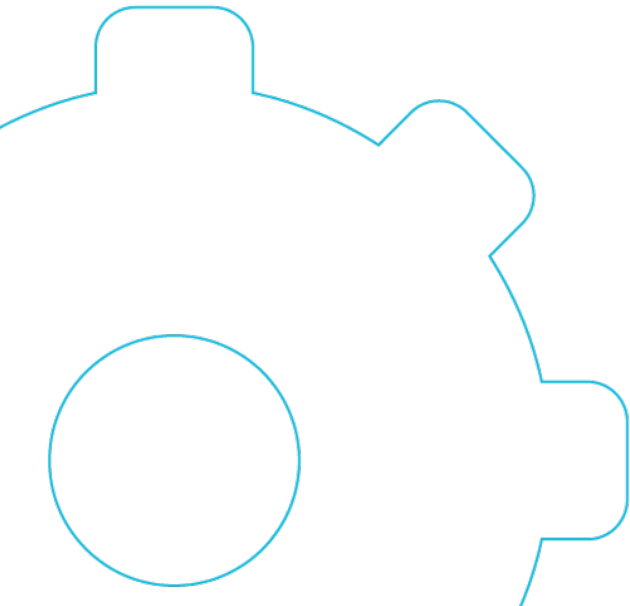


From Hamlet to Einstein:

How Forces Reshaping
the Legal Profession Affect Compliance

Kenny Tung

Presented in
China Forum on Anti-Corruption
Shanghai April 27, 2016



Business & Ethics – A Difficult Choice?



“About half of the practice of a decent lawyer is telling would-be clients that they are damned fools and should stop.”



“Most American lawyers . . . are counselors or advisers, operating where there is no judge and no adversary. No one is watching. And there may never be anyone watching. Then, the temptation is to push the limits, sift the language of the law, find hidden meanings. . . . Our law cannot be defined solely by the limits of a lawyer's linguistic imagination. That is a recipe for destabilizing the rule of law, not preserving it.”

If Einstein Also Went To Law School...

What would a lawyer from the
“MIT School of Law” bring to the table?

“The MIT School of Law A Perspective on Legal Education in the 21st Century”
Daniel Martin Katz, April 26, 2013

Compliance In the Age of Big Data



Forces Reshaping the Legal/Compliance Field

BloombergBusiness News Markets Insights Video

JPMorgan Algorithm Knows You're a Rogue Employee Before You Do

by Hugh Son

April 8, 2015 – 12:00 PM HKT

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AIG Announces It's Creating a Legal Ops Consultancy

Sue Reisinger, Corporate Counsel
October 23, 2015 | 2 Comments

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Catalysts or Mavens



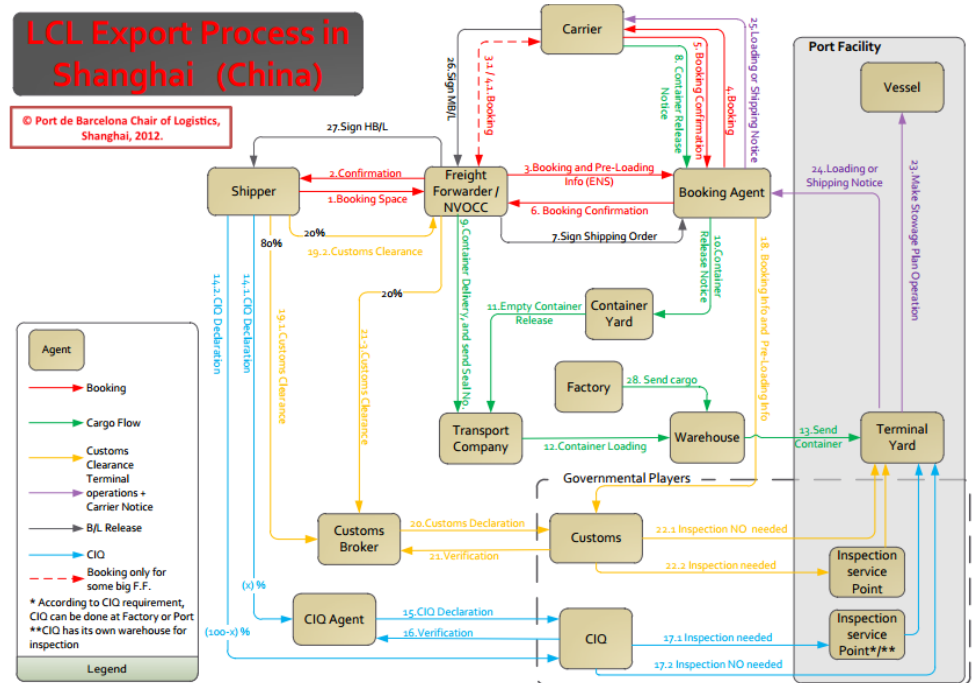
Mentality:
Traders, or
Integrated Supply Chain



