CHINA LAW INSIDER

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From the Inside Out: Why In-House Experience Changes the Way I Practice Law

By Peter C. Pang, Chairman and Managing Partner, IPO Pang Shenjun PLLC

After more than four decades of practicing law, much of it involving multinational companies and cross-border transactions, I have come to believe that some of the most valuable lessons a lawyer can learn are not taught in law school—or even necessarily in a law firm. They are learned inside the business. Before entering private practice, I had the privilege of spending a significant part of my career as an in-house lawyer with major multinational companies, beginning with Shell and Hershey Foods and later serving in senior legal leadership roles with Dole Food Company and Nissan North America. Those experiences fundamentally shaped the lawyer I eventually became in private practice. They taught me something deceptively simple: **A technically correct legal answer is not necessarily a useful business answer.** And for companies operating internationally, that distinction can be crucial.

Sitting on the Other Side of the Desk

The traditional career path for many accomplished private practitioners begins as a law firm associate. They learn to research thoroughly, draft carefully, identify every conceivable risk and document their conclusions comprehensively. Those are important skills, and I have tremendous respect for lawyers who have developed their careers that way. My path was different. I spent years sitting on the other side of the desk. I was the person receiving the outside lawyer's advice. I saw firsthand what corporate executives needed from their lawyers—and what they did not.

When a CEO, CFO or business unit leader comes to the general counsel with a problem, the question is rarely: *"Can you give me an exhaustive analysis of every legal issue that might conceivably arise?"* More often, the questions are:

Can we do this?
What are the real risks?
How can we structure it so that it works?
What is this going to cost?
And what do you recommend?

Those questions sound simple. Answering them well is not. It requires legal knowledge, certainly. But it also requires understanding the business.

The 25-Page Memorandum Problem

Every general counsel has probably experienced some version of this. You ask outside counsel what appears to be a relatively straightforward question and, sometime later, receive a beautifully researched 25-page memorandum. It identifies the statutes. It cites the cases. It explains the exceptions to the exceptions. It carefully qualifies virtually every conclusion. And after reading all 25 pages, you sometimes find yourself asking:

"So, what should we actually do?"

There is a reason lawyers write memoranda this way. Thoroughness matters. Documentation matters. Protecting the client matters. And lawyers understandably want to ensure that every conceivable issue has been identified. But sometimes the memorandum seems designed as much to protect the lawyer from malpractice as to help the executive make a decision. Business leaders generally do not have the luxury of operating in a world without risk. Their job is to make decisions **despite risk**. The lawyer's role, therefore, should not merely be to identify every possible reason something might go wrong. Our job should be to help the client understand which risks truly matter—

and then find a practical path forward.

Learning to Think Like the Client

My years at Shell, Hershey, Dole and Nissan gave me an education that complemented anything I learned in law school. Inside a multinational company, legal issues rarely arrive neatly categorized. An acquisition is not simply an M&A matter. It may simultaneously involve employment, intellectual property, environmental, tax, regulatory, antitrust, supply-chain, government-relations and cultural issues. A manufacturing problem is rarely just a manufacturing problem. A distributor dispute may suddenly become a reputational problem.

An employment issue involving one executive can quickly become a corporate governance issue.

And a technically elegant legal solution can be commercially disastrous if the lawyer does not understand how the company actually operates. That experience taught me to begin with a different question:

What is the client trying to accomplish?

Only then should we ask how the law affects the objective. That order matters.

The Difference Becomes Greater Across Borders

This perspective becomes particularly important in international and cross-border work. Today, in representing multinational companies operating in China and elsewhere, I regularly encounter situations where the "legal" answer is only one part of the solution. A contract may say one thing. Local practice may suggest another. Government expectations may introduce another consideration. Corporate headquarters may have policies developed thousands of miles away that do not fit comfortably with local realities. And cultural differences can influence everything from negotiations to employment relationships to dispute resolution. In these situations, simply telling a client what the law says is not enough. The lawyer must understand how the law intersects with **business reality**. Having worked inside multinational organizations, I understand the pressure on the executive receiving our advice. The country manager has a budget. The regional president has targets. The CFO wants predictability. The compliance department wants consistency. Headquarters wants control. And the business still has to operate tomorrow morning. Good legal advice must recognize all of those realities.

From "No" to "How"

Perhaps the greatest difference between purely legal thinking and business-oriented legal thinking can be summarized in one word:

How.

Lawyers are trained to identify why something cannot—or should not—be done. Experienced businesspeople are usually asking how it **can** be done responsibly. That does not mean compromising legal standards. Quite the opposite. It means understanding the law well enough to distinguish between a genuine prohibition and a manageable risk. Instead of saying:

"No, you can't do that."

The more valuable answer may be:

"You cannot do it exactly that way, but here are two alternatives that accomplish substantially the same business objective while reducing the legal risk."

That is the kind of advice I wanted from outside counsel when I was sitting in the general counsel's chair. And it is the kind of advice I expect our lawyers to provide today.

Practicality Is Not the Opposite of Sophistication

There is sometimes a misconception in the legal profession that complexity demonstrates sophistication. I have increasingly come to believe the opposite. The ability to take a complicated legal problem and explain it to a business executive in two pages—or sometimes two paragraphs—requires enormous discipline. The lawyer must determine what matters and what does not. What is probable and what is merely possible. What requires immediate action and what can wait. Most importantly, the lawyer must be prepared to make a recommendation. Clients are not hiring us simply to describe the landscape. They are asking us to help them navigate it.

Bringing the In-House Perspective to Private Practice

When I transitioned from in-house practice to representing multinational companies as outside counsel, I did not leave my in-house experience behind. I brought it with me. In many ways, I still try to sit in the client's chair. When we advise a multinational company on an acquisition, restructuring, employment matter, compliance investigation or dispute, I try to consider not only what I would tell the client as outside counsel, but also:

If I were still the general counsel receiving this advice, would I find it useful?

Would I understand the recommendation? Could I explain it to the CEO? Could the business actually implement it? Does the solution justify its cost? And have we helped the company move forward rather than simply cataloguing everything that might go wrong? Those questions have become part of how I define good lawyering.

The View From Both Sides

There is tremendous value in having experienced both sides of the attorney-client relationship.

My years at Shell, Hershey, Dole and Nissan taught me how multinational enterprises actually consume legal services. Private practice has given me the opportunity to apply those lessons across companies, industries, cultures and borders. The combination has shaped my view of what clients should expect from their lawyers. They should expect technical excellence. They should expect independence and integrity. They should expect their lawyers to identify risks others may overlook. But they should also expect something more.

Judgment.

Because at the end of the day, the most valuable lawyer is not necessarily the one who can write the longest memorandum explaining the problem. It is the lawyer who understands the enterprise well enough to say:

"I understand what you're trying to accomplish. Here are the risks that truly matter. And here is how I think we should proceed."

That is the perspective I learned from the inside.

And it continues to shape the way I practice law today.

About the Author

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Mr. Pang has over four decades of legal and business experience, including senior in-house roles with major multinational companies before entering private practice. Drawing on experience from both sides of the attorney-client relationship, he advises international businesses on cross-border transactions, corporate matters, regulatory issues, and navigating complex legal and business challenges in China.

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