

## Episode 52: Role legal has in business decisions?

I suspect that legal doesn't try to get involved in all decisions if it just feels like it. Let's deal with a typical company and its marketing and business decisions.



### 1. What role should legal have?

Clearly the role of legal is to keep your company (and sometimes you) out of legal trouble. Some places legal are involved are obvious (ie: naming, trademarks and patent filings).

They are also critical to contracts and other legally binding negotiations.

You would expect them to be able to explain the laws around people management.

There are some places where they know more than you about legal issues.

Typically: Statutory requirements or regulations, legal agreements, legal actions pending, etc.

Whatever the subject, in principle, it's always worth checking with legal first.

But remember, how you explain the issue to them will define how they answer you.

### 2. How should you respond to legal?

We can assume the issue is when they say "no" and a "yes" would move you forward.

In most companies legal doesn't make the business decision.

What legal is giving you is a legal opinion of the risk and a "no" means it's too high.

Given that you think that might be the wrong answer, here are the steps:

- Make sure legal knows exactly what you are trying to do.
- Get them to quantify the risk – don't accept High, Medium or Low, you need dollars.
- Challenge them where you think they misunderstood your plans.
- Quantify the benefit of what you are trying to do.
- Assuming the benefit is greater than the risk, escalate it to your boss.

While this last step may seem radical, remember you're a business and all businesses take risks.

If the risk is high and the value is low, then you need to ask, is this the battle you want to fight?

**Bottom Line:** In most companies, the legal team doesn't make the business decisions. Your role is to assess the business benefits and then, with legal, come to the best solution for the company.