

## LEADERSHIP & SUCCESSION

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# 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.

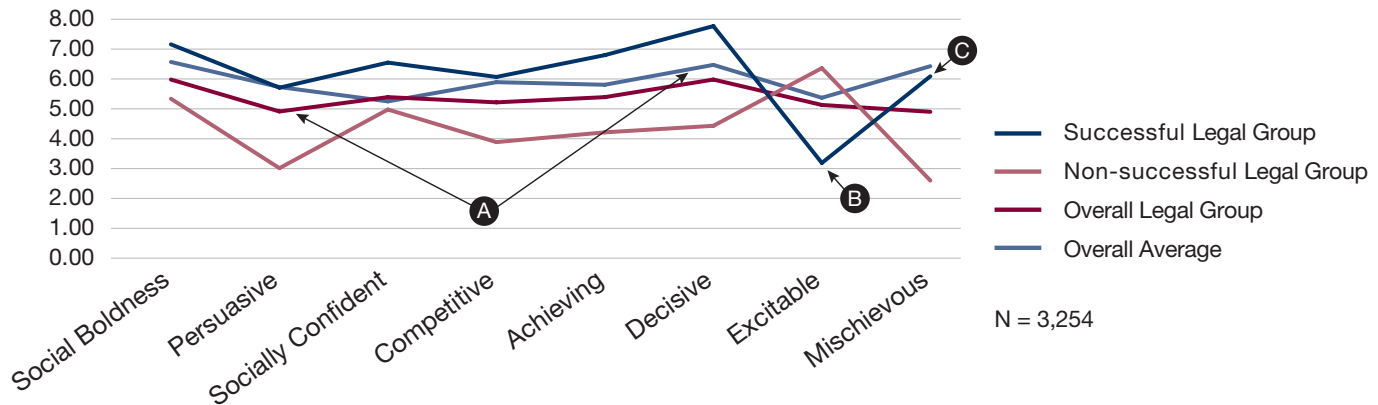
### Synopsis

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

## 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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