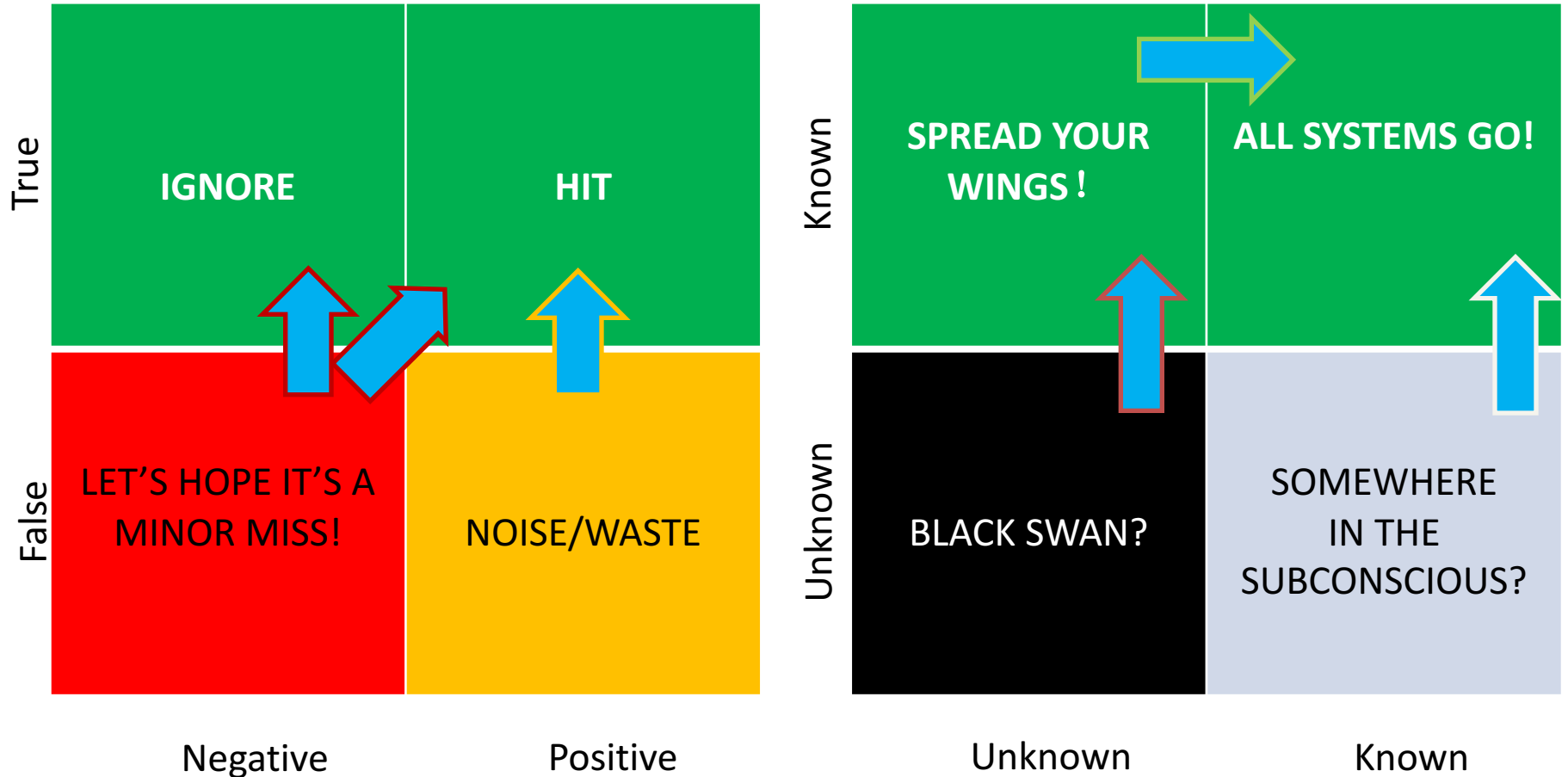
A Systemic & Holistic Approach To Compliance

