

## COUNSELED WITH WISDOM, UNDERSTANDING, AND KNOWLEDGE

*“By wisdom a house is built, and by understanding it is established; by knowledge the rooms are filled  
with all precious and pleasant riches.”*

- Hebrew Proverb

### Introduction

The most important function of corporate counsel is to supply wisdom, the prudent application of legal knowledge and organizational understanding to deliberations. Among the popular and overused quotes scattered across social media is Miles Kington’s pithy statement; “Knowledge is knowing a tomato is a fruit; wisdom is not putting it in a fruit salad.”<sup>1</sup> Within this cliched statement sits a persistent truth, which is the vital difference between knowing what is correct in theory and understanding how to apply that knowledge in practice. Knowledge alone is not enough. Technical expertise is understanding that what is correct in theory does not automatically lead to good decisions in practice. Wisdom, the ability to apply knowledge prudently and in context, is needed to make good decisions. Nowhere is this distinction more consequential than for in-house corporate counsel, marking the line between knowing the law and applying it with prudence. It is this integrative judgment, and not expertise alone, that makes in-house counsel indispensable to a healthy enterprise.

This balance of judgment and business expertise captures the heart of corporate counsel’s work. Counsel should “aspire not just to be wise counselors but wise leaders.”<sup>2</sup> In-house counsel is uniquely positioned to give guidance both informed by the facts of the organization and framed by an understanding of the law. Immersed within the company’s daily operations, culture, and goals, in-house

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<sup>1</sup> Miles Kington, *Heading for a Sticky End*, The Independent (UK), Mar. 27, 2003, <https://www.independent.co.uk/voices/columnists/miles-kington/heading-for-a-sticky-end-112674.html>

<sup>2</sup> Ben W. Heineman, Jr., *Law and Leadership*, 116 Yale L.J. 1, 1 (2007).

counsel identifies problems early, sees tradeoffs clearly, and provides leaders guidance at the precise moment needed.

While in-house counsel fulfills many important functions, arguably their most important function is to provide wise business advice that goes beyond simple legal knowledge.<sup>3</sup> Because in-house counsel is “employed for tasks that require making mixed law/business decisions,”<sup>4</sup> they have the unique ability to translate legal constraints into practical options that align with the company’s mission. Corporate counsel’s guidance not only considers the question of, “*Can we?*” but also factors in “*Should we?*” and “*When should we?*” The application of wisdom encompasses the answering of these questions.

### **The Application of Knowledge, Understanding, and Wisdom**

Answering the questions posed above is what ultimately builds durable organizations. It is that critical task that allows in-house counsel to help leaders navigate “*Can we?*”, “*Should we?*” and “*When should we?*” Each question’s answer reveals a different dimension of prudent decision-making. The intertwining of wisdom, understanding, and knowledge and the ability to apply them with judgment enables counsel to move beyond asking only what is legally permissible toward guiding decisions that strengthen the organization over time.

### **Knowledge: Knowing a tomato is a fruit.**

Knowledge is what we know. It is the “information about a subject that you get by experience” and the collection of facts, rules, and data that informs us about the world.<sup>5</sup> For a lawyer, it is technical

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<sup>3</sup> Robert Eli Rosen, *The Inside Counsel Movement: Professional Judgment and Organizational Representation*, 64 Ind. L.J. 479, 515 (1989).

<sup>4</sup> *Id.* at 525

<sup>5</sup> *Knowledge*, Cambridge English Dictionary, Cambridge Univ. Press, <https://dictionary.cambridge.org/dictionary/english/knowledge?q=Knowledge>

expertise: mastery of statutes, regulations, cases, and the architectures that bind them.<sup>6</sup> For corporate counsel, knowledge categorizes what is legally permissible. Knowledge is being able to answer the question, “What is true under the law?” At its core, knowledge equips counsel to address the inquiry every organization must consider: Can we lawfully pursue this course of action? For corporate counsel, answering “Can we?” requires a thorough inventory of what the law permits and where the boundaries of legal permissibility lie.

**Understanding: Why the tomato is a fruit.**

Understanding is comprehending why things work the way they do. It connects the facts to show how legal principles interact in real situations. Understanding is the ability to see how separate facts, rules, incentives, and processes create a coherent whole while addressing why one rule matters here, and how it interacts with another law over there.<sup>7</sup> Understanding asks if the law permits action, what implications that action may have, and if should the organization move forward at all.

