

Overcoming the Common Obstacles:

Five Critical Steps for Best-in-Class Chief Legal Officer Succession



With an increased focus on C-suite succession and maturing in-house talent functions, companies are getting better at developing internal successors for the chief legal officer (CLO) role. This is an important development, as nearly half of new CLOs are internal appointments and, in many sectors, regulators are keenly interested in CLO succession planning.

Most companies strive for a best-in-class process that maximizes the future readiness of internal talent and, ultimately, identifies the best candidate for the CLO role. Yet, it is not uncommon for challenging internal dynamics and underappreciated minefields to get in the way of effective succession planning. These can include:

- » Interpersonal dynamics, such as the fear of positioning the sitting CLO as a lame duck
- » Expectations of internal candidates and the risk of losing them if they are not promoted
- » Lack of clarity about the potential timing of a transition, either because the sitting CLO doesn't feel ready to discuss leaving or the CEO or board want the current CLO to stay longer
- » Lack of role clarity among the key stakeholders, including the CEO, the CHRO and other members of the executive team — and sometimes the board of directors and even the incumbent CLO

Lack of clarity and overemphasis on potential interpersonal dynamics can delay development efforts, including providing opportunities for potential successors to take on strategic projects or build relationships with the CEO, C-suite and the board. Amid uncertainty, some talented leaders may leave, reducing succession options.

Recognizing when these dynamics are at play and embracing a more transparent process focused on leadership development can help get succession planning on track, leading to better outcomes for the company. Viewing succession planning through a development lens mitigates anxiety and the perceived risks around the succession process. An intentional approach for developing leaders enhances their career opportunities and improves retention, whether or not they ultimately become the CLO.

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In our experience having helped hundreds of companies in all manner of C-suite succession, the process works best when there is clarity about the timing — keeping in mind reporting requirements for named executive officers — and the role of the CEO, CHRO, outgoing CLO and board in the succession process.


With clarity on the timing of a transition, ideally 12 to 18 months in advance, there are five steps the company should take to do it right.

1. Define the capabilities and leadership traits needed in the next CLO.
2. Assess potential internal candidates to identify their strengths and gaps.
3. Create robust development plans based on assessments and the role requirements.
4. Scan the external talent market.
5. Once the new CLO is in the role, provide the support to accelerate their performance.

Defining the future need

Defining what is needed in the next CLO should be rooted in an understanding of the future direction of the business, the industry and the role the CLO will play. Is what you will need in the future the same as what you have had? Most companies we work with are either disrupting their industry or undergoing a transformation to stay competitive, and the CLO has become more critical to that journey. Consider questions such as: What are the most critical strategic opportunities and challenges facing the company? How much change is required? What are our aspirations for the business and the legal function going forward? What do these plans and aspirations mean for the capabilities and leadership traits we need in a CLO?

It is important to be clear about how future criteria should evolve: In some companies with a long-serving incumbent, for example, the legal function reflects the incumbent's approach, and the organization should assess where fresh perspective is needed.



Ideally, the process will plan for multiple future succession scenarios based on the different departure timelines, potential future business directions and the degree of uncertainty about the future. This will help identify potential variations of the CLO profile. Some core elements of the profile may be constant regardless of the scenario, such as capacity for judgment, decision-making, risk balancing and change leadership. Others may vary based on the strategic focus, for example, increased regulatory scrutiny, growing focus on M&A, existential litigation or reputational threat, or the need to drive industry standards.

Assess internals

A best-practice process includes rigorous, objective assessments of potential internal CLO candidates relative to the desired capabilities and leadership traits. Such assessments should look at individuals' capacity to respond to new challenges and to grow into more complex leadership roles. For example, if experience driving transformation is required, the assessment should assess leaders' aptitude for transformational leadership and identify the capabilities and experiences they will need to develop. Assessments should happen early enough to provide potential candidates the time to develop and the CEO and board time to build a fuller, more nuanced view of the internal players.