【业界】航运业资深船长八问中国海运现状

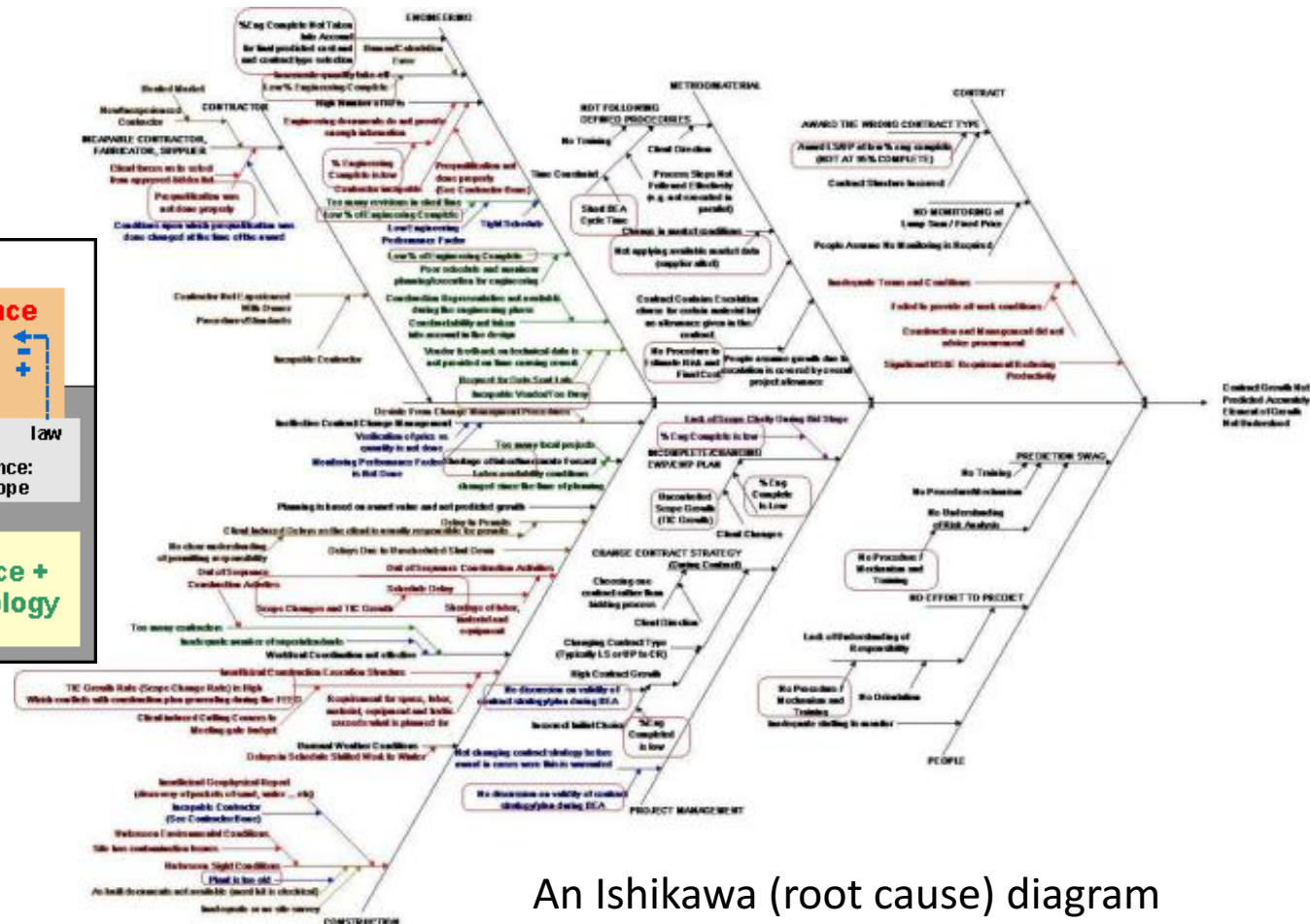
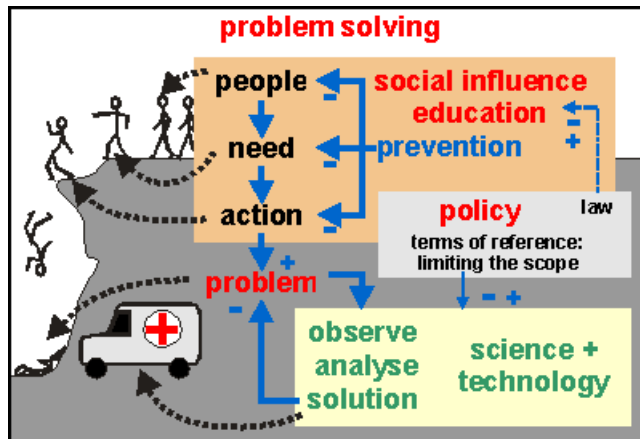
2014-10-14 中国海员之家 中国海员之家



Compliance - A Part of Business Strategic Process?

