



# The General Counsel Excellence Report

# 2013

Sponsored by

THE  
**GLOBAL LEGAL POST**

In association with



**TERRALEX®**  
Global Expertise. Local Connections. Seamless Service™

# The General Counsel Excellence Report

THE  
**GLOBAL LEGAL POST**

In association with



**TERRALEX®**  
Global Expertise. Local Connections. Seamless Service.™

**Editorial Director**

Mary Heaney

**Wealth Report Editor**

Neasa McErlean

**Junior reporter**

Charlotte Mullen

**Commercial Director**

Maria Sunderland

**Marketing Director**

Ben Martin

**Design & Production**

Paul Carpenter

**Publisher**

Mark Wyatt

**Published by**

Futurelex Ltd,  
Hereford House,  
23/24 Smithfield Street,  
London EC1A 9LF, UK  
Telephone: +44 (0)207 332 2572

While all reasonable care has been taken to ensure the accuracy of the publication, the publishers cannot accept responsibility for any errors or omissions. All rights reserved. No paragraph or other part of this publication may be reproduced or transmitted in any form by any means, including photocopying and recording, without the written permission of FutureLex Ltd or in accordance with the provisions of the Copyright Act 1988 (as amended). Such written permission must also be obtained before any paragraph or other part of this publication is stored in a retrieval system of any kind.

**4 Executive summary**

The General Counsel Excellence Report highlights the growing commercialisation of the role and the increasing opportunities for savvy corporate counsel.

**11 The role of the general counsel**

The role of general counsel is undergoing a major transformation – with strategic and commercial responsibilities coming to the fore.

**21 Researching law firms**

Recommendations still top the list as the most trusted source when researching law firms, but there is no doubting the power of online, which is starting to make its mark on law firm selection.

**31 Managing relationships with law firms**

From cultivating a trusted advisor to running an online auction, law firm relationships are many and varied. But good management is essential to get the best results from advisers.

**41 Emerging markets, risk and communications**

The legal department's role in communications strategy in growth markets is key to a successful outcome.

**51 The role of the general counsel in M&A, divestitures and strategic alliances**

The importance of the legal department's role cannot be underestimated, but feedback would be appreciated.

**61 Law firm outsourcing**

Pressure on budgets is forcing a sea-change in attitudes about ways of delivering legal services.

**71 LPO, LSO, BPO**

The challenges and opportunities of outsourcing.

**81 Benchmarking fees**

Analysing data is key to monitoring and controlling the legal department's costs.

**90 Partner Profiles**

# Executive Summary

The General Counsel Excellence Report highlights the growing commercialisation of the role and the increasing opportunities for savvy corporate counsel.

With pressure on budgets, an onslaught of regulation and a heavy risk environment, general counsel are at the forefront of their businesses as never before. The onset of the financial crisis five years ago has also helped shape today's legal departments as has the greater dependence of the board on GC risk radar.

### Increased commerciality

Today's general counsel have risen to the challenge in a range of ways – from taking greater control of the legal supply chain to seeing themselves as a stakeholder in business decisions, with one in two (50 per cent) describing this as their function as opposed to the one in three (32 per cent) who say their main role is to manage the legal department. The commerciality of the GC role was a prevailing theme throughout the research, with 90 per cent giving broader commercial advice beyond pure legal advice to their companies and 68 per cent saying they were more involved with the formulation of commercial strategy in their company compared to five years ago. This

translates into a greater expectation of commercial know-how from their external legal suppliers.

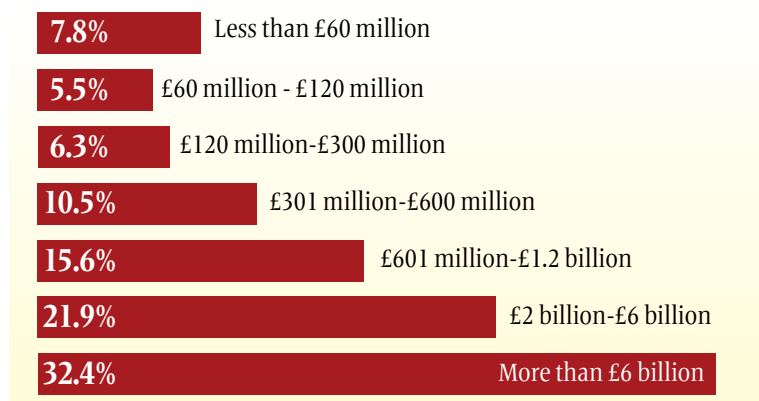
### A place on the board

The GC Excellence survey has revealed that, while only nine per cent of respondents actually sit on the board of their company, one in five (20 per cent) would like to be a director on the board, seven per cent are actively looking for a position on a board and 22 per cent aspire to join the board of another company. Most were convinced that having lawyers on the boards not only improved internal governance (94 per cent) but it contributed to an improvement in corporate performance (75 per cent) and encouraged lower levels of corporate risk-taking and default (74 per cent) as well as resulted in a decline in litigation risk (68 per cent).

### Red flags

Over the next 18 months, general counsel list regulation and compliance as their number one concern (57 per cent). Creating value for the company is next with one in three worried

### Please indicate your company's annual turnover



Today's general counsel have risen to the challenge in a range of ways – from taking greater control of the legal supply chain to seeing themselves as a stakeholder in business decisions

about this (34 per cent), followed closely by those worried about risk management (31 per cent). Anti-bribery and corruption compliance is also high on the list of concerns as is re-organising the legal department and managing legal costs, all cited by one in four, while data protection, security and cyber issues, reputational management, governance and issues in emerging markets concern one in five.

