Top 10 Frequently Asked Questions About In-House Careers

By Stephen E. Seckler

If you are an associate at a major firm, the chances are great that you have contemplated going in-house at some point in your career. This is conventional wisdom in the legal-search business because associates frequently recite the mantra, “Call me if you hear about a good in-house counsel position.” But have you fully considered the pros and cons of leaving private practice?

Every career choice involves trade-offs. While moving to an established public company may work well for some and joining a venture capital-backed startup may work well for others, choosing an in-house legal job is not the right career choice for everyone. Even if it is the right move for you, it is important to understand that there are aspects of law firm life that you may still miss.

The process of gathering information about your options is the best way to make good career choices. If you are thinking about an in-house career, the best thing you can do for yourself is to find several in-house lawyers who are willing to speak with you on an informational basis. Approach law school classmates; former colleagues who have left private practice; and clients, past and present. Ask them what they like about being in-house, and find out how they spend their days. Ask what things they miss about practicing in a law firm, and get their advice on where you might best fit in a corporate environment.

To help you jumpstart the process, I have put together a list of some of the more common questions I hear from associates. The answers are gleaned from numerous discussions I have had with in-house attorneys who are at the peak of their career satisfaction as well as in-house lawyers who have struggled to find career fulfillment in a corporate environment. This list is no substitute for doing your own research. It is only intended to help you start thinking more critically about your next career move. By posing these and other questions to lawyers who have some perspective, you will gain important insights to either inspire you to pursue an in-house job with vigor or reevaluate how you can make the most of you law firm experience.

1. What is the best way to find an in-house job?

If you are a mid-level, corporate associate at a top firm, headhunters are probably calling you about in-house opportunities. However, if you do not fall into this narrow demographic, you have probably noticed that headhunters are not that responsive to your phone calls. Perhaps you are relying principally on classified ads to identify openings. While it is a good idea to read the classifieds regularly and let multiple recruiters know that you are interested in hearing about corporate opportunities, networking is the most effective way to expand your in-house options. Over time, make a point of speaking with law-school classmates and former law-firm colleagues who have gone in-house. Invite clients past and present to lunch or coffee and interview them as I
have suggested above. This will help you gain access to the inchoate job market (many jobs are never advertised).

2. How do in-house salaries compare to salaries at major firms?

While many large firms have continued to employ a lockstep compensation system, attorney compensation at a corporation is much less predictable. In recent years, general counsel compensation at large companies has increased substantially. Still, overall, in-house legal salaries have not kept pace with the dramatic salary inflation that has occurred at major firms. Many lawyers leaving private practice can expect to take a pay cut when they move in-house.

In a corporation, it is not uncommon for the highest-paid lawyers to receive a high percentage of incentive-based compensation. In more established companies, attorneys might receive a year-end bonus of 30 percent or more. In earlier-stage companies, attorneys might expect to receive a significant grant of stock options in lieu of a large base.

While there is certainly a large potential financial upside associated with going in-house, understand that only a few lucky winners will ever see substantial gains from their options. Make sure that the base will support the standard of living that you want.

Factors which help determine what a company might pay a lawyer include industry, stage, whether the GC is part of senior management, the number of employees, number of facilities, and volume of sales. For example, expect higher salaries in the financial-services industry and lower salaries in retail.

3. Can I expect my hours to improve if I go in-house?

Lawyers often say they are interested in going in-house for lifestyle reasons. Although it may be true that in-house lawyers are better able to predict workflow, there is substantial evidence that many in-house lawyers work just as hard on the inside as they did at a law firms. This is not uniformly the case; and certainly, some in-house lawyers do have it a lot better. But as corporations continue to look for ways to control costs, it seems fairly predictable that in-house lawyers will be expected to do more with less. The principal difference is that in-house lawyers are more insulated from last minute "vacation-wrecking" or "weekend-wrecking" deals.

4. What opportunities are there for advancement if I go in-house?

Opportunities for advancement are limited for most attorneys who work in-house. Many law departments have a flat reporting structure with the entire legal staff reporting to the general counsel. As a result, career advancement in a corporation probably means making a lateral move. In large law departments, there are more opportunities for promotions; but many in-house law departments are small. Some lawyers use an in-house job as a launching pad for moving into a non-legal position such as Director of
Business Development (a title which can mean a lot of things, including helping a company identify strategic partners and targets for acquisition.)

5. When is the best time to go in-house?

Timing an in-house move depends largely on your career objectives. If your desire to go in-house is driven by an interest in switching to the business side of a company, you are probably better off making your move as a relatively junior associate. Once you have been practicing for a while, it will be more difficult, though not impossible, for business people to see you as anything other than a lawyer. If your objective is to become a general counsel somewhere, then staying at a law firm until you are at least a senior associate is often sensible. As a lawyer in a law firm, you will maximize your opportunity to hone your legal skills.

6. What are some of the advantages of going in-house?

Moving in-house does pose some significant advantages. Overall, in-house lawyers are a happier lot. Lawyers who have practiced in a law firm environment are happy to forgo recording their time in six-minute increments (some corporations do require attorneys to record their time but in much larger intervals.) In-house lawyers are happy to be rid of the pressure of the billable hour and the push to build up a book of business. They also enjoy delegating the nitty-gritty drafting requirements to outside counsel when the company is involved in a large deal.

Satisfied in-house lawyers indicate that they like having the chance to really get to know and live with one client over time. They like being part of the team, and they like having the chance to get more involved in the business side of a company.

7. What are some of the disadvantages?

Moving in-house is not without its potential disadvantages. When you leave a law firm, it is probable that you will have less opportunity to do cutting-edge legal work. Because there are generally far fewer attorneys in an in-house setting, you will probably have less opportunity for training as a lawyer and less opportunity to interact with other legal professionals.

If you work in a large law firm and you are accustomed to delegating work to paralegals and secretaries, in an in-house environment, you may find that you have less opportunity to leverage your time by using paralegals and other support staff.

One of the biggest disadvantages of going in-house is that it is riskier. In a law firm, you generally work for multiple clients. If one client is acquired or becomes insolvent, you usually have other clients who are still sending you work. If you work for a corporation and the company is sold or goes out of business, you need to find a new job.

Another major factor to consider is the trifocal issue of status, prestige, and autonomy. Unless you are generating income for a company through licensing deals, etc., you are
going to be considered part of the cost structure rather than part of the income side of the ledger. This often comes with a drop in status or prestige. In most companies, professionals who bring dollars to the company are afforded more power, prestige, and deference. In a law firm, a lawyer is someone who generates income for the company. In a corporation, you are a cost. As a lawyer in a law firm, you will probably have more autonomy on a day-to-day basis.

Finally, in a corporation, it may be harder to hide from a boss you do not like. In a law firm, many associates report to multiple partners. If there is someone you do not get along with, it may be possible to avoid that individual most of the time. There is less space to hide when you report to one or two people in senior management.

8. If I decide to go in-house, how easy is it to move back to a law firm?

Moving back to a law firm once you go in-house can be difficult, though it is certainly done. If you have more than six years of experience, most law firms are interested in what business you can bring to the firm. However, as an in-house lawyer, you probably do not have business to bring.

If you are entrepreneurial and you have made a point of cultivating business relationships throughout your career, some firms will see that you have potential to generate business. Perhaps you have made a point of meeting in-house counsel at other companies. If you have, these relationships can be a good source of future business for you at your new (or old) firm. Sometimes you can jump back into private practice by getting a promise from your existing employer that he or she will refer work to you.

9. What questions should I be asking when evaluating potential in-house positions?

Look at the reporting structure. Does the GC report to the CFO or CEO? Is the GC considered part of the senior management team? How do lawyers seem to be regarded in the organization? Have they had a lawyer working in-house or would you be the first? Do they understand that hiring you will not eliminate the need for outside counsel?

10. What is the best training for going in-house?

Being a corporate generalist is the best training for going in-house. Patent lawyers can also move in-house with relative ease. Litigators probably have the hardest time making the transition since many law departments continue to outsource their litigation work. If you are a litigator, a real estate lawyer, a tax specialist, or have a narrow area of specialization, then larger law departments are your best prospects.

Having a mix of corporate and employment law experience is very useful since every corporation needs this expertise. If you build good relationships with your clients as outside counsel, then there is ample precedent for non-corporate attorneys assuming the role of GC at a former client company.
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