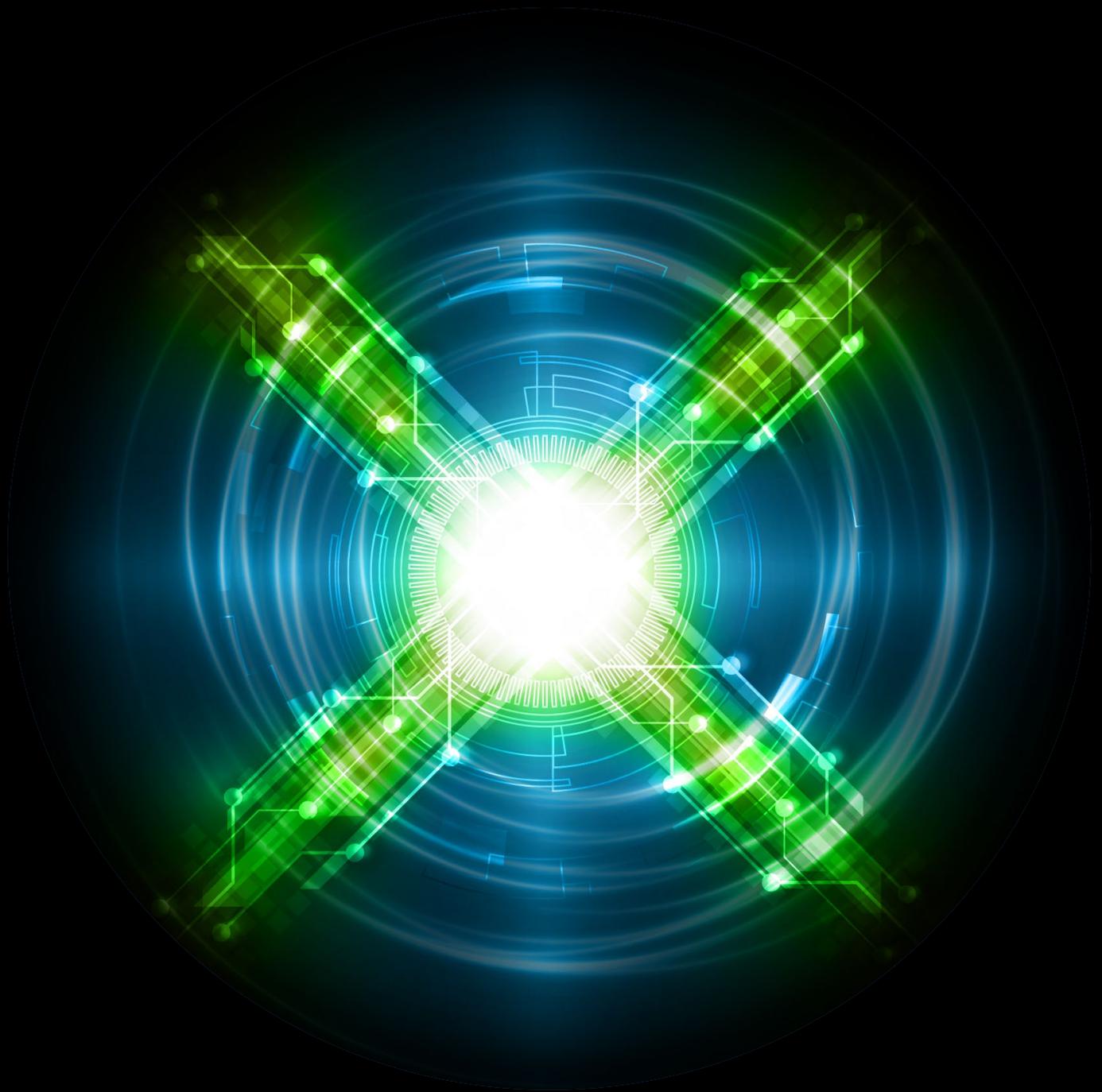


Deloitte.



**The four faces
of the chief legal officer**

Today's chief legal officer (CLO) is multidimensional, no longer just an exceptional legal tactician. A CLO is also a strategic thinker and a senior executive, operating at the highest and most impactful level of the company.

