

HIRING TRENDS INTERNET SECTOR

August 2021

1 Legal Hiring by Internet Sector on the Rise

At Vahura, on account of our close work with the legal industry, we have a unique vantage point on the evolution of corporate legal departments and their hiring strategies as they are today.



Hiring has picked up at a significant pace this year in the in-house segment, with corporates rapidly looking to scale their legal teams, particularly with specialist hires. Owing to the unparalleled growth of internet sector companies, the need for a focused internal legal function has also augmented."

Karlstein Fernandes
Partner & Head - In-house Practice Group, Vahura

The internet sector has been among the top 3 hiring sectors in the last two fiscal years, accounting for approximately 14% of the total legal hiring each year based on our previous editions of [Vahura Insights](#).

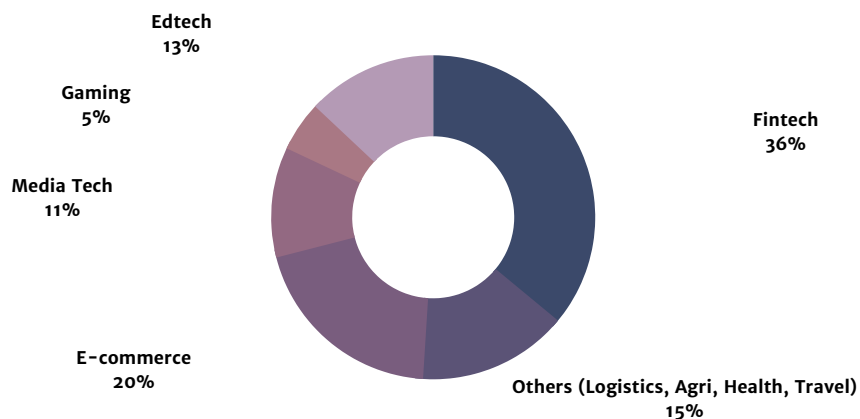
To grow, expand and protect their market position in a sector that has seen unprecedented growth in the last few years, internet companies are building a robust legal strategy to gain the required competitive advantage and mitigate the legal and regulatory risks associated with this growth. As a result of this increased focus on legal, internet companies need to make a strategic decision on internalising and outsourcing their legal work.

Our research in this regard indicates that internet companies that have internalised their corporate legal departments are doing so with the agenda to insource a significant portion of their legal requirements, with a maximum of 20% to 40% reliance on external legal resources. The vision is to develop a strong and strategically positioned in-house legal function that conducts most of the legal work for the organisation both effectively and efficiently.

The key advantage of this approach is that in-house lawyers have an inherent advantage in understanding all aspects of the business. Transacting with a large panel of external counsel and constantly keeping them up to speed on what the business is doing is considered very expensive and ineffective as the organisation grows.

Consequently, the hiring of in-house lawyers has picked up at a significant pace this year, with internet companies rapidly looking to scale their in-house legal capability. According to Vahura's Research team analysis which tracked 1250+ corporate legal moves in the last fiscal across an extensive experience range, 115 (10%) of these moves were in the internet sector.

Which internet sectors are hiring the most?



2 High Demand for the First Legal Counsel Hire

In early-stage growth companies, founders oversee the legal function along with the finance team and external law firms. However, bandwidth constraints for the founding team, coupled with pressure to cut external legal spend, brings about the need to hire an in-house legal counsel. We see internet companies begin the internalisation of the legal activities strategy by hiring a mid-senior level professional who would be their first legal hire (“Legal Counsel”). These professionals typically have 8+ years of experience working with a similar internet company, an enterprise’s corporate legal department or a law firm.

“Legal risk rises exponentially with the growth of the business. Not in a linear fashion. Depending on the pace at which the company is looking to grow – revenue, customers, employees, markets – it is advisable to hire a legal counsel for that growth, and not just your current reality. The right legal talent, must be combined with process and technology to manage legal risk and also unlock business opportunities for high growth companies.”

