

How a GC Protected a Company During COVID-19: An Innovative Organizational Structure

Skills and Professional Development



Flex Ltd. is a multinational electronics contract manufacturer with operations in over 40 countries and approximately 170,000 employees. Like many multinational manufacturing companies, Flex has a significant manufacturing presence in China with 15 manufacturing facilities and over 50,000 employees. Flex's large Chinese presence made it vulnerable to the COVID-19 outbreak in China, and later, to COVID-19's impact on US businesses.

Fortunately, Flex Chief Executive Officer Revathi Advaithi took innovative and preventative steps that allowed Flex to successfully respond to COVID-19. In particular, Flex successfully responded to the COVID-19 pandemic by having Flex General Counsel Scott Offer lead several departments in addition to the legal department (namely, marketing and communications, brand protection, security, government relations, sustainability, and legal). This combined department is jokingly referred to at Flex as the department of "Protection & Promotion."

This article discusses Advaithi's guiding principles for Flex's department changes, and how combining these departments benefited Flex's business units and allowed Flex to implement a coordinated, effective, and efficient response to the COVID-19 pandemic.

Cultural changes from the top

In February 2019, one year before the COVID-19 pandemic, Advaithi became Flex's CEO. As an East Indian woman, Advaithi broke new ground as the chief executive officer of a Fortune 500 company in the male-dominated world of electronic contract manufacturing services.

Advaithi brought fresh ideas to Flex's C-suite, pushed traditional boundaries, and instilled a renewed corporate emphasis to Flex. Among her goals for Flex, Advaithi challenged her staff to build a

stronger, values-based culture focused on cross-functional collaboration.

Rebuilding a department

Typically, a general counsel's job is to run the company's legal department. For a company of Flex's size and revenue (approximately US\$26.3 billion), running the legal department is a tremendous task in and of itself.

In deciding to have Flex's general counsel lead its marketing and communications, brand protection, security, government relations, sustainability, and legal departments, Advaithi and Scott Offer, Flex's general counsel, adhered to their beliefs in strength in diversity, improving the company going forward, and creating a culture of always doing the right thing.

Guiding principles

As mentioned above, Advaithi and Offer followed three principles in successfully combining Flex various departments under Offer's leadership.

Strength in diversity

In merging the various departments and each department's diverse teams, Advaithi and Offer believed that integrating various and divergent viewpoints and historically independent departments under one person's leadership would benefit all departments. As Advaithi commented,

"Legal, BPS (Brand Protection and Security), marketing, and communications are diverse teams under the leadership of Scott Offer that have proven their efficacy with every individual taking ownership in their area of specialty."

Improving the company going forward

Advaithi and Offer also believed that by combining these departments Flex would improve the delivery of services to its business units and customers, while continuing already successful efforts to collaborate and communicate with multiple stakeholders. This was achieved by:

- Adopting a streamlined, collaborative approach within the various departments;
- Breaking down functional, siloed mindsets; and
- Challenging Flex's systems to make better decisions and deals and to minimize risk exposure.

Culture of always doing the right thing

Advaithi and Offer committed to the following principles:

- Ethics and compliance are the cornerstones of the company;
- Doing the right thing" pays off in the long run; and
- Accommodate employees' needs, especially in these challenging times.

Why Scott Offer?

Offer jokes he assumed this role because he was the only one that raised his hand. However, Offer's comment understates his background, relationship with Advaithi, and pathos, all of which qualify him to successfully lead the combined departments.

Offer graduated from the London School of Economics and tends to view law from a business perspective. This partially explains why Flex's Board of Directors made Offer Flex's interim CEO after the departure of Flex's previous CEO and Advaithi's hiring.

He joined Flex in September 2016 — less than 18 months before Advaithi joined Flex. Early on, Advaithi and Offer shared their visions for Flex, and their ideas on leadership, personnel, and transforming and modernizing Flex's operations to match the changing social, technological, and business environment. Moreover, during Advaithi's first year at Flex, Advaithi and Offer strengthened their trusted relationship by working together to resolve several issues that impacted Flex.

In June 2020, the *Financial Times* highlighted Offer's vision and pathos by naming Offer as one of 27 general counsel who <u>reshaped their legal role</u>, and by selecting Offer as one of six general counsel in the category Workforce Focus. The <u>Financial Times</u> quotes Offer: "I consider it my role to be a champion of diversity and inclusion as part of a broader corporate effort."

Company benefits

Advaithi's decision to have Offer lead several Flex departments helped the company navigate the COVID-19 crisis. She shares,

"It helped Flex continue the successful efforts to collaborate and communicate with multiple stakeholders," and "Flex's customers greatly appreciated Flex's strong support to them in this COVID-19 crisis."

Offer's support and guidance enabled Flex's China team to quickly respond when the COVID-19 crisis first emerged which helped Flex "stay ahead of the curve."

Examples of how the merged departments enabled Flex to successfully manage the COVID-19 crisis include:

- The BPS team working with site leaders across 88 countries to protect people and keep factories running. They coordinated with legal and other departments to ensure real-time compliance with lockdown and shelter-in-place orders in a dynamic, evolving environment. This decision allowed Flex to rapidly implement globally what it learned in China, such as maintaining six feet distance, staging breaks to minimize interaction, limiting headcount, minimizing breakroom usage, modifying work areas, and limiting shifts.
- Legal and government relations members keeping essential business lines running and building trust with regulators. The legal and government relations members were proactive and followed the <u>Trusted Advisor model</u> with government regulators. For instance, rather than wait for shelter-in-place and lockdown orders from the regulators, Flex contacted the regulators, invited them to tour Flex's facilities, showed them what Flex was doing, and asked them their thoughts. Flex's efforts led several regulators to call Flex the "Gold Standard" of COVID-19 preparedness and responsiveness.
- The marketing and communications team facilitating efficient and effective communications internally and externally. This effort allowed Flex to advise on policy issues through

organizations like the Business Roundtable, a nonprofit association for CEOs of major US companies, and through the Mexican Ambassador. It also helped Flex GM's to advise non-Flex businesses on Flex's successful methods for combating and adapting to COVID-19. It further allowed Flex to manufacture and donate PPE to Flex employees and their families, as well as the community at large.

 The combined team ensuring transparency with customers and clear communications allowed Flex and its customers to achieve commercially beneficial results despite the business pressures imposed by COVID-19.

Flex's business segments commented that Flex's non-traditional structure helps solve problems, builds trust, and creates efficiencies and unique advantages to the business. The business segments view the merged departments as gaining better insights, enabling those working in the departments to view problems through different lenses, creating leadership and management opportunities, and enhancing communication quality — internally and externally.

Per Andy Powell, senior vice president and chief ethics and compliance officer at Flex:

"Having legal under the same tent as brand protection, security, and marketing has been extremely effective in managing through the crisis in a seamless way and we really have been joined at the hip all the way through."

Conclusion

By thinking creatively, Flex's CEO and general counsel collaborated to create a unique organizational structure based on core principles that allowed the organization to successfully weather the COVID-19 pandemic and empower its business segments.

For more corporate advice on the pandemic, visit the ACC Coronavirus Resource page.

Melissa Zujkowski



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Flex

She joined the company in July 2014. In her role, Zujkowski leads and manages commercial litigation, including hiring and oversight of outside counsel; provides strategic legal advice and direction to business partners related to litigation and commercial disputes; develops training and communications for management on new legal trends and litigation avoidance; and provides support in FAS 5 and audit-reporting processes.

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