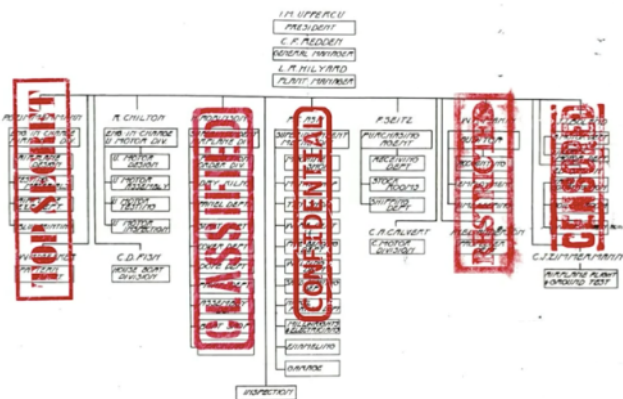
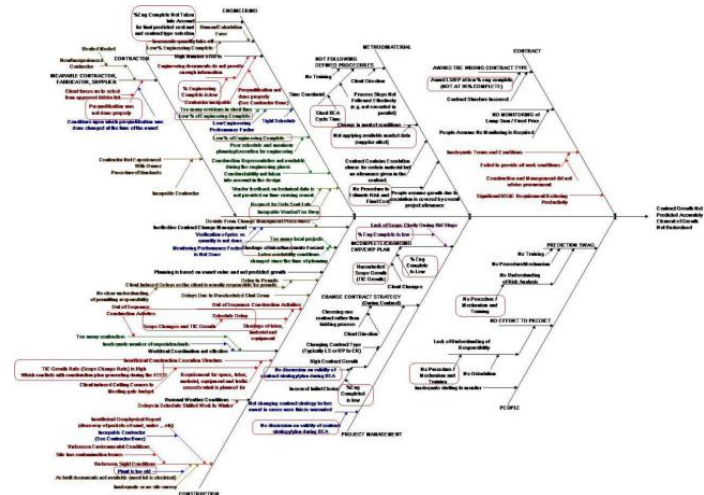
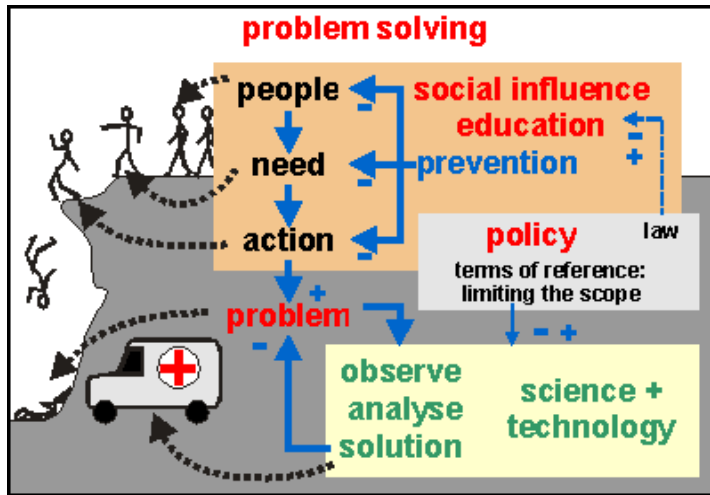