Ritvik Lukose
CEO & Co-Founder, Vahura

In the last fiscal year, 47% of the legal hires tracked by Vahura in the internet sector have been professionals with 8-16 years of experience. These professionals were either the first legal hire for the organisation, or were brought in to support the existing General Counsel on strategy and operations. Some of the internal legal capabilities internet companies are looking to build include:

Scenarios	Internal Legal Capability
The company is dealing with a steady flow of B2B transactions, high value or strategic contracts with domestic and international clients, venture capitalists, vendors, and partners amongst others.	To efficiently draft, advise, negotiate and manage all these high value-complex contracts.
The company is seeing an increase in the number of business-as-usual (BAU) contracts that the business and other teams are entering into on behalf of the company.	To protect the interests of the company from a legal standpoint while also creating a streamlined contract management process for business and other teams to enter into fruitful relationships.
The company’s business strategy is to grow and expand into areas that are moderate to highly regulated by domestic & international regulators and other government bodies.	To deliver upstream compliance services with a goal to prevent the emergence of legal and regulatory issues or cases.
The company needs continuous protection as the identified growth areas do not have the regulatory framework or the required policy clarity in place.	To identify the legal risk hotspot areas (eg., jurisdiction, regulator, reputation, IP) and proactively help the company navigate through these regulatory grey zones.
The company has a robust growth strategy that includes complex fundraising and acquisitions.	To build the legal strategic road map (IPO, M&A) and to engage with the investors and external counsels to achieve the long term business goals of the company.
The company is seeing an increase in B2B, B2C and other forms of disputes.	To provide legal opinions on the subject matter at hand, consult on the available dispute resolution mechanisms (Negotiation, ODR, Mediation etc.) and act as the interface with external law firms.

3 War for Legal Talent Rages On

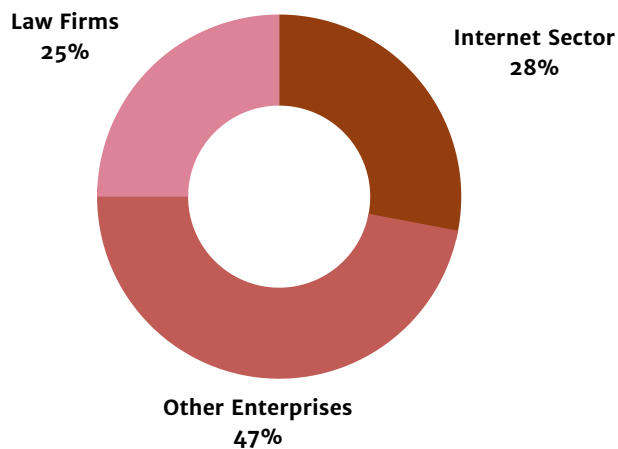
With hiring picking up in the internet sector, there is a significant demand for lawyers who can help build capabilities for the company. Over 72% of hires in internet companies have been lawyers from diverse professional backgrounds.



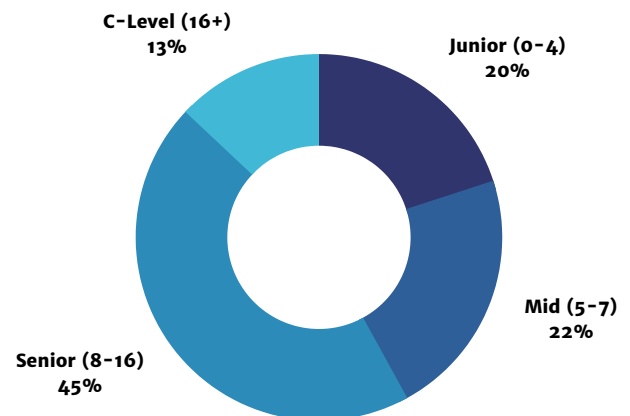
Given the uniqueness of their business model, internet companies have a place for all forms of lawyers, ranging from specialist lawyers from law firms to generalist lawyers from in-house corporate legal departments."

