



# Structuring your legal team: A guide for general counsel

## At a glance



### Changing legal teams

Legal teams are faced with constantly changing demands and therefore GCs and leaders must create an efficient and adaptable legal function to meet the demands of the wider business.



### Team composition

Important factors to assess include who your team is made up of in terms of seniority, scope, specialists, generalists and the development that is required.



### Team structure

The legal team could be a centralised function or decentralised and embedded within the wider departments of the business, choosing a model should be based on collaboration with other teams.



### Outsourcing

A balance of in-house and outsourced work can be used dependant of on the expertise, capacity and budget that the team has available.



### Wider collaboration

Lawyers can utilise the support of many other functions and services across the business such as HR, Risk Management, Procurement, Learning and Development, Knowledge and Research, IT and Pro Bono.

# The Team

## Seniority

In-house legal teams typically include General Counsel, Head of Legal, or Director of Legal at the top handling strategic decisions, often reporting to the CEO, CFO, or COO, influencing the team's shape.

Larger teams that include junior lawyers, trainees, non-qualified paralegals and legal assistants performing more routine tasks may offer qualification opportunities, though this requires additional regulatory compliance.

Deciding on the team's composition depends on the nature of the work. For efficiency, work should be delegated to the lowest level that fits the risk profile.

## Specialist or generalist

Another factor to consider is the mixture of specialist and generalist lawyers in the team. For smaller in-house departments, in-house lawyers will need to have knowledge of many areas of the law or local jurisdictions and be confident in advising the business across the board. Some countries' professional rules limit who may advise on their local law. As the in-house team grows, it tends to allow people to specialise more in one area of the law in particular.

## Scope

Scope is also an important consideration. For example, will the in-house team be purely legal or will it also encompass teams such as procurement, compliance and risk? These teams often need access to legal and regulatory information and can be firmly within the central legal team, or can be sub- or separate teams. The answer will depend on the demand for these types of services internally, the amount of regulation affecting your sector, as well as the business structure.

## Development

Development opportunities for in-house legal teams are crucial for career growth and attracting top talent. Supervision and mentoring benefit both senior and junior lawyers and in-house teams should have access to targeted training programs, either internally through HR or externally via law firms. Continuous development of technical legal skills and general abilities like communication and presentation is essential.

The composition of legal teams varies based on the nature of their work, size, and business demands. balancing internal and external resources to meet evolving business needs requires regular review.

# The structure

## Centralisation and hierarchy

Will the legal team be a centralised function sitting as one unit, or decentralised, embedded in the wider departments of the business – or a matrix combining both structures?

The degree of centralisation can impact the quality or perception of their output, driven by business needs. Both centralised and decentralised structures offer benefits and challenges,

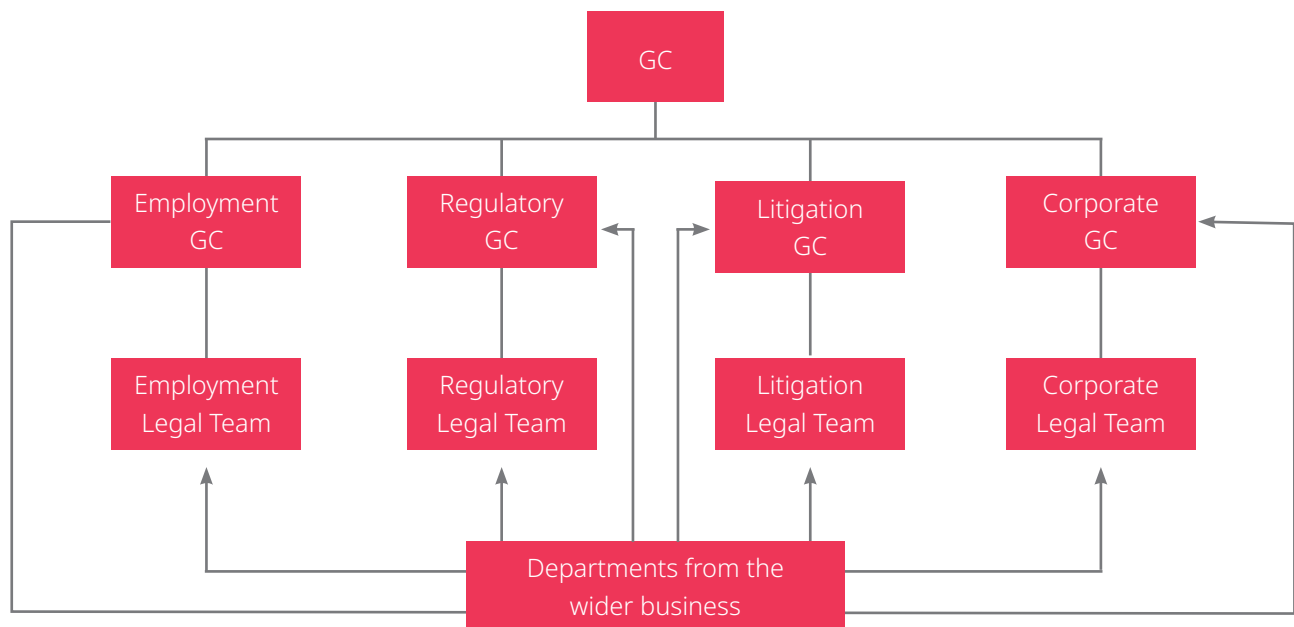
and depend on what is necessary for various types of work.

Trends have shifted over time, and a balanced approach often evolves to meet competing interests.

Smaller or less formal environments might benefit from a flat hierarchy, while larger, more formal settings often require a structured and layered hierarchy. The hierarchy depends on the levels of seniority and specialisms within the team.

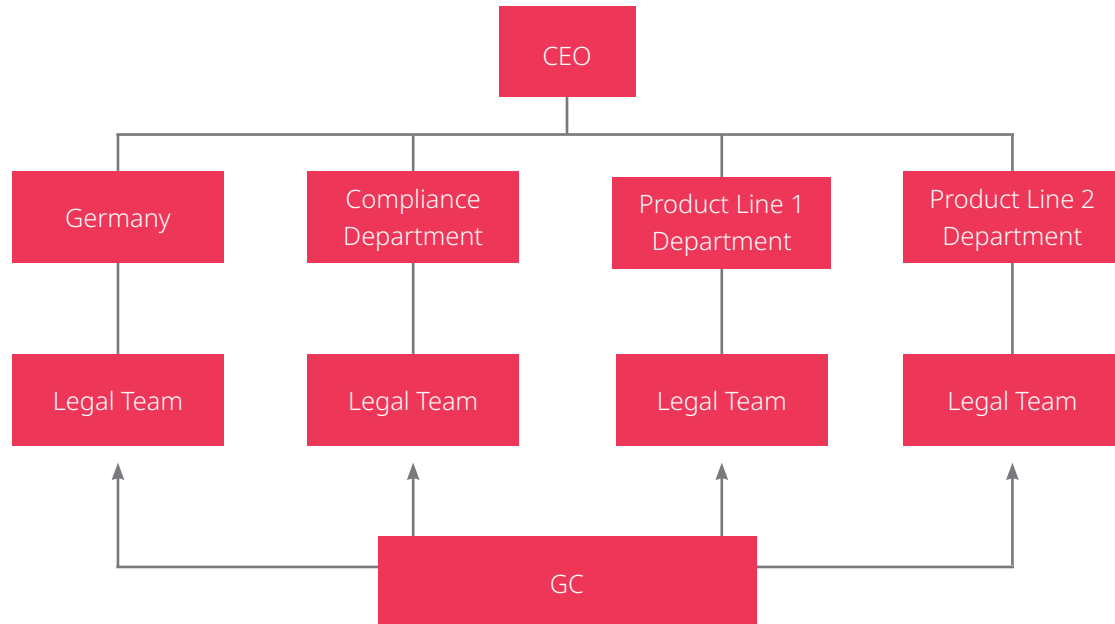
## Model 1: A centralised legal function

Deep subject specialism but limited commercial visibility.