Issues & Solutions From Rules + Facts

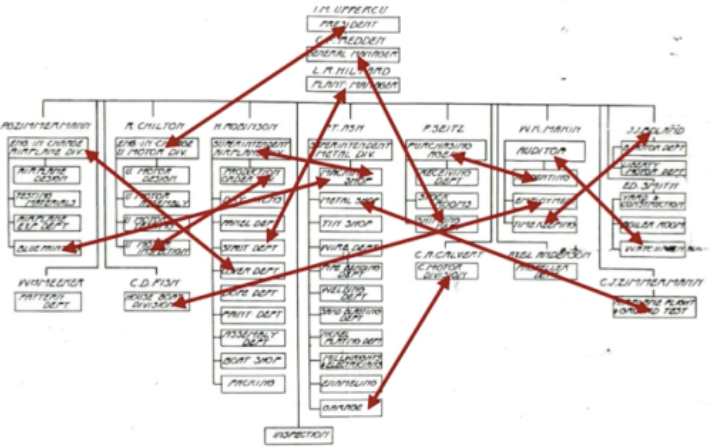
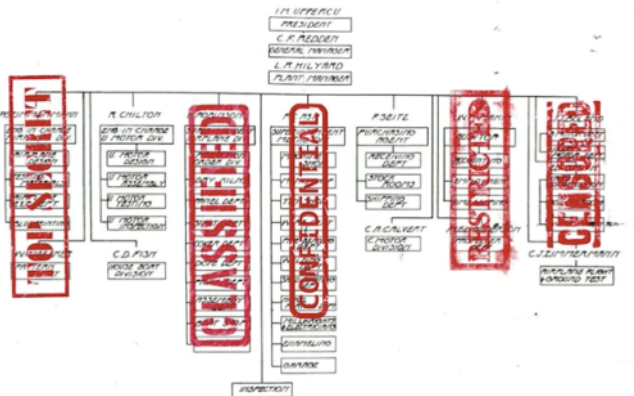
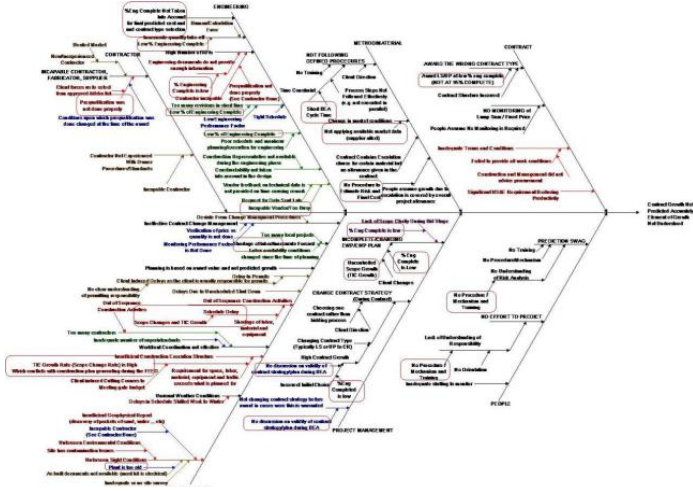
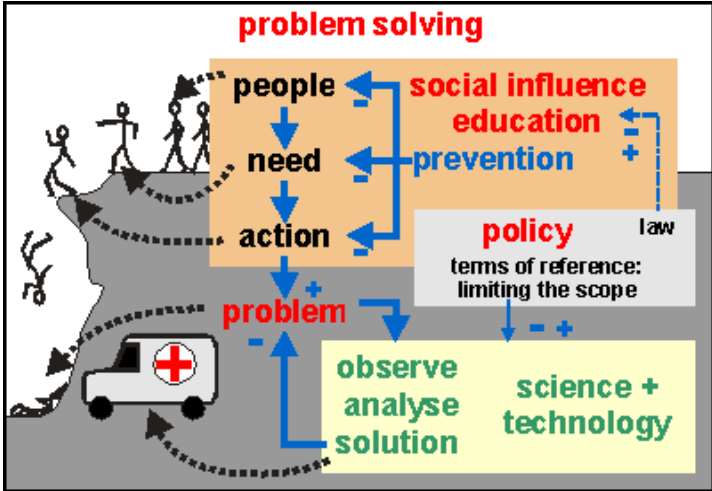


An Ishikawa (root cause) diagram

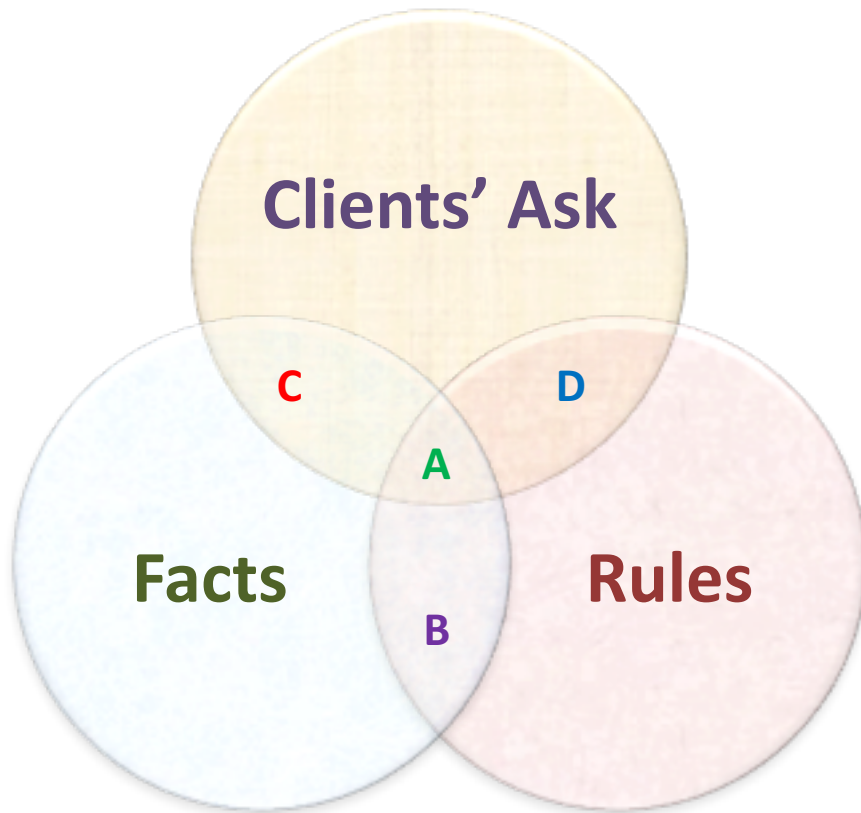
How Can Legal Deliver More Impact?



