

# The sMart and the savvy

Daniel Shih, Chief Ethics Officer, Senior Vice President and General Counsel for *Walmart China* juggles his legal functions and ethical obligations with crisis management on a day to day basis. Working at the world's largest public corporation means that he has to adopt a risk-based approach to prioritise the issues and be ready and switched on at all times. Here he tells ASIAN-MENA COUNSEL how his career has arced its way through a myriad of fields including capital markets and telecommunications before landing this blue-chip role with the top Fortune 500 company.

**ASIAN-MENA COUNSEL:** Can you tell us what led to your role at Walmart? Briefly as well, can you describe your career trajectory

**Daniel Shih:** When making career decisions, I generally consider a few key factors: the cross-border, international nature of the work, the opportunity to be stretched and challenged, the platform to make a difference and to make a positive contribution to society, and the opportunity to coach and mentor others.

The international factor was what drew me to Hong Kong from Washington DC back in 2001. I knew when I was in law school that I wanted to practice law with an international, cross-border angle. For a US trained lawyer, one of the options was (and still is today) to join an international law firm with offices abroad. This career option probably wasn't the path most travelled at that time but to me, it was all that I wanted to pursue. That's why I jumped at the opportunity to join the Hong Kong office of *Baker & McKenzie* in 2001 as a registered US lawyer with the corporate department, focussing on China related corporate work and US capital markets. I left *Baker & McKenzie* and did a brief stint with Nortel before rejoining *Baker & McKenzie* in early 2005. As I continued to progress, I eventually decided that I would like to go in-house and I joined a US listed industrial gases and chemicals company called Air Products and Chemicals focussing on M&A and projects in Asia in 2007. I enjoyed my work with Air Products as it afforded me the opportunity to work on complex investment projects and cross-border deals in different countries.

Although I enjoyed the nature of the work, I also had a strong desire to join an industry that was more closely connected to people's daily lives and the opportunity to coach and mentor young individuals and to share with them some of my own knowledge and experience. The position with Walmart China seemed to be a perfect fit for me. After several months of discussion and deliberation, I decided to join Walmart China in early March 2013 as the Senior Vice President and General Counsel. Shortly after joining the company, I also assumed the role of Chief Ethics Officer responsible for the management and enforcement of the company's Statement of Ethics.

I really enjoy working for Walmart. As the world's biggest retailer, the depth and breadth of Walmart's operations, market reach and product portfolio are truly impressive.

**AMC:** How do you add value to your company?

**DS:** As Walmart China's General Counsel, I am responsible for the company's legal affairs and legal risk management in China. I oversee all legal functions of the department, which includes corporate, employment, M&A, operations, real estate and litigation. In addition to my legal duties, As Chief Ethics Officer, I am also responsible for leading a team of experienced ethics professionals in managing and enforcing Walmart's Statement of Ethics. Walmart China today has more than 80,000 associates working in approximately 410 stores, Sam's clubs<sup>1</sup> and support centres across the country. With a business of this size, we have neither the luxury nor the resources to achieve a perfect result in every scenario. It is critical for me to quickly zero in on the 'business critical' issues out of a sea of competing matters and then deploy my limited resources to achieve the maximum return for the company. I adopt a risk-based approach and give priority to those issues that have a higher impact on our customers and our business and corporate reputation. In order for me to prioritise a large volume of issues, I must first be familiar with the issues and know what the risk areas are going to be. You can't and won't know that unless you actually spend time with various business teams and sit through business meetings to hear their concerns and issues. This is extremely time-consuming but an investment that's worthwhile making. I constantly find myself juggling and rearranging my meetings just so that I can squeeze in time to meet/listen to my business clients.

I also need to be able to handle and manage crises at all times. With our substantial business presence in China, and our well-recognised brand name, the stakes are high for us, (in terms of reputation.) Each event, if not handled well, has the potential to turn into a crisis. Adding value therefore also means the ability to remain calm under pressure so that I can render objective, unbiased and sensible legal and risk management advice to the business units in a time of crisis.

“Clients today expect and demand their legal counsel to provide legal advice that is not only legally sound, but commercially actionable. Gone are the days when legal counsel were expected to advise on black letter law for their clients”



Daniel Shih

**AMC: Can you describe how legal practice has changed as the market has developed and clients have become more sophisticated?**

**DS:** Clients today expect and demand their legal counsel to provide legal advice that is not only legally sound, but commercially actionable. Gone are the days when legal counsel were expected to advise on black letter law for their clients. Counsel today not only need to know the law but we also need to be (or at least make an effort to be) well-versed in subject matters that fall outside of the traditional legal practice such as finance, e-commerce/marketing and even real estate. Increasingly our clients expect lawyers especially in-house counsel, to act as business advisers – to help them find ways to achieve business success and deliver returns, all the while complying with the increasingly complex regulatory environment. This is a major challenge for companies producing one or several products; now multiply that by a factor of X and you are getting close to the scope and complexity of the legal and regulatory risks that we have to tackle.

As a retailer, we source, produce and sell hundreds of thousands of products ranging from fresh farm produce, to high-tech consumer electronics on a daily basis to tens of thousands of consumers across China. The sale and purchase of products are subject to a myriad of laws and regulations. For certain products, food safety rules are of critical importance; for fashion accessories like hand bags, IP protection is at the top of my agenda. How to lead my department and encourage all my legal associates to act as business enablers to counsel our internal clients navigating through this web of complicated legal and regulatory issues so that we can deliver the business results in the right way is of paramount importance to me.

**AMC: What is the best advice you have been given?**

**DS:** “Don’t plan to get ready, but be ready.” I received this advice several years ago from one of my mentors while talking to him about professional development. I have come to fully appreciate the significance of this message over the years, as I continue to progress in my career. Very often people will complain that they don’t have opportunities to grow and shine, that they are ready to perform if and only if they are given the chance to do so. I try to encourage people and my associates to approach this topic from a different angle and ask this question: am I ready if I am given the

chance to take on an important task at this moment? In my current role, I am expected to provide timely, pragmatic and legally sound advice to my clients on complicated issues under time pressure. I don’t know everything and I can’t be sure when I will be presented with an issue that I know nothing or little about. Knowing that, I make a deliberate attempt to increase my exposure to the company’s business practices and initiatives by frequently interacting with and learning from my internal clients. Anything that I learn from seemingly routine conversations could potentially be useful and even critical in my next crisis. The focus here is not on understanding everything but rather increasing the level of our readiness continuously, so that we are able to deliver during those critical moments.

**AMC: Can you describe a typical work day?**

**DS:** The best and the most challenging part about working for Walmart is that there is no ‘typical work day.’ And that’s what I love about my job! Every day is a new day and different from the day before. With more than 80,000 associates operating all over China, I constantly find myself being presented with new challenges and complex business, legal and regulatory issues. Having said that, I typically get up at around 5 am so that I can be at my office in Shenzhen by about 7:15 am. Most people get to the office between 8 and 9 am so I get to use this time to catch up on emails, work and get ready for the work day. I typically spend most of my day between 8 am to 5 pm in meetings with other members of the executive committee, division managers, my own team members, and sometimes outside counsel, to discuss issues and review business projects/initiatives. I try not to have meetings planned after 5 pm so that I can spend the remaining couple of hours in the day to catch up on work and email. Unless I have late night meetings, I will typically try to leave the office at 7:30 pm so that I can be home by 9 pm. Once I get home, I will spend some time with my family and, have a quick dinner before I hit the hay!

**Endnote:**

1. Sam’s Club is a membership warehouse store which combines the warehouse with the store. It gives customers access to imported and domestic products for the purposes of convenience.