### Client demands

According to respondents, law firms should: have a better awareness of clients' business, say 61 per cent; maintain existing services at a lower overall cost (57 per cent); offer more value services (52 per cent); have a greater focus on alternative billing (47 per cent) and help deliver valuable management information (29 per cent).

### Managing law firms

Over half of the legal departments use an average of one to five law firms in their country while 24 per cent have between six and ten. A further 20

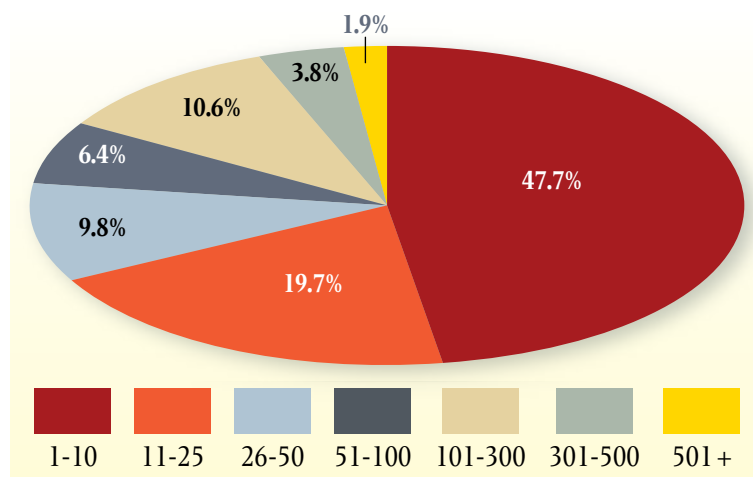
per cent use more than 10 globally, one in four use more than 50 law firms while 60 per cent use between one and 20 law firms. Longstanding relationships are used to manage law firms, according to 51 per cent, while 24 per cent had a panel arrangement and 26 per cent a less formal group of advisers. Most companies used firms outside their panel – with only 28 per cent sticking rigidly to the panel.

### Researching a firm

A direct referral was the most trusted source for researching a law firm, according to 86 per cent of respondents. However, legal departments use a variety of sources when selecting a law firm – from law firm websites, used by two in three (65 per cent) to direct approaches from law firms (57 per cent). Online is making its mark, with 30 per cent using Google as a search tool, while one in 10 reported using social media activity to find lawyers.

Online procurement is also on the up with 28 per cent of respondents saying they used tenders or auctions to find law firms. This gave 48 per cent an

### What is the size of your legal team?



Anti-bribery and corruption compliance is also high on the list of concerns as is re-organising the legal department and managing legal costs



opportunity to assess new firms and was viewed by 47 per cent as more efficient than traditional law firm panel selection. It also had the obvious advantages of price transparency for 65 per cent and lower fees for 70 per cent.

When searching for a law firm, cost and fees were the most important factor, according to 67 per cent, while business expertise was rated by 65 per cent, equal to top-rated individuals/teams in the firm. Firms focusing on a particular sector was next, with 46 per cent selecting this and reputation at 35 per cent.

### Selecting a firm

Work is distributed by organising competitive bidding, say 78 per cent of respondents. Business heads have a major say in handing out the work, according to 13 per cent; 47 per cent said they were sometimes involved in allocation. Expertise is the number one reason firms are chosen, say 68 per cent, followed by price and reputation.

Hourly rate billing was still the most popular form of billing, with only four per cent saying

they never used it. Nine per cent always used hourly rates, 59 per cent mostly and 28 per cent sometimes. Outside that, fixed fees were the second most popular form of billing, used always by six per cent, mostly by 28 per cent and sometimes by 64 per cent. Monthly retainers were occasionally used – one per cent said they always used them while 41 per cent said sometimes.

### Meet the client

One in eight (12 per cent) of firms always meet up with their clients to see how satisfied the legal department was with their work, while 18 per cent never do. However, legal departments were happy in the main with the level of communication, say three in four (76 per cent).

### Doing business in emerging markets

Three in four were doing business in emerging markets (75 per cent) and most companies used a combination of lawyers in the legal department and local law firms to deal with legal issues (58 per cent).

If a crisis occurred, the general counsel was in charge in 16 per cent of companies surveyed with the CEO in charge in 52 per cent of companies. However, the general counsel was very involved (37 per cent) or involved (53 per cent) in helping with a crisis management plan.

### Crisis talks

The general counsel has a role advising on strategic communications, say 83 per cent, while 17 per cent say the GC controls strategic communications. Most general counsel took a proactive role regarding communications, (72 per cent) while 28 per cent were reactive.

Generally, the GC works with the communications department all the time, in the experience of 60 per cent of respondents, but only in times of crisis say 21 per cent. A further 19 per cent said they rarely worked together.

The communications side of the business was an inherent factor in the respondent's strategic decision making, according to 53 per cent, while 89 per cent defined it as a support area for the company.

### The GC's role in M&A, divestitures and strategic alliances

Despite the downturn, global companies saw action in all of the above, with three in four involved in mergers (75 per cent) and strategic alliances (74 per cent) in the past five years and two in three involved in divestitures (64 per cent).

