

Lawyers Today - - Business Leaders Tomorrow?

When John Carey '83 left private practice after eight-years, he was ready for a change. John eventually landed a role at MBNA America Bank as a Senior Executive Vice President – a successful transition from legal practice to business. While moving into the business world has always been of interest to law graduates, the number of lawyers attracted to such a transition seems to be on the increase. How do attorneys transition from traditional legal practice to the business world where financial and marketing skills are required? In addition to the different skill set utilized by business leaders, how do lawyers make the transition when entrenched stereotypes exist that hinder such a change?

Lawyers have and will continue to overcome stereotypes and achieve leadership roles in business. Perhaps a switch from law to business may even be more natural than first thought, particularly by those who have been transactional lawyers and worked with business clients in structuring and financing many “deals.” These lawyers offer an understanding of the business world from the other side of the table and develop the credibility that is required for making the transition into business.

Law school graduates follow a variety of career paths, and the contributors to this article reflect that variety. From practicing in a traditional law firm setting for years to the rare graduate who started a business right after leaving law school, there is no one “right way” or “right time” for starting a successful business career. Your career path, when leveraged properly, will allow you to chart your own course into the world of business.

Reputation of Lawyers in Business

“While lawyers know the law, they do not understand the business world.” Unfortunately, this perception is prevalent throughout the business community. Corporate executives, who are likely to be MBA graduates, have effectively relegated attorneys to the compliance and risk management functions of most companies – often labeled “cost centers.” After all, lawyers are specifically trained to analyze complicated regulatory and legal issues. Moreover, lawyers that have practiced for a number of years develop time management habits that may not transfer well into business roles. According to the Financial Time’s article, “Tired lawyers are bad for the bottom line,” lawyers are devoted to a national religion of overwork and must learn that sometimes you have to work less to make more money. Researching to extremely fine detail and maximizing “billable hours” can be foreign concepts outside the law firm world. Conversely, business managers, wearing their MBA as a necessary credential, are deemed better suited to quickly understand opportunities and make definitive decisions in a timely manner.

As someone with private practice experience, Scott McDonough '97, spent several years with New York and Palo Alto firms before assuming the role of President and co-founder of LoveSac Corporation, a company selling unique furniture items. Scott is now with a venture capital fund, vSpring Capital, as he continues his career in the business world. In addition to the cost center and time

management stereotypes, Scott cautions lawyers hoping to transition out of law practice to prepare for bias against their financial and strategic decision-making ability. Based on his experience, the prevalent stereotype is that attorneys are “risk averse” and lack the financial experience necessary to be effective business leaders.

While this continues to be the prevailing attitude, there are some indications that this negative reputation is changing. The December 2004 BusinessWeek article, “A Compelling Case for Lawyer-CEOs,” provides a great overview of why companies are placing lawyers at the business helm. Facing ever-growing regulatory and legal requirements, business leaders are being forced to recognize that legal skills are a tremendous asset and complement to the leadership role.

Kai Tamara Hare '85, began a career in private practice doing domestic and international corporate finance, and from there she moved on to spend six years as CEO of nuServe, a venture-backed risk management software company she founded. Kai points out that many strong business leaders started their careers by practicing law, including individuals such as Michael G. Cherkasky, Kenneth Chenault, Richard Parsons, Charles Prince, III, and Summer Redstone. According to Spencer Stuart, a leading headhunting firm, 10.8% of CEOs from Standard & Poor's 500-stock index companies have law degrees.

Making a Transition from Law to Business

The transition from law to business is understandably easier for attorneys who have had direct education or experience in business management, finance, or operations. On the other hand, such a transition is especially challenging for attorneys with limited exposure to the financial and management skill set so valued by the business world. Individuals with strong litigation-oriented backgrounds will need to be very creative in finding ideal learning opportunities. Some examples may include taking business/accounting classes or serving in a finance position for a residential/homeowners' association.

John Carey of MBNA advises that once you have developed a business-oriented skill set, an in-house counsel position is a great transitional role from law practice to business. In-house lawyers have a unique advantage in experiencing “business partner” roles and thus applying the necessary financial, sales, and operational savvy to make a total career switch out of law practice. For example, as former General Counsel at Prism Solutions, Kai Tamara Hare agrees that “being in house gives you an opportunity to get training through your business partner while counseling on the transaction.” During her tenure at Prism, Kai worked with the global enterprise sales teams and gained an understanding of the work processes, sales negotiations, and profit calculations needed for that business segment.

Above all, making a lasting career transition from law to business requires goal setting and focused career planning. “Take a look at different individuals at the top, and then ask yourself – is this a career I want to achieve, and what would it take for me to get there?” According to Chris Tiso '95, entrepreneur and founder of ATS Environmental Services of New York, NY, if you can answer this question you are on the way to making the right decisions. If you have a strategy and a plan, you can

leverage your legal skills, oral advocacy skills, and can network your way to where YOU want to be!

Credibility from a Law Degree

Chris Tiso, now a member of the prestigious Young Entrepreneur Organization, is not alone in experiencing the credibility with which a law degree is received in the business world. “Having a law degree validates you and others naturally respect you.” Another supporter of that belief, Scott McDonough, finds that “people assume you are smart and capable because of your law degree.” In business, having credibility is essential for building and maintaining relationships. Lawyers arrive on the scene with this built-in credibility, and thus can often leverage their unique academic background, despite limited finance or management experience, in a way that many MBAs cannot.