Across Silos!



A Lawyering Venn Diagram



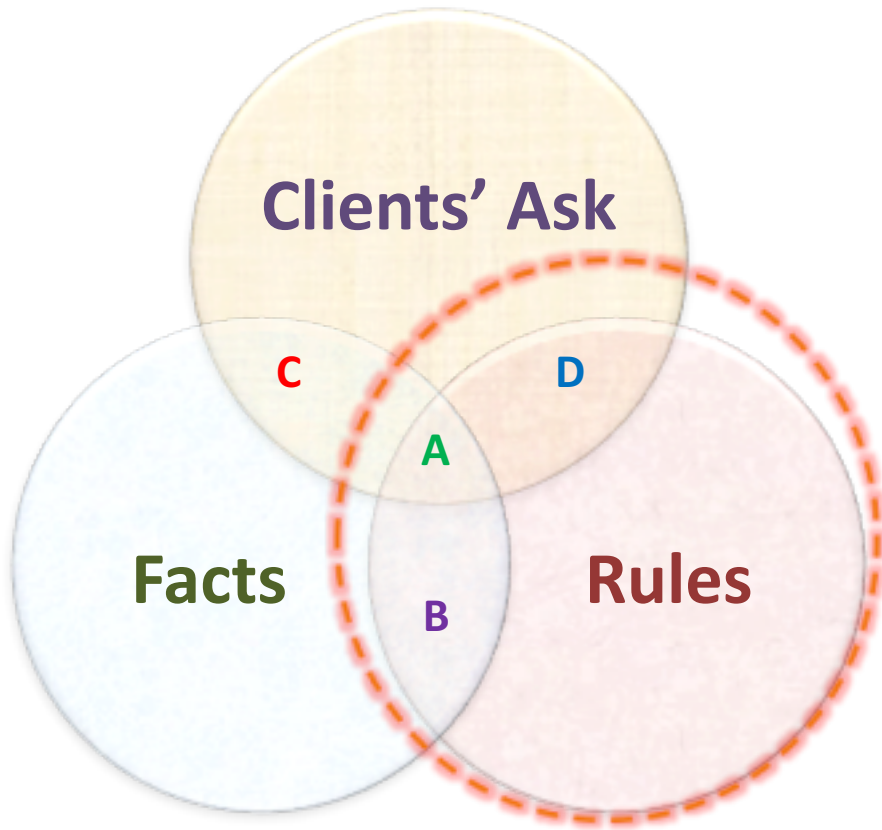
A - Problem solved!

B - What is in the cards & allowed, but not asked for

C - Scenarios acceptable to clients but out of bounds

D - What if some evidence is missing

A Lawyering Venn Diagram C



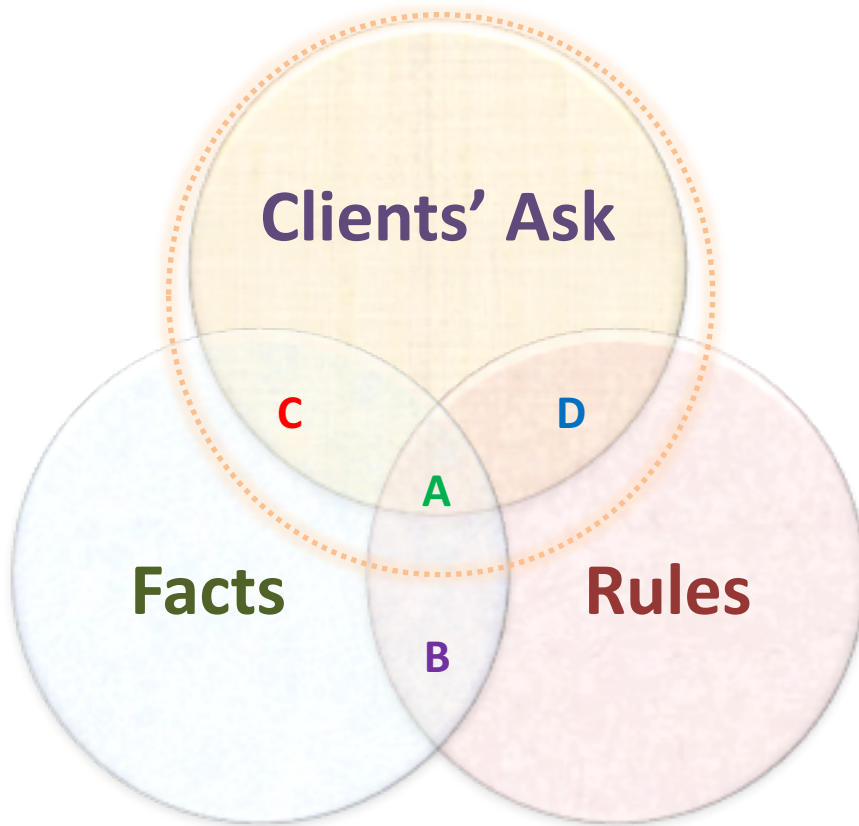
A - Problem solved!

B - What is in the cards & allowed, but not asked for

C - Scenarios acceptable to clients but out of bounds

D - What if some evidence is missing

A Lawyering Venn Diagram B



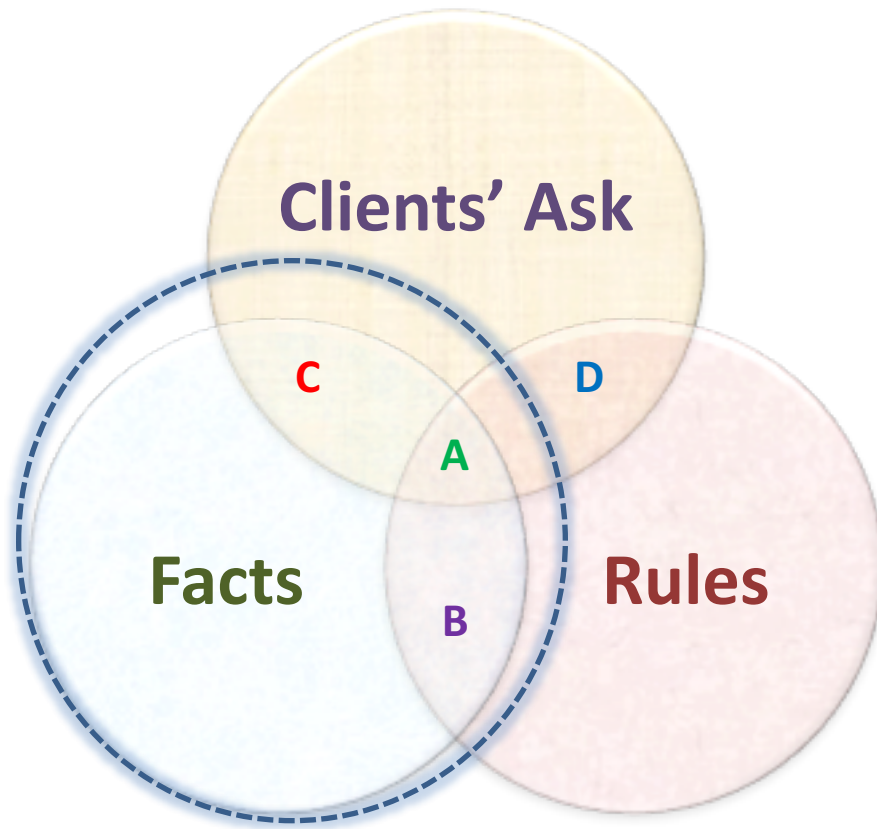
A - Problem solved!

B - What is in the cards & allowed, but not asked for

C - Scenarios acceptable to clients but out of bounds

D - What if some evidence is missing

A Lawyering Venn Diagram D



A - Problem solved!

B - What is in the cards & allowed, but not asked for

C - Scenarios acceptable to clients but out of bounds

D - What if some evidence is missing

What is the Purpose of Your Legal Function?