Those surveyed had a large involvement in due diligence in evaluating and negotiating purchases (81 per cent); examining the legal implications of cross-border transactions (80 per cent); protecting corporate reputation during growth periods (71 per cent); planning ahead and strategising the implications of the acquisition to the structure and stance of the company (67 per cent) and cost-benefit analysis of acquisitions (47 per cent).

Most respondents were involved in the deals by choosing the law firms to act (69 per cent); managing the transaction (56 per cent); giving advice to the board (51 per cent); dealing with the regulators (47 per cent) and the decision to do the deal (33 per cent).





### Relationships and selection

While there was quite a large amount of input by others in the company when it came to selecting law firms for the transaction, the legal department had the top input, according to 89 per cent, with the CEO next ( 54 per cent); the finance director (36 per cent); business executives in the company (32 per cent) and other board members (20 per cent).

Most firms were selected on the basis of long-standing relationships, say two in three, with one in three opting for law firm panels and one in ten opting for law firm networks. Most important was the individual lawyer's reputation (70 per cent) followed by the reputation of the firm (55 per cent), personal relationships with the external legal team (47 per cent) firms with specific specialisms (45 per cent) and price (43 per cent).

There was pressure to reduce costs across all three areas, according to two in three respondents. Meanwhile, an average of two in three felt they had added value above and beyond what was expected of the legal department.

### Law firm outsourcing

When delivering work which does not require a legal opinion, 34 per cent believed law firms provided good value, 10 per cent said there was little value, while 55 per cent said the firm provided some value. Nearly half of the legal departments surveyed said they had a roster of preferred outsourcing providers, while 19 per cent said the firms they instruct already outsource work.

E-discovery was top of the list for outsourcing, according to 70 per cent of the respondents, while IP maintenance (67 per cent) and legal research (65 per cent) came next, followed by litigation (59 per cent) and document review (58 per cent).

One in five had areas of practice they insist are outsourced to third party providers, irrespective of the external law firm's willingness to be creative in their pricing. Half believed it was reasonable for external law firms to mark-up the cost of the services provided by a legal outsourcer, provided that the mark-up itself is reasonable.

Nearly one in three (30 per cent) would prefer



their external law firms to develop their own legal outsourcing captive delivery centres as opposed to working with third-party providers, while 15 per cent would prefer to work with third-party providers. However, 56 per cent did not know which they would prefer.

Price was the most important reason why law firms should be developing alternative sourcing/outsourcing strategies, according to one in two (50 per cent). Improved services was next (24 per cent), while flexibility appealed to 15 per cent.

### **LPO/LPO/BPO**

Nearly three in four (72 per cent) said they were looking for service providers who could provide them with a more effective and cost-efficient service. One in eight (12 per cent) said they were using legal services outsourcing (LSO), while 10 per cent said they were using an LPO and seven per cent said they used business process outsourcing providers.

Over half (52 per cent) said they were considering outsourcing services or would

consider it in the future. Currently, litigation support is top of the list for work being outsourced followed by transaction support, including M&A, and IP administration.

The greatest challenge to outsourcing was the quality issue, said three in four (75 per cent) followed by confidentiality (40 per cent) and data security (32 per cent).

The USA was the top jurisdiction for outsourcing work with 43 per cent saying they would be most comfortable outsourcing to the States, followed by Australia/New Zealand with which 32 per cent were comfortable, India (30 per cent); Republic of Ireland at 27 per cent and Scotland at 22 per cent, South Africa (21 per cent) and Northern Ireland at 20 per cent. Meanwhile 67 per cent would like to know more about onshore options.

## **Facts and figures**

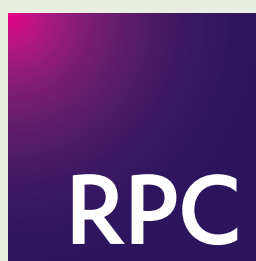
The GC Excellence survey was completed in May 2013 with 270 respondents. Companies with £2 billion-plus turnovers accounted for 54 per cent of respondents while the average legal team was between one and 25. The average respondent earned between £100-300K, with one per cent earning over £1m-plus.



# The role of the general counsel

The role of general counsel is undergoing a major transformation – with strategic and commercial responsibilities coming to the fore.

in association with



**I**t has long been held in some quarters that lawyers are poor choices for the boardroom. CEOs are said to see them as the harbingers of gloom, lacking business acumen or commercial nous. Consequently, they are rarely on the list when a board position becomes vacant. Nor have lawyers themselves focused on joining boards – with many anxious about independence and potential conflicts. The growing number of general counsel held to account for corporate misdeeds is evidence of the blurring lines.

According to ex-lawyer Bill Knight, who has co-founded a company aimed at assisting lawyers become directors, in an article published by the *Global Legal Post*, one City headhunter told him that she had never been asked for a lawyer to fill a board vacancy. Mr Knight, who has occupied a number of high profile jobs in the City as well as having run a major City law firm, said that, with some exceptions, there was a belief that “...lawyers do not bring useful skills to the boardroom and may even be counter-productive. Chairmen and

CEOs I have spoken to have been quite negative. They do not like the lawyer’s mindset: ‘Prepared to debate, but not prepared to agree’; ‘never prepared to be wrong’; ‘just a craft industry’; ‘don’t give me a lawyer – I’m in enough trouble already.’”

