

**Key Elements in Successful  
Outside Counsel Management Programs**

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**HILDEBRANDT**  
**INTERNATIONAL**

## **Key Elements in Successful Outside Counsel Management Programs**

Based on extensive consulting and benchmarking experience, we have identified the following themes and principles in developing outside counsel management programs. In reviewing these ideas, keep in mind the importance of effective implementation and communication.

### ***Integration with company's business perspective***

1. Formally define, develop, document and communicate an outside counsel management program that is tailored to your company and work.
2. Link outside counsel to your company's business objectives, strategies and processes.
3. Provide outside counsel the means to understand your company's organization, culture, decision-making processes, etc.
4. View outside counsel as a strategic resource of the company and adopt/adapt successful business models and processes from other parts of the company.
5. Adopt a "win/win" philosophy with outside counsel based on shared incentives and benefits.

### ***Selection of firms and utilization of resources***

6. Reduce the number of firms to a manageable number and forge strategic/partnering relationships with them.
7. Consider using non-traditional, high-quality firms located outside major cities.
8. Select and work with law firms and lawyers whom you trust.
9. Clearly define roles and responsibilities inside the company and in the law firm.

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10. Identify and implement specific actions that can reinforce the "value-added" relationship with outside counsel; e.g., staff assignments and access to firm work product, databases, expertise, training, and other resources.
11. Use other outside resources and services in place of traditional law firms, e.g., contract lawyers, temporary staff, virtual law firms, legal research organizations.

### ***Processes to achieve improvements in utilization and costs of outside counsel***

12. Collect and use objective data and information in managing outside counsel.
13. Analyze the work and the skills required and match the outside counsel resources accordingly.
14. Establish performance indicators and a measurement and reporting system to enforce and monitor the progress of the program.
15. Employ process analysis techniques and multi-disciplinary, inside/outside teams to analyze and recommend improvements in specific processes (e.g., discovery, preparing for trial, performing due diligence in transactions).
16. Use technology to implement the program.

### ***Financial issues***

17. Establish financial arrangements that establish the proper incentives for outside counsel to provide cost-effective legal services and to be proactive in introducing efficiencies in their own work processes. Work with alternative billing methods as means versus ends in themselves.
18. Use competitive forces and the oversupply of legal services and talent to the company's economic advantage.

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### ***Teamwork and communication***

19. Promote and encourage teamwork/resource sharing between inside and outside counsel.
20. Establish effective communications through multiple channels, including review sessions with individual firms, periodic group meetings, outside counsel participation in law department retreats and meetings, and an electronic connection linking firms and the company.
21. Develop and provide tailored training and recurring communications to emphasize management's commitment to the program.

### ***Integration with other goals***

22. Integrate the outside counsel management program with other company goals and issues:
  - a. Preventive and remedial actions
  - b. Case analysis, strategies and tactics
  - c. Cost-effective settlement approaches
  - d. Alternative dispute resolution
  - e. Involving business clients effectively in decision-making
  - f. Communicating the objectives, status and results of litigation management program to top management
  - g. Creating incentives for business units to manage and control legal expenses
  - h. Allocation of outside counsel costs to the budgets of the relevant businesses
  - i. Review of business incentives that may increase litigation costs

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### Further Information

For further information about our programs and services to manage outside counsel and legal vendor costs and services, please contact one of our lead Directors responsible for our consulting services to law departments.

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