We are living through the age of disruption, both technological and geopolitical. Technologies such as robotics and artificial intelligence are reinventing factory floors, replacing human co-workers with fast-acting collaborative robots. Worldwide political turbulence and events such as Brexit are prompting global economic, trade and political alliances to shift. Many of Europe’s top manufacturing companies are expanding to new geographical markets in search of fresh business models and revenue streams. And climate change frameworks like the Paris Agreement are affecting how businesses use and store energy.

Together, these global upheavals are having a profound impact on the role of the general counsel within the manufacturing sector. Today’s general counsel must be equipped to steer their companies through a multitude of risks associated with these changes while taking full advantage of the opportunities they offer.

“The specific tasks and responsibilities [of a general counsel] have changed substantially over recent years,” says Thomas Laubert, group general counsel and head of the legal department at multinational automotive company Daimler AG. “The multitude and complexity of the regulatory environment, combined with increased business speed and deeper impact of these respective decisions, have substantially increased the requirements placed on a general counsel.”

To measure the impact of this technological and geopolitical change, and shed light on the new legal responsibilities and challenges facing general counsel, Forbes Insights and global law firm K&L Gates conducted a survey of 200 general counsel, as well as nonlegal senior executives, and engaged in qualitative interviews with general counsel in Germany, the U.K., France, Italy, Poland and Spain.

Among the survey’s most significant findings:

The role of general counsel of a European manufacturing firm has changed in the last three to five years (79%), and more than three-quarters of general counsel expect it to change even more over the next three years.

In this new and challenging climate, the most important job characteristics for general counsel are to possess international and geopolitical acumen, to develop and nurture alliances, and to maintain the ability to handle technology-related risks. General counsel will also have to work hard to make sure that legal risks are fully considered when making critical decisions about growth strategies, technology investments and strategic partnerships. Although executives agree that the regulatory environment is continuing to intensify and become more critical to business success, only 27% say that legal risks are completely factored into decisions concerning growth.

This Forbes Insights and K&L Gates white paper explores the role that the general counsel plays, as well as future expectations for the manufacturing industry. Based on the survey findings and interviews with some of today’s brightest legal minds within this sector, we outline the trends reshaping this role and the strategies manufacturers are embracing to ensure success in this age of disruption.
KEY TRENDS

1. AN INTENSIFYING REGULATORY ENVIRONMENT

From tougher privacy laws to stringent climate controls, an intensifying regulatory environment tops the list of concerns among general counsel. A clear majority of executives (94%) see an ever-increasing volume of regulations and greater significance of the impact of the regulatory environment on their organizations. And 53% of respondents rank the compliance and regulatory environment as the trend most relevant to their organization from a legal point of view.

“Companies need to adapt to a constantly evolving legal environment with complex regulations,” says Rodrigo Martinez, general counsel for vehicle manufacturer Iveco España.

Figure 1. How would you characterize the current legal environment affecting your company, choosing an option that describes what is more true?

- Increasing volume of regulations: 94%
- Gaining in significance: 94%
- Business-friendly: 65%
- Unpredictable: 54%
- Transformative: 49%
Which of the following trends are most relevant to your organization from a legal point of view?

- **Compliance and Regulatory Environment**: 53%
- **Partner Ecosystems**: 50%
- **Cybersecurity Risks**: 49%
- **Intellectual Property Protection**: 45%
- **New Sources of Revenue and New Business Models**: 40%
- **Digitization of the Manufacturing Sector**: 40%
- **Clean Energy and Environmental Regulations**: 38%
- **Trade Barriers**: 34%
- **Geopolitical Shifts**: 32%
- **Offshoring and Near-Shoring**: 28%
- **New Markets**: 23%

Consider, for example, the new EU General Data Protection Regulations (GDPR). This legislation dictates that any company that targets consumers in the European Union, and holds or transports data relating to them, must prove that it is taking the necessary precautions to protect this data. The EU GDPR will be enforced starting on 25 May 2018, and noncompliance for protecting personal information could result in financial penalties of up to 4% of global annual revenue.

