Working as an In-House Corporate Counsel

Not all attorneys in the private sector work for law firms. This article outlines the job of corporate, or "in-house," counsel. Whether serving as a contact point between management and outside counsel or providing direct legal advice, the in-house lawyer can have the best of both worlds and have access to top management at the same time. Author Briney also explodes the myth that in-house corporate practice is sleepier and less lucrative than practice in a private law firm.

In recent years, the corporate perception of the role and function of in-house counsel has changed, and corporate law practice has been transformed from a relatively unchallenging, mundane existence, limited to "managing" legal work done by others, to a dynamic, challenging role that involves rendering legal advice on matters in virtually every area of the law and participating directly in management decision making on those matters.


There are essentially three levels at which a corporate legal department may handle individual legal issues confronting the corporation. The first is to have in-house counsel serve primarily as a contact point between management and outside counsel. Under this arrangement, the company’s own lawyers seldom participate in ascertaining the merits of, or solutions to, legal problems. They simply determine which outside counsel are best suited to handle the problem and then manage that firm’s representation. The second is to rely exclusively on in-house counsel for legal advice or representation in legal proceedings. Finally, a hybrid of these two approaches maybe applied to a particular legal issue.

Evolution of Corporate Practice

Historically, in-house corporate practice was largely limited to the first of these alternatives. Corporations perceived outside lawyers as a necessary evil and employed in-house counsel to manage their relations with law firms that represented the corporation. Legal staffs at corporations were generally very small, and in-house lawyers were generalists. The lack of direct involvement in specific legal issues removed many of the pressures and demands generally associated with law practice. Because this type of involvement primarily required resource management skills, rather than legal acumen, corporate counsel positions were viewed as less satisfying and prestigious than those in private practice. For younger lawyers they also offered more job security but less money.

With rising costs of legal representation caused by both inflation and the dramatic surge in the degree of government regulation of corporate affairs during the 1970s, many corporations had to reevaluate their needs for legal advice and representation. After comparing the hourly fees charged by outside counsel with the costs of employing in-house counsel, corporations realized that substantial savings could be achieved by expanding the size of law departments and assigning work in-house. Furthermore, with corporations
becoming involved in an ever-expanding array of legal issues, efficiencies could be achieved by using in-house counsel familiar with the nature of the business, its technology and terminology, the resource and contact persons involved, and any other important background information relevant to a particular issue.

Of course, no two corporate legal departments are the same. The mix of hands-on legal work versus management of outside counsel varies greatly and often depends on the complexity of the legal issue and the availability and capability of in-house counsel to address the issue. Today, even when work is "farmed out," in-house counsel frequently acts as partners in developing solutions to legal problems or representing the corporation in litigation. In such situations, in-house counsel generally is more familiar with the operations of the corporation, the sources of necessary factual information, and the key personnel involved. Outside counsel rely on access to this kind of information to fashion optimum solutions or strategies. Often business people are willing to discuss an issue if they know that there is no "meter running," as is the case with expensive outside counsel. In-house counsel, as employees of the corporation, are therefore more free to offer non-legal advice and also to speak for the corporation in dealing with outsiders.

Another difference is that the client-in the person of the executives of the company-is right down the hall. This is good news when you want to see them on short notice, but can be bad news when they want to see you on equally short notice.

Corporations in the telecommunications, pharmaceutical, computer, and automobile industries, among others, have long relied on in-house counsel to perform legal work, particularly in specialized areas of the law such as labor relations, patents, and state and federal regulatory matters. Because all of these specialties require extensive knowledge of a particular industry, not to mention the operations of a particular company, and because of the volumes of legal work in these areas, it has always made sense to develop that expertise in-house.

Lawyers in Corporate Practice

To meet these needs, many corporate employers hire lawyers with varying backgrounds. Most have had a number of years' experience in particular fields of law working for either law firms or the government, although corporations also hire recent graduates for entry-level positions. This mix brings a diversity of experience and business knowledge that permits a corporation to rely heavily on the participation of its attorneys in day-to-day decision making.

Although the career is certainly not typical among in-house attorneys, it may provide some insight into the possible functions and responsibilities of corporate counsel. After graduation from law school, many get employed by major corporations as managers responsible for developing the prices for services and defending those prices before a federal regulatory commission. This involves developing rate plans, preparing documentation to support those plans, answering interrogatories, and preparing drafts of various pleadings.

Challenges v. Safety

Historically, corporate practice was perceived as "safe," but not necessarily lucrative. If one joined a corporate law department it was generally believed that, although much of the wealth and prestige of private law practice were forgone, one gained stability and job security and was subject to less onerous work. This is less and less true for many corporate counsels. Many lawyers have been faced with changes in employers or responsibilities because of changes in the identity of their corporate clients caused by reorganization, divestitures, mergers, or acquisitions. In these circumstances, some corporate counsel may find that their skills are no longer needed. But these kinds of changes also bring opportunities. Those with skills and knowledge valuable to the new organization frequently find their careers enhanced. In mergers or acquisitions, attorneys from an acquired entity can provide invaluable assistance in achieving integration of the two organizations.

Most corporations with large legal staffs have diverse interests and can provide opportunities for in-house attorneys to pursue practice in virtually every area of the law. Indeed, many encourage attorneys to move from one discipline to another, from one subsidiary or division to another, and from one geographical location to another so that individual attorneys can gain a better understanding of all facets of the business.

Find out what it takes to become a successful corporate attorney.

While you may never reap monetary rewards comparable to those that a (very) few obtain in private practice, the challenges associated with being a member of a corporate management team and influencing its success in the marketplace can provide more personal satisfaction and lasting friendships.
Click Here to Learn How to Get a Fair In-House Salary

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- What Does It Take to Become a Successful Corporate Attorney?
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