AT THE AIRPORT in New York one day last year, Alex Dimitrief ’85 was on a call regarding a problem that his company, General Electric, faced in China. When his plane landed in London, he took a call on a different matter in Vietnam. And late that night, when he arrived in Lagos, he fielded yet another call, dealing with an issue back in the U.S. “It was an incredibly complicated day,” recalls Dimitrief, who in November was appointed vice president and general counsel of GE Energy, where he oversees the legal and compliance
function for the company’s portfolio of energy and power interests. Three conference calls made from three continents, addressing serious issues unfolding around the world. He pauses, and adds, “That’s just exciting.” It’s a day that illustrates the emerging role of today’s global general counsel, who may deal with issues ranging from corrupt regimes and rule of law matters in developing nations to concerns about corporate reputation, sweatshop labor among suppliers, piracy, and safety threats to executives and other employees. At the same time, GC have assumed the critical role of ethical watchdog, tasked with ensuring corporate compliance with U.S. law, not to mention understanding the political and cultural landscape of each jurisdiction in which the company operates. And all of this unfolds on a 24/7 timetable in time zones across the globe.

Building on a major shift that took place over the past three decades, GC no longer are limited to a reactive role overseeing litigation farmed out to law firms but instead are key members of the corporate decision-making team. Many find the job unmatched within the legal profession, in both demands and rewards.

“I am more excited about what I’m doing right now than I’ve ever been at any stage in my career,” says Dimitrieff, who, after serving as a White House Fellow under President Reagan and as a partner at Kirkland & Ellis, joined GE in 2007 as vice president for litigation and legal policy. “No two days are ever the same.”

Benjamin W. Heineman Jr., Distinguished Senior Fellow at the HLS Program on the Legal Profession, is widely credited with revolutionizing the role of general counsel in major corporations 25 years ago.

While general counsel at GE, Heineman devised a model of hiring the best and brightest for inside legal departments and bringing work inside rather than farming it to outside firms, reducing legal costs and shifting the power relationship.

“Twenty-five years ago, if you asked an inside lawyer a question, they’d say, ‘Give me two days,’ and they’d call someone outside,” explains Heineman. But by hiring superstars from firms and major government positions, “All of a sudden, the businesspeople were saying, ‘Wow, these people can do a remarkable number of things.’”

Corporate counsel were called to participate in strategic meetings and provide wide-ranging counsel as decisions were made, rather than to clean up messes after they occurred. And some, such as Kenneth Frazier ’78 at Merck & Co., have taken the once unheard-of leap from GC to CEO.

“They are leaders, not just Bartleby the Scrivener,” notes Heineman, who has written a number of articles on the modern role of the GC, in which he urges lawyers to serve as statesmen upholding corporate integrity. “As you go up the chain, the skills you need extend far beyond being a technician in the law.” Indeed, as he will emphasize in a new course he will co-teach next fall with HLS Professor David Wilkins ’80, director of PLP, titled Challenges of the General Counsel, the legal aspects of the job are only the beginning. For a great GC, he says, “The first question is, ‘What is legal?’ The last question is, ‘What is right?’”

Under these parameters, the job offers enormous opportunities for innovation, leadership and decision-making at the highest levels—especially as companies have gone global. “I could deal with any issue I wanted to,” explains Heineman. “If you want to worry about intellectual property issues in China, you can do that; if you want to worry about reducing the power of the mob
Forty years ago, the position of general counsel—even within U.S. companies—was not a particularly important one, notes HLS Professor David Wilkins ’80, director of the Program on the Legal Profession, which works to bridge the gap between the academy and the world of practice. But beginning in the 1970s, and accelerating into the ’80s and ’90s, the GC role changed dramatically, "so that it has become, in my view, the most important position in the legal profession, particularly in the corporate legal world," Wilkins says.

Until recently, that model remained uniquely American. Even in the 1990s, according to Wilkins, "in Europe or the U.K., you did not find the same caliber of people becoming GC, and they didn’t have the same level of control over the company’s legal expenditures, and they certainly weren’t considered a key part of the management team."

The American paradigm has now gone global. Over roughly the past decade, British and other European companies have hired sophisticated lawyers who have taken a leading role. "They are becoming, like American GC, key drivers of change in the profession, pushing for everything from new kinds of billing arrangements to diversity and public service, serving on key committees in the corporate structure, and becoming leaders in the bar," Wilkins says.

And now, as part of PLP's Globalization, Lawyers, and Emerging Economies project, Wilkins is leading a team investigating the changing role of general counsel in China, Brazil, India and other emerging economies. Thus far, they have interviewed more than 300 general counsel in these countries, and are sending out a major survey to others, examining six markers they consider hallmarks of the GC model in the U.S.