With the pending arrival of the EU GDPR, and other initiatives such as the Paris Agreement, which commits participating countries to reduce their greenhouse gas emissions, complex challenges are mounting for general counsel. But it's
not enough to simply meet these stringent regulations. General counsel must also ensure strict compliance without sacrificing an organization’s ability to respond to market fluctuations or to innovate.

“Due to increasing and more comprehensive regulation, companies have to truly focus on legal risk management at a time of increasing demands,” says Daimler’s Laubert. “There is a huge challenge for big companies to cope with all the regulations, and at the same time to act in an agile and fast manner. We have to ensure that lawyers keep track of and master the growing regulations for business operations. For that reason, the role of a lawyer has changed from being reactively involved in issues to actively managing them.”

For some companies, regulations may require charting new territory. Just ask Slawomir Loboda, vice president of the management board for legal issues at LPP SA, a Polish retailing company. Loboda says, “Next year, Poland will be obligated to comply with the EU directive and thus LPP, as a public company, will have to fulfill the obligation of nonfinancial reporting for this year.”

Yet actively managing a challenging and intensifying regulatory environment can serve as a competitive edge. Roberto Russo, general counsel for the capital goods company CNH Industrial, offers insight in this area. By developing products that meet regulatory challenges, Russo says, “in essence, it’s a way of putting forward our business, because we think we are better positioned than our peers in that perspective. We have a robust sustainable governance model in place.”

2. GROWTH BY GLOBAL EXPANSION

Another trend impacting the role and responsibilities of general counsel is the increasing number of European manufacturing companies revamping their international footprints. About one in five companies expect substantial or major shifts in markets, 15% in location of operations, and 22% in the workforce. (Major and substantial shifts are defined as shifting 25% or more of sales coming from, or manufacturing capacity or workforce to, different geographies.)

Figure 2. Which geographical areas are decreasing or increasing as markets and destinations for manufacturing facilities?
Consider, for example, LPP SA, which plans to move between 5% and 25% of its manufacturing capacity to different geographies in the next three to five years.

“Our strategy is to grow outside of Poland,” says Loboda. “Yet for some time, the domestic market will remain dominant. … We act according to the principle, ‘Plan globally, manage locally.’”

These geographical shifts are taking European manufacturers away from what have traditionally been their home markets of Western Europe. At the same time, European manufacturers are increasing their presence in Asia, Eastern Europe and the Middle East. A number of legal concerns arise from expanding internationally. Chief among these is a stable and business-friendly regulatory and legal environment (77%), followed by data protection considerations and privacy laws (73%), laws or regulations relating to specific industries (72%), antitrust and competition laws (70%), and intellectual property agreements and enforcement (69%).

After invalidating the Safe Harbour pact in 2015 for failing to protect the fundamental rights of Europeans, the EU cracked down on data privacy with the EU GDPR. However, this highly complex and restrictive legal framework differs significantly from the approach to data privacy in the U.S., where consumers are raised on a steady diet of Facebook feeds and Google ads. All of which presents a considerable challenge to the general counsel of geographically expanding manufacturing companies: how to support growth strategies without violating global regulations.

Says Laubert: “As regulations are still developing on a national and regional scale, we are facing not only an increasing level of regulation, but sometimes also contradicting regulations from different jurisdictions.”

Ensuring compliance with these disparate regulations requires in-depth knowledge of international legislation, as well as real-time information on the kind of data being collected, where this data is being transferred, how the data is being stored and what databases and systems are managing this data—expertise that is typically beyond the scope of general counsel.

“Entering new markets, emerging markets, new businesses, adopting new business models—it all affects my role,” says Dr. Christian zur Nedden, head of compliance, law and intellectual property and general counsel for automotive manufacturing company Continental AG. “We have to look at our law department organization constantly to make sure we are in a position to continue providing the high-quality services that are needed.”

