



LARSON MADDUX

PART OF PHAIDON INTERNATIONAL ▼

MARKET UPDATE

The Rise of the General Counsel



INDUSTRY
INSIGHTS

All you need to know about
hiring your first General
Counsel

2023
USA Report

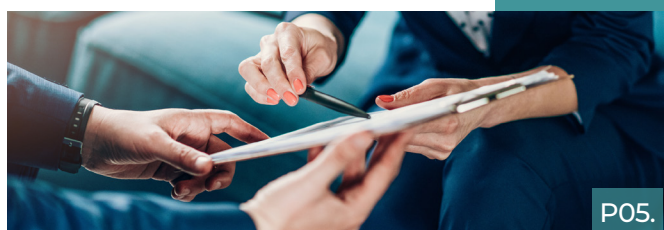


Contents

- 03. **Introduction**
- 04. **Considerations & all you need to know**
- 05. **When is the right time to hire your first in-house counsel?**
- 06. **Five benefits of having your own General Counsel**
- 07. **The financial value of a General Counsel**
- 08-09. **Who should that person be?**
- 10. **Key takeaways for those hiring**
- 11. **Key takeaways for legal professionals**
- 12. **Summary**
- 13. **Notable placements**
- 14. **About us**
- 15. **Contact us**



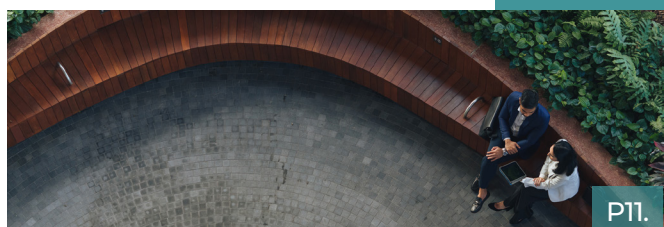
Considerations & all you need to know



When is the right time to hire your first in-house counsel?



Who should that person be?



Key takeaways for legal professionals



Summary



Introduction

In-house legal talent is crucial to organizations for a multitude of reasons.

Cost pressures, extensive new regulations, and advances in technology can be overwhelming to companies without the right regulatory and legal professionals to navigate such challenges. General Counsel (GC) talent may mitigate risks and prove cost-effective to organizations, but how should you best proceed if you want to hire legal talent?

And while our report is mainly for those hiring and the considerations they need to make, there are relevant pieces of information for professionals. If you are interested in a career move, or are just simply curious about opportunities out there, how can you best provide value to organizations?

Discover all you need to know about onboarding General Counsel talent into your organization, from the right time to bring in a General Counsel, to the core benefits of in-house individuals, and key takeaways for both those hiring and those specialists in the legal & regulatory space.





Considerations & all you need to know

The appropriate time for a company to hire its first General Counsel depends on a variety of factors, including the size and complexity of the business, its industry, and its legal needs.

Companies should consider hiring a GC when they reach a certain size or level of complexity that requires dedicated legal expertise and when the cost of outside counsel becomes more than hiring your own legal team.

This typically means when a company has grown beyond a small startup and has a significant legal presence, such as contracts, regulatory compliance, intellectual property, litigation, and corporate governance.

Based on a recent survey from Larson Madox with current privately held companies and start ups, the ideal time to hire your first in-house counsel is when your organization is roughly 250-500 employees.

Some companies may hire their first GC earlier (with as few as 10-50 employees), particularly if they are in a highly regulated industry or have significant legal risks, for example in Cryptocurrency, Manufacturing, Finance Services, Real Estate, and Transportation. The survey also showed that 80% of small to medium startup firms feel they are paying too much money for outside counsel and agree that hiring their own General Counsel would be more cost effective.

The decision to hire a General Counsel will depend on the specific needs of the company and its goals for legal support. It is important for companies to weigh the costs and benefits of hiring a GC and consider whether they can achieve their legal objectives with existing resources, or if they need to invest in a dedicated legal leader.





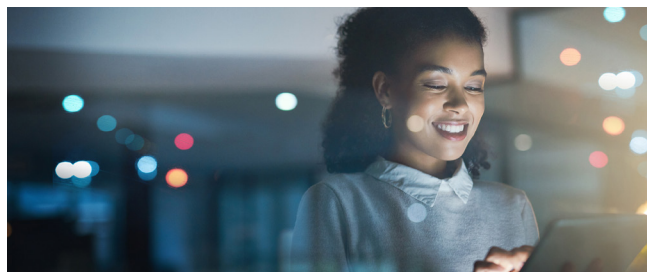
When is the right time to hire your first in-house counsel?

If you have decided to hire your first General Counsel, you then need to decide when would be the right time to do so. Here are five instances demonstrating when it may be best to start hiring your primary GC.



UPTICK IN LEGAL MATTERS

Your company is facing legal issues that requires constant attention and advice. Your business has grown to a point where legal issues are becoming more complex and require specialized expertise that cannot be provided by external counsel alone.



EXPANSION AND/OR MERGER

Your company is planning to expand the business and wants to ensure that legal considerations are integrated into your growth strategy from the onset.



CONTROL

You want to have more control over the legal advice and services that your company receives, rather than relying solely on external counsel.



RISK MITIGATION

You want to mitigate legal risks and ensure that your company is compliant with all relevant laws and regulations.



CROSS-DEPARTMENTAL COLLABORATION

You want to establish a legal department that can support and guide other areas of your company, such as HR, finance, and operations.



Five benefits of having your own General Counsel

There are a number of advantages to having a full-time general counsel in your organization.



1 EXPERTISE

They will have a deep understanding of the company's operations, policies, and culture/values, and can provide tailored legal advice and solutions that align with the company's specific needs and goals.

2 COST SAVINGS

It is typically more cost-effective than relying on external counsel. This is especially true if the company has a high volume of legal work, as external legal fees can quickly add up.

3 INCREASED EFFICIENCY

They can respond quickly to legal issues, reducing the time it takes to resolve legal matters. This can result in a faster turnaround time for contracts, negotiations, and other legal matters.



4 CONFIDENTIALITY

An in-house GC may have a better understanding of the company's confidential information and can best protect sensitive data.

5 INTEGRATION

They are integrated into the company's operations and can work closely with other departments to provide legal advice and support. This collaboration can help identify legal risks and ensure compliance across the company.



The **financial value** of a General Counsel

The financial value gained by utilizing internal counsel versus external counsel can vary depending on a variety of factors, such as the size and complexity of the legal matter, the hourly rates charged by external counsel, the level of expertise required, and the resources available to the internal legal team.

Internal counsel can be more cost-effective than external counsel for routine legal matters, such as contract review and drafting, employment law compliance, and general corporate advice. This is because internal counsel are already on the company's payroll and do not charge hourly rates like external counsel. Additionally, internal counsel are often more familiar with the company's business and culture, which can enable them to provide more efficient and effective legal services.

However, for more complex legal matters, such as litigation, external counsel may be necessary to provide specialized expertise and resources. In these cases, the hourly rates charged by external counsel can be significant, and the overall cost of the legal matter may be higher than if internal counsel were utilized. On average, companies with a revenue of \$100-\$150 million who handle the majority of their legal needs in-house, save approximately \$5.7 million annually or roughly 0.5% of their annual revenue.





Who should that person be?

Hiring a General Counsel can be a significant step for any company. Here are some things to consider when hiring your first-ever General Counsel:

QUALIFICATIONS AND EXPERIENCE

Look for someone with relevant qualifications and experience in the legal field. Ideally, the candidate should have experience working with businesses of a similar size and industry.

COMPANY VALUES/CULTURE FIT

The first GC at a firm needs to be entrepreneurial and not afraid of taking on different roles or responsibilities. Instead, they must be willing to embrace the challenge, and ideally someone that has already done the same role at another firm, rather than someone from a big firm who has had lots of support. Your GC will need to work closely with the company's executives and employees, therefore consider someone who shares the company's values and culture, and can work collaboratively with the rest of the team.

LEGAL EXPERTISE

The GC should have expertise in the legal areas that are most relevant to your business. This could include areas like contract law, intellectual property law, employment law, and regulatory compliance.

COMMUNICATION SKILLS

The GC will be responsible for communicating complex legal concepts to non-lawyers in the company. Look for someone who has strong communication skills and can explain legal issues in a way that is easy for others to understand.





Who should that person be?

STRATEGIC THINKING

The GC should be able to think strategically and help the company navigate legal issues in a way that supports the overall business strategy.

EXTERNAL COUNSEL

Consider whether the company will still need to engage external counsel for certain legal matters or whether the general counsel will be able to handle everything in-house.

LEGAL TECHNOLOGY

Look for a GC who is familiar with legal technology and can help the company leverage tools and platforms to improve legal operations and efficiency.

RISK MANAGEMENT

Your GC should be able to identify and mitigate legal risks to the company. Look for someone who can develop strategies to manage risk and ensure compliance with legal regulations.

TRACK RECORD

Consider the candidate's track record of success in previous roles, and find someone who has a history of achieving positive results for their clients or employers.





Key takeaways for those hiring

In-house legal talent is crucial to organizations. Outside of the recommendations we have already given, here are a few key takeaways to enable you to bring that talent onboard.



BE CLEAR

It is critical to identify what your requirements are before you commence hiring. Consider the type of person you want as a GC, such as the amount of relevant experience you want, and the necessary skills required, as well as the approved compensation range and targeted start date. Regardless of macroeconomic conditions, in a market where demand for top talent still exceeds supply for the most part, the need for hiring managers to be more strategic in their recruitment efforts is imperative.

BE STREAMLINED

Now you know what you want, the skills to hunt for, and the reason behind needing a GC in the first place, it is important to make the hiring process as smooth as possible. Top talent, no matter the market conditions, are always grappling with competing offers. Making the process as easy as possible, with clearcut timeframes and interview stages will portray your business in a more cohesive way, and will increase the probability of securing the professional you want.

BE FLEXIBLE

You will have a list of what you want if you have followed our guidance, but make sure the GC you are after actually exists. Work out what is a must-have, versus what is a nice-to-have. Decide whether you will consider candidates with different backgrounds, as this will widen the talent pool you can source from. Hiring managers should also be prepared to consider bespoke offers, treating each candidate uniquely. People join people, not companies, after all.



Key takeaways for legal professionals

If you are interested in a career move, or are just simply curious about opportunities out there, you hopefully now know about how you can best provide value to organizations, and the skillsets firms are looking for. Here are three additional takeaways for GC professionals:



BE TRANSPARENT

It is best to be upfront on what you want, rather than go through an arduous process for both parties to not have their expectations met. Just as we recommend to hiring managers to know exactly what you want in a candidate, professionals should be clear on what they want from a new career opportunity. Be upfront about the salary and benefits you are seeking when you are looking to make a move, and consider what is a non-negotiable versus what you are more flexible on.

BE REALISTIC

In the same regards, ensure that what you want isn't unrealistic. Have an authentic and honest communication with the talent partner representing you, but also be prepared to make compromises. There are plenty of benefits to being an in-house GC, so it is imperative to take the whole picture into consideration, including the role's location, opportunities for growth, and flexible working policy if applicable, as well as other perks.

BE INTERESTED

It may sound obvious, but show your passion and knowledge when going for a role. If you are going to be sole / first GC in an organization, they are looking for a real advocate who genuinely wants to make a difference. Demonstrating you have done your research on an organization, and how your skills can relate back to this firm is fundamental to standing out from the crowd.



Summary

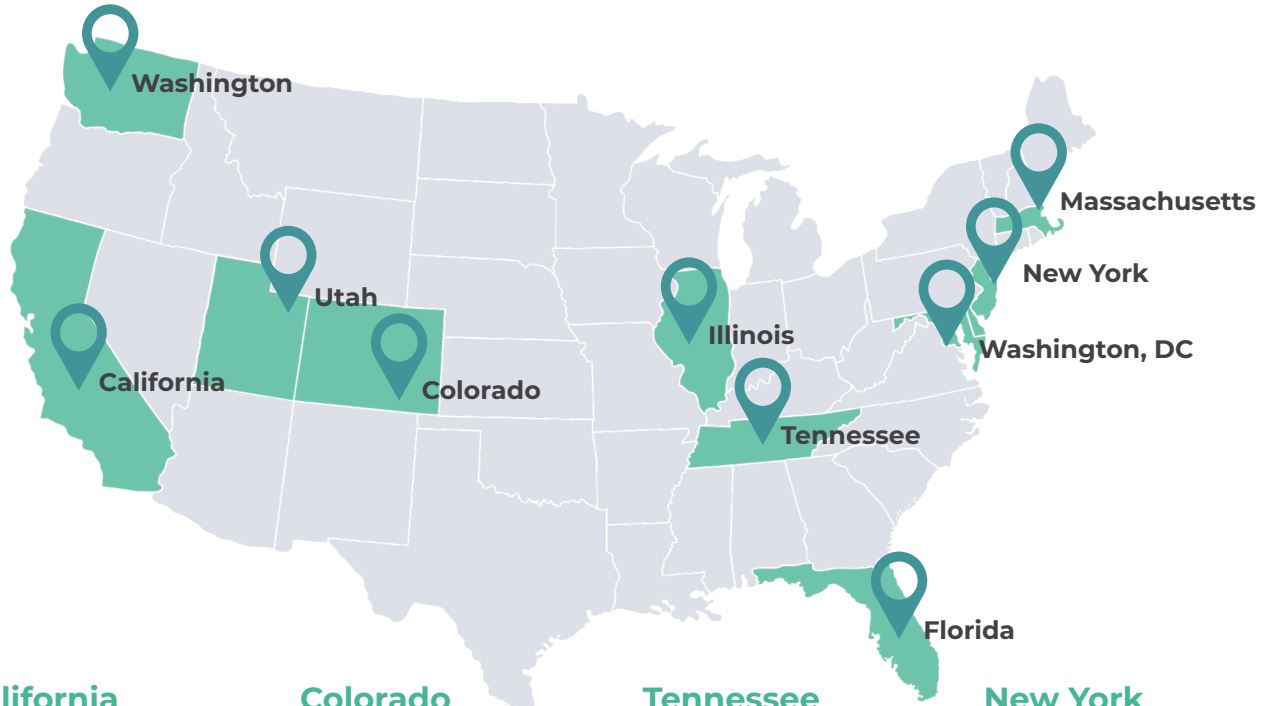
In summary, one of the best ways to proceed if you want to hire legal talent, or you are considering a move as a General Counsel yourself, is to engage with Larson Maddox. As a leading talent partner to the industry, we are here to support both professionals and hiring managers in the legal & regulatory industry with salary guidance, top trends and key takeaways to help you achieve your goals.





Notable placements

Larson Maddox has successfully hired first-time General Counsels for numerous clients. Here are some of the notable General Counsel placements Larson Maddox has made:



California

Series A Social

Media App
\$315k Base Salary +
30% Bonus + Equity

Venture Capital Firm

\$400k Base Salary +
Carried Interest

Crypto VC Firm

\$360k Base Salary +
Bonus

Renewables

\$275k Base Salary +
Bonus + Equity

Utah

Public SaaS Company

\$315k Base Salary
+ 25% Bonus + 25%
Annual Equity Grant +
\$75k Sign on Bonus

Colorado

Food & Beverage Manufacturer

\$375k Base Salary +
75-100% Bonus + LTI
(all-in totaling ~1M)

Illinois

Chemical Manufacturing

\$400k Base Salary +
30% Bonus

Venture Capital Firm

\$350k Base Salary +
50% Bonus + Equity

Trading Firm

\$300k Base Salary +
30% Bonus + Equity

Crypto VC Firm

\$600k Base Salary +
30% Bonus + Equity

Insurance

\$340k Base Salary +
15% Bonus

Tennessee

Retailer

\$350k Base Salary +
50-75% Bonus + LTI

Florida

Food & Beverage Manufacturer

\$350k Base Salary +
LTI

Massachusetts

Biotech Company

\$340k Base Salary +
40% Bonus + Equity

Washington

Biotech Company

\$375k Base Salary +
40% Bonus + Equity

Washington, DC

Construction

\$300k Base Salary +
Bonus + LTIP

New York

Private Equity Investment Firm

\$300k Base Salary +
100% Bonus + Long-
Term Incentive Plan

Private Investment Management Firm

\$475k Base Salary +
\$200k Bonus + Carried
Interest

Private Markets Impact Investment Manager

\$400k Base Salary +
\$300k Bonus + Carried
Interest

Energy Storage Company

\$300k Base Salary +
Bonus + LTIP



About Larson Maddox

At Larson Maddox, we give essential guidance to leading firms by connecting them with the best in-house counsel talent for their regulatory & legal needs.

From data privacy and formalizing financial resilience, to ensuring umbrella companies are compliant and approving innovative technologies for use, an ever complex regulatory landscape is emerging. Through an increasing amount of laws and governance comes the need to secure the right talent to scale for growth, but also to protect your organization best.

With Larson Maddox as your leading talent partner, you can rest assured that you have the expertise needed to succeed in a regulated market.

Our Specialisms

- In-house Counsel
- Legal Operations
- Contract Management
- Compliance
- Regulatory Reporting
- Government Affairs
- Regulatory Operations
- Data & Privacy





Contact Larson Maddox

[UPLOAD YOUR RESUME](#)[SUBMIT A VACANCY](#)[NEW OPPORTUNITIES](#)

Telephone: 646-647-3950

Email: legalusa@larsonmaddox.com

If you are interested in hiring your first General Counsel, want to get an idea of the GC candidates we work with or simply discuss options and find out more about our research please feel free to reach out to our General Counsel experts:

Jake Knowlton-Parry

Managing Director, Global Head of Larson Maddox,
New York

[Contact Jake](#)

Nesreen Ballut

Senior Vice President, Head of Regulatory & Legal Midwest,
Chicago

[Contact Nasreen](#)

Garrett Rosen

Associate Vice President, Head of Technology, Media & Entertainment West Coast,
Los Angeles

[Contact Garrett](#)
