

Trends and Moves

Trends in the General Counsel Talent Market: Analysis of Fortune 500 General Counsel Appointments across 2011 and 2012

To help sitting and rising general counsel (GC) better understand current trends in the market for senior legal talent, Russell Reynolds Associates analyzed all GC appointments within the Fortune 500 across 2011 and 2012.¹

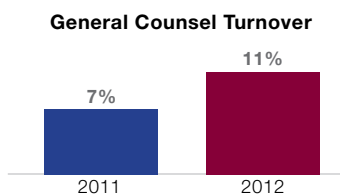
Our analysis quantified trends that previously had been reported only anecdotally, including:

- An increasing churn in the GC ranks
- Rising levels of diversity²
- A growing preference for prior leadership in top GC roles
- An increasing appetite for compliance experience

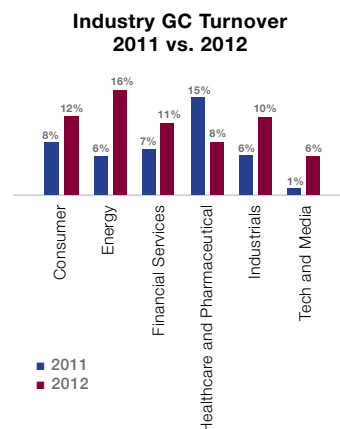
Below is a summary of our findings.

KEY FINDINGS

Turnover



Turnover increased. Fortune 500 GC turnover rose from 7% in 2011 to 11% in 2012—a 57% year-over-year increase. We believe this was driven by the changing economic environment. As the financial crisis wanes, many firms are shifting their legal talent focus from tenured “steady hands,” who helped navigate their organizations through the turbulent economic environment, to leaders who are better equipped to take the business in new directions.

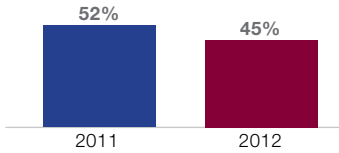


Most industries saw increased turnover. All major industries experienced GC turnover rates of at least 50% with the exception of Healthcare and Pharmaceuticals, which saw a decrease of 47%. We believe this decline was driven by uncertainty over the implications of recent healthcare reform and concerns over pending patent expirations. Health services and health sciences firms seem to have less appetite for internal change given the amount of transition occurring in their industry.

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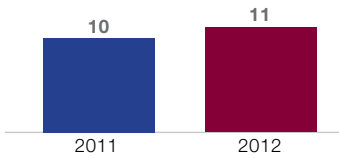
Appointments

Internal Appointments



Internal promotions declined. The percentage of appointments that resulted from internal promotions declined from 52% in 2011 to 45% in 2012—a 14% decrease. We believe this suggests an increasing willingness to trade existing institutional knowledge and relationships for proven leadership experience.

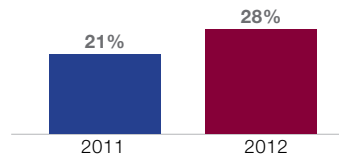
Internal Hire Tenure Prior to Appointments (Years)



Tenure of internal promotions remains long and increased slightly. For internally promoted GCs in 2011, average tenure prior to assuming the top post was 10 years. That figure increased slightly in 2012 to 11 years, suggesting that organizations continue to view experience and deep existing relationships as critical elements of success. Internal aspiring GCs, therefore, should be prepared for longer-term commitments.

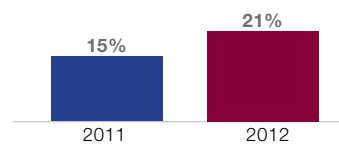
Diversity

Female Appointments as Share of Total



Diversity hires increased. Women and minorities represented a somewhat higher percentage of appointments, with female appointments rising 33%, from 21% in 2011 to 28% in 2012, and minority appointments rising 40%, from 15% in 2011 to 21% in 2012.

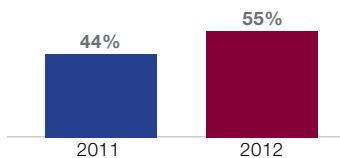
Minority Appointments as Share of Total



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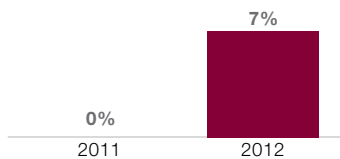
Prior Experience

Appointments Out of Another GC Role



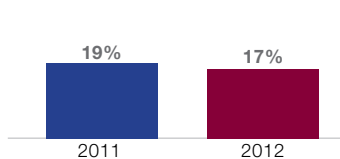
Prior GC experience rose. The share of newly appointed GCs hired directly from another GC position rose 25%, from 44% in 2011 to 55% in 2012. This suggests demand for seasoned, board-ready GCs with existing leadership experience.