**Wisdom: Not putting a tomato in a fruit salad.**

Wisdom is the “ability to use your knowledge and experience” to make well-timed decisions and judgments.<sup>8</sup> Wisdom uses “Can we?” as a stepping stone to “Should we?” It then begins to consider “When should we?” Finally, it raises the question “How should we?” Wisdom is the application of knowledge and understanding to complex situations in order to reach prudent decisions.<sup>9</sup> It integrates risk,

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<sup>6</sup> *Knowledge*, Cambridge English Dictionary, Cambridge Univ. Press, <https://dictionary.cambridge.org/dictionary/english/knowledge?q=Knowledge> (stating that knowledge is the “information about a subject that you get by experience or study”); Ben W. Heineman, Jr., *Law and Leadership*, 116 Yale L.J. 1, 3 (2007).

<sup>7</sup> *Understanding*, Cambridge English Dictionary, Cambridge Univ. Press, <https://dictionary.cambridge.org/dictionary/english/understanding> (stating that wisdom is the “knowledge about a subject, situation . . . or about how something works” or “relationship between two people or groups”); see also Susan S. Fortney, *Challenges and Guidance for Lawyering in a Global Society*, 38 St. Mary’s L.J. 849, 854 (2007).

<sup>8</sup> *Wisdom*, Cambridge English Dictionary, Cambridge Univ. Press, <https://dictionary.cambridge.org/dictionary/english/wisdom>

<sup>9</sup> *Wisdom*, Cambridge English Dictionary, Cambridge Univ. Press, <https://dictionary.cambridge.org/dictionary/english/wisdom> (stating that wisdom is the “ability to use your knowledge and experience to make good decisions and judgments”).

timing, culture, and strategy to select the appropriate course. The true value of in-house counsel lies in their proximity to the company's culture, operations, leadership. By navigating the daily challenges of the business with wisdom, in-house counsel provides the context and build the trust that grant access to the organization's most consequential decisions.

### **The Unique Role of In-House Counsel**

Good decisions are based on knowledge and understanding of the specific circumstances intertwined with the issues at hand. Only in-house counsel has the context to inform a truly wise decision: the cadence of production, the realities of sales cycles, the personalities of leaders, and the cultural norms that make policies thrive. In-house counsel's daily interactions, such as sitting in product stand-ups, pricing discussions, vendor negotiations, and hiring conversations, allows them to calibrate legal and business advice to the company's actual risk appetite and strategic horizon.

The consistent, situation-specific application of law requires durable immersion in the enterprise. The unique role of in-house counsel emerged "in part, to minimize the costs of securing a corporate decision... Corporations employ inside counsel not only as runners and translators," but as an extension of the company's leadership.<sup>10</sup> In-house counsel was formed as result of the need for a department to aid in the decision-making process for companies.<sup>11</sup>

### **The Duties That Flow from Wisdom**

General legal counsel resides within the organization and are positioned to convert values into daily choices, not just policies on paper.<sup>12</sup> As one early account put it, "The inside counsel 'can be and is

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<sup>10</sup> Rosen, *supra* note 3, at 517.

<sup>11</sup> *Id.* at 480.

<sup>12</sup> *CLO: Chief Legal Officer: Legal Leadership: The CLO's Role in Corporate Governance*, FasterCapital, updated Mar. 30, 2025, <https://fastercapital.com/content/CLO-Chief-Legal-Officer-Legal-Leadership-The-CLO-s-Role-in-Corporate-Governance.html>.

a powerful force for ethical corporate conduct ... because the law so often embodies our society's ethical judgments. By training, interest, and background, a lawyer is more often than not ... pretty well attuned to what is right and what is wrong."<sup>13</sup> That proximity lets them embed integrity where resources, timelines, and tradeoffs are created.<sup>14</sup>