In 2018, 70 percent of CLOs in the United States, and 64 percent of CLOs globally, reported directly to the CEO.¹ More than 60 percent provide strategic input to the CEO, executive leadership team, and board of directors.² To be successful in this role, a CLO should divide his or her time between “four faces”—**Strategist, Catalyst, Guardian, and Operator.**



Catalyst

Provide critical legal guidance and innovative solutions that drive the organization forward



Guardian

Guide legal and regulatory matters for the business, mitigate risk, and protect brand and reputation



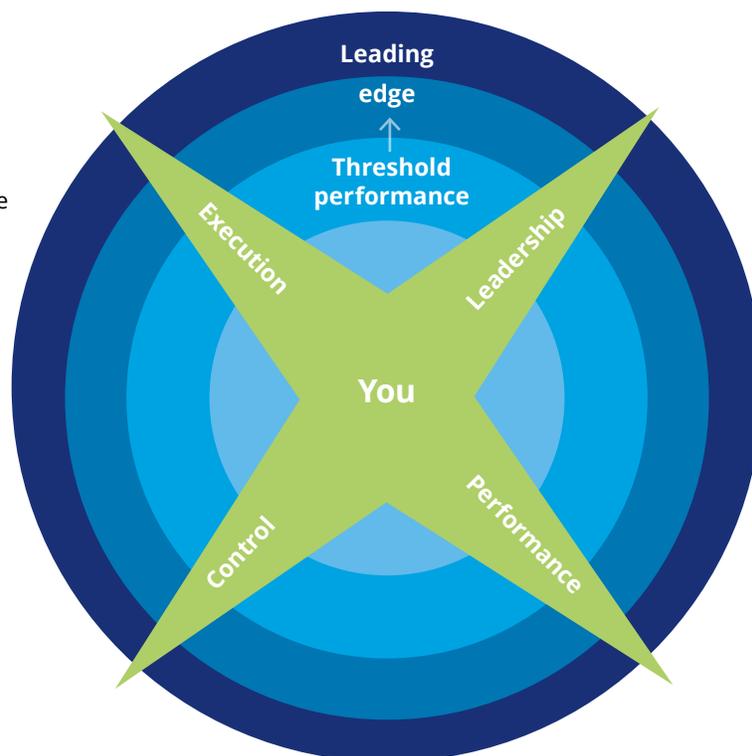
Strategist

Align legal and business strategies to enable value creation



Operator

Optimize legal efficiency and effectiveness to best serve the business



¹Association of Corporate Counsel (ACC), ACC Chief Legal Officers 2018 Survey, January 2018, p. 15.

²ACC, ACC Chief Legal Officers 2018 Survey, p. 12.

The four faces



Strategist

As a strategist, you are in the position to bring your business partners clear legal strategy that supports and enables business strategy. You provide the senior executive team with legal guidance that enables achievement of growth objectives.

Responsibilities that may be associated with this role:

- Build strong relationships with leadership teams
- Build strong relationships with board members
- Understand the strategy and value creation levers for the business, and reflect them in your legal strategy
- Serve as a trusted business adviser who proactively engages management and the board around strategic business issues
- Anticipate and proactively develop a strategy to address changes in regulatory requirements and public policy



Catalyst

A catalyst enables competitive advantage by bringing a legal lens and the critical guidance needed to facilitate the executive leadership team's ability to select the right path forward and set the tone at the top for the business.

Responsibilities that may be associated with this role:

- Assess whether business is carried out in the right way; develop the corporate risk profile and a strong company-wide compliance framework
- Empower the legal team to serve as trusted business advisers who are sought out to proactively help the business develop solutions
- Take the lead in building a strong corporate culture that is aligned with the company's values around compliance and integrity
- Challenge the status quo as a change agent
- Drive client satisfaction and experience, with legal as a value-added service



Guardian

In guardian mode, you are expected to guide legal and regulatory matters for the business, navigating complexity while mitigating risk. This is the foundational responsibility for the in-house legal team.

Responsibilities that may be associated with this role:

- Guard corporate integrity and embody tone at the top within the legal department
- Understand business and compliance risk
- Maintain clarity between the role of the board and management
- Identify and remediate exposure to brand and reputation risk
- Manage governance approach on regulatory and legal issues



Operator

As an operator, you spend much of your time focusing on how to optimize the capabilities, talent, service levels, costs, and legal structure required to best serve your business partners.