Appointments Out of Government



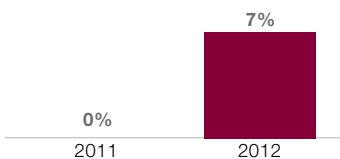
Government hires increased. The share of newly appointed GCs from the government sector increased from 0% in 2011 to 7% in 2012. This was expected in an election year as governmental staffing changes created liquidity in the talent market.

Appointments Out of Law Firms



Law firm appointments declined slightly. The share of newly appointed GCs previously serving as law firm partners declined slightly from 19% in 2011 to 17% in 2012. While this shift was small, it confirms our recent observations in the field, where we see a growing preference for existing experience in managing in-house legal teams and a proven track record of effective line partnership. (Our research has shown that today's most successful in-house GCs utilize their knowledge of the rules proactively to enable the business to take calculated commercial risks. For more information on this topic, see Russell Reynolds Associates' report, *Becoming the Calm Risk Taker*.)

Appointments Out of Chief Compliance Officer Role



Promotions from chief compliance officer rose. The percentage of appointments from chief compliance officer (CCO) to GC increased from 0% in 2011 to 7% in 2012. As the global regulatory and business environments grow in complexity, the CCO role—and the skills required to succeed in it—is becoming much more sophisticated, particularly as CCOs increasingly have direct access to the board. As a result, the CCO role now provides a more effective training ground (and, therefore, a more viable candidate pool) for the GC position.

Trends and Moves

Various Fortune 500 General Counsel Moves—2012

CONSUMER

Avon Products, Inc. | On September 11, 2012, Avon Products, Inc. announced that **Jeff Benjamin**, previously at Novartis, would become Senior Vice President and General Counsel.

CVS Caremark | **Thomas Moriarty** joined CVS Caremark in October 2012 as Executive Vice President and General Counsel. Previously, Moriarty was General Counsel at Celgene Corporation, a position he took in May 2012.

Dean Foods | **Rachel A. Gonzalez**, formerly Deputy General Counsel of Dean Foods, was promoted to Executive Vice President and General Counsel upon Steve Kemps' departure after the WhiteWave Foods Co. spinoff.

The Hershey Company | On July 9, **Leslie Turner** took on the role of Senior Vice President and General Counsel at The Hershey Company. Turner previously was Chief Legal Officer of Coca-Cola North America.

Hillshire Brands | **Kent Magill** became Executive Vice President and General Counsel of Hillshire Brands in June 2012 from his previous position of General Counsel at Hostess Brands.

Kraft Foods Group, Inc. | Former General Counsel of Avon Products, Inc. **Kim Rucker** joined Kraft Foods Group, Inc. as Executive Vice President, Corporate and Legal Affairs. This was announced in July 2012.

PepsiCo, Inc. | **Larry Thompson** became Executive Vice President, Government Affairs, General Counsel and Corporate Secretary of PepsiCo, Inc. on July 30, 2012. Thompson rejoined the company from the University of Georgia School of Law.

PetSmart, Inc. | On July 3, 2012, PetSmart, Inc. named **Paulette Dodson** Senior Vice President, General Counsel and Secretary. Dodson most recently was General Counsel at Sara Lee Corp.

Philip Morris International Inc. | **Marc Firestone** left his position as General Counsel of Kraft Foods Inc. to become General Counsel of Philip Morris International Inc. in February 2012.

Staples, Inc. | **Michael Williams** became Senior Vice President, General Counsel and Secretary of Staples Inc. on November 7, 2012. He previously was Head of Legal Operations of the United States, Central America and South America at Sony.

Starbucks Coffee Company | In May 2012 Starbucks named **Lucy Lee Helm** as Executive Vice President, General Counsel and Secretary.

VF Corporation | **Laura Meagher** became Vice President, General Counsel and Secretary of VF Corporation on May 1, 2012. Meagher previously was Deputy General Counsel of VF Corporation.

ENERGY

American Electric Power | **David M. Feinberg** became Senior Vice President, General Counsel and Secretary of American Electric Power on January 1. Feinberg previously was General Counsel of American Electric Power Service Corporation.

Chesapeake Energy Corporation | Chesapeake Energy Corporation announced on September 21, 2012, that **James Webb** had been appointed Senior Vice President and General Counsel. Webb previously was at McAfee & Taft.

