



## 202 Identity Crisis: Managing a Legal vs Business Role

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## Faculty Biographies

### **Sara A. Biro**

Sara A. Biro is Senior Counsel with Bechtel Corporation based in its London office. Since joining Bechtel in 1999, Ms. Biro has led Bechtel's legal work on the London Underground Public-Private Partnership and on other major rail, road, infrastructure, aviation, and telecommunications projects in countries such as Croatia, Italy, The Netherlands, Greece, France, Spain, Germany, and Turkey.

Prior to joining Bechtel, Ms. Biro was a senior manager with Freshfields in its project finance practice in London and a senior associate with Mayer, Brown & Platt (now Mayer, Brown, Rowe & Maw) in its corporate, finance, and international practices in Chicago and London.

Ms. Biro is admitted to the Bars of the State of Illinois and the District of Columbia and is a member of the Association of Corporate Counsel and the Association of American Women Lawyers in London.

Ms. Biro received a Bachelors of Arts degree summa cum laude from Georgetown University in Washington, D.C. and a Juris Doctor degree from the University of Chicago Law School.

### **Martine Petetin**

Martin Petetin has been the General Counsel Europe of British American Tobacco since 1998.

As General Counsel Europe, she leads a team of 55 in-house Counsel across 18 countries in Europe and Central Asia.

Prior to joining BAT, she served as General Counsel Europe for International Distillers and Vintners (now part of Diageo), working mainly on M&A, litigation, intellectual property, anti-trust and European law matters. Earlier positions included corporate counsel at the International Headquarters of Rank Xerox, working on various IT issues and counsel to the Eastern Europe Operations, being one of the first Western lawyers setting up foreign investments in Russia and Eastern Europe.



Ms. Petetin is an accredited CEDR mediator and immediate-past President of ACC Europe.

### **Anthony E. Wales**

Tony Wales has been General Counsel at AOL Europe since January 2002. He is responsible for the company's legal affairs across Europe and in particular in AOL's three main markets of the UK, France and Germany.


Before joining AOL, Mr. Wales was the general counsel at The Economist Group for seven years. He qualified as a UK solicitor in 1981 and has worked extensively overseas, including the United States, Hong Kong, and Central Europe.

Tony has an MA in Jurisprudence from the University of Oxford, England.



## Crisis of Identity: Managing a Legal vs. Business Role

*Martine Petetin*  
*Regional General Counsel*



### Crisis of Identity: Managing a Legal vs. Business Role

- ❖ The two identities are symbiotic
- ❖ To be an effective in-house Counsel, we must be and be recognised as business partners:
  - ❖ managing legal risk relies on a deep knowledge of the business
  - ❖ which can only be gained by being part of the management team
  - ❖ which relies on being accepted as enablers of business solutions

**Crisis of Identity:  
Managing a Legal vs. Business Role**



- ❖ In BAT, lawyers are:
  - ❖ integrated in their management teams
  - ❖ encouraged to:
    - ❖ gain experience in other functions (regulatory, audit)
    - ❖ move to general management
    - ❖ lead multi-disciplinary projects
- ❖ BAT management expects its lawyers to be business partners


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**BAT Survey: What Business Needs from Legal**

**Leadership (Personal and Strategic)**

- ❖ Team membership
- ❖ Business Focus and Alignment with other functions
- ❖ Business Involvement
- ❖ Role Model

 **Crisis of Identity:  
Managing a Legal vs. Business Role**




**BAT Survey: What Business Needs from Legal**


**Execution Excellence**

- ❖ Do the basics and administration really well
- ❖ Avoid or decipher the jargon

**Governance Culture**

- ❖ Risk management, standards, records, principles, CULTURE

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Managing a Legal vs. Business Role**



**BAT Survey: What Business Needs from Legal**


**Advice (Clear and simple)**

- ❖ Mentor/challenge/advise GM and Senior Managers
- ❖ Get off the fence

**Litigation Management**

- ❖ Manage the legal cases

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**BAT Survey: What Business Needs from Legal**

“10 Reasons why the GM needs a lawyer”

Leadership (Personal and strategic)	(4)
Execution Excellence	(2)
Governance Culture	(1)
Advice (Clear and simple)	(2)
Litigation Management	(1)
	<b>10</b>

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**Crisis of Identity:  
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**Conclusion**

It is only by being professional at the heart of the business, with the position, visibility and relationship which enables us effectively to manage risk that we will provide the standard of counselling that our companies really need.

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**Identity Crisis: Managing a Legal vs Business Role**

**Chaired by**

Tony Wales

Senior Vice President and General Counsel

AOL Europe

What does this tell you?



## **How do you become a successful in-house lawyer?**

Get close to the business

Become an indispensable member of the business team

Make sure the business's goals are your goals

Be pro-active – solve problems before they arise

... become more of a business person than a lawyer?



## **The legal function (for some organisations) ...**

Identify and manage legal risks

Avoid unexpected liabilities

Be a scribe – just write down what's been agreed!

Be a compliance manager

Keep us out of disputes – and win any disputes we can't avoid!

... be a risk manager





## The legal-business function (for other organisations) ...

Focus on the business goals

Look for growth opportunities – more revenue

Avoid unexpected liabilities – less cost

Use innovation and drive

Add value by pushing the boundaries

... be a risk taker

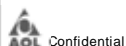


## Separation of powers

The in-house lawyer is a policeman – a control mechanism for over-zealous business types ... and look what happened at Enron when this was forgotten!

The risk manager keeps check on the risk takers ... and avoids unacceptable risks

Separation of powers provides a balance between a paralysing fear of risk and a reckless disregard for the consequences ... balanced risk



**There are practical reasons for separation of powers too ...**

Performance management – should incentives focus on the volume of deals done ... or the quantity of risks managed?

A single negotiator may find it difficult to get the best deal ...

Management of a legal team differs from management of a business team ... different skills, different motivations

The business function is better placed for managing relationships with business partners ...



**But many organisations require their lawyers to do both ...**

A modern in-house lawyer expects to cope with paradoxes, inconsistencies and changing scenarios arising in a business... and needs to wear a different hat at different times

Business depends on the interaction of competing, but balancing functions that focus on the same objectives

The lawyer's goals should be the business's goals - internal controls and corporate governance must support the business's goals

... a risk manager can be a risk taker!



## **A matter of degree?**

Is separation of powers a hang over from private practice? – as a professional adviser, never take a commercial decision on behalf of your client

Wrong assumption that separation of powers guarantees good corporate behaviour – it didn't work for Enron!

In a modern company is everyone a risk manager?

The combination of legal and business roles provides the scope, variety and excitement for the in-house lawyer

... let's ask our panel to explore the different degrees of this combination.