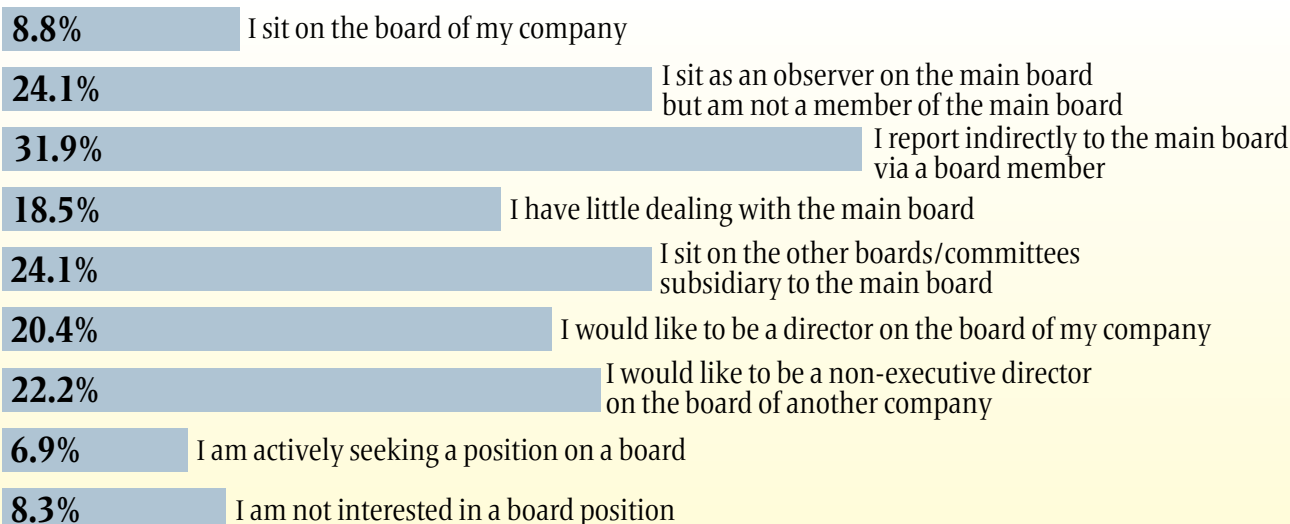
Lawyers were ‘risk averse’ which had put them off the idea of joining a board, he added.

### An aspiration to join the board

All this may be about to change, however, in the light of the GC Excellence research where, for the first time, it has become an aspiration for one in five of those surveyed to join the board. Globally, nine per cent said they actually sat on a board while seven per cent said they were actively seeking a position on a board. Nonetheless, the fact that corporate counsel are focusing on this aspiration is a major first step to making it a reality.

Why has this change come about? The reshaping of the GC role has coincided with the financial crisis and the accompanying regulatory onslaught. But there is also empirical evidence in a recent

### Which of the following best applies to you?





## THE ROLE OF THE GENERAL COUNSEL

US study which demonstrates that the addition of a lawyer on a board can actually improve the company's financial performance.

Indeed, the respected *Financial Times* newspaper recently posed the question: 'Are lawyers taking over the world?' as it discussed how 'lawyer directors' in the US contributed positively to the bottom line.

The academic study, carried out by Lubomir Litov and Simone Sepe of the University of Arizona and Charles Whitehead of Cornell Law School, found that in 2009 some 43 per cent of US companies had lawyers on their boards – which had enhanced corporate value by 9.5 per cent.

However, while the US has embraced the trend, other jurisdictions are less positive. The UK shows no appetite for the 'lawyer director' – with few lawyers currently sitting on boards in the FTSE 100 companies.

### The risk factor

There is little doubt that appointing lawyers onto

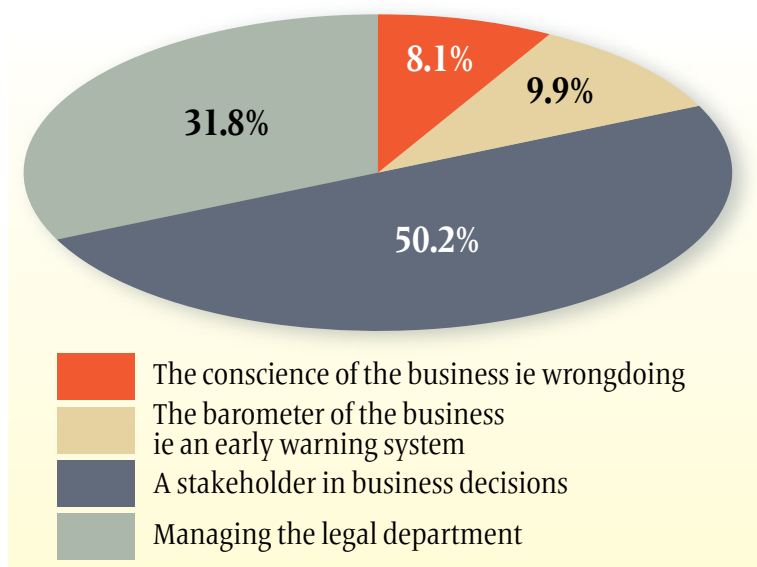
boards does reduce external legal risks while also contributing to enhanced corporate governance and it would seem that lawyers are finally taking this to heart.

Even the lawyers themselves believe their presence at the top improves governance and reduces risk, according to the research. This may explain in part the new enthusiasm for aspiring to join the board and the willingness to embrace an enhanced commercial role which is one of the hallmarks of this report.

Indeed, what these results demonstrate is that an increasing number are now prepared to go down this route, wielding influence and becoming part and parcel of the business – this is further highlighted when asked what best describes the respondent's role with the company.