Trends and Moves

Energy Future Holdings Corporation | On April 10, 2012, Energy Future Holdings announced that **Stacey Doré** would become Senior Vice President and General Counsel. She previously was Vice President and General Counsel of Luminant.

Entergy Corporation | **Marcus Brown** was elected on January 27 to replace Bob Sloan as Senior Vice President and General Counsel of Entergy Corporation. Brown previously was Deputy General Counsel of the company.

EOG Resources, Inc. | **Michael P. Donaldson** became Vice President, General Counsel and Corporate Secretary of EOG Resources, Inc. on May 3, 2012. He maintains his duties as Vice President, Government Relations of the company.

Exelon Corporation | Exelon Corporation announced in February 2012 that **Darryl M. Bradford** would remain in his role as Senior Vice President and General Counsel upon completion of their merger with Constellation Energy Group.

NRG Energy, Inc. | **David Hill** took over as General Counsel of NRG Energy, Inc. in September 2012. He previously was a partner and head of the global energy practice at Sidley Austin LLP in Washington, D.C.

Occidental Petroleum Corporation | On April 3, 2012, Occidental Petroleum Corporation announced that **John C. Ale** would become Vice President and General Counsel. Ale previously was at Skadden, Arps, Slate, Meagher & Flom LLP.

Pepco Holdings, Inc. | On September 7, 2012, Pepco Holdings, Inc. announced that **Kevin C. Fitzgerald** would become Executive Vice President and General Counsel of the company. He most recently was Executive Partner for Client Development Strategic Planning at Troutman Sanders.

Plains All American Pipeline, L.P. | **Richard McGee** was promoted from Deputy General Counsel to General Counsel of Plains All American Pipeline, L.P., announced on March 20, 2012.

The Williams Companies, Inc. | **Craig L. Rainey** was promoted from Assistant General Counsel of the Exploration & Production and Midstream businesses at The Williams Companies, Inc. to General Counsel on January 1, 2012.

FINANCIAL SERVICES

The Allstate Corporation | The Allstate Corporation announced on June 7 that **Susie Lees** was named Executive Vice President and General Counsel from her position as Senior Vice President, Allstate Financial Law and Deputy General Counsel.

Citigroup Inc. | **Rohan S. Weerasinghe** left Shearman & Sterling LLP to become General Counsel and Corporate Secretary of Citigroup Inc., announced April 3, 2012.

Fannie Mae | **Bradley Lerman**, formerly Senior Vice President, Associate General Counsel and Chief Litigation Counsel of Pfizer Inc., joined Fannie Mae in October 2012 as Executive Vice President, General Counsel and Corporate Secretary.

Freddie Mac | Freddie Mac announced on July 9, 2012, that **William H. McDavid** would become Executive Vice President and General Counsel later that month. McDavid previously was General Counsel at JPMorgan Chase & Co.

Lincoln Financial Group | **Adam Ciongoli** became Executive Vice President and General Counsel of Lincoln Financial Group on May 7, 2012. He previously was Group General Counsel at Willis Group Holdings.

MetLife | **Ricardo Anzaldua** joined MetLife as General Counsel on December 17, 2012. He succeeded the retiring Nicholas Latrenta. Anzaldua previously was Senior Vice President and Associate General Counsel at The Hartford Financial Services Group.

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Morgan Stanley | On January 9, 2012, Morgan Stanley announced that **Eric Grossman** would become Chief Legal Officer, promoted from his past position as Global Head of Legal.

PNC Financial Services Group, Inc. | On May 31, 2012, **Robert F. Hoyt** took over as General Counsel of PNC Financial Services Group, Inc. Hoyt previously was Senior Deputy General Counsel of the company.

HEALTHCARE AND PHARMACEUTICALS

Celgene Corporation | Before joining CVS Caremark in October, **Thomas Moriarty** was General Counsel at Celgene Corporation, a position he took in May 2012.

Johnson & Johnson | **Michael Ullmann** became Vice President and General Counsel of Johnson & Johnson on January 1, 2012, having been promoted from General Counsel of the Medical Devices and Diagnostics Group.

Kindred Healthcare, Inc. | Kindred Healthcare, Inc. announced on May 17, 2012, that **Joseph L. Lanenwich** was named Co-General Counsel and Secretary. He previously was Corporate Legal Affairs and Corporate Secretary.

WellCare Health Plans, Inc. | On February 27, 2012, WellCare Health Plans, Inc. named **Lisa G. Iglesias** Senior Vice President, General Counsel and Secretary. Iglesias most recently served as Assistant General Counsel and acting General Counsel since September 2011.

INDUSTRIAL

3M | **Ivan Fong** became Senior Vice President, Legal Affairs and General Counsel of 3M in October 2012, having served previously as General Counsel of the U.S. Department of Homeland Security.

