

Grooming the Next Generation of In-House Counsel

CORPORATE COUNSEL

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Externs in one of the corporate counsel classes at SMU Dedman School of Law. Photo: Kristy Offenburger

By Stephen B. Yeager

Law students these days are clamoring for practical legal experience, and corporate legal departments provide some of the best opportunities for them to get that experience in a wide range of practice areas and industries. Unfortunately, very few law schools provide experiential learning opportunities in corporations.

As a former general counsel, I set out to give our students a glimpse of what it is like to work in-house, and to teach them about substantive topics encountered in corporate legal departments. Wanting an academic program that would do this, I led the development of our corporate counsel externship program in 2013. As the faculty supervisor, I work with Professor Marc I. Steinberg, director of the program, to place third-year law students in corporate legal departments where they work 10 hours per week. At the same time, these students take a weekly class that complements their work, exploring topics like corporate governance, risk management, compliance, SEC reporting, employment law and commercial real estate leases. Students are not compensated by their companies. They receive four hours of academic credit for successfully completing the program.

This year marks the completion of the third year of the program, and with 50 different corporations participating, it has been a resounding success. To date, more than 100 students have been matched with companies like AT&T, Hewlett-Packard Company, Baylor Scott & White Health, Fluor Corporation and the Dallas Cowboys Football Club. We not only met our initial academic goals for the program, but we discovered side benefits that we never imagined when the program started. We also faced some challenges along the way. In this article and the three that follow, I want to share those benefits and challenges. Together they show that when properly structured and supervised, corporate legal departments can be very valuable places for law students to learn.

Law students take a required first-year curriculum, and in the second year they branch out to electives and bar courses. By the time they become 3Ls, they want the opportunity to apply what they have learned in the real world.

Our externship program synthesizes what our students have learned in their other classes with what they learn in the field and in the corporate counsel class. Stacy Phillips, who externed at Reddy Ice (the largest manufacturer of packaged ice products in the United States), described the program as the "icing on the cake" of her legal education because it allowed her to apply legal concepts she learned earlier in law school. "Property was my 'Achilles heel,'" she said. "I really didn't have a frame of reference for any of the topics covered. It all suddenly made sense after spending a substantial amount of time with various titles, title insurance policies, and land survey plats in my externship."

Contracts is another area where first-year concepts suddenly come together for externs. In the classroom component of the program, in-house counsel teach students practical aspects of contracting like which state law to use in a choice of law provision, how "indemnification" works, the "nuts and bolts" of a commercial lease agreement and negotiation strategies. In addition, in their externships students draft and revise contracts under the supervision of attorneys who handle them on a daily basis. In their end-of-semester evaluations, students routinely list helping attorneys review, draft and redline contracts as one of the most valuable learning experiences they had.

Cheyenne Rogers, who worked with Interstate Batteries in the first year of the program and is now an associate at Bracewell in Dallas, observed, "Until the externship program, I had never actually read a contract in a legal context in my two and a half years of law school, if you can believe that! I loved getting the opportunity to put my legal skills into a real-life context that didn't feel like an internship. I was doing substantive work for Interstate Batteries, like reviewing contracts and assessing the risks to the company."

Placing students in companies, industries or practice areas in which they want to work also plays an important role in making externships capstone experiences. Matching 50 students with 50 different companies is somewhat like putting together a huge jigsaw puzzle. As part of the application process, I try to get as much information as possible. I ask students to rank their placement preferences based on the companies that participated last year, and have them answer questions about law school courses that stimulated their interest as well as their practice area and industry interests. I even tell students to write in the name of their "dream" company if that company had not previously participated, and then I do my best to add that company to the program.

In some ways, I feel like a matchmaker -- connecting students with placements I believe will benefit them the most. In hindsight, I see that this is one of the secrets to the program's success. The countless hours I spend matching students really pays off. Aryele Maye, for example, indicated she was interested in fashion law, so I matched her with J.C. Penney Inc., which proved to be the perfect externship for her. She gained

valuable legal experience in the industry in which she wants to work and made wonderful connections. After graduation, she plans to attend Fordham's LLM program for fashion law and practice in the field.



