

5 Insights From General Electric's Alex Dimitrief

Law360, New York (January 6, 2017, 10:34 AM EST) -- *Alex Dimitrief is senior vice president and general counsel of General Electric Co. He leads a global team of 5,000 professionals responsible for GE's legal matters, compliance, governmental affairs and environmental health and safety in the 180-plus countries where GE does business. Before joining GE in 2007 as vice president for litigation and legal policy, Dimitrief had been a trial lawyer in the Chicago and New York offices of Kirkland & Ellis LLP since 1986.*



Alex Dimitrief

Dimitrief was promoted in 2011 to vice president and general counsel of GE Energy, where he oversaw the global legal and compliance functions for GE's Power & Water, Oil & Gas, and Energy Management businesses. In 2012, he was named senior vice president and general counsel of GE Capital. He played a key leadership role in GE's transformation and reorganization of GE Capital in 2015.

Dimitrief began his career as a White House Fellow in the Reagan administration's Office of Political and Intergovernmental Affairs. He serves on the board of the New England Council and has served on the boards of numerous charitable organizations, including the Constitutional Rights Foundation - Chicago, the Ronald McDonald House of New York and the Westport Country Playhouse.

As a participant in Law360's ongoing Q&A series with leading in-house counsel, Dimitrief shared his perspective on five questions:

Q: What is unique about your company's legal department?

A: When I look at the GE legal organization over the years, I see a remarkable ability to adapt to the changing needs of GE's businesses. The challenges GE was facing when Ben Heineman was general counsel had grown exponentially more complex due to rapid growth in globalization, regulation, and litigation. One of the ways Ben responded was to recruit senior partners from first-rate law firms who practiced in specialized areas like antitrust, environmental law, IP, M&A and tax. That insourcing of legal expertise was unprecedented at the time, but added tremendous value to GE and to many other companies that have replicated the model since then. Ben also became a ferocious champion of "high performance with high integrity."

When Brackett Denniston took the helm in 2004, one of his focuses was to optimize what Ben had built. We used Six Sigma and information technology to reduce our outside legal spend, streamline our own work methods and upgrade our "preventative law" processes like open reporting, early warning systems, and early case assessments. These and other initiatives accelerated in the wake of the financial

crisis, and especially in the last few years with GE's transformation into a digital industrial company. A key element of that transformation has been a new culture of simplification, which prioritizes customer outcomes, lean management, speed and agility — all while upholding GE's long-standing commitment to integrity and compliance. Brackett also built out our international capabilities. Few companies can match the depth and breadth of our legal, compliance, EHS and government affairs talent in Africa, Australia-New Zealand, Canada, China, Europe, India, Japan, Korea, Mexico, the Middle East, Russia, South America and Southeast Asia.

Today, our team's mission is to continue facilitating GE's transitions — e.g., exiting most of GE Capital, selling appliances, buying additives businesses, establishing a partnership with Baker Hughes and becoming the digital industrial. Much of my "day-to-day focus" has been to better align our team with GE's commercial and operational goals and to try to remove barriers to taking sensible risks and acting swiftly and collaboratively across businesses, specialties and regions. Empowering the more junior and geographically remote members of our team and providing IT tools to enable greater collaboration across GE are also high on my list of priorities. So is promoting the rule of law in emerging markets with the humility that is appropriate for a general counsel of an American multinational.

Q: What litigation, legislation or regulation are you keeping a close eye on, and why?

A: "Data sovereignty" is a recent trend with important consequences for GE's future as a digital industrial. GE has made substantial investments in the "industrial internet" and specifically, Predix, our cloud-based platform for developing and deploying apps that can analyze operational data from industrial machines and produce insights that companies can use to manage their fleets and to achieve valuable outcomes like reducing unplanned downtime and improving asset utilization.

The technical challenges alone are immense. But compounding those challenges are the growing number of countries that are considering laws that would impede the flow of data across national borders. These laws take a variety of forms. There are rules that prohibit data from being sent outside a country, that require express consent of the person to whom the data relates before the data can be transferred internationally, or that mandate the use of local data centers for storage and processing.

Cross-border data flow is the lifeblood of the industrial internet, where so much value lies in the application of analytics to massive quantities of data aggregated from machines operating in countries around the world. The proliferation of data sovereignty laws threatens to diminish the quality and utility of these digital services.

Although privacy and security are often cited as justifications for these laws, we think there are better and less restrictive ways of addressing these concerns. We view trade agreements as an important tool for advancing these alternative measures because they encourage universal regulations and standardize the way data are stored, protected and moved across borders. These are vitally important issues for GE and we have our work cut out for us.

Q: What is your No. 1 selection criterion when choosing outside counsel?

A: Do great work. Show us the value your law firm can bring to the matter at hand, as well as to the broader relationship you want to develop with GE. Today's market for legal services is more competitive than ever, brimming with smart, talented and experienced lawyers with impressive subject-matter expertise. But the lawyers who truly stand apart and add the most value to our company do four things exceptionally well. They have a deep understanding of our business, including the commercial, legal,

regulatory and political challenges we face. They display excellent judgment and consistently offer sound, creative and cost-effective legal solutions that drive terrific results. They write well. And they assemble diverse teams of lawyers within their firms to work on GE engagements.

Q: What accomplishment as an attorney are you most proud of?

A: I am probably most proud of the incredible work that my team at GE Capital did throughout the world to facilitate GE's exit from the stand-alone leasing and lending businesses of GE Capital and to secure GE Capital's de-designation as a "systemically important financial institution" in June 2016, months earlier than anyone had predicted would be possible. The quality of their work and the professionalism of their efforts was nothing short of remarkable. I'm also proud that, in my 10 years at GE, the company has been honored by Ethisphere as one of the world's most ethical companies every single year.

Q: Outside your own company, name an attorney who has impressed you and tell us why.

A: I have been lucky enough to work with many exceptional attorneys over the course of my career, but three in particular made enormous impressions on me. Fred Bartlit is the best lawyer whom I have ever seen in any courtroom in any kind of case — period. Don Kempf taught me the art and joy (mostly, anyway!) of practicing law, both at Kirkland & Ellis and during his tenure as GC at Morgan Stanley. And even though Mitch Daniels has never practiced a day of law since graduating from Georgetown Law, he was a powerful role model during our service under President Reagan for persuading others through the force of ideas. Looking back to 1986, Mitch's powerful brand of persuasion is especially striking when you consider how much of our public discourse today has devolved into shouting and name-calling. I knew Mitch would go on to do even greater things, and he certainly has — a senior executive at Eli Lilly, OMB Director in the Bush 43 administration, two successful terms as Governor of Indiana, and now president of Purdue University.

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