Duiti Ramchandani
Head - Client Solutions, Vahura

Sectors



PQE levels



The current demand is present for lawyers across all years of experience. This is well demonstrated by the fact that in the legal operating models built by internet companies, there are clear roles demarcated for junior to senior members in the legal team. Our research indicates that there is a considerable demand for senior lawyers with more than 8 years of experience who have the responsibility to identify and build depth in the strategic focus areas for the legal department. A similar demand exists for junior to mid-level lawyers who primarily play an operations and execution role on the strategic areas of focus identified by the senior members.

4 An internet company with a holistic total reward strategy will win this war!

A. Work Profile

Legal professionals are looking to be part of organisations that are setting new standards. The internet sector has been progressive and diversified particularly in the nature of roles they offer such as general corporate, compliance, regulatory and policy. While candidates are keen on exploring specialised roles the sector has to offer, they also seek clarity on their growth path. We observe that while corporations typically hire legal teams from a long term perspective (10 year horizon), the internet sector looks at a 4 year horizon while hiring legal professionals. Hence, legal professionals looking to work in the internet sector are seeking clarity on the company's vision as well as the role legal is expected to play at least over the next 4 years.



When we pitch such roles to senior legal professionals, they always seek a lot of clarity on their growth profile for the next 4-5 years. Clients usually have a good business strategy but typically, clarity on the role is not always there at the beginning – it comes over a period of time. While there exists a job description that sets out generic transactional activities the lawyer has to work on, what makes an actual difference is the depth with which we are able to communicate to the legal professionals the founder's vision of the company, legal's role to achieve this vision, and their respective growth path."

Vani Jain
Principal Consultant - In-house Practice Group, Vahura

Another key challenge that we have to tackle is the reporting line within growth companies in the sector where legal is expected to report into the CFO. Lawyers are actively looking to be business enablers and hence favour reporting/working directly with the business/founders to be able to play an active role in the growth of the company, and not just a supporting role.

B. Compensation

One of the biggest challenges faced by growth companies, especially in the internet sector while hiring their legal resource is the misalignment between the value the company is willing to pay for the resource vis-a-vis the current market bands for these legal professionals. Internet companies demand top-quality lawyers, and these lawyers are usually placed at the top compensation percentiles of the legal market.



Compensation is often a challenge to close offers at senior levels. Internet companies shortlist 2-3 professionals as there is a good fitment on role and culture. But, offer management has been one of the challenges in getting these professionals onboard. Companies that are flexible on their structure – to make compensation a bit lucrative for professionals, are able to attract and retain the top legal talent. A robust compensation strategy which has a good mix of fixed, short term incentives such as performance bonus and long term incentives such as ESOPs, can help the company hire the right legal talent.”

Nitika Marya

Managing Consultant – In-house Practice Group, Vahura

In our experience, internet companies that consider market standards by benchmarking against peer companies and law firms while determining the compensation bands are hiring better talent faster than those that only focus on the internal banding and budget. You can access Vahura’s Generic Compensation Report by clicking [here](#).

C. Hiring Process

Organisations that focus on providing a positive experience during the hiring process for their professionals can attract a higher quality of talent. For instance, organisations tend to lose otherwise qualified candidates at the assessment stage. This often happens when senior candidates are expected to take time-consuming assessment tests in the early stages of the interview selection process. While junior to mid-level professionals are typically comfortable with assessment tools, senior professionals do not always appreciate being screened in this manner. The internet sector is looking to streamline the hiring process, and what could work well for both hiring managers as well as candidates is using assessment tools for decision making rather than shortlisting or screening. A work product test that gives the candidate an idea about the role while also allowing the hiring manager to make an informed decision is a value add for both parties and can play a pivotal role during the final stages of the interview process.