Half saw themselves as 'a stakeholder in business decisions' while one in three (32 per cent) still saw their main function as managing the legal department. One in ten viewed

### Which of the following best describes your function in the company?





### Daniela Della Rosa, general counsel, Gucci



#### The boardroom

Daniela Della Rosa is one of the growing number of general counsel heading for the boardroom. She joined the Gucci board in 2008, on her arrival at the company, and has been at the helm ever since. In recent times she has also taken up an appointment as a director on the board of luxury notepad company Moleskine – and is thoroughly relishing the experience.

#### The quota factor

“The new laws on quotas for women are helping females to get onto boards,” she says, adding that she is on a number of lists of women who would be suitable for such appointments. As a consequence of this, she was approached for the position at Moleskine, competed with a number of other candidates, and was given the job in April last year.

#### High risk

The level of risk associated with being a company director now is extremely high, she says. “You are not necessarily compensated for the level of risk when you are working for a company and on its board.”

And, much as she would like to develop her board portfolio, she says: “When you have a full-time job, it is not easy to have more than one or two board jobs.”

However, she aspires to broadening her experience and expanding into different areas of business. She is also keen to be seen as a manager rather than being simply defined as a lawyer, although she concedes that this is a challenging move to make.

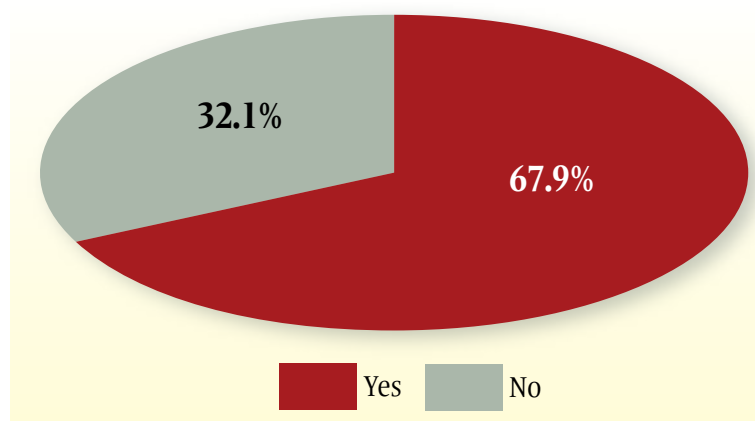
themselves as the barometer of the business and eight per cent as the conscience of the business.

The move into commercial strategy is an enduring theme of the research, with two in three (68 per cent) saying they were more involved in formulating commercial strategy in their company than five years ago.

On the business front, most (90 per cent), said they now gave broader commercial advice to their company. Many expect an enhanced service from their external law firms – combining legal advice with business acumen. Two in three respondents said this was part and parcel of the service which their advisors should provide.

However, not all corporate counsel were of this view, with 32 per cent having no such expectation. It may be that this latter group are missing a trick – a good commercial law firm has a wealth of business experience and connections which could be exploited by savvy general counsel.

#### Do you expect to receive commercial advice beyond pure legal advice from your external lawyers?



## How is the legal department perceived?

Perception is never easy to analyse – proved by the responses to the question on how the board would perceive the contribution of the inhouse legal department to the commercial value of the company in the past year in a range of areas from legal, to shaping commercial strategy and assessing the strategy in the context of the prevailing risk environment.

Generally, respondents were comfortable answering ‘excellent’ when asked about ‘offering legal advice when asked for it’ with 73 per cent saying excellent and 23 per cent good.

However, it is interesting that one in three did not feel their contribution in that area would be perceived as excellent, particularly in the main speciality of the legal department – giving legal advice when asked for it.

And only half said that the board would perceive as excellent the legal department’s

view on the existing strategy while 38 per cent believed the board would give it a ‘good’ rating.

Only 18 per cent say the board would see their contribution to the shaping of commercial strategy as excellent – with most (47 per cent) saying good and one in four saying satisfactory.

Assessing the strategy in the context of the prevailing risk environment would get an excellent rating in 35 per cent of cases, while half thought they would be regarded as good.

Proactively offering sound commercial advice that influences strategy gets an excellent from 27 per cent of respondents with 51 per cent saying good and 14 per cent saying satisfactory.

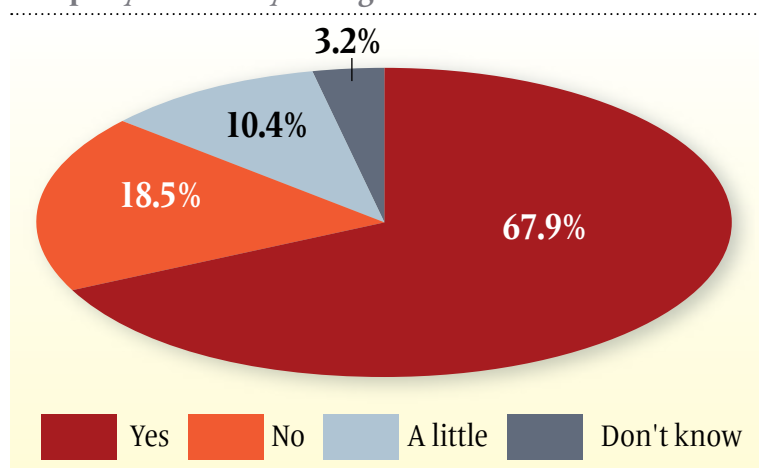
In discussing the legal department’s contribution to the commercial value of the company, some of the respondents defined their contribution in a different way. “We understand the business objectives and act as a partner in achieving the common goal,” one general counsel from a large manufacturing company said.