Responsibilities that may be associated with this role:

- Create leadership development and succession plans for the legal function
- Develop and implement key performance metrics for the legal organization and its outside counsel
- Identify skill and subject matter expertise gaps, and develop plans to fill them; identify and implement technology solutions for the legal department
- Refine the legal operating model to increase effectiveness of legal services
- Develop accurate forecasting and reporting of legal spend

The CLO's role in corporate culture

While it is a useful exercise to think of your role using this framework, in the daily grind of CLO life, the delineation of tasks isn't always so clearly segmented. Often a CLO's top priorities will span two or more faces. Listed below are the top five most cited priorities legal executives identify for themselves:

- Develop internal stakeholder relationships
- Manage legal talent
- Align legal priorities and resources with corporate strategy
- Manage risk and regulatory approach
- Optimize the legal operating model and structure

Priorities often have components that touch more than one face. For example, the priority "align legal priorities and resources with corporate strategy" priority may involve elements of the strategist role, understanding (and potentially influencing) the corporate strategy and its relationship to the legal department's strategy. It also may touch on the operator role, implementing processes and procedures for the legal team to help them move into alignment.

In the same way, the priority of "managing legal talent" may appear to be a straightforward operator priority. However, if the company has recently acquired talent through a merger, or if there is a significant strategic shift for the company or a move toward a more tech-enabled legal department, managing talent could be a strategist priority. It may even be a catalyst priority—for example, if the talent plan is designed to help influence the global risk profile. The four faces exist simultaneously, and the CLO's ability to navigate each should be fluid.

Time spent

Deloitte's research suggests that most CEOs and boards want new executives to spend about 60–70 percent of their time in the catalyst and strategist categories, with the remaining 30–40 percent in the guardian and operator categories.³

However, based on our conversations with new CLOs, their time allocation is often reversed.

New CLOs

	Current time spent	Target time spent
Catalyst	18%	31%
Strategist	20%	33%
Guardian	35%	23%
Operator	27%	13%

Even experienced CLOs sometimes find it difficult to synchronize their time allocation to meet the expectations of the CEO and board.

Experienced CLOs

	Current time spent	Target time spent
Catalyst	21%	31%
Strategist	30%	34%
Guardian	31%	24%
Operator	18%	11%

³Ajit Kambil, "Navigating the four faces of a functional C-level executive," Deloitte Insights, May 28, 2014, <https://www2.deloitte.com/insights/us/en/focus/executive-transitions/crossing-chasm.html>.

Time better spent

How do CLOs manage their time so that they can devote energy to the strategist and catalyst categories? By focusing on building a strong legal operations function, and/or creating leverage in your legal department to manage the guardian and operator functions. While it may be necessary for new CLOs initially to spend 60–65 percent of their time as guardians and operators (fixing or restructuring what they inherited), it is essential that new CLOs avoid dedicating the majority of their time to these responsibilities over the long term as this could signal to the rest of the C-suite that the CLO cannot contribute on a strategic, executive level.

Additionally, if there is not already a strong legal operations leader in place, finding one should take top priority. In fact, when we've checked in a year after a CLO has taken the helm of a legal department, the number one regret is not having made talent decisions sooner—putting the right people in the right role, realigning the team, or separating individuals who are difficult or have skills that aren't aligned with the department's needs.

When CLOs fail to transition from the initial need to act as a guardian and/or operator it is often because they have a high degree of comfort in those roles and likely have been well rewarded and recognized for their performance in managing those roles. It is critical to the CLO's success that they learn to effectively delegate the guardian and operator responsibilities and evolve thinking and behaviors to demonstrate competency in the catalyst and strategist roles. Seldom does a CLO struggle to perform in the catalyst and strategist roles because the CLO isn't given the appropriate platform or authority. On the rare occasion when this happens, it may be advisable to think about an exit plan.



Final thoughts

The role of the CLO continues to grow in importance with increasing influence at the most senior levels of leadership. To be successful in the role, you should learn to skillfully navigate the four faces of the CLO, focusing most of your time and effort in the catalyst and strategist roles.



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