

Why Hiring an In-House Counsel Can Help Your Business

Businesses and business owners often wonder, especially during their formative years, whether they should at all hire an in-house counsel or not, and whether an in-house counsel is an unnecessary overhead, and where and how can an in-house counsel add value. This article takes a look at angles where an in-house attorney can generally contribute to any business.

Besides the obvious factors of legal cost reduction and increasing the company's capability to switch between outside counsel, the real bottom-line savings in having your first in-house attorney is that it will bring up the quality of related and relevant work quite significantly from where it was before prior to hiring an in-house attorney.

Other than bringing up the quality of work, an in-house attorney would be able to identify more risk areas, and instances where outside counsel is needed, than a non-attorney can. It is difficult to expect an in-house attorney to be able to fulfill all your legal requirements in-house, but he/she can contribute significant value to your relationships with outside counsel, and can generally earn his keep with satisfaction.

Another factor that is often overlooked while assessing the impact of an in-house attorney is the savings in the time of top executives. Usually, the matter that an in-house attorney can be trusted with, would have had consumed the time of the CEO or COO of a company. How much does it matter to a company if hours or years can be saved from the work-time of its top executives, and channeled to focus on key business initiatives?

To see the cost savings of an in-house counsel in terms of saving money or legal costs is often a fallacy. The savings also comes in the increase of business certainty, the increase of business flexibility, and greater freedom of top business executives.

Having an in-house counsel can be one of the best bargains, if your company can afford the pay, and the in-house attorney has the ability to contribute in business decisions, or has domain knowledge in the area of practice of the company.

If your company's core business areas include transactions and compliance, and it is big enough (not in number of employees, but in business requirements and outputs) where costs of non-compliance would be higher than costs of hiring in-house counsel, it is high time you hired one. Considering the increasing number of regulations and enforcement stringency in the business arena, even small businesses are hiring in-house counsel for obvious advantages.

Another thing that in-house counsel can bring to your company, especially in transactions and negotiations, is prestige. Does that matter? It does, if the office address of your company matters to prospective clients or workers.

However, the real value of an in-house counsel does depend upon the individual and his/her skill sets and attitudes. And this is why it is good to be extremely careful about in-house counsel. Social references, though oft-praised, are not foolproof to assure trustworthiness, and if they are not, then the best way to hire an in-house counsel is through traditional legal recruiters who know what they are doing.

Once again, it is good to be aware that by hiring a lawyer in-house, you are limiting his/her diversification in experiences, but increasing his/her depth in your matters. So, you would always need outside counsel where diversified experience is required, but your in-house attorney can save you from making mistakes when dealing with outside counsel.

At the end of the day, an in-house counsel, just like any other company employee can well earn his/her keep, without comparing his/her pay simply with costs of legal services incurred by the company.