Another, from a medium-sized TMT company,

## How do you think your board would perceive the contribution of the inhouse legal department to the commercial value of the company in the past year?

	Excellent	Good	Satisfactory	Don't know
Helping directly shape commercial strategy	38	101	55	20
Proactively offering sound commercial advice that influences strategy	58	110	30	18
Assessing the strategy in the context of the prevailing risk environment	75	112	22	8
Giving the legal view on the existing strategy	111	84	16	8
Offering legal advice when asked for it	157	49	7	5

## Would you say you are more involved with the formulation of commercial strategy in your company than five years ago?



Only one in ten viewed themselves as the barometer of the business and eight per cent as the conscience of the business

## Call a lawyer

“Edmund Burke famously said that the legal education sharpens the mind by narrowing it.

Although the lawyer’s analytical and deconstructionist approach to a problem may have its place in the boardroom, these are not the first skills the UK CEO thinks of when putting his or her team together – after all, lawyers can be hired when necessary.

“So the first thing is for lawyers to take a step away from the law, to change their minds and broaden their horizons. Lawyers need to get exposure to other ways of thinking by joining boards of charities, schools or other not for profit organisations while still in practice. At the moment there is a waste of talent and training.

“Lawyers need to get more experience and companies who are looking to fill a board vacancy should think about broadening their approach to get the benefit of the lawyer’s sharp intelligence.”

<http://www.globallegalpost.com/management-speak/lawyers-on-board/>

*Bill Knight is a founder of BCKR which provides a database of board positions.*

said that his department would be recognised for “finding alternatives if a course of action is not possible, or inadvisable, or too risky.”

## Lack of feedback

However, many of the respondents expressed views suggesting that they did not get any feedback from the board on their work.

One general counsel in a financial services company of £6 billion plus said he had little or no interaction with the board – going some way to explaining the disconnect between the legal department and the board on so many different levels. Another respondent said it was difficult to measure the legal contribution.

A board director of a global media company told the GC Excellence team that his board, “would invite the GC in to give a general run-down of what is going on. However, we always assume he knows what he is doing and he usually seems on top of it. So we don’t really get involved in the legal side so long as there are no major problems.”

## Do you believe that having lawyers on the board of companies...

	Yes	No	Don't know
Improves corporate performance?	163	22	32
Encourages lower levels of corporate risk-taking and default?	158	40	17
Results in a decline in litigation risk?	147	45	24
Improves internal governance?	203	7	7

### Lawyers improve governance

Despite this reticence, 93 per cent believed that having lawyers on the board of companies improved internal governance; 68 per cent said it led to a decline in litigation, while 75 per cent said it improved corporate performance and 73 per cent viewed having lawyers on the board as encouraging lower levels of corporate risk taking and default.

One general counsel working in an Italian based global company said he believed that “having a lawyer brings a different perspective which may affect how business opportunities are assessed. This may result in less risk taking or simply managing it better. Fundamental to the effectiveness of a lawyer on a board is that the matters rise to the board level.”

However, another said that having a lawyer on a board, whilst good, “could also stifle discussions at board level.”

Another, from a European energy company,

was of the view that boards were “less and less at the centre of decisions,” whilst a general counsel from a large financial company said that the answer “really depended on the quality of the lawyer.” This was backed up by a general counsel from a German pharma company, who said: “It always depends on the personality of the lawyer on the board.”

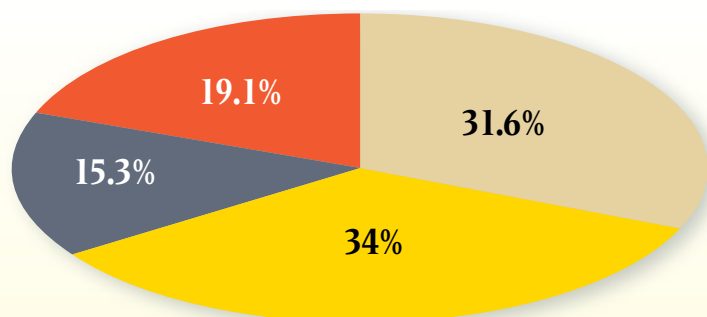
But not all are in favour of lawyers on boards. A general counsel from a TMT conglomerate thought that: “It’s important that lawyers are close to the board, not necessary that they are on the board.”

### Risk management

When reviewing the biggest risk to their business over the next 18 months, financial topped the bill, with the general economy worrying 34 per cent of respondents. The threat of additional compliance was top of the list for 32 per cent while operational threats such as profitability was on the top agenda for 19 per cent.

When asked to list concerns in general over the

Which of the following do you consider the biggest risk to your business in the next 18 months?



- Compliance threats (eg from politics, law, regulation and governance)
- Financial threats eg the general economic threats and the state of the markets
- Strategic threats (threats re customers, investors and those involved with the business)
- Operational threats (overall and profitable workings of the business)

**James Blendis:**  
general counsel and  
company secretary of  
mobile operator EE



“I’m the company secretary. I’m an officer of the board, but I’m not a board director. That’s probably the best arrangement. We are asked to advise quite often on some quite difficult decisions. I believe it is better to advise in an advisory and to some extent an independent capacity, rather than being in the same position as the other directors.”

next 18 months, regulation and compliance topped the worry list, with 57 per cent viewing it as the number one risk. Indeed risk issues dominated the main concerns for GCs with management issues lower on their agenda.