Nataly Elbert sitting at Mary Kay Ash's desk at Mary Kay world headquarters

Another successful placement was Nataly Elberg at Mary Kay. Nataly is originally from Russia, and I placed her at Mary Kay knowing the company had operations there. Nataly said that her favorite part of the externship was a project she worked on about Russian personal data law that allowed her to combine her knowledge of Russian language and culture. Nataly also got to attend Mary Kay's Global Legal Conference, where she had the opportunity to make connections with Mary Kay lawyers from other countries, including Russia.

Another student, Jennifer Bock, stated in her application that she was interested in the energy industry. Based on this information, I matched Ms. Bock with Crosstex Energy Services, now known as EnLink Midstream, a midstream energy company. According to Jennifer, "There is simply no academic substitute for the type of experience I gained, particularly with regard to developing or cementing an interest in a particular field, or conversely, determining that field is no longer of interest." Fortunately, Ms. Bock confirmed her interest in energy law and, immediately after law school, started as an associate for McDermott Will & Emery in Houston where she focused on the financing and acquisition of energy related projects and businesses.

One of the advantages of this type of program is that students can tailor their experiences to fit their practice area interests and desired learning outcomes. Many of the legal departments with which our students work are set up like law firms, with practice groups devoted to different substantive areas. In addition, most of the smaller legal departments have very generalized practices. When students first meet their field supervisors, I encourage them to discuss the areas of the law in which they want to work as well as particular experiences they would like to have. The companies have been great at assigning students to the areas they identify and allowing them to work with attorneys in the areas to learn more about their practices. They also include students in experiences like depositions and closings, if the opportunities present themselves while the students are there.

The program puts students in real-life situations where they have educational opportunities unobtainable in a classroom setting. Some of these opportunities take place outside the office. By way of example, the extern at Fluor had the opportunity to visit a construction site, two externs who worked at other companies attended hearings out of state, and the extern at Dean Foods toured a dairy processing plant and visited the Texas State Fair. The extern at Dr Pepper Snapple Group toured the R&D facility, where he saw how flavors and different drinks were developed, and the extern at American Airlines slid down an emergency slide during a training simulation exercise. Out-of-office experiences like these contribute greatly to the capstone experience and help students learn the business.

Students often have the chance to look behind the scenes to see how corporate entities analyze issues and make business decisions. Many students have attended board meetings over the course of the program. Cheyenne Rogers said, "It was great getting to see the operations side of a big corporation from a legal standpoint. I got to attend meetings with some of the senior executives and hear the issues raised at these meetings, discussed and analyzed by the general counsel. I had a firsthand view of the intersection of business and the law, which was a very unique and valuable experience."

Witnessing the practice of law from the client's perspective is another capstone experience. While many law students work as summer associates in law firms or serve as judicial interns with state and federal courts, relatively few have the chance to see a corporate legal department during their law school careers. Corporate externships provide students with a unique look at the practice of law from the client's standpoint.

Michael Walraven, who worked at The Beck Group, a Dallas-based design and construction company, commented, "The most valuable attribute of the corporate counsel externship program is providing students exposure to the legal profession through the perspective of in-house counsel. As future attorneys, understanding the needs of in-house counsel enables the student to better serve corporate clients when retained as outside counsel. No other law school course can provide this opportunity."

Learning what potential clients value and look for in an outside counsel equips our students better for practice. One of our classes is entitled "Working with Outside Counsel" and is taught by inside counsel of Lennox International. Topics include how outside counsel is selected and how to prepare for a "beauty contest." In the field, students often learn their supervisors' top "pet peeves" in dealing with outside counsel. Most firm attorneys would love to have the chance that our students have to interface directly with their clients and hear what they like, and perhaps more importantly, don't like about dealing with them.

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