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The Good Versus Money Dichotomy: Why Lawyers Serving on and Advising For-Profit Boards Benefits the Lawyers, Companies, and Communities

Skills and Professional Development



Sometime between entering law school and taking the bar exam, many attorneys decide that to affect change and help serve the interests of justice they must join a non-profit organization or provide pro bono services. In essence, this view requires a lawyer to choose between doing good and making money. While joining a non-profit and providing pro bono services to those who are underserved are important ways to serve the interests of justice, those are not the only ways.

A ALICE KORNGOLD
BETTER
WORLD,
INC.

**HOW COMPANIES
PROFIT BY SOLVING
GLOBAL PROBLEMS...
WHERE GOVERNMENTS
CANNOT**

Alice Korngold, the author of *A Better World, Inc. How Companies Profit by Solving Global Problems ... Where Government Cannot* shows how companies can profit by developing solutions to the world's most daunting challenges. Likewise, according to Korngold, serving on and leading corporate, for-profit boards of directors can be a satisfying way to serve justice, change the world, and ultimately have a satisfying legal career. And as Korngold explains, when lawyers serve on or advise company boards, the benefits extend to the lawyer, the company, and society. For the reasons below, in-house attorneys should let go of the limiting, good versus money dichotomy and use their influence, experiences, and expertise to simultaneously create value and serve justice by joining boards of private and public companies.

Boards present an opportunity to effect social change

Companies across industries and geographic locations are in a position to affect change in the world. As Alice Korngold explains, "Multinational corporations have the vast resources, global footprint, and profit incentives to solve the world's greatest social, environmental, and economic challenges. The responsibility to ensure that companies mitigate risks, reduce costs, and grow value through innovation lies with boards of directors."

Boards of directors are in the position to oversee a company's strategic and business initiatives. Directors and the attorneys who advise them therefore have an opportunity to help lead the company in a direction of social responsibility. This translates to more successful companies and also a better society. Korngold provides an example: she points out that Unilever is seeking to double the size of its business while reducing its environmental footprint and increasing its positive social impact. Unilever plans to achieve [its goals](#) by "working in partnerships where we can help change things on a global scale: deforestation and climate change; water, sanitation, and hygiene; and sustainable agriculture and smallholder farmers." To underscore the merits of such an approach, Laurence Fink, CEO of one of the world's largest investment firms, BlackRock, sent [a letter](#) to chief executives at S&P 500 companies and large European corporations on February 2, 2016, urging that "over the long-term, environmental, social and governance (ESG) issues – ranging from climate change to diversity to board effectiveness – have real and quantifiable financial impacts."

Boards make complex and strategic decisions, and in those settings, attorneys have a competitive advantage

According to Korngold, lawyers are prepared to be diligent, hardworking, analytical, and thoughtful professionals. "Lawyers are trained to ask the right questions, help their clients to understand and evaluate choices, to advocate effectively, and to position their clients in ways that are most beneficial to the company and its stakeholders." Lawyers can use these skills on a board of directors to help the company effectively think through risks strategically, constructively solve problems, and further a company's mission in an ethical and sustainable way. Although these skills are also valuable in the daily role of an in-house attorney, they can be even more powerful on the board, which enjoys a greater reach into the company's business objectives and direction.

For example, Korngold points out that "lawyers are trained to be keenly aware of the damage to business by unethical behavior, especially in this era when corporate behavior is more transparent, and the public holds companies to greater accountability." Thus, lawyers serving on or advising boards can help them to focus on the most relevant economic, social, and environmental opportunities. In fact, according to Korngold, "Lawyers who understand regulations can help boards of directors be aware of and affect changes in many important areas such as human rights, climate trends, trafficking, conflict minerals, privacy while using technology, and freedom of expression on the internet."

In addition to furthering goals of social responsibility, a focus on these issues also makes good business sense. For example, a lawyer attuned to human rights issues can add real value with regard to corporate oversight and problem solving. Korngold explained, "Case studies by the World Resources Institute (WRI) showed that human rights abuses can bring about tremendous financial risks and costs. For example, resistance from communities and stakeholders can delay permits, construction, operations, and revenues, cause conflicts with local labor markets, increase costs for financing, insurance, and security, and reduce output. In fact, [WRI reported](#) [pdf] that longer term repercussions can include negative impacts on stock prices, brands, and reputation, and greater

difficulty getting financing, insurance, and community cooperation for future projects." Thus, advising a company how to avoid human rights violations is not only the right thing to do but it will also help the company to mitigate risks and ultimately be more profitable.

Board service is a way for a lawyer to hone business and leadership skills, and become more effective for their employer and clients

Lawyers may be overlooked for board positions because of the perception — some real and some not — that they are too risk averse to effectively further a company's mission. Lawyers therefore can and should more effectively align with the goals of the business to gain influence. "Lawyers are advisors that have the required legal and regulatory expertise to help businesses to mitigate risks, reduce costs, and grow value by finding innovative solutions to global problems — economic, social, and environmental," Korngold noted. "Attorneys would be more effective if they saw themselves as part of a creative process in building the business, not just the people who know the rules." Lawyers can also play a vital role in helping their client to envision and achieve what's possible in the global marketplace, and in the process gain important business skills that will make the in-house legal practice more valuable and more satisfying.

When a lawyer serves on a board of directors, he or she not only has the opportunity to help lead a board and its company in a positive direction, but it also provides the opportunity to bring value back to the lawyer's own employer and clients. Serving on a board of directors provides a lawyer with an opportunity to develop and hone leadership and business skills, to understand business objectives in a different way, and to act as a stakeholder in the business, rather than just a provider of legal services.

Therefore, serving on and advising private and public boards is a mutually beneficial opportunity. If done right it can lead to a more satisfying legal career, value creation for companies, and stronger communities.

[Alice Korngold](#) provides strategy advisory services and facilitates leadership planning retreats for executives and board members from multinational corporations, professional services firms, academic and healthcare institutions, and nonprofits. She is the author of *A Better World, Inc. How Companies Profit by Solving Global Problems ... Where Government Cannot*.



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