Creating value for the company was the second major concern, risk management was next, followed by anti-bribery and corruption compliance, then re-organising the legal department to maximise service delivery – which was on the agenda of one in four. Managing legal costs was an issue for a similar number of respondents.

### Dealing with law firms

When asked about fundamental shifts in their dealings with law firms, two in three GCs believed firms were not using outsourcing to help inhouse legal departments reduce costs. On the positive side, two in three said communications with law firms were better, law firms were improving their understanding of the company's business needs

and firms spent more time trying to understand their needs.

The hot issue of fees, however, saw 40 per cent disagree that firms were offering better deals on fees and 46 per cent disagree that law firms were giving them more free internal support, such as secondments and training, and 37 per cent said firms were not using technology to sell legal services.

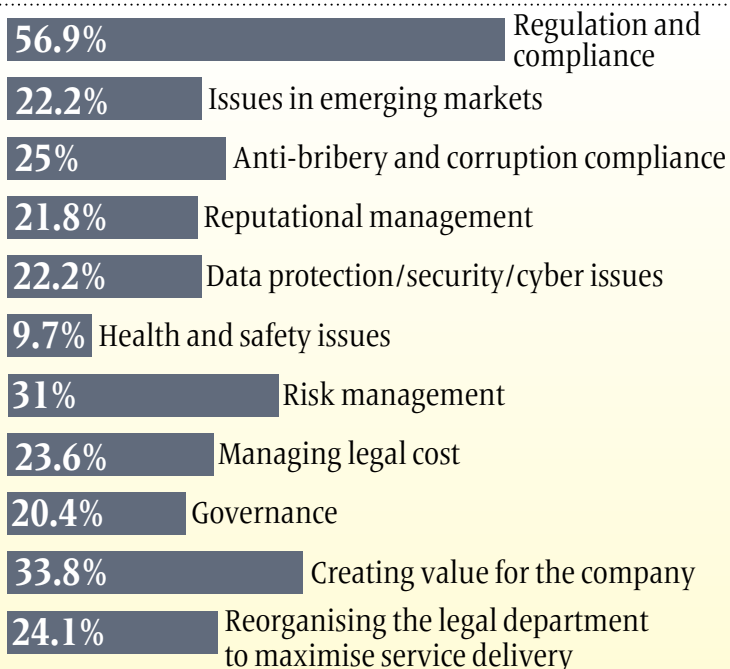
Instead, general counsel called for more support from their external law firms on the commercial side – with 61 per cent saying firms needed to keep pace by being more commercially aware of clients' business and 57 per cent saying they should be maintaining existing services at a lower overall cost. More value-added services were requested by 52 per cent while 47 per cent said firms needed to have a greater focus on alternative billing.

### Developing the legal team

Interestingly, only eight per cent look to regular advisers to offer training to their inhouse teams

When asked to list concerns in general over the next 18 months, regulation and compliance topped the worry list, with 57 per cent viewing it as the number one risk

### Which of the following are you most concerned about over the next 18 months?







# RPC

where **General Counsel** go  
for **specific advice**



### Jonathan Watmough, managing partner , RPC



"It's already an accepted fact that the role of the general counsel has changed fundamentally, particularly in the five years since Lehmans crashed. What this research bears out is the extent to which GCs are now integral to the formulating of the commercial strategy of their businesses.

"In private practice, we need to be alive to this, and develop our thinking and service to accord with the new pressures that GCs face. Gone are the days when external advisers could simply dispense legal advice in a vacuum – today it's as important to frame that advice in broad commercial terms that make sense not just to GCs, but to the c-suite executives they work for.

"Some firms have already made great strides in this area but, as the research suggests, many still have a long way to go.

"One of the more notable refrains to emerge from this research is the proportion of GCs who aspire to sit on boards, either of their own companies or other organisations. This supports the general theme of them wanting, and having, a growing say at the boardroom table.

"In an increasingly regulated world, and one in which the aftershocks of the most severe of financial downturns are still being felt, this can only be a good thing, and it is a trend that will inevitably gather further pace in future."

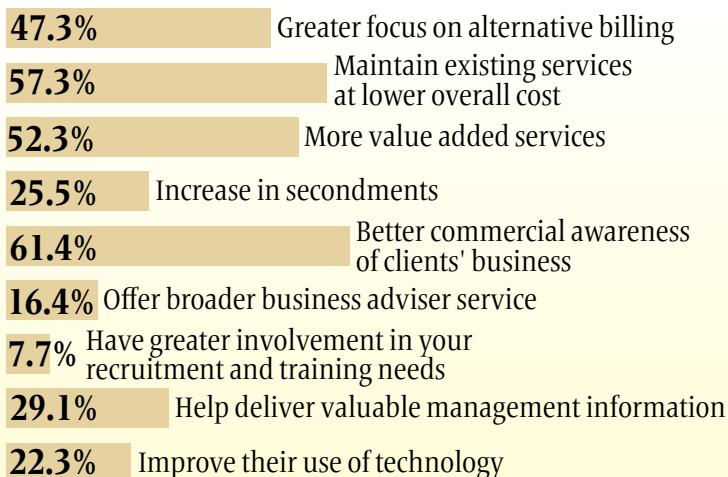
and 12 per cent handle their legal and business training skills within the company. Meanwhile, one in ten do not have a formal development plan and two in three used a combination of internal and external support.