"Our preliminary conclusion is there is definitely a movement in the [U.S.] direction that’s happening in the emerging economies of the world," Wilkins says, although he predicts significant differences between the role of GC in the U.S. and their role in other jurisdictions, even the U.K. and elsewhere in Europe. For example, in many areas of the world, many large companies are controlled by families; in others, there is a much larger number of state-owned or influenced enterprises, which may affect the GC role.

"But there’s no doubt GC are increasingly important in these [emerging economies]," Wilkins says, "in part because U.S. and Western companies which have operations there are bringing their model of the GC with them." —E.M.
in Russia, you can worry about that.”

“It’s a great job,” agrees Laura Stein ’87, Clorox’s senior vice president and general counsel, who started her career at the company, did a stint at Heinz and then returned to Clorox seven years ago. However, things changed in that span, she notes. “I was an international lawyer from the minute I went in-house, so I was used to doing legal work in many countries in the world for my company,” she says. “But ... the speed of things you’re doing has definitely accelerated.” With so many areas of concern in so many different legal landscapes—from intellectual property and labor and employment disputes to counterfeiting issues—the breadth of responsibility is extraordinary, and GC must be equipped to respond immediately.

“When you’re hoping to manage risk and ensure compliance, the world moves very quickly these days,” Stein adds.

With heightened attention from shareholders, the public, and U.S. and foreign regulators and a continuous news cycle from around the world, companies face unprecedented scrutiny of all they do. Failure to comply with laws such as Sarbanes-Oxley and Dodd-Frank as well as the Foreign Corrupt Practices Act—which makes it a crime for American companies and their subsidiaries to bribe foreign authorities—can lead to severe consequences, including fines and criminal penalties for board members and officers.

The New York Times article in April alleging a widespread bribery scheme by Wal-Mart in Mexico and a subsequent cover-up may end up being the latest cautionary tale, according to Heineman.

“Both the general counsel of Wal-Mart Mexico,” he says, “who is alleged to have orchestrated the bribery scheme and then ended the investigation with a superfluous report, and the general counsel of the company—who allegedly gave no support to other headquarters lawyers who wanted a full, independent investigation—apparently acted as ethically and legally compromised partners of business leaders and not as guardians of Wal-Mart’s integrity. The company could pay a heavy price for those alleged failures.”

According to Dimitrief, in the wake of the financial crisis, regulatory officials are understandably more aggressive in 2012 than they have ever been. “Hand in hand with that scrutiny are the higher expectations all our stakeholders have—employees, shareholders, customers, partners, people who live in the communities where we operate, government officials, thought leaders,” he says. “They all rightfully expect a company like GE to conduct itself with high integrity.”

Risk management is a prime requirement of board oversight, says Stephen F. Gates ’72, former senior vice president and general counsel of ConocoPhillips, who serves as special counsel at Mayer Brown, “and GC are now key advisers to the board regarding the total compliance program.”

In addition to building a first-rate team of lawyers, today’s GC require a certain skill set, according to Gates, this includes having a “great relationship” with the CEO and CFO, and being a respected adviser to the board of directors, so they will rely on the GC’s guidance to pre-empt problems as decisions are being made. They must also be fast on their feet, “to learn the nuances of new situations as they encounter them,” he says. And it’s essential to be able to marshal appropriate resources within a critical time period of 24 to 48 hours of a new problem arising, he adds.

“Levelheadedness and issues management and problem-solving are the three great characteristics, in addition to the historic characteristic of providing good counsel,” says Gates, who published an overview of some of the issues GC face today in “Challenges in Lawyering: Business Operations in Troubled Jurisdictions and Conflict Zones,” in the Harvard International Law Journal in 2010. Given the nonstop pace, he adds, “It’s best to have a sort of calm—I’d say, unflapability.”

“To me, the measure of success is, Do people want to hear what I have to say even when they don’t want to hear what I have to say?” Dimitrief says, chuckling. “That’s the ultimate test of a good GC.”

Dimitrief believes that today’s corporate counsel owe a debt of gratitude to those who forged the new model of GC, morphing it into a leadership position that he enjoys so much. In particular, he credits Heineman’s vision at GE, which was then copied by corporations around the U.S. and, increasingly, the world (see sidebar). Not only have corporations benefited from this influx of talent, but lawyers are given unprecedented opportunities for leadership.

And that’s the reason it’s worked so well, Heineman notes. As he built the GE legal team, “I never had someone say ‘no’ to me when I tried to hire them out of a law firm,” he says. “I mean never. Everyone is excited about coming.”