

2012 In-House Compensation Report

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InsideCounsel has released its hugely popular “2012 in-house compensation report,” discussing compensation, the hiring forecast, hot trends, and what it takes to land an in-house position, and how to succeed as in-house attorney.

Companies Are Hiring, But Selectively

According to the 2012 In-House Compensation Report, the good news is that companies are hiring, the bad news is that they are only doing so very selectively. With the economy finally on the upswing, law departments are looking to hire new help. But experts caution that companies aren't necessarily hiring attorneys.

The bulk of the hiring seems to be dedicated to paralegals and contract managers. When it comes to hiring attorneys, the numbers are still very low, and the competition very stiff.

Who's Getting Hired: Standout Experienced Business Lawyers

Companies are most interested in mid-level and senior lawyers with four to nine years of experience. Additionally, they're seeking jack-of-all-trades attorneys who can work independently.

Being a lawyer that delivers high quality services is no longer enough to land an in-house job. Today, lawyers hoping to get hired by a company need to show that they understand the company's business and can contribute to its bottom line.

A law degree might no longer be enough. Today's, in-house lawyers have to understand financials, business strategies, and need to be able to wisely manage projects and budgets. Many are now armed with M.B.A.'s to deliver just that.

One thing is clear: As companies emerge from the recession and slowly increase their legal hiring, attorneys searching for new careers must stand out among the competition. That often means being armed with more than legal excellence to do so.

Advice to Young Law Grads: Start with a Firm and Network.

The vast majority of corporate legal departments are still steering clear of recent law graduates. What can a recent law graduate do to improve his or her chances at landing in-house? The solution: try your hand at a law firm position first, focus on transactional work, stay there for at least five years, and network aggressively.

Base Salaries Slightly Up by 3.3%

2011 has brought moderate increase in in-house base salaries. According to the 2011 HBR Law Department Survey, the average base salary increase among all legal department staff levels in 2011 was 3.3 percent, up from an average increase of 2.6 percent in 2010.

The Bonus Is the New Gravy

The 2011 HBR Law Department Survey found that the average bonus increase among attorneys was an astounding 25.7 percent. The average cash bonus for all attorney levels was \$67,000? What does it take to earn those bonuses? Today's in-house lawyers are held accountable for the level of performance and their contribution to the bottom line. By the same token, they're asked to share the risk of their companies' performance. So, in-house lawyers have to meet their objectives, and contribute to the company's bottom line to expect to get some gravy on top of base.

What's Hot: Management Skills, IP, M&A and Compliance

The most in-demand practice areas: transactional (M&A), IP, labor and employment, and compliance. In terms of industries, health care and pharmaceutical are generally offering higher salaries.

The hottest skills required from in-house lawyers aside for outstanding legal and business skills, are management skills. Knowing how to manage projects, people, and budgets is key to increasing one's value in-house.

Trends of the Future: International Expansion and E-Discovery

As companies are pushing for international expansion as a competitive strategy to expand their core business and increase their market share, so are corporate legal departments. Today, many clients are looking to hire in-house attorneys for their international operations, with a focus on Asia, South America, and India.

E-discovery is also very much in-demand. Companies are looking for lawyers who can effectively manage e-discovery and document review with a smart process that saves money.

What can we take away from this 2012 In-House Compensation Report? Lawyers with any hopes to succeed in-house need to be able to bring value beyond outstanding legal skills and experience. Contribution to the bottom line is what it's all about.