

LEADERSHIP & SUCCESSION

Becoming the Calm Risk Taker: **Attributes for Success** in Today's New Legal Environment

The role of the legal executive has changed dramatically over the last decade. Once exclusively responsible for core tasks such as managing outside counsel, responding to business requests for legal support and preparing board materials, today's legal leaders also must take an enterprise view of risk and work with the business to evaluate commercial decisions and advance corporate strategy.

As a result of these advancements, academics, consultants and other experts have expounded upon the skills and knowledge required for success in this new environment. For example, legal executives must better understand the business, be more globally minded, and play a stronger general business leadership role.

To help legal executives understand which requirements truly matter most, Russell Reynolds Associates analyzed our database of 3,000 executive assessments. (These tests measure a number of competencies, such as relationship skills, communication skills, decision-making approaches, etc.). Based on our knowledge of which assessed legal executives have performed successfully in their roles—and those who have fared less favorably—we were able to isolate the factors that link to effectiveness and compare the top legal leaders with the rest. The results likely will surprise you.

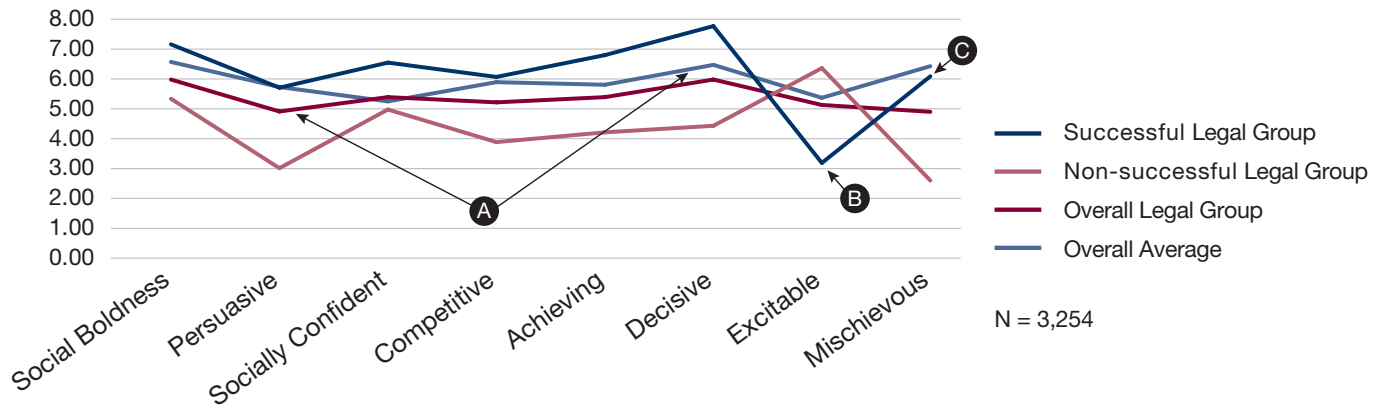
Synopsis

- **Corporate lawyers, on average, have the same competencies as their non-legal counterparts.**
- **The best legal executives demonstrate calm under pressure, especially during crises.**
- **The best legal executives push the organization to take informed risks.**

Key Findings

- **Legal executives differ little from their non-legal counterparts.** This finding challenges many of the common misperceptions surrounding corporate lawyers—i.e., that they are limited to their technical expertise, fail to fully understand the business, are not proactive, etc. On the contrary, our findings show that the average legal executive is on par with his or her peers on most attributes such as being decisive, setting strategy, executing for results, leading teams, building relationships and using influence, learning and thinking and motivating. Organizations looking to hire legal talent should keep these factors in mind lest they set the quality bar too low (Figure 1, Letter A).
- **The most successful legal executives exhibit what we call low “excitability.”** In other words, they are calm under pressure, especially during a crisis. They think on their feet, and their guidance is measured and balanced. The best legal executives are 18% less excitable than the average legal executive and 20% less excitable than the average business executive (Figure 1, Letter B).
- **The most successful legal executives exhibit what we call high “mischievousness.”** Far from allowing legal to be the department of “no,” these leaders consider and devise unconventional solutions and are able to act on partial information to make strategic decisions. In other words, contrary to conventional wisdom (and lawyer jokes) the best legal executives go well beyond spotting legal issues to helping the business actually take risks and find creative solutions. The best legal executives are 11% more willing to take risks than the average legal executive, and they are almost as likely to take risks as the typical business executive (Figure 1, Letter C).

Figure 1
Legal Executive Profiles



- **Taken together, our findings suggest that legal executives should strive to become what we call the “calm risk taker.”** These individuals keep a cool head under pressure and proactively push the business to take (informed) chances. Legal leaders who effectively espouse these competencies deliver significant value to the business—well beyond the returns provided by high-quality legal advice and risk mitigation. Calm risk takers are collected, keen strategists, hungry for opportunities to help drive the business forward.

Taking Action

To help lawyers become calm risk takers, we have identified below a sampling of on-the-job experiences for decreasing excitability and increasing mischievousness (Figure 2). This information should be useful for designing and implementing individual development plans and managing succession for the general counsel.

Figure 2

Decrease Excitability	Increase Mischievousness
<ul style="list-style-type: none"> • Volunteer for a leadership role in incident or crisis management • Support sales activities • Assume responsibility for the productivity of a board committee • Support a business unit or team that is leanly staffed or geographically isolated 	<ul style="list-style-type: none"> • Participate in a new product/service development exercise (setting aside legal implications) • Help lead a strategic planning session (setting aside legal implications) • Participate in a marketing investment exercise

Conclusion

As legal executives face increasing expectations and changing business requirements, these professionals must determine which skills and abilities will best carry them forward. We hope that the findings from this study provide a useful guide for identifying and building the capabilities required to succeed in the new era of corporate law.

Global Offices

Americas

Atlanta

1180 Peachtree St., NE
Suite 2250
Atlanta, GA 30309-3521
United States of America
Tel: +1-404-577-3000

Boston

One Federal Street, 25th Floor
Boston, MA 02110-1007
United States of America
Tel: +1-617-523-1111

Buenos Aires

Buenos Aires Plaza
Manuela Sáenz 323
Seventh Floor, Suites 14 and 15
C1107CBP Buenos Aires
Argentina
Tel: +54-11-4118-8900

Calgary

Suncor Energy Centre, West Tower
#3000, 150-6th Avenue, S.W.
Calgary, AB T2P 3Y7
Canada
Tel: +1-403-538-1972

Chicago

155 North Wacker Drive
Suite 4100
Chicago, IL 60606-1732
United States of America
Tel: +1-312-993-9696

Dallas

8401 N. Central Expressway
Suite 650
Dallas, TX 75225-4404
United States of America
Tel: +1-214-220-2033

Houston

600 Travis Street, Suite 2200
Houston, TX 77002-2901
United States of America
Tel: +1-713-754-5995

Los Angeles

11100 Santa Monica Blvd.
Suite 350
Los Angeles, CA 90025-3384
United States of America
Tel: +1-310-775-8940

Mexico City

Torre Reforma
Paseo de la Reforma
115-1502
Lomas de Chapultepec
México 11000, D.F.
México
Tel: +52-55-5249-5130

Minneapolis/St. Paul

225 South Sixth Street, Suite 2550
Minneapolis, MN 55402-3900
United States of America
Tel: +1-612-332-6966

New York

200 Park Avenue
Suite 2300
New York, NY 10166-0002
United States of America
Tel: +1-212-351-2000

Palo Alto

260 Homer Avenue, Suite 202
Palo Alto, CA 94301-2777
United States of America
Tel: +1-650-233-2400

San Francisco

101 California Street
Suite 2900
San Francisco, CA 94111-5829
United States of America
Tel: +1-415-352-3300

São Paulo

Edifício Eldorado Business Tower
Av. Nações Unidas, 8501
11º Andar
05425-070 São Paulo - SP
Brazil
Tel: +55-11-3566-2400

Stamford

301 Tresser Boulevard
Suite 1210
Stamford, CT 06901-3250
United States of America
Tel: +1-203-905-3341

Toronto

Scotia Plaza, Suite 3410
40 King Street West
Toronto, ON
M5H 3Y2
Canada
Tel: +1-416-364-3355

Washington, D.C.

