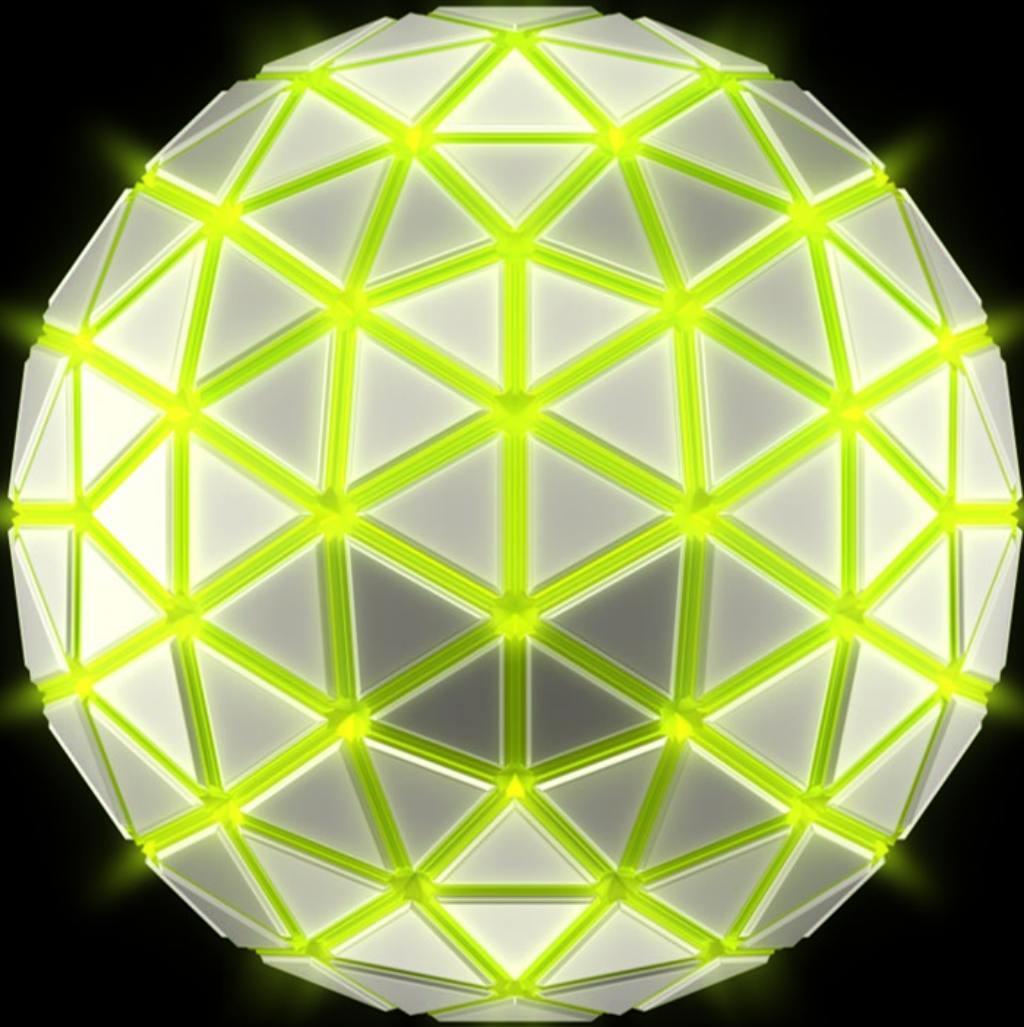


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The four faces of the
chief legal officer,
second edition

Today's chief legal officer (CLO) is multi-dimensional. In addition to being a legal tactician, today's CLO is also a strategic thinker and a senior executive, operating at one of the highest and most impactful levels of an organization. In a 2023 survey, 81% of CLOs in the US, and 66% of CLOs globally, reported directly to the CEO.¹ More than half also have the corporate secretary role, 78% were responsible for compliance, 51% were responsible for risk, and more than a third were responsible for ethics (47%) and risk (44%).² Increasingly, CLOs are also taking on more non-traditional areas of responsibility, including cyber and ESG/sustainability.³ Thus, as their role widens, CLOs may find themselves considering how best to focus their time and efforts to navigate the increasingly complex role across an increasingly diverse set of responsibilities. To be successful, a CLO can divide their time between "four faces": **Catalyst**, **Strategist**, **Guardian**, and **Operator**.



