

The In-House Lawyer February 2005

From inefficient to indispensable

Julia Chain explains how in five years she turned the uneconomical and ineffective in-house legal team she inherited at T-Mobile into a crucial and value-adding legal function

IN 1998 T-MOBILE WAS WORTH about £8.2bn, had about 5,000 employees across the UK and a legal team of two able, but demotivated lawyers. The legal team was regarded by the business as a last resort and its annual bill on external legal fees ran into millions. My brief was to cut costs dramatically while creating a team that would add value to the business and be its first port of call, not last.

WHAT THE CLIENT NEEDS

Understanding what the client needs is a priority for any general counsel or head of legal. All businesses have specific requirements, and until the general counsel has a clear idea of what those are, it is impossible to structure the team correctly. My first step at T-Mobile was to meet the stakeholders and find out what they wanted from their ideal legal department, and what they felt were the barriers to achieving this. Access to the legal department, response times, and a commercial 'can do' approach were key issues.

Once we knew what our client wanted, structuring the team was crucial. The approach was to recruit a team for each of the key areas that required constant advice, while outsourcing those areas that were too manpower intensive or irregular to justify keeping in-house expertise. As T-Mobile is a technology company, it was essential to have a small but skilled team to deal with IP/IT issues. Consumer issues and relatively small pieces of litigation were also an everyday part of the business, but instead of hiring a large, expensive litigation team we hired a senior legal executive who had several years of practical experience in the market.

With about 7,000 sites on our books, we were spending millions on outsourcing repetitive property transaction work. By recruiting five lawyers to concentrate on property we reduced departmental costs by around 30%. Competition law expertise, on the other hand, is key for telecoms operators, but experienced lawyers in this field are expensive and not needed every day. We therefore hired an external provider who would be available for specific projects, and would provide free, 24-hour helplines and in-house training on relevant issues.

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GETTING THE BUY-IN

With the team in place we then had our most difficult challenge – getting the buy-in of the business. The legal department was seen as a barrier to the business achieving its goals. We therefore had to prove that we were problem-solving, not problemcreating, and could save the business time and money. To achieve this we had to be available at all times during the first few months. We cold-called all areas of the business, making relationships with key people and offering to help even when it wasn't strictly our business. Our lawyers spent hours learning about the business and its language, the acronyms, the politics and the commercial imperatives. It was not easy, but gradually the climate changed and people started to seek us out, which led to possibly the most difficult issue...

MANAGING EXPECTATIONS

Managing the expectations of a client who now regarded the legal department as crucial to its operations and expected an instant response to every matter, urgent or not, was and remains a challenge. A system was implemented whereby key contacts were established, and instructions were filtered through those contacts. 'Visiting hours' meant that casual visits to the legal department were only encouraged at specific times. Finally, and most importantly, the business was slowly re-educated to call legal at the start of a project and not when a deadline was only a few hours away!

SUCCESSION PLANNING

Once a successful team was in place, the problem became how to keep it motivated and how to help the lawyers progress their careers. Training and motivational learning activities helped, and we also began to collaborate with colleagues in Europe, which widened the scope for placements abroad. Discussing progression in the in-house environment would require another whole article. Suffice to say that when I felt I had set up a top team and decided to leave, it allowed my excellent deputy to be promoted to head of legal, and all his direct reports to move up the ladder. There is a moral in that somewhere.

Julia Chain is a former general counsel for T-Mobile, and is now at Jomati, the legal management consultancy.