

Inside Counsel

COVER

CREATIVE COUNSEL

The 2008 IC-10

Recruiting. Training. Outside Counsel Management.

Risk Mitigation. Document Management.

These are common challenges faced by legal departments everywhere. What is not common is finding new and effective ways of meeting them.

Our 2008 IC-10 winners did just that—they came up with ways to manage their work, their costs, their departments and their time with innovative solutions to everyday problems.

This fourth annual IC-10 issue showcases a variety of solutions from legal departments of all sizes in many types of companies—from a one-person department at a construction company where the GC turned techie to develop a wage-and-hour compliance tool to a huge chemical company's department where an aggressive approach to recoveries is netting hundreds of millions of dollars.

Our winners have one thing in common, though: They are all willing to share what they've learned with their peers. So take a look at what they've done—you just might find an idea that will work for your legal department, too.

IC 10

IC¹⁰ CITIGROUP INC. FRESH RECRUITS

ONE OF MIKE SHARP'S MAIN GOALS as general counsel of Citigroup's Global Wealth Management division is to fill his legal department with the most talented people he can get, but there are limitations to hiring in-house attorneys. Traditionally, like most legal departments, Citi hired its lawyers from law firms and other in-house departments.

"That worked relatively well," Sharp says. "But we wanted to do something more than that. We wanted to try to change the model and get the most talented people in early."

Recruiting directly out of law schools would allow the department to access an as-yet untapped resource, but Sharp thought depriving law students of the basic legal training a law firm provides would be doing them a disservice.

So Sharp and his legal team decided to turn the traditional model of in-house recruitment on its head with CitiSelect, a multiyear recruitment and training program aimed at finding the country's most promising law students and customizing their legal education for an in-house career. The first-in-its-industry program, which launched last summer, kicks off with a summer internship, split about 70-30 between one of Citi's partner law firms and Citi. Then after graduation, the lawyer does a "reverse secondment," working at the law firm for about three years to get nuts-and-bolts legal training before finally landing as an in-house lawyer at Citi. "It was so obvious that it's shocking to me we hadn't done it before," Sharp says.

He had no problem getting top-notch Manhattan law firms on board—the firms have some self-interest in developing closer relationships with Citi, of course, but they also appreciate the unique program, and Sharp has had to turn

some away. In its first year, three firms were involved, and this year seven are participating: Paul, Weiss, Rifkind, Wharton & Garrison; Bingham McCutchen; Cleary Gottlieb Steen & Hamilton; Davis Polk & Wardwell; Shearman & Sterling; Skadden, Arps, Slate, Meagher & Flom; and Wilmer Cutler Pickering Hale and Dorr.

"My goal here is that these kids will get exactly the same experience that every other law student gets who comes into the law firm. That's proving to be the case, in part because the law firms are so busy right now, but in part because the law firms are using these kids and not treating them any differently than they treat somebody not in the CitiSelect program," Sharp says.

We can start to populate our own roles, which leads to the ultimate goal of being better at the business of practicing law on an in-house basis.

But when changing the status quo, some skepticism is to be expected.

"The initial hard sell is with students," Sharp says. "This is a new idea. Law students learn to follow precedent, and when it comes to being hired, the precedent is that you either do public service work or you work in a law firm."

From the perspective of Sarah Spurgeon, a third-year Harvard Law School student in CitiSelect's second summer class training at Davis Polk, the program has created a third avenue that was sorely lacking in today's legal career landscape.

"If you talk to most law students nowadays, they realize that most



people are not going to be on the partnership track," she says. "A lot of students go to a law firm to get great training, work hard, learn a lot and give to the firm where they're hired. But they really have an intention to go to the business side, maybe consulting, go into politics or, like me, go in-house."

So for Spurgeon, CitiSelect fills a few gaps: an alternative to the post-JD law firm track that still provides law firm training, a future spot at Citi, already reserved, and a bridge from one to the other. And

her experience has lived up to what it promised: Spurgeon raves that at both the law firm and Citi, training is top notch and highly individualized. For instance, when she expressed an interest in the international side, Citi arranged for her to work out of an overseas office.

"When I tell my peers at Davis Polk about the program, or even tell first- and second-year associates, they're just flabbergasted," Spurgeon says. "They can't believe such a great program exists."

It is Sharp's hope that such word of mouth will erase any doubt about the program from promising law students' minds, and he thinks the program will

really hit its stride when the first round of CitiSelect students are placed within the company in a few years. But already, word about the program is spreading.

“We’re finding that more students are reaching out to us, and I have deans of career services offices at many schools reaching out to me,” says Nicole Oustatcher, director of CitiSelect. “There is a buzz out there, and hopefully that will continue to grow.”

The program also will continue to grow. Sharp still wants to develop an in-house training module—not only for the CitiSelect lawyers but for the entire legal team. Down the line, he

aims to build up a pool of CitiSelect-cultivated talent that will set the foundation for a new generation of Citi lawyers.

“We can start to populate our own roles, not only from outside counsel but through the program, which leads to the ultimate goal of being better at the business of practicing law on an in-house basis,” Sharp says.

For legal departments interested in creating a similar recruitment program, Sharp cautions that it hasn’t been easy to do. “Unless you’re committed, it doesn’t happen naturally. It takes an entirely different way

of thinking—setting up a budget, going out and recruiting, getting the in-house lawyers to be your interviewers,” he says.

Only time will tell what CitiSelect eventually could yield, but for now Sharp’s team is focusing on the heart of the program: its students.

“For me, and for all of us at Citi involved in this program, the litmus test for the program will be the success of these kids,” Sharp says. “We are going to be heavily invested in making sure they are successful because they are the future of this program.”

—MELISSA MALESKE