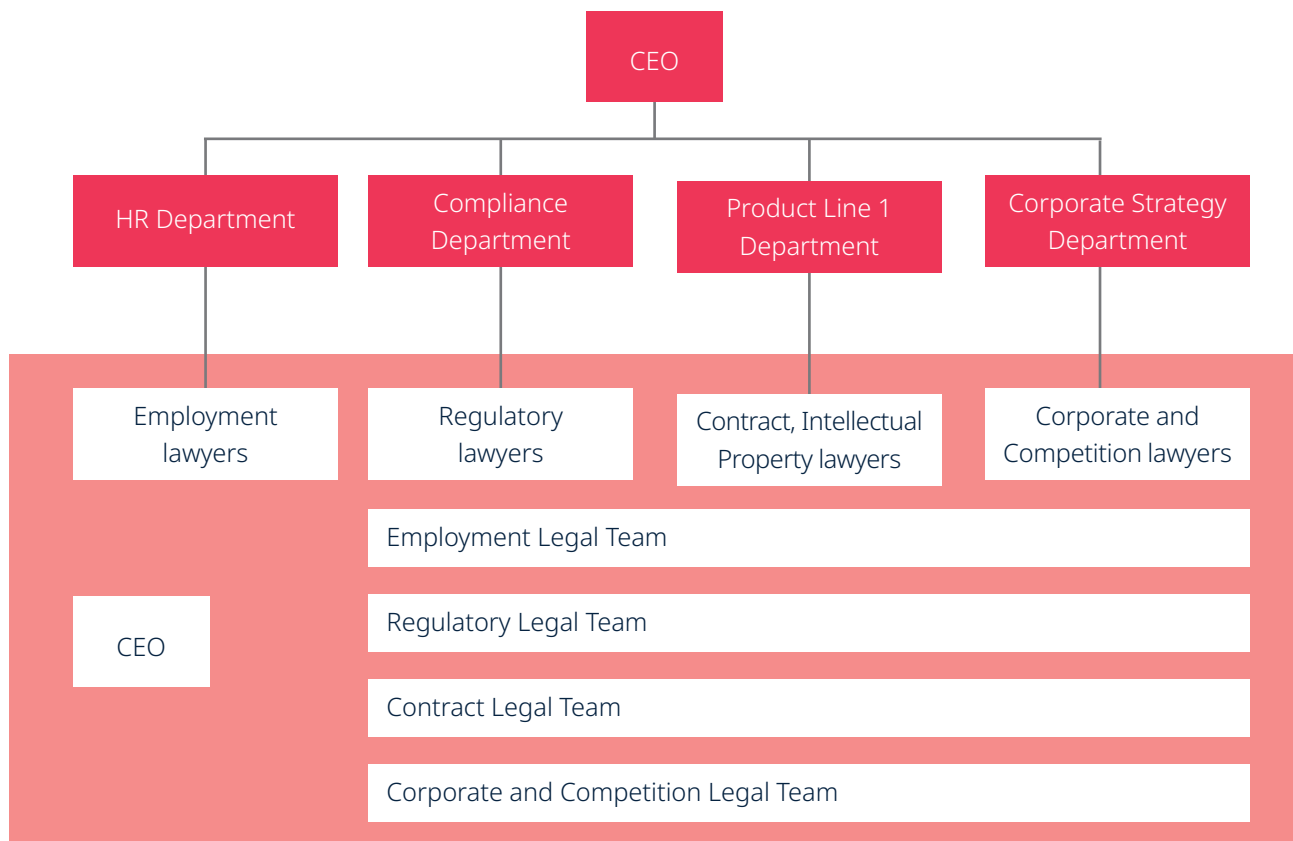
## Model 2: A decentralised legal function

Strong alignment with business priorities but risks becoming generalist.



## Model 3: A matrix legal function

Balances specialisation and business integration.