### Ready for the role?

In conclusion, there is no doubt that many corporate counsel are ready to step up to the plate and take on a greater role within the business. However, equally, many do not see the board as the ultimate goal and indeed there is a major distance between many legal departments and the top executives governing the company – which becomes clear in many of the responses regarding how the legal department is perceived.

Even if sitting on the board is not on the general counsel's agenda, more efforts need to be made in influencing upwards and understanding how the board thinks.

### What should law firms be doing to keep pace with the changing role of general counsel?



# Researching law firms

Recommendations still top the list as the most trusted source when researching law firms, but there is no doubting the power of online, which is starting to make its mark on law firm selection.

in association with



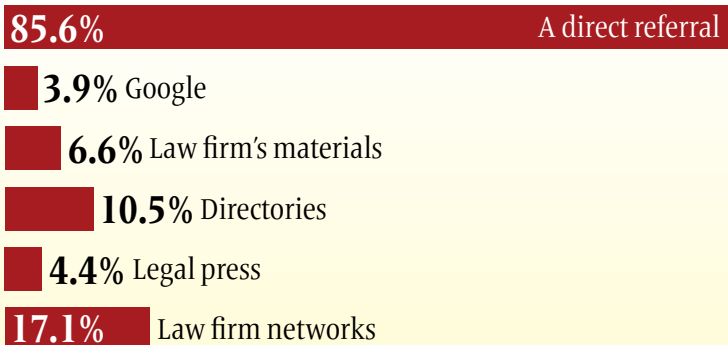
## RESEARCHING LAW FIRMS

How general counsel select external law firms is a hot topic among marketeers keen to have their law firms at the front of the selection queue. With marketing budgets to spend and endless choice on where to spend the money, an answer is much sought after as law firms endeavour to stand out from the crowd.

But the magic ingredient is not so magic after all, according to respondents to the research. Corporate counsel – not surprisingly – use a wide number of sources in a lot of different ways and with varying weights attached to distill the perfect firm for the job.

Among the many resources at the legal department's disposal are the experience of corporate counsel in the team, peers in other corporates, business directors, other professionals such as accountants, bankers and notaries, directories, legal press, comparative law books, conferences and seminars, law firm newsletters, websites, e-procurement, social media and online sources.

### What is your most trusted source for researching a law firm?



### A trusted source

With so many tools at their disposal, it may be better to ask what sources general counsel actually trust. Law firms spend lots of money having their lawyers recognised and lauded in a selection of directories in the hope that such branding will play a role in getting on the shortlist.

Do legal departments trust directories? Should external lawyers spend time and energy signing up for a conference in a specialist sector? Which listing should they pay for?

The good news is that all these traditional marketing techniques – from a directory listing to the trusty old law firm newsletter and a lunch with the accountants – do pay dividends and attract the attention of inhouse lawyers.

What they trust is a different matter. A direct referral comes top of the list, cited by 86 per cent while second, but much further down the trust chain, are law firm networks, with 17 per cent putting faith in this source. Interestingly, 45 per

cent of the respondents highlighting networks were companies with turnovers of more than £6 billion, nearly half of whom had a legal team of one to ten lawyers, whilst 30 per cent had legal teams from 11-100 and 20 per cent had teams of between 101-300.

These companies were based in a wide range of countries such as Australia, Brazil, Finland, France, India, Japan, South Africa, Norway, Poland, Portugal, Sweden, Turkey, UK and USA.

When researching law firms, referrals from the legal department were the number one method used by respondents to the survey, according to 96 per cent. Personal experience followed closely behind, with referrals from other inhouse lawyers valued by 88 per cent of corporate counsel and referrals from others in the company by 70 per cent.

### Directories and press

Directories loom large and are trusted by one in 10 although used by nearly 60 per cent of corporate





## RESEARCHING LAW FIRMS

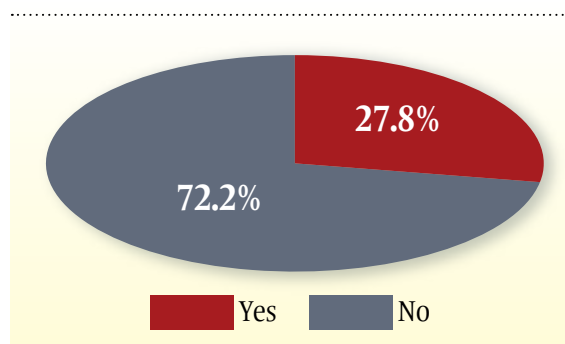
counsel respondents as a reference point. Legal departments used both the Legal 500 and Chambers and Partners directories equally – 58 per cent using the Legal 500 directory and 57 per cent Chambers. Martindale Hubbell came next with 17 per cent, while eight per cent found BestLawyers useful and two per cent referred to SuperLawyers.

The legal press had a robust showing, with 23 per cent of corporate counsel using it as a means of research although only four per cent describing it as trusted.

### Direct approaches

Direct approaches to legal departments are also viewed positively – 57 per cent of respondents found such direct approaches by law firms useful – which must be cheering news for the law firms which have taken the bull by the horns and gone down the proactive route. And the direct route is also further validated with two in three respondents saying attendances at conferences and seminars paid dividends as 64 per cent of

### Do you use tenders/auctions to find law firms?



respondents were influenced by their search for corporate counsel in identifying experts in different sectors and practice areas.

### Online sources

The vast amount of information available online is also having an influence on corporate counsel's research methodology. Recommendations may still be the preferