and you explain that conversation you had with the director. And so you know, given her confusion with where that drug was and the safety of it, we probably need to have a another conversation with the board to make sure that everyone is understanding, you know where we are on this because it's an it's such an important piece of what we're developing here. And again, that would help sometimes a CEO does don't pick up on cues like that. But it helps them manage their board, which is essentially their boss. And so being able to give them strategic advice like that is something that's going to be important.

**Brett Pletcher** 45:13

So all of these things I've been talking about for the last few minutes are really about developing a personal and professional relationship with your most important constituent. I'm sure I didn't cover all the different bases, but trying to give an example of how you develop that relationship, what is the CEO expecting from you.

**Brett Pletcher** 45:31

And I believe that's my last slide for today. So the MCLE code is 3995, 3995. And I'll go to questions here in a second. So I see a few of our there. In the next session, we're going to talk about Okay, now we've gotten development, we've started to develop our relationship with the CEO, we have some understanding of why we're not as involved in things that we might want to be. We're going to talk in the next section about what are some strategies to put in place, to really started to broaden yourself out to kind of have to develop kind of a business plan, so to speak for yourself and for the department as the company grows, and as your own capabilities grows, and as the CEOs understanding improves about what a legal organization can do. We'll talk a lot about that in the next session.

**Brett Pletcher** 45:34

So I'll pick up some of the Q&A now. Let's see, I got one really long question there. Any tips on how a new general counsel especially if she is the only lawyer at the company handles all of the work of many crank turner things that need to get done, and also try to demonstrate, it can be more strategic, any tips for how to prioritize all of it? Yeah, that's the really hard piece. And one of the challenges that I think in house counsel have is, is we come into these roles as the first lawyer, and all of a sudden, all the legal work, anything that looks legal gets dumped on the lawyer's desk, and the lawyer drowns and a bunch of crank turning stuff. And it becomes a self-fulfilling prophecy that the, that the lawyer has to be is the person that gets that stuff done and camp and just doesn't have the time to be strategic. And so what I would say there is, you know, if it's, a lot of times, it's a deluge of contracts, and you don't have to review every contracts, there are probably contracts that fall below the threshold that need to be reviewed. And they really don't have a lot of risks there. Maybe didn't that IP, and then so think about what that you're not going to focus on, it's all about mercilessly prioritizing at that level, you can't see everything. So you just have to figure out, you know, from a risk based perspective, what can you do, also being very communicative with the CEO and other executives that are looking for that work, say, hey, you know, I'm one person here, I'm getting these things done, what's the prioritization that you need. And I think as you start doing that, you'll also start seeing some of the strategic things that need to happen. And maybe you can say, hey, some of these contracts can get handled by somebody else. Or another one of the reasons that some of these things are taking so long is because this group doesn't quite understand what they can be doing, maybe we can have some do some work on educating them on how we're doing some of that differently. But this is the key problem of the in house environment. And it's easy to say really hard to do. And you just have to find a way to find that space, where you can spend the time to be strategic. And as I mentioned early on, it's going to be tough to do that, because you're wading through all of this. But that's where it makes sense to start having those conversations with the executive team on that I can spend my time drowning in this stuff, or I can spend my time helping you with some of the other things, let's get to an understanding of how quickly these things need to need to get done and what the priorities are for those.

**Brett Pletcher** 48:45

If you don't report into the CEO, how would you recommend navigating the politics and dynamics of going around them, and working with the CEO? Relatedly, how do you advocate to change your reporting line and to the CEO. So I was in this exact position, it can be challenging, because sometimes if oftentimes, you're not reporting the CFO, your CEO, you're reporting to the CFO, sometimes the CFO can be jealous of their relationship with the CEO. And it's really about that situation, developing a relationship with whoever it is that you're, you're reporting to making sure that they understand that when you're you need to talk to the CEO that that's the relationship is important that you're not there to undermine the relationship with the CFO, and communicating a lot with the CFO, here's what I'm going to go talk to the CEO about, here's the advice I'm getting to that person. And hopefully, over time you come to an understanding with a CFO gets comfortable that you can talk to the CEO. And it's not something that's going to bounce back at the CFO in a way that that feels challenging or undermining of them or you're like you're really going round and they may just feel like yeah, I don't need to be involved in that particular conversation. Now, in terms of how you advocate to change your reporting line, at some point, do you say look, legal is most effective and report to CEO here's where you Here's why I explained some of that in this call, I've been performing in that function, I have proven that I can do X, Y, and Z. At this point, my skill set has grown to the point where I can handle a lot of stuff that the CEO is going to come at me, I understand when I first came in, I couldn't do that. And I needed a little bit of help from the CFO, I've grown beyond that now. That's one way you can have that I would recommend that that conversation be one that you have over time, like, hey, at some point I want to be able to report in to directly to the CEO. Here's the kind of the timing I'm thinking about, or here's some of the skill sets that I think I need to have in order to accomplish that, and have that as a conversation versus just showing up one day with a demand to move from the CFO to the CEO.

**Brett Pletcher** 50:43

I got a question, will I share the slides with the attendees after this call? Yes, we will be sending out an email after the call with a link to this video. And it will also include in that the MCLE information and also included in that a copy of the slides.

**Brett Pletcher** 51:02

I skipped over one question that was a little longer. Let's see if I can get through the. In growth organizations, the CFO, VP of financial generally runs legal as there's not a need for a full time GC. Additionally, that CFO has a better grasp on the legal needs of the company instead of the CEO. In this structure, there's generally a combination of using corporate counsel for more company wide related matters. And then third party legal resources for transaction related matters. In my role as CFO, I struggle to know when the right time to bring the GC to head of legal that does not become a glorified contract manager. What is your advice on what the company milestones? When it is trying to bring someone in revenue, number of customers regulatory number of employees, what is your advice on how to build out and more robust job description and allow that person will be a strategic leader within the organization instead of an individual contributor? And so I think this all goes to, what stage is the company at? What legal needs are you seeing the company as your CFO, what legal needs are you seeing the company demanding? One of those could be handled by an attorney outside because you still have enough work other types of things? Or would you bring something in so it's, it's kind of you need to build out a plan of these are all the things that I'm seeing, from a legal perspective, there are probably other things I don't know about. And I would say when you go out to hire or to think about hiring, you can call someone who's been in house and talk it through like me, or you can talk to your outside counsel who have seen lawyers come in, and when it's the right time for those to come in, what they can be doing. And then when you start pulling together the job description of what you need from somebody, it's, I would say, aim higher than you think you need. Like, a lot of times, maybe taking someone who's two or three, four years out of out of out of law school may not give you the strategic look that you're needing. They can probably do a great job, you know, turning the crank and getting those other things done for you. But they may not yet have had enough time and in their attorney lives to have a broader perspective on the different areas. And so don't just think of an attorney as a as a contract manager, think if somebody can come in and say, hey, I've got all these other things, you know, got privacy to deal with, I got employment laws to work with, I've got, you know, difficult accounting and tax types, things that I could use an attorney's of mind on, think of all the other areas where if you had a, if you could just kind of pick off a menu of the things that you would like to see an attorney do think about those kinds of things that they could get involved in. And how much of that can you take out now, and can you find somebody out there who can has the capability to do some of that, but it's a difficult question. That's a conversation I have a lot with people. And it really is kind of specific to the company. So I often spend a lot of time just asking questions of the person who asked these types of questions, and then eventually become around to something. So if you want to give me a call, and we can kind of talk more specifically about where your organization is on that, I'm more than than happy to do that.

**Brett Pletcher** 54:10

And then the last question there was after the GC joins an organization, how do you delineate between legal and finance? And I think that as you have both functions in the company, you will pretty quickly figure out that they're there. They do very, very different things. So the lawyer is going to be providing advice obviously, on the contracts that need to be done. On negotiating of financing documents, you know that there's a role for the finance team and you know, all the legal T's and C's are keeping track of all those legal T's and C's. Oftentimes, you're going to be doing some kind of a collaboration or a license or a joint venture or something that brings in IP or some form of business that you're going to be developing, that the lawyer is going to be focused on that particular side. If you have issues with employees find is not going to be involved there, you're going to want to have the legal team involved there. If there's litigation issues or trademark issues or IP issues that every company has some form of IP issue, that's typically not going to be in finance. I think you've pretty quickly delineate between legal and finance. I know sometimes when you're a public company, you know, trying to figure out who's going to write the tin here that tempt you, or who's going to deal with the stock administration can kind of come back and forth with legal. But there's a lot of space, when you sit down and map out kind of what the company is going to need from a legal perspective and what the finance team needs and what they're capable of doing. That you can watch his own paper, you know, you can figure that piece out pretty, pretty quickly. And again, I'm happy to walk through with anybody if they're kind of starting to wrestle with those kinds of questions.

**Brett Pletcher** 55:48

So that looks like all of the questions that have come in for today. If anyone has any questions after this, I'm happy to meet with you separately, or you're welcome to send me an email. But short of that, we will wind the session up for today, and we'll have another session on July 29. And then another one later in September, and I hope to see you all there. Thank you for joining me.