Catalyst
Provide critical legal guidance and innovative solutions that drive the organization forward



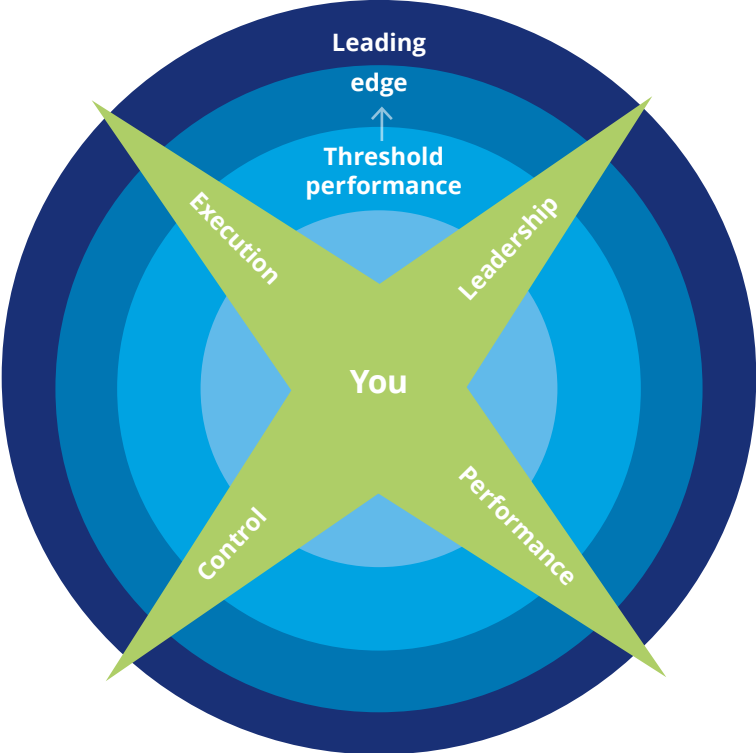
Strategist
Align legal and business strategies to enable value creation



Guardian
Guide legal and regulatory matters for the business, mitigate risk, and protect brand and reputation



Operator
Optimize legal efficiency and effectiveness to best serve the business



The faces



Catalyst

A catalyst enables competitive advantage by bringing a legal lens and the critical guidance needed to facilitate the executive leadership team's ability to select the right path forward and set the tone at the top for the business.

Some responsibilities that may be associated with the catalyst role include:

- Assess whether business is carried out in the right way; develop the corporate risk profile and a strong company-wide compliance framework
- Empower the legal team to serve as trusted business advisers who are sought out to proactively help the business develop solutions
- Take the lead in building a strong corporate culture that is aligned with the company's values around compliance and integrity
- Challenge the status quo as a change agent
- Drive client satisfaction and experience with legal as a value-added service



Strategist

As a strategist, the CLO is positioned to bring clear legal strategy which supports and enables business strategy. The CLO provides the senior executive team with legal guidance that enables achievement of growth objectives.

Some responsibilities that may be associated with the strategist role include:

- Build strong relationships with leadership teams
- Build strong relationships with board members
- Understand the strategy and value creation levers for the business and reflect them in your legal strategy
- Serve as a trusted business adviser that proactively engages management and the board around strategic business issues
- Anticipate and proactively develop a strategy to address changes in regulatory requirements and public policy



Guardian

In guardian mode, the CLO guides legal and regulatory matters for the business, navigating complexity while mitigating risk. This is often the foundational responsibility for the in-house legal team.

Some responsibilities that may be associated with the guardian role include:

- Guard corporate integrity and embody tone at the top within the legal department
- Understand business and compliance risk
- Maintain clarity between the role of the board and management
- Identify and remediate exposure to brand and reputation risk
- Manage governance approach on regulatory and legal issues



Operator

An operator spends time focusing on how to optimize the capabilities, talent, service levels, costs, and legal structure required to serve their business partners in an optimal manner.

Some responsibilities that may be associated with the operator role include:

- Create leadership development and succession plans for the legal function
- Develop and implement key performance metrics for the legal organization and its outside counsel
- Identify skill and subject matter expertise gaps and develop plans to fill them; identify and implement technology solutions for the legal department
- Refine the legal operating model to increase effectiveness of legal services
- Develop accurate forecasting and reporting of legal spend

While it is a useful exercise to think of your role using this framework, in the daily grind of CLO life the delineation of tasks isn't always so clearly segmented. Often, a CLO's top priorities will span two or more faces. Listed below are the top five most cited priorities legal executives identify for themselves:⁴

- Create leadership development and succession plans for the legal function
- Empower team to serve as trusted business advisers and proactively help the business develop solutions
- Shape organizational culture, set tone at the top
- Anticipate legal and regulatory scrutiny and proactively develop creative solutions to achieve business goals
- Build strong relationships with leadership team

It is interesting to compare the top priorities of CLOs in 2023, versus the top selected priorities from 2018:⁵

- Develop internal stakeholder relationships
- Manage legal talent
- Align legal priorities and resources with corporate strategy
- Manage risk and regulatory approach
- Optimize the legal operating model and structure

This shift in priorities is encouraging as it seems to suggest an evolution in the CLO's focus from reactive to proactive, from manager to executive leader.

For more on the evolution and changing responsibilities of the CLO role, explore the articles listed in the appendix.