- ⚙️ In-house legal departments are embarking on a modernization journey that is akin to:
 - ⚙️ The transformation of accountants into CFOs
 - ⚙️ Sales professionals embracing marketing skills
 - ⚙️ Other corporation functions integrating insight from operational data
- ⚙️ Embracing this mission means rising above the reputation & mentality of being a cost center and becoming a strategic asset for the corporation
- ⚙️ To answer the title question, you need to know what your corporate legal strategy is today and where you want it to be tomorrow?

A Framework* for Corporate Legal Strategies



Avoidance

- * Lawyers defend company from problems remedially
- * Legal knowledge is needed, if at all, to circumvent obstacles



Compliance

- * Lawyers police misconduct
- * Law is an unavoidable constraint on business activities & a cost to be minimized



Prevention

- * Lawyers partner with business to proactively manage risks
- * Legal advice is sought to minimize identified business risks



Value

- * Lawyers are partners in broader decision making as they & their clients become savvy in mutual leverage
- * Law as an opportunity to create value

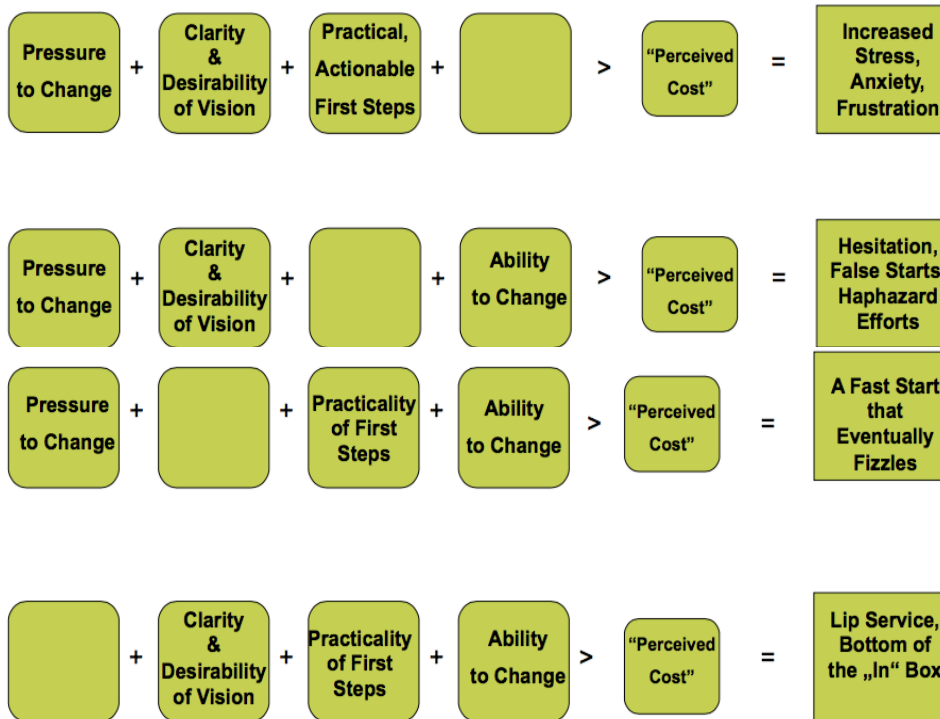


Transformation

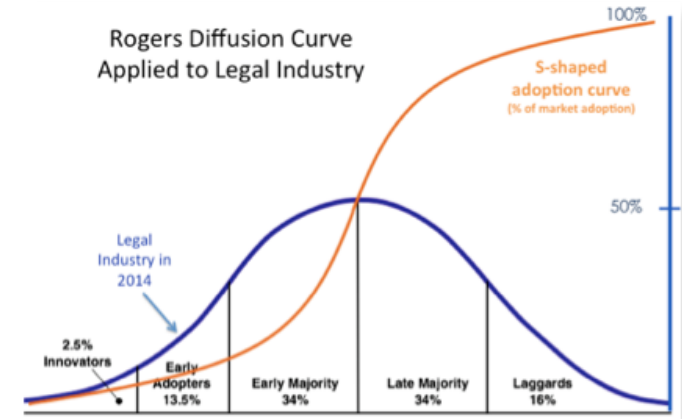
- * Lawyers facilitate top level corporate strategy
- * Legal strategy is a competitive advantage & fully integrated into the company's value chain

Are We There Yet?

Barriers to Change and the Future



Jörg Habenicht,, osb international, June 2015



Wm D Henderson, "Ahead of the Curve: Three Big Innovators in BigLaw", The Legal White Board, Aug. 24, 2014

Thank You!



谢谢!

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