Alcoa Inc. | **Max Laun** took over as Vice President and General Counsel of Alcoa, Inc. on August 1. He previously was Assistant General Counsel of Mergers and Acquisitions.

Alliant Techsystems Inc. | **Scott Chaplin** took office as Senior Vice President, General Counsel and Secretary of Alliant Techsystems Inc. on October 1, 2012. Chaplin had held the same position at Stanley Inc.

Applied Materials | Former Honeywell International Inc. Deputy General Counsel **Thomas F. Larkin** took over as Senior Vice President, General Counsel and Corporate Secretary on November 26, 2012, after Joseph J. Sweeney's retirement.

ARAMARK Corporation | **Steve Reynolds** became Executive Vice President, General Counsel and Secretary of ARAMARK Corporation on September 4. Reynolds previously held the title of Senior Vice President and General Counsel at Alcatel-Lucent.

Archer Daniels Midland Company | On July 30, **Marschall I. Smith** took over as Senior Vice President, General Counsel and Secretary of Archer Daniels Midland Company. He previously was Senior Vice President, Legal Affairs and General Counsel of 3M.

Cummins Inc. | On January 31, 2012, Cummins Inc. announced that **Sharon Barner** had joined the company as Vice President and General Counsel. Barner previously was at the U.S. Department of Commerce.

Illinois Tool Works Inc. | On February 13, 2012, **Maria C. Green** was elected Senior Vice President, General Counsel and Secretary of Illinois Tool Works Inc. Green previously was Deputy General Counsel at the company.

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Ingredion Incorporated | **Christine Castellano** was elected Senior Vice President, General Counsel and Corporate Secretary of Ingredion Incorporated, effective October 1, 2012. She previously was Vice President, International Law and Deputy General Counsel.

Textron Inc. | **E. Robert Lupone** became Executive Vice President, General Counsel, Secretary and Chief Compliance Officer of Textron Inc. on January 31, 2012. Lupone previously was General Counsel of Siemens Corporation USA.

UGI Corporation | **Monica M. Gaudiosi** became Vice President, General Counsel and Secretary of UGI Corporation on April 23, 2012. Gaudiosi previously was General Counsel of Southern Union Company.

Union Pacific Corporation | **Gayla L. Thal** became Senior Vice President, Law and General Counsel of Union Pacific Corporation on March 15, 2012. Thal previously was Vice President, Law and Chief Compliance Officer at the company.

YRC Worldwide Inc. | **Michelle Russell** became General Counsel, Executive Vice President and Secretary of YRC Worldwide Inc. on February 13, 2012. She previously was General Counsel of Spirit AeroSystems.

TECHNOLOGY AND MEDIA

Eastman Kodak Company | On January 1, 2012, former General Counsel of Eastman Kodak Company, Laura Quatela, was promoted to President. Deputy General Counsel **Patrick Sheller** was then promoted to become the company's new General Counsel.

Hewlett-Packard Company | **John Schultz** was promoted to General Counsel of Hewlett-Packard Company on April 24, 2012, from his position as Deputy General Counsel of Litigation.

Liberty Global Inc. | On January 10, 2012, **Bryan Hall** became Senior Vice President, General Counsel and Secretary of Liberty Global Inc. Hall previously was General Counsel of Virgin Media.

News Corporation | News Corporation announced in January 2012 that **Gerson Zweifach** would join the company as Senior Vice President and Group General Counsel the following month. He previously was with Williams & Connolly LLP.

Yahoo! Inc. | **Rob Bell** was named General Counsel of Yahoo! Inc. on August 13, 2012. He previously was the company's Deputy General Counsel and acting General Counsel.

¹ Methodology - We compared two groups: those newly appointed in 2012 and those newly appointed in 2011. Multiple appointments at the same company within 2011 are not accounted for. However, it is unlikely that many firms experienced multiple turnovers in one year, and, thus, this should have little impact on the overall results.

² Diversity is defined as having a non-white or Hispanic (white or non-white) ethnic or racial background.

Leadership, Succession and Search | Russell Reynolds Associates is a global leader in assessment, recruitment and succession planning for Chief Executive Officers, boards of directors, and key roles within the C-suite. With more than 300 consultants in 41 offices around the world, we work closely with both public and private organizations across all industries and regions. We help our clients build boards and executive teams that can meet the challenges and opportunities presented by the digital, economic, environmental and political trends that are reshaping the global business environment. www.russellreynolds.com. Follow us on Twitter: [@RRALeadership](https://twitter.com/RRALeadership)

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