

Session 703 Legal Risk Management, Policies & Procedures

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Introduction

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**Your Key Risk =
Loss of Reputation**

Risk management is core skill for an international company lawyer

- If you work outside the boundaries of your own legal system your technical and pure legal skills are less important than your risk management skills.

- You cannot know everything

- You cannot control everything

But you need to anticipate and be prepared !

Alignment Business- Legal

- Protect your company against legal risk
 - Anticipate and predict legal risks
 - Your key risks can vary:
 - US versus Europe
 - Country by country
 - Business Unit by Business Unit
 - Do not define your risks in the ivory tower of the legal department
 - Ask your business people what they perceive to be the key risk areas
 - It gives you the business buy-in to roll out preventive measures
 - If you don't ask them you may forget key risks which you may not have thought about.

Crisis Readiness

- Are you ready for a crisis?
 - Risk Rehearsals
 - Unannounced compliance audits versus compliance training
 - Crisis response action plan
 - Who to call?
 - What to do and say?
 - Has this been communicated widely (e.g. receptionist)
 - Other preventive measures
 - Policies and Procedures on Do's and Don't
 - » Nice to have but do your employees know and obey the rules?
 - Right communication
 - » (Lack of) Privilege of In-house lawyers
 - » Record keeping and record retention
 - » Legal hold in case of investigation
 - » Whistle blowing (e.g. antitrust violations)

Focus Your Legal Resources

- Once you have listed your legal risks, which are the key risk areas for your business?
 - Anticipate on extent of damage caused by risk
 - Financial loss
 - Reputation loss
 - Assess the Impact of the risk
 - local business unit
 - Transnational impact
 - Analyze the risk.
 - Chance of it happening
 - Frequency (a lot of small ones can be worse than one big one)

Prioritize your resources

- Where can you impact a crisis most?
- How can you reduce your exposure most effectively?
 - Training to increase awareness?
 - Controls to avoid intentional misconduct?
- Audience for Risk communications
 - General roll-out?
 - Top-down?