Steven Shapiro '87, Project Manager at Whiting-Turner Contracting, practiced law for many years before deciding that a new career working with contractors was right for him. Steven believes his law degree has been a major source of credibility in making tough business decisions. “As a result of my legal training and work experience, I am familiar with the potential risks involved in making difficult business decisions. My law degree gives me confidence to stick with my decisions, even in the face of potential litigation. Other business leaders would find it difficult to make similar decisions because of today’s litigious business environment.”

Moreover, in business negotiations, a law degree offers credibility when working with attorneys involved in finalizing “a deal.” According to Stefka Kavaldjieva, a 2006 Georgetown Law Center graduate, who took an opposite career path from banking to law, the managing director at her former bank brought a huge advantage to the deal table because he had practiced law. “He understood the language of lawyers, he could read their gibberish, and hence grill them more effectively. All the lawyers respected him, because even though he was now a banker, he wasn’t like the other bankers.” Overall, lawyers bring unique credibility to the “deal table” – and can masterfully handle working and negotiating with lawyers.

Passion

What separates successful business leaders and entrepreneurs from the pack is an inner drive and passion for what they are doing. When Chris Tiso began ATS Environmental Services soon after graduating from law school, he was unsure of how things would turn out. Even so, Chris was passionate about fulfilling the needs of a growing environmental testing market and providing his customers with superior service. Ten years later his enterprise employs over 100 geologists, engineers, and compliance specialists. Chris puts a great deal of emphasis on passion. “To leverage your own passion,” Chris recommends, you “focus on your strengths, spend your time on those strengths, and be excited about your ideas, interests, and goals.” This may be easier said than done, but success is much more likely when your job and your passion are aligned.

Sandra Velvel, a 1997 graduate of the George Washington Law School, left legal practice in New York City after two years to work at the News Hour with Jim

Lehrer and on PBS documentaries before following her dream of owning a home furnishings store. Today she owns “Vivi,” a contemporary home accessories and furniture store in Bethesda, MD. Sandra reflects on her career moves: “While I appreciated the challenging intellectual aspect of practicing law, I was not passionate about it. Now that I own my own business and work in a field I enjoy, I am still challenged every day, but now I look forward to going to work and don't notice the long hours.” Opening her own business allowed Sandra to pursue a career she felt passionately about, even though it also meant taking a chance and foregoing financial security.

Legal Communication and Knowledge

Law school offers an unparalleled opportunity to refine both oral and written communication skills along with building knowledge of the law. Such a background is invaluable to all lawyers turned business leaders as professional verbal skills are greatly needed and sought after. Within the small business context, Sandra Velvel believes her legal education trained her in effective communication skills. “If there is a conflict with a customer or vendor, I am comfortable addressing the situation and communicating my position in an effective yet amicable way.”

Steven Shapiro spent 14 years in legal practice before entering the construction and contracting industry. “My legal background improved the effectiveness of my communications – and strong oral and written communication skills are a tremendous asset in the business world.” Overall, lawyers have a “leg-up” on others and should highlight their ability to utilize the written and spoken word in dealing with customers, investors, and fellow employees.

Networking

Attorneys who transitioned to business highlight repeatedly the importance of building relationships. Kai Tamara Hare advises making friends at all levels of the organization. “Security guards, receptionists and most important the assistants, can be your best allies into the knowledge flow of the office. You get to learn what is really going on at the office as well as building access with the gate keepers.”

Greg Bryan '96, spent a short time practicing law before joining Wells Fargo where he served in marketing and strategic business roles. Now Greg is an entrepreneur and founder of Le Bar Chocolat in San Francisco, and he consistently uses the “Contacts” feature in Microsoft Outlook to keep track of former colleagues, employers, clients, professors, and classmates. Greg recommends maintaining those relationships, because if people remember you, you will be given priority when asking for a favor.

Miriam Sanders Miller '98, Senior Counsel for Seneca One Finance, used her network to find a mentor after graduating from Georgetown University Law Center. “Find someone you trust and respect to be your mentor,” explains Miriam. She believes a mentor relationship was invaluable in helping to shape her exposure to both business and law, exposure that took place when she started law school after twenty-six years working for Montgomery County, Maryland.

For more details on the networking process, see “Ins and Outs of Networking.” The article is accessible at the following web address: <http://www.law.georgetown.edu/career/documents/TheInsandOuts.pdf>.

Conclusion

A few pieces of advice stand out again and again when talking with successful law school graduates in the business world:

1. Understand the prevailing, but changing, reputation of lawyers as members of cost centers rather than profit centers.
2. Gain new business skill sets by challenging yourself, taking risks, and pursuing new opportunities (perhaps with classes and in-house counsel opportunities).
3. Use your credibility as a lawyer wisely and exhibit comfort when taking risks and making tough decisions.
4. Find a position that builds on your passions and interests.
5. Leverage the skills learned in law school, including substantive knowledge of the law and confident communication skills.
6. Build and maintain strong personal relationships and utilize your network for finding new opportunities.

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