Robust assessments, especially when conducted by someone with deep knowledge of what success in the function looks like, also can debunk assumptions or biases about people on the legal team — assuming a stellar operator isn't a strategic thinker, for example — by articulating individuals' specific development needs and action plans. The CEO and board can observe their growth over time and be open to new narratives about individuals.

Coach and develop potential internal successors

Specific development plans and coaching accelerate executive development. The most effective development tool is an assignment to a larger or more complex role along with clear development goals and a game plan for getting the most impact from the experience. Development goals might include leading with purpose, communicating authentically, building internal networks and visibility, and shaping their agenda. Rotations through different roles and assignments — such as a move from a corporate legal role to a business general counsel position or assignments providing exposure to the CEO, board and other business unit and functional leaders — broaden leaders' knowledge of the business and network of relationships. An executive coach can help leaders build skills and address blind spots. By monitoring executives' progress on an ongoing basis, the CEO and board can observe patterns of performance and develop a richer point of view on individuals' strengths and weaknesses. It is important to keep timelines in mind so promising internal succession candidates have enough time to get the development experience they need.

Ideally, the sitting CLO will play an active role in coaching potential successors and providing developmental opportunities. While the recommendations of the CLO are important to consider, they should be just one input into the final selection. Make sure to also screen for bias and assess candidates objectively.

Conduct external benchmarking

Even if the company's goal is to cultivate a CLO internally, a best-in-class CLO succession process includes benchmarking external talent. Confidential external benchmarking — identifying outside talent that might be considered for the CLO role, typically without contacting those individuals — can provide the CEO and CHRO a good sense of the relative strength of the internal candidates and reveal any experience gaps more clearly. The insight gained about who is available provides an objective comparison, helping to “pressure test” the quality of internal options and educate critical decision-makers on the potential trade-offs of launching a search versus going internal.

Accelerate the new CLO's performance in the role

Nearly two-thirds of Fortune 500 CLOs (64 percent) are serving in the role for the first time, and 52 percent were hired from outside, our analysis has found. Whether a CLO is new to the role or new to the company, the learning curve for these leaders can be steep. Leaders from the outside lack knowledge about the culture and team and may over-rely on their reputation to open doors with new colleagues rather than doing the hard work of relationship building. The new context also may present challenges, especially if the leader brings biases formed in a different context, such as moving from a large company to a smaller company. A CLO promoted from within the company must navigate new dynamics with their former peers and establish themselves as an enterprise leader with a credible voice on a broad range of business issues. They may overestimate their knowledge of the culture or not recognize what needs to change.

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Given the high stakes for the organization and the new CLO, it is important that CEOs, CHROs, boards and CLOs themselves create the scaffolding needed to support the new leader's success in the role. In the most effective transitions, new leaders quickly define a few strategic moves, align their leadership team, engage key stakeholders, activate leaders at all levels of the legal function and evolve their own leadership effectiveness. For many new CLOs, shifting from “doing” to guiding your team and framing priorities and challenges can be one of the toughest parts of the transition. New CLOs have to become comfortable in the role of decision-maker in a highly dynamic business environment, and most will need support in building this muscle.

To support the transition, some companies assign an outside coach or senior HR executive to help a new leader navigate cultural minefields, assess and evolve team dynamics, and provide insight into what others view as the person's strengths and “watch outs.” Without a deliberate strategy for meeting and developing relationships with colleagues on the management team and other stakeholders, new leaders may find that they have less influence than they expect.



Companies are getting better at developing internal CLO successors, but too often succession and development efforts are derailed by internal dynamics and uncertainty about the timing of a transition. Making leadership development the focus of succession planning can help mitigate these challenges so organizations can embrace a best-in-class process that maximizes the future-readiness of internal talent. Succession planning done right begins long before a CLO transition and recognizes the subtleties of this critical role for business performance.





ARC-CLOSURE/JAN/2025

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