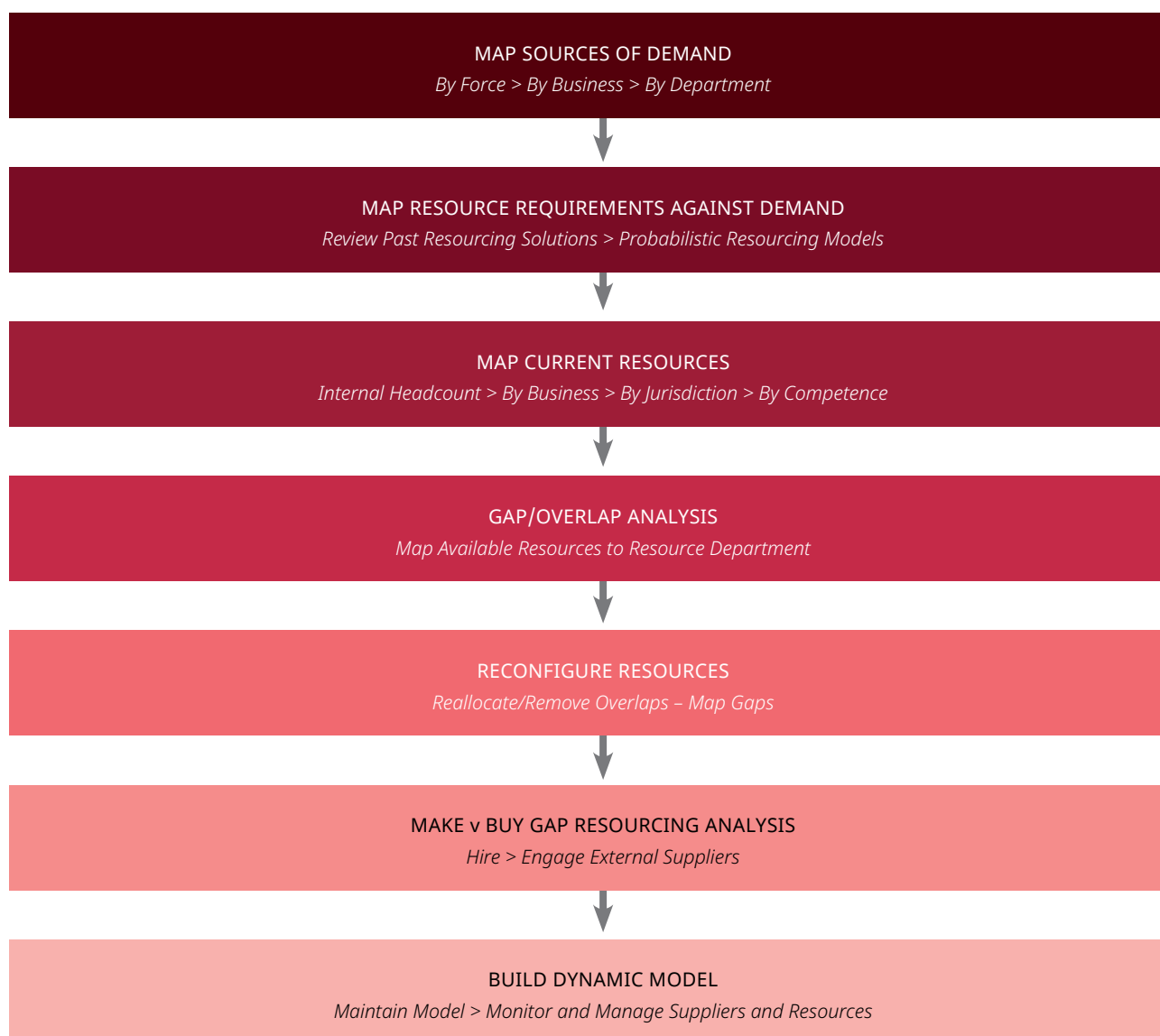
## Size

The size of the legal team depends on workload, business demand and budget, but outsourcing work to external providers can complement in-house resource. Legal Process Outsourcing (LPO) provides further outsourcing options depending on the work type. Law firms can manage the disaggregation process and the LPO on the GC's behalf. Whether they do so will depend factors, including costs, timescale, the expected volume of work and the amount of control needed.

## Demand

The business's perception of the legal department impacts demand for its services. Legal teams can enhance their influence by proactively engaging in commercial decisions and demonstrating value.

The following diagram provides a practical process to match resource to demand.



## Risk and compliance

Risk mitigation is a core function of the legal team and crucial in structuring an in-house legal team. Aligning the legal team with the business allows for proactive identification and management of key legal risks. Effective risk control mechanisms should minimise risk without constraining the business.

### Attitude

The leadership team's risk tolerance heavily influences the legal team's structure. Risk-averse leadership may prefer a centralised function focused on preventing legal and regulatory risks,

with close alignment to leadership and public relations. In less formal environments, a flexible approach might be favoured, embedding legal professionals within business units to identify and address issues early.

The nature of the sector also plays a role. Highly regulated industries like financial services, pharmaceuticals, and energy often require larger, centralised, and hierarchical teams due to their complex regulatory demands.

## Level and nature of outsourcing

Retaining work in-house and sending some to law firms is a balancing act and is likely to change over time as the business, the in-house team, law firms and their relationships evolve. Considerations include expertise, size, resource, quality and coverage of law firms.

The decision to outsource depends on factors such as the complexity of work, cost-effectiveness, and strategic importance.

Alternative fee arrangements like fixed or capped fees are gaining traction, offering predictability in legal spending. Law firms often provide supplementary services like training, secondments, and collaboration tools, which can enhance in-house team capabilities.

## Functions

### Legal and commercial advice

An in-house team primarily provides legal advice to the business. Increasingly, GCs and their teams also support leadership in managing legal, regulatory, and commercial risks, requiring senior team members to adopt innovative approaches in both content and delivery.

### Panel management

The GC often manages the panel of law firms, requiring distinct skills from legal work or advising leadership. Support from internal teams like procurement can help optimise value, and appointing relationship managers for key firms fosters stronger partnerships.

## Support services

Support services can be valuable to an in-house legal team, but they often focus on the broader workforce rather than the legal team's specific needs. GCs must ensure their team receives appropriate support by clearly communicating the specific requirements of in-house lawyers.

Support from HR teams, Learning and Development and Knowledge Management departments can all be beneficial to the legal team, if available. In businesses where no such teams exist, appointing champions from within the legal team can be a cost-effective solution.

# Conclusion

When assessing an in-house legal department, factors such as team structure, risk, compliance, outsourcing, support functions, and role should be considered, influenced by the business's nature and context.

General Counsels (GCs) must ensure their legal team is effective and aligned with business needs. Whether establishing a new department or reviewing an existing one, GCs should adapt their team to meet changing demands. Over time, legal teams have evolved from traditional departments to critical business advisors.

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