

IN-DEPTH: WHY DOES A CORPORATE LEGAL DEPARTMENT NEED A STRATEGY?



Isn't it enough if she just does her job very well? And to do it as conveniently as possible for the company?

No - that is not enough, we think. This is already evident from the fact that the provocative questions above raise counter-questions.

What is "the work of a legal department"?

How must the legal department act in order to do its work "very well"?

What is as cheap as possible for the company - and what might be too cheap?

The optimal answer to these questions for the respective company is of increasing importance, especially in globally active companies. The reasons for this are not only to be found in the constantly growing juridification of the business world, which leads to increased demands in the assessment of complex, global and liable facts. A strategy is also required to meet the ever-increasing challenges that corporate legal departments face due to increasing cost and resource pressure.

As their importance grows, so does the demand of legal departments for their own role: they no longer want to be just service providers, but an integrated part of the business. Together with the management, the legal department wants to drive the business forward and achieve the business objectives. In such a model, the new role of the corporate lawyer as a "trusted business partner" requires every member of the legal

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department to act entrepreneurially and take responsibility.

Therefore, at the beginning of the decision on the introduction and establishment of the legal department, the question is whether and to what extent internal legal advice by a fully qualified lawyer is even necessary. For small and medium-sized companies with a constant risk structure (such as real estate agents or property managers), it may be sufficient to employ someone in the sales department to assist with contract negotiations as soon as the volume of work justifies this. Basic knowledge of contract law, which experienced non-legal employees certainly have, is sometimes no longer sufficient here. In-depth legal advice is sometimes necessary for these (clerical) activities; otherwise, it can be purchased externally in individual cases. The same applies to necessary support in special legal issues such as corporate, environmental, export control or criminal law. If the legal risks to which a company is exposed increase, or if legal issues that can only be resolved by fully qualified lawyers occur so frequently and regularly that the acquisition of legal expertise becomes uneconomical, it makes sense to set up an in-house legal department. In this way, tailor-made legal advice can be provided more cost-effectively, more quickly and with better knowledge of the operational business.

Extract from: Häring in Beck'sches Formularbuch für die Rechtsabteilung, B. II. 1.