3. TECHNOLOGY’S TRANSFORMATION OF MANUFACTURING

The fourth industrial revolution and its innovative technologies are transforming the manufacturing industry. Embedded sensors are alerting plant managers to potential machinery malfunctions, eliminating production delays and costly repairs. Cobots, which are computer-controlled robotic devices designed for shared workspaces, are outpacing human co-workers on production lines while reducing design errors. And automated workflows are generating reams of data, enabling manufacturers to optimize their processes. In fact, European manufacturing executives point to cloud computing and the Internet of Things (IoT) as the most utilized technologies.

However, because the manufacturing sector is built around machines, technological advancements are not only an opportunity— they’re a considerable risk. It must be noted that we are just at the beginning of the utilization of the IoT, and its risks will only become more apparent with the introduction of self-driving cars or further use of robotics in the medical field, for example.
By far the biggest risk and legal issue that is being introduced with technologies such as the IoT is cybersecurity. It ranks in the top three of the most important trends relevant to the organization from the legal perspective and as the area of legal expertise that will be the most needed over the next three years. For example, in a controlled experiment, researchers at the University of Washington in Seattle managed to hijack a tele-surgery robot, deleting and changing the order of commands it was receiving. Even surveillance drones and self-driving cars have been successfully hijacked by researchers. Now imagine the potentially devastating impact of a hacked robot on the assembly of an automobile manufacturer.

Figure 3.
Which of the following technologies is your organization currently utilizing? (Top 3)

- Cloud: 91%
- Internet of Things: 90%
- Predictive Analytics: 87%

Which of the following technologies present the highest legal risks? (Top 3 extremely risky)

- Cloud: 55%
- Internet of Things: 52%
- Predictive Analytics: 34%
“Digitization and the Internet of Things are affecting us not only as a business, but as a legal profession,” says Laubert, citing ROSS, an artificially intelligent technology tool created by IBM that can draw inferences from legal materials and provide evidence-based answers to legal questions. “Digitization has been knocking at the door of the legal profession since the early 2000s, but now it’s pushing its way right into the center of our legal offices.”

Examples of this include Daimler and its decision to team up with Bosch, an automotive components supplier, to develop self-driving cars. In addition, notes Laubert, “Daimler is in the process of transforming itself from being a traditional car manufacturer into a provider of mobility services” with car-sharing services and taxi-hailing apps.

The more technology redefines manufacturing, the greater the impact on general counsel. Digitization “requires a new mindset when giving legal advice, encompassing a deep analysis of applicable regulations in terms of privacy, product liability, compliance, intellectual property and cybersecurity,” says Sandra Martin Moran, general counsel for drug manufacturer the CHEMO Group. “This is a fascinating challenge for our team as in-house counsel.”

Technology is even altering the competitive landscape, as legal departments must make decisions at the same lightning-speed as smaller and more nimble competitors. “Digitization has a huge influence on our legal work,” says Laubert. “We have to move faster, be more flexible and transform ourselves from traditional lawyers to legal managers who can keep pace with startups and work as business-enablers.”

And then there’s the impact of technology on the supply chain. New technologies are transforming the supply chain into a digitized, customer-centric, real-time and transparent platform of multiple clients or vendors. While such features go a long way in optimizing operations and distribution, they are a moving target for legal executives. The top transformations that manufacturing supply chains have been undergoing are: improving flexibility, agility and time to market (71%), and creating real-time visibility (60%), which only make it harder for lawyers to stay on top of the issues. In fact, of the functions and departments respondents find the most challenging from a legal perspective, the supply chain ranks third highest (75%).
Figure 4. Which of the following functions or departments are the most challenging from a legal perspective?

<table>
<thead>
<tr>
<th>Function/Department</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUSINESS CORPORATE DEVELOPMENT (E.G., MERGERS AND ACQUISITIONS)</td>
<td>82%</td>
</tr>
<tr>
<td>REGULATORY AND COMPLIANCE</td>
<td>77%</td>
</tr>
<tr>
<td>SUPPLY CHAIN</td>
<td>75%</td>
</tr>
<tr>
<td>IT (INFORMATION TECHNOLOGY)</td>
<td>73%</td>
</tr>
<tr>
<td>OPERATIONS AND MANUFACTURING</td>
<td>72%</td>
</tr>
<tr>
<td>GENERAL MANAGEMENT</td>
<td>65%</td>
</tr>
<tr>
<td>FINANCE AND ACCOUNTING</td>
<td>57%</td>
</tr>
<tr>
<td>SALES AND MARKETING</td>
<td>38%</td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
<td>31%</td>
</tr>
</tbody>
</table>

Myriad legal issues can arise from an agile and transparent supply chain, including the ability to vet all participants or ensure compliance with international labor laws. “The main legal challenge with the supply chain relates to digital transformation,” says Martin Moran of CHEMO Group. In response, CHEMO Group has developed “a robust compliance program that ensures that all third parties intervening in the supply chain and contracting with us are committed to CHEMO quality. Compliance standards are key for the sustainability of the business and strength of our growth.”

In addition to compliance matters, the top two legal issues pointed to by survey respondents as associated with digitizing the supply chain are cybersecurity risks (58%) and data and information protection (54%). Part of the problem is that digitized supply chains make it difficult for general counsel to keep tabs on the safeguarding and whereabouts of data as it traverses multiple, geographically scattered networks.
“We have a good team of people dealing with international trade who deal with supply chains in different countries,” says Russo of CNH Industrial. “For now, what they do is keep track of what is sent and where, and keep track in terms of tax compliance and legal requirements.” However, as supply chains grow into increasingly digitized, multi-layered networks, the slightest amendment to global rules of trade between nations can result in “a big headache” for general counsel, warns Russo.

Even the retail industry is vulnerable to technology’s impact on business—and legal counsel. “For our company, the most relevant trend is e-commerce,” says Loboda of LPP SA. “This revolution in our business model will impose new internet technologies and, more important, an entirely different approach to traditional trade in stores….In a few years’ time, retail trade will be totally different from the one we know.”

STRATEGIES FOR SURVIVAL

As European manufacturers adjust to political turbulence and emerging technologies, a new crop of job requirements is starting to surface. The legal skills that defined generations of general counsel are being supplanted with international and geopolitical business smarts. At the same time, organizations are discovering new and innovative ways to manage disruption while achieving greater growth. Here are the top survival strategies guiding European manufacturers in today’s complex business environment.

Encourage The Gathering Of Greater International And Geopolitical Acumen

Because of significant shifts in footprint, as well as the international expansion of companies, the expertise demanded of general counsel is rapidly evolving. For example, international law is now seen as the most needed legal expertise over the next three years.

The biggest change in the job of a general counsel has been adding more of an international outlook, and, beyond understanding the legal issues, the most important competency is possessing international and geopolitical acumen (52%). An understanding of business issues (43%) also ranks high as a much sought-after competency.

“As lawyers, we are now more involved in business decisions,” says Russo. “We’re perceived more as part of the team.”

This transition from contract-reviewer to consultant offers key advantages—and disadvantages. “In one way, it makes the job easier because now you understand what’s going on [in the business],” says Russo. However, he adds, “it also makes it difficult because you still need to participate in work with your staff.” The result is having to split time between reviewing financials and advising clients—a situation that can exacerbate workloads. Nevertheless, says Russo, influencing strategic decision making “is more interesting than being confined to drafting documents all day.”

Fueling the need for a more business-savvy general counsel are a series of recent geopolitical events, including Brexit and the election of the new U.S. administration.

“Given the present situation in Europe, on the eve of Brexit, and with many countries facing political elections later this year, regulatory systems are bound to change,” says Loboda.
In fact, European manufacturing executives view Western Europe (30%) and North America (24%) as the originators of the most challenging legal issues.

Figure 5.
Beyond understanding the legal issues, what are the competencies that are most required of you? (Top 5)

- **INTERNATIONAL AND GEOPOLITICAL ACUMEN**: 52%
- **UNDERSTANDING OF BUSINESS ISSUES**: 43%
- **PREDICTIVE THINKING AND ANALYTICS**: 40%
- **INDUSTRY KNOWLEDGE**: 33%
- **CHANGE MANAGEMENT ACUMEN**: 32%

How has your role changed? (Top 5)

- **I HAVE A MORE INTERNATIONAL OUTLOOK**: 42%
- **I HAVE TO DEAL WITH MUCH HIGHER STAKES (E.G., PENALTIES, LAWSUITS)**: 33%
- **I HAVE MORE SAY IN BUSINESS AND STRATEGY ISSUES**: 30%
- **I AM COVERING MORE AREAS OF LAW**: 28%
- **I AM MUCH MORE FORWARD-LOOKING/PREDICTIVE**: 29%
Which areas of legal expertise will be the most needed over the next three years?

- **INTERNATIONAL TRADE AND LAWS**: 55%
- **POLICY AND REGULATIONS**: 47%
- **CYBERSECURITY**: 47%
- **COMPETITION AND ANTITRUST**: 45%
- **DATA PROTECTION**: 41%
- **INTELLECTUAL PROPERTY**: 40%
- **ENERGY AND THE ENVIRONMENT**: 31%
- **PRODUCT LIABILITY**: 28%
- **MERGERS AND ACQUISITIONS**: 26%
- **TAX LAWS**: 23%
- **TAXATION OF FOREIGN EARNINGS**: 22%
- **INSURANCE COVERAGE**: 19%
- **FINANCE**: 17%
- **IMMIGRATION**: 9%
- **REAL ESTATE**: 8%
Some European manufacturers are also demanding lawyers with an in-depth understanding of innovative technology. “Digitization, telecommunications, IT law, software-as-service, open source, intellectual property—these are the areas of expertise that will be in high demand going forward,” says zur Nedden of Continental.

**Support Progress Through Carefully Selected Partnerships**

Another way companies are managing the technological and geopolitical drivers of disruption is through valuable partnerships. Indeed, forming partnerships or alliances has emerged as a top growth strategy for European manufacturers. This is due to the complexity of today’s business environment, especially the introduction of new technologies, which means that companies can no longer rely on themselves to stay on the cutting edge. Instead, they are forming partnerships and alliances with their supply chain partners, startups, customers and even competitors.

**Figure 6. Which of the following growth strategies is your company currently pursuing?**

<table>
<thead>
<tr>
<th>Growth Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaboration (Alliances, Joint Ventures or Open Networks)</td>
<td>60%</td>
</tr>
<tr>
<td>New Products or Services</td>
<td>60%</td>
</tr>
<tr>
<td>Revenue from Nontraditional/New Markets</td>
<td>54%</td>
</tr>
<tr>
<td>Expanding and/or Shifting Manufacturing Operations into New Geographical Markets</td>
<td>52%</td>
</tr>
<tr>
<td>Merger and Acquisitions</td>
<td>38%</td>
</tr>
<tr>
<td>Mostly Domestic Growth</td>
<td>37%</td>
</tr>
</tbody>
</table>

Case in point: CHEMO Group turned to an external law firm for assistance in developing a better understanding of compliance in international markets. With locations in more than 40 countries, and an aggressive growth plan in emerging markets, CHEMO Group has ambitious plans for the Middle East, Latin America, Asia and Africa. “The risks associated with each of these countries is something we’re analyzing deeply,” says Martin Moran. In response, “we are designing, with the support of a global law firm, a compliance risk map of the different countries where CHEMO Group is conducting business so that we can focus on specific areas of risk.”

Industry-specific regulations are also driving European manufacturers to form partnerships with key players. Of the political, trade and regulatory changes most likely to affect an organization, 63% of survey respondents cited industry-specific regulations.
There are two other areas that executives have flagged as critical. One such area is taxation, in which base erosion and profit-sharing project (BEPS) has revealed many potential risks associated with tax loopholes. Successfully navigating this new tax environment will require the legal and nonlegal executives’ cooperation to make decisions that will be compliant, while at the same time optimal for the business. The second area involves laws associated with data protection, and, especially, different data privacy protection standards in the European Union versus the U.S.