1701 Pennsylvania Avenue, NW
Suite 400
Washington, D.C. 20006-5810
United States of America
Tel: +1-202-654-7800

Asia/Pacific

Beijing

Unit 3422 China World Tower 1
No. 1 Jian Guo Men Wai Avenue
Beijing 100004
China
Tel: +86-10-6535-1188

Hong Kong

Room 1801, Alexandra House
18 Chater Road Central
Hong Kong
China
Tel: +852-2523-9123

Melbourne

Level 51, Rialto Towers
525 Collins Street
Melbourne VIC 3000
Australia
Tel: +61-3-9603-1300

Mumbai

Unit 9(A), Grand Hyatt Plaza
Santacruz (East)
Mumbai 400 055
India
Tel: +91-22-6733-2222

New Delhi

203, Eros Corporate Tower
Nehru Place
New Delhi 110 019
India
Tel: +91-11-4603-4600

Shanghai

Room 4504, Jin Mao Tower
88 Century Avenue
Pudong, Shanghai 200121
China
Tel: +86-21-6163-0888

Singapore

2 Shenton Way
#08-01 SGX Centre 1
Singapore 068804
Singapore
Tel: +65-6225-1811

Sydney

Level 40, Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia
Tel: +61-2-9258-3100

Tokyo

Izumi Garden Tower 14F
1-6-1 Roppongi
Minato-ku, Tokyo 106-6014
Japan
Tel: +81-3-5114-3700

Europe

Amsterdam

World Trade Center
Tower H, 18th Floor
Zuidplein 148
1077 XV Amsterdam
The Netherlands
Tel: +31-20-305-7630

Barcelona

Edificio Prisma
Avda. Diagonal, 613, 2ªA
08028 Barcelona
Spain
Tel: +34-93-494-9400

Brussels

Boulevard St.-Michel 27
B-1040 Brussels
Belgium
Tel: +32-2-743-12-20

Copenhagen

Kongens Nytorv 3
DK-1050 Copenhagen K
Denmark
Tel: +45-33-69-23-20

Frankfurt

OpfernTurm
Bockenheimer Landstr. 2-4
60306 Frankfurt
Germany
Tel: +49-69-75-60-90-0

Hamburg

Stadthausbrücke
1-3/Fleethof
20355 Hamburg
Germany
Tel: +49-40-480-661-0

London

Almack House
28 King Street
London SW1Y 6QW
United Kingdom
Tel: +44-20-7839-7788

Madrid

Calle Miguel Angel, 11
Seventh Floor
28010 Madrid
Spain
Tel: +34-91-319-7100

Milan

Via Mascheroni, 5
20123 Milan
Italy
Tel: +39-02-430-0151

Munich

Maximilianstraße 12-14
80539 München
Germany
Tel: +49-89-24-89-81-3

Paris

7, Place Vendôme
75001 Paris
France
Tel: +33-1-49-26-13-00

Stockholm

Hamngatan 27
SE-111 47 Stockholm
Sweden
Tel: +46-8-545-074-40

Warsaw

Belvedere Plaza
ul. Belwederska 23
00-761 Warsaw
Poland
Tel: +48-22-851-68-38

Zürich

Löwenstrasse 28
CH-8001 Zurich
Switzerland
Tel: +41-44-447-30-30

RUSSELL REYNOLDS ASSOCIATES

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