These priorities often have components that touch more than one face. For example, the priority "empower team to serve as trusted business advisers and proactively help the business develop solutions" may involve elements of the strategist role, understanding (and potentially influencing) the corporate strategy and its relationship to the legal department's strategy. It may also touch on the catalyst role if restructuring the legal function to enable a closer relationship to the business or more tech-enabled service is required. And, it could touch on the operator role, implementing processes and procedures for the legal team to help them move into alignment and training individuals within the legal function to better understand the business and how to enable growth.

In the same way, the priority of creating "leadership development and succession plans for the legal function" may appear to be a straightforward operator priority. However, if the organization has recently acquired talent through a merger, if there is a significant strategic shift for the organization, or a move toward a more tech-enabled legal department, leadership development and succession planning could be a strategist priority. It may even be a catalyst

priority—if the talent plan is designed to help influence the global risk profile, for example. The four faces exist simultaneously, and the CLO's ability to navigate each should be fluid.

Time spent

Deloitte's research suggests that most CEOs and boards want CLOs to spend about 60%-70% of their time in the catalyst and strategist categories, with the remaining 30%-40% in the guardian and operator categories.⁶

However, new CLOs (those with 12 months or less in any CLO role, either with their current employer or elsewhere) report that their time allocation is often reversed.⁷

New CLOs

	Current time spent	Target time spent
Catalyst	21%	31%
Strategist	18%	35%
Guardian	39%	21%
Operator	22%	13%

Source: Deloitte research⁸

Even experienced CLOs (defined as those with more than 12 months in any CLO role, either with their current employer or elsewhere) may sometimes find it difficult to synchronize their time allocation to meet the expectations of their CEO and board.

Experienced CLOs:

	Current time spent	Target time spent
Catalyst	23%	28%
Strategist	27%	43%
Guardian	30%	17%
Operator	20%	12%

Source: Deloitte research⁹

While experienced CLOs are spending more time than new CLOs in the catalyst and strategist categories, both new and experienced CLOs aspire to allocate more time than they are currently spending in the catalyst and strategist faces.

Time better spent

How do CLOs manage their time so that they can devote energy to the strategist and catalyst priority? The answer is often a focus on building a strong legal operations function, and/or creating leverage in the legal department to manage the guardian and operator functions. While it may be necessary for new CLOs initially to spend 60%-65% of their time as guardians and operators (fixing or restructuring what they inherited), it is essential that new CLOs avoid dedicating the majority of their time to these responsibilities over the long-term as this could signal to the rest of the C-suite that the CLO cannot contribute on a strategic, executive level.

Additionally, if there is not already a strong legal operations leader in place, finding one should take top priority. In fact, when we've checked in a year after a CLO has taken the helm of a legal department, the number one regret is not having made talent decisions sooner—putting the right people in the right role, realigning the team, or separating individuals who are difficult or have skills that aren't aligned with the department's needs.

When CLOs do fail to transition from the initial need to act as a guardian and/or operator it is often because the CLO has a high degree of comfort in those roles, and likely has been well rewarded and recognized for their performance in managing those roles. It is critical to the CLO's success that they learn to effectively delegate the operator and guardian responsibilities and evolve thinking and behaviors to demonstrate competency in the catalyst and strategist roles.

Seldom does a CLO struggle to perform in the catalyst and strategist roles because the CLO isn't given the appropriate platform or authority.¹⁰ On the rare occasion when this happens though, it may be advisable to think about an exit plan as one potential path forward.



Final thoughts

The role of the CLO continues to grow in importance with increasing influence at the most senior levels of leadership. To be successful in the role, a CLO should learn to skillfully navigate the four faces of the CLO, focusing most of their time and effort in the catalyst and strategist roles.

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Appendix

Learn more about the evolution and changing responsibilities of the CLO role in the following articles:

- [The CLO strategist: A new kind of legal officer for the modern business](#)
- [Business Chemistry for Chief Legal Officers](#)
- [Chief legal officers and leadership](#)
- [What CLOs can learn from the product counsel's lens](#)

Find all of Deloitte's thought leadership and insights for CLOs and in-house counsel [here](#). Subscribe [here](#) to receive insights as they are published.

Endnotes

01. Association of Corporate Counsel, "[2023 Chief Legal Officers Survey](#)," 2023.
02. Ibid.
03. Deloitte, "[A tale of trust and transformation: Highlights from the 2022 CLO and CCO strategy survey](#)," 2022.
04. Unpublished Data, Deloitte CLO Program, January 2022 – January 2023.
05. Ibid.
06. Ajit Kambil, "[Navigating the four faces of a functional C-level executive](#)," Deloitte Insights, 28 May 2014.
07. Unpublished Data, Deloitte CLO Program, January 2022 – January 2023.
08. Ibid.
09. Ibid.
10. Ibid.



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