Figure 7.
Which of the following political, trade or regulatory changes are most likely to affect your organization? (Select top 3)

- Industry-specific regulations (63%)
- Taxation (tax-avoidance initiatives, common consolidated tax base proposal) (53%)
- Reform of the EU data protection and privacy rules (49%)
- Brexit (42%)
- U.S. elections (33%)

Which of the following political, trade or regulatory changes are likely to cause the biggest legal challenges?

- Industry-specific regulations (72%)
- Taxation (tax-avoidance initiatives, common consolidated tax base proposal) (66%)
- Reform of the EU data protection and privacy rules (57%)
- Brexit (49%)
Many of these alliances or partnerships are a new phenomenon, and a number of them also include digital networks, which carry with them privacy and cybersecurity risks. Such alliances require due diligence, new licensing contracts or information sharing. Thus, collaboration is seen as the riskiest method of growth from the legal point of view (81%), followed by M&A (77%). Domestic growth is perceived as the least risky (17%).

“I believe that multinationals like CNH Industrial need to share information—that’s vital,” says Russo. “We must, however, be very careful when we transmit sensitive R&D information and intellectual property.”

**Make Collaboration Part Of Your Corporate Culture**

With the increasing intensity of the regulatory environment and its effects on business outcomes, there is a need for the legal function to work in unison with all other functions. From the legal perspective, corporate development and regulatory compliance are seen as fraught with the most risks. The legal function has the best cooperation with areas associated with strategic growth (business corporate development) and technology. The lowest ranked is collaboration with the sales function.

“General counsel and in-house lawyers are becoming more and more business partners, being increasingly involved in the strategy definition, participating in the executive committee at all levels and playing a key role in risk management and prevention,” says Martin Moran. The result, she says, is a comprehensive “view of the company and its strategies” by both legal and nonlegal functions, where “potential risks” are immediately flagged and factor into “the decision-making process.”

It’s a tactic shared by Daimler. “I regularly cooperate with all members of our top management on a very collegial basis,” says Laubert. “The functionality of a general counsel is so widespread that, sooner or later, you get in touch with every other management team member.”

**Figure 8. How do you evaluate your cooperation with the following?**

![Diagram showing the level of cooperation with various departments. The highest cooperation is with Business Corporate Development (47%), followed by IT (43%), Sales and Marketing (11%), and Human Resources (13%).]
Greater consensus and cooperation on important issues between legal and nonlegal executives will go a long way toward helping European manufacturers instill the talent and technologies needed in today’s complex business environment. Technological and geopolitical trends will continue to test general counsel and their ability to respond appropriately to nuances in international markets, global regulations and technological innovations. The stakes are high; the requirements even higher.

Says Martin Moran of the CHEMO Group: “To be able to participate in the transformations demanded by the new digital economy, we are requested to be open, creative, flexible, [to] think out of the box, be fearless, disruptive and ready to innovate” regardless of regulations, even if these “regulations are not friendly to new players and new ways of doing business. We are living in very exciting times.”

What shape data privacy laws and Brexit will take in the years to come cannot be predicted in absolute terms. Rather, the only certainty is that change will be a constant for the general counsel of European manufacturing companies. “[My role] is constantly changing,” says zur Nedden of Continental. “It’s not the same as it was three to five years ago, and it won’t be the same in three years.”

Despite disparate goals and ambitions, around 80% of executives, both legal and nonlegal, consider their cooperation with one another effective. And both legal and nonlegal executives agree that, apart from their legal credentials, it is most important for legal executives to have international and geopolitical acumen. In fact, lack of cooperation with sales and marketing teams often requires manufacturers to invest more heavily in the training of their sales teams for better brand equity and pricing strategies. There are, however, a couple of issues where the legal and nonlegal executives do not see eye to eye.

The talent management gap: Legal executives do not consider finding enough internal or external legal talent to be much of a challenge (9% and 16%, respectively). At the same time, they rarely value their cooperation with human resources, with only 13% considering it highly effective. This area of talent management needs another look by legal officers, as other executives rank their skills at talent management as lower than other areas of expertise.