Another crucial point to keep in mind during the hiring process is that certain companies tend to bring in their external legal counsel as part of the interview process quite often. However, this may not always work favourably with candidates. It is always best to have the investor’s General Counsel over external law firms, given the former would have the long term vision of the company in mind while hiring the legal counsel.

5 The right mix of talent, process and technology is the future of legal departments

With an increase in demand from internet companies for top-quality legal professionals, companies that have established legal teams are looking for innovative ways to retain their legal resources. This has led companies to ask two key questions:

1. How do we reduce or eliminate the requirement to undertake low value add and non-essential activities, and enable our lawyers to focus on what is core and critical to the company, thereby improving work engagement?
2. How do we empower and motivate our lawyers with innovative technology tools, processes, and structure, so that the lawyers can perform these activities in the most efficient manner possible?

One way internet companies are doing this is by helping lawyers to focus on what is essential and using a mix of interim talent, tech and process, which includes:

1. Embracing technologies to reduce the need for manual intervention in legal services and speeding up their delivery. Some of these include:
 - Document assembly
 - Automated approvals
 - Non-human interaction systems for routine queries (e.g. Chatbots, FAQ pages)
 - Knowledge management technology (e.g. Playbooks)
 - Predictive coding (e.g. Clause Libraries)
 - Automated contract abstraction
 - Sophisticated search options
2. Defining clear client engagement rules and intake criteria.
3. Increase lawyers' competency in time and project management through training and professional development, with a focus on technology and data.
4. Improving collaboration among lawyers and all stakeholders and by optimizing the engagement of external counsel.
5. Using secondments or managed legal services as options to handle solitary projects or to manage the unforeseen increase in the volume of work.

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About Vahura

Vahura, is India's largest talent consulting firm specialising in legal, policy, governance and compliance domains. Having pioneered legal recruitment in India, Vahura has a decade-long track record of building legal teams across growth ventures and established enterprises. This expertise extends to executive search, flexible resourcing and consulting solutions on legal-tech, document automation & legal operating models.

Legal Search

We are India's largest search & consulting firm specialising in legal, policy, governance and compliance domains, offering a focussed approach to building legal talent capabilities. Since 2011, Vahura has pioneered legal recruitment across India and the APAC region. We have a rich network and unique database of mid-level to senior lawyers, policy, tax and compliance professionals. Our systematic mapping and talent profiling across the industry gives us access to 98% of the market.

Our track record and reach extends to Singapore, South East Asia and the Middle East. For requirements in Europe, the USA and other parts of the world, we partner with local specialist firms.

For more information: www.vahura.com

OnBoard

Vahura OnBoard is our specialist board search and governance consulting practice, that is driven by the mission of enabling professional boards. Our offerings include search for Non-Executive Directors such as Independent Directors, Women Directors, and Nominee Directors. Our pre-vetted panel of board-ready directors provide a venture with strategic advice and perspective in their growth journey, as well as play a key role in ensuring that corporate governance standards are improving.

For more information: onboard.vahura.com

Consulting

We help internet companies bring significant improvements to their existing legal operations by applying technology, processes and systems thinking to the function. We have expertise in reviewing legal operation requirements of the organisation, making recommendations and also helping in the implementation of these recommendations.

Our other areas of expertise include:

- Identifying and implementing contract lifecycle management tools, AI (artificial intelligence) solutions, chatbots, and other technology solutions.
- Creating document, workflow and playbook automation processes and systems.
- Implementing contract review and data extraction solutions.
- Building self-service tools to automate document creation for the business teams.

For more information: consulting.vahura.com

Secondment

Counselect (a Vahura venture) is pioneering legal secondments in India and has a quality panel of lawyers, company secretaries and compliance professionals from leading law firms and corporate legal departments. Counselect professionals on the panel are pre-vetted, tested and ready to begin short term assignments, where they are completely dedicated to a single client project. These assignments could vary from three months to one year. The uniqueness of the model is in its complete involvement yet flexible engagement.

For more information: www.counselect.com