Counsel's influence is practical as well as theoretical. Inside lawyers are "institutional personnel" who "enjoy access to organizational decision-making processes capable of committing substantial quantities of resources to particular courses of action." Furthermore, in-house counsel fills a translation role within the company. Corporations use employed lawyers to "not just to translate... but also to determine what needs to be explained."<sup>15</sup> The cross between business and law does not dilute professional identity, but rather defines it: "They [in-house lawyers] are not half-breeds, but new breeds of lawyers."<sup>16</sup> The point is not to make "lawyers into managers, but to practice law where the business is made."<sup>17</sup>

Lastly, in-house counsel is expected to exercise leadership within the organization. The leadership mandate for great in-house counsel has been framed succinctly: "law school graduates should ... not just [] dispense 'practical wisdom' but to be 'practical visionaries;' not just to have positions where they advise but where they decide."<sup>18</sup> The governance data point the same direction: "The ability of the Chief Legal Officers (CLO) to have a formal reporting and communication relationship with the CEO is a strong indicator of corporate responsibility."<sup>19</sup> And the more the CLO is embedded in day-to-day work, the better the counsel: "The more CLOs are involved in business operations, the more likely they

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<sup>13</sup> Subak, Special Problems of Inside Counsel, 33 Bus. Law. 1433, 1434 (1978).

<sup>14</sup> See generally Rosen, *supra* note 3

<sup>15</sup> *Id.* at 515.

<sup>16</sup> *Id.* at 525.

<sup>17</sup> Rosen, *supra* note 3, at 524; Heineman, *supra* note 2, at 1.

<sup>18</sup> Heineman, *supra* note 2, at 1.

<sup>19</sup> *The CLO's Role in Corporate Governance*, *supra* note 12.

are to recognize, and help address, the legal and compliance pressures managers face.”<sup>20</sup> This results in a business run with integrity that maintains high moral values.

## Conclusion

Corporate legal counsel often feels the backlash of leadership’s judgment. Every year since 1940 in August, attendees of Spain’s La Tomatina festival launch tomatoes in every direction.<sup>21</sup> Likewise, for centuries, audiences signaled their displeasure with poor performances by hurling tomatoes, vegetables, and other refuse at actors on stage.<sup>22</sup> The act became cultural shorthand for public disapproval, an immediate, messy verdict on inadequate performance. Corporate leaders often face similar bombardment: competing pressures, urgent demands, and fast-moving problems. And at times, they are not above lobbing fruit toward their own legal counsel. The organization’s workplace can quickly devolve into its own kind of “food fight,” with in-house counsel unexpectedly thrust center stage during the organization’s most precarious moments. Yet through knowledge, understanding, and ultimately wisdom, in-house counsel leads the organization in navigating these messy, often saucy, moments. Thus, Counsel propels the company toward durable and principled decisions.

In-house counsel provides a company with advice in a way that outside counsel, and even existing corporate leadership, cannot. Leaders will consult business teams for information, but they depend on in-house counsel when deciding core business questions.<sup>23</sup> Proximity to the organization’s people, processes, and priorities enables counsel to translate doctrine into decisions, sequence actions at the right time, and embed integrity into daily operations. To build and grow a business requires wise

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<sup>20</sup> Ass’n of Corp. Couns., *2025 ACC Chief Legal Officers Survey* (2025), <https://www.acc.com/resource-library/2025-acc-chief-legal-officers-survey>.

<sup>21</sup> Lesley Kennedy, *The Origins of La Tomatina, Spain’s Tomato-Throwing Festival*, HISTORY (Aug. 21, 2025), <https://www.history.com/articles/tomatina-festival-spain-biggest-food-fight-tomatoes>

<sup>22</sup> Josh Briggs, *Why Do People Throw Tomatoes?*, HowStuffWorks (Aug. 8, 2023), <https://recipes.howstuffworks.com/why-do-people-throw-tomatoes.htm>

<sup>23</sup> Heineman, *supra* note 2, at 1; Rosen, *supra* note 3, at 516.

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counsel that stems from knowledge of the law, an understanding of why it applies, and the wisdom to know when to act. Knowledge identifies what is lawful; understanding explains why it matters here; wisdom chooses how and when to act. That is the distinctive contribution of corporate counsel inside the enterprise: guidance that does not stop at “Can we?” but continues to “Should we?”, “When should we?” and “How should we?” Knowledgeable, understanding, and wise counsel does more than simply asking questions; by answering them it steers the business toward its best future.