Skewed views of legal threats: Legal executives are more concerned about technology-related areas such as digitization (43% of legal professionals compared with 30% nonlegal) or data protection (44% for legal members and 32% for nonlegal). On the other hand, nonlegal executives are more concerned about compliance and regulatory issues (60% for nonlegal versus 51% for legal), and policy and regulations (54% for nonlegal versus 45% for legal). While it is, to a degree, understandable that executives fret more about what they know less about, these two factions need to get on the same page to make the best business decisions.
ROAD MAP TO SUCCESS

The new era of disruption demands new thinking from the general counsel. Here are some approaches and tactics to keep in mind to fulfill the company’s expectations:

BEYOND LEGAL. While the regulatory environment is the key trend from the point of view of the general counsel, they should expand their horizons and see themselves as business consultants rather than contract-minders. This is what companies demand from their general counsel. This added dimension can seriously exacerbate workload, and thus requires time management and leadership skills.

PARTNER UP. Collaboration has emerged as the top way for companies to grow—the world is simply too complex to go it alone. This is true internally as well. Collaboration with other functions will help the general counsel to meet their companies’ expectations. Partnership with business executives provides access to their business acumen as well as the ability to more closely monitor their operations from a legal point of view.

STAY AGILE. Agility and digital transformation are what drives today’s companies. Speed to market is emerging as a top capability to stay competitive. Transforming fast is a lawyer’s nightmare, especially in an environment of increasing regulations. But the general counsel must be able to balance speed with compliance, staying agile so that their companies can move fast enough to stay competitive.

ADOPT A DIGITAL MINDSET. Technology is a major driving force of today’s business. It affects the company’s business models as well as its internal operations. The general counsel must stay abreast of technology to make sure that the company utilizes technologies while adhering to regulations. At the same time the general counsel needs to digitize the legal department to ensure better and faster collaboration with other functions and more effective monitoring.

FOCUS ON TALENT MANAGEMENT AND LEADERSHIP. It is easy for the general counsel to focus on law and not on people. In fact, the general counsel does not seem aware of the importance of management and leadership, and the degree to which other executives expect such abilities from the general counsel. But leadership and talent management are as crucial for the legal department as they are for the rest of the company.
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- Sandra Martin Moran, General Counsel, CHEMO Group
- Rodrigo Martinez, General Counsel, Iveco España
- Dr. Christian zur Nedden, Head of Compliance, Law and Intellectual Property and General Counsel, Continental AG
- Roberto Russo, General Counsel, CNH Industrial

METHODOLOGY

The data in this paper is based on a survey of 200 legal and nonlegal executives from the manufacturing sector conducted by Forbes Insights in May 2017. Seventy-six percent of survey respondents were either general counsel or top legal officers. They came from five countries: France, Germany, Italy, Poland and the United Kingdom. A majority of companies (82%) had revenues of €1 billion or more. The manufacturing segments represented were: aerospace and defense, automotive, engineering and industrial products, metals and aggregates, consumer products and conglomerates.

ABOUT K&L GATES

K&L Gates is a fully integrated global law firm with lawyers located across five continents. The firm represents leading multinational corporations, growth and middle-market companies, and entrepreneurs in every major industry group, with service to manufacturing companies having long been a bedrock foundation of K&L Gates. As the manufacturing industry undergoes a monumental transformation, K&L Gates is uniquely positioned to assist clients as they address significant shifts in their business operations, and can serve as a holistic industry-focused law firm wherever clients conduct business.

K&L. Gates lawyers collaborate creatively and effectively across practice disciplines, jurisdictions, and time zones to directly meet clients’ myriad issues. Strategically located in eight cities across Europe and in dozens of other offices across the globe, including throughout the United States, Asia, Australia, and the Middle East, K&L Gates can support the manufacturing operations of clients throughout continental Europe and around the world. For more information about the firm’s Manufacturing Industry practice, visit klgates.com or email manufacturing@klgates.com.
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