

Is an In-House Position Right for You?

Is an In-House Position Right for You?

By Cary Griffith

Are you more cut out for practicing in a law firm or a corporation? We talked to corporate in-house attorneys from various companies across the country to see what they thought their line of work had to offer that law firm life didn't.

On the surface, deciding to practice law in a corporation versus a law firm may not appear difficult. Since both positions involve legal analysis and advising clients, are there any real differences?

"It's hard to put into words," comments Tom Ehlinger, Senior Legal Counsel for Medtronic, Inc. Ehlinger—a lawyer for 25 years, 23 of which have been spent in corporations and two in private practice—isn't talking about being inarticulate. He's referring to the number of differences between in-house counsel and outside lawyers.

Ehlinger and others interviewed for this article note a variety of areas in which practicing in a corporation differs from private law firm practice. Some of the more obvious differences include compensation, sales and marketing, and the nature of the legal work. Some of the less obvious include culture, relationships, and colleagues. And underscoring it all is the lawyer's familiar caveat: It depends. Consider compensation.

Which type of position pays better: the law firm attorney or the in-house lawyer?

Without a doubt, there's more money to be made in the large New York firms, comments Bill McDonald, Vice President, Associate General Counsel, and Deputy Secretary for Ceridian Corporation. McDonald has been a lawyer for almost 15 years. His first 5 were spent working in private practice for a large multinational law firm. His last 10 years have been spent working as a corporate lawyer for two different companies.

"But," McDonald adds, qualifying his comment about lucrative New York practices, "if you're the General Counsel for a large company, you'll make a lot of money. If you're the General Counsel for a small, privately held company, you probably won't. I would think generally law firm lawyers make more money, but it depends."

Almost all of the differences between corporate work and firm practice can vary, given particular jobs and context. A senior attorney with a large corporation is going to be better compensated than an attorney starting out in small private practice. But one area that will always be different, regardless of context or position, is the amount that you have to sell and market yourself and your work to others.

If you work as a corporate lawyer, you don't have to worry about attracting and retaining clients, at least not in the same way you do in private practice. Your client pool is the business you support and the people who run it. That doesn't mean you can afford to be cavalier about the fellow employees you advise and represent. For in-house counsel, the fact that clients will be there tomorrow cuts both ways. It's like marriage. You can argue with, advise, and even criticize your spouse; but how you are with him/her affects your long-term relationship.

In fact, the nature of client relationships for inside counsel is very different from client relationships for outside counsel. The family analogy still applies. For the inside lawyer, working with clients can seem like dealing with cousins you've never particularly liked. You may disagree with them, and they may quibble with your advice; but you're bound together by a common thread: the continued health of your company. And when you come to work tomorrow, you're likely to run into them in the hall or cafeteria.

"Outside counsel comes in for specific projects," notes Tom Ehlinger. "It's hard to establish a close working relationship when" these lawyers work on a particular legal matter and then leave. Inside counsel, says Ehlinger, "has a more direct involvement with projects, legal issues, and operational issues."

Ehlinger makes an important distinction between corporate attorneys and their law firm counterparts. According to Cameron Findlay, Executive Vice President and General Counsel for Aon Corporation, "Corporate work permits you to become a partner with the business people, while outside work tends to be more episodic." For eight years, Findlay was in private practice with the law firm of Sidley & Austin, so he has a deep familiarity with both law firm and corporate practices.

Findlay makes another distinction regarding the nature of the skill set required by corporate attorneys versus outside counsel. "Corporate work tends to require more of a generalist orientation, whereas outside counsels usually need to be more specialized."

In fact, most analysts agree that the best way to differentiate yourself in private practice is to specialize. The more specialized, the better. You don't have to

look much further than local television advertising to find proof of the assertion. Every day millions of viewers sit through commercials depicting law firm attorneys touting their personal injury, bankruptcy, or divorce expertise, to name a few. And an important part of their pitch is that they perform one kind of law and nothing else.

The nature of corporate practice is more general. One day, a corporate attorney may be dealing with a complex transaction. On another, he/she might address securities issues. And toward the end of the week-given the company and the size of the legal department-in-house counsel might be terminating one employee and hiring another. Suddenly, those law school labor law classes take on a practical perspective corporate lawyers never anticipated.

Practicing corporate law also usually means more personnel management. Most corporate lawyers manage and work with a variety of people. Non-attorney professionals can do everything from in-depth legal research to managing the legal aspects of corporate entities to running board meetings to drafting and filing documents. Of course, this type of work requires corporate attorney oversight.

Corporate attorneys are also members of management teams. Not only are they often called upon to give legal advice, but sometimes the executives they represent turn to them for product, business, and even personal advice.

Inside attorneys also identify, retain, and manage outside counsel. When a complex transaction requires an M&A expert, an outside lawyer must be located and retained. When a particular legal matter becomes a full-fledged dispute, an outside litigator is often hired to try the case. Corporate lawyers must work with

and manage outside counsel to make sure the legal work of the company gets done in the most efficient manner possible.

When Michael D. Kaminer, Associate General Counsel for Florida-based WCI Communities, Inc., left private practice with one of that state's largest law firms, he found himself in a different kind of practice. In private practice, he'd specialized in a particular area of property law. Although his corporate practice is with a homebuilding and real estate company, he's now much more of a generalist than when he practiced in a firm.

"I'm still doing day-to-day legal analysis, but I'm more of a manager," he says. "I manage processes, more than just work on resolving legal questions." Kaminer notes he still deals with a lot of lawyers, but also works with more non-lawyers than he ever did in private practice.

So given the general differences between private practice and being a corporate lawyer, why did most of the people with whom we spoke quit private practice to work for corporations?

"My wife was pregnant with twins," comments Bill McDonald. "I was billing 2,100 to 2,300 hours per year and also doing CLE work." McDonald is quick to point out that he doesn't work less in his corporate position, but he has more control over his time. In private practice, when a client calls, you feel duty-bound to respond, even if it interferes with a family vacation. In corporate work, lawyers have more control over their time. Almost everyone agreed they don't work less, but they can make more reliable plans.

Given the preceding, which type of law practice is right for you? That depends.

If you're an extrovert who wants to specialize and loves sales and marketing, then maybe the private lawyer's need to hone an expertise and convey it to the world is where you'd thrive. If you like a variety of legal work, building relationships with both lawyers and non-lawyer colleagues you see every day, and being part of an ongoing team, then maybe you need to find work as a company lawyer.

Remember, law firm practice can be significantly different from working for a business as a corporate lawyer. Before you make your final decision, make sure you take plenty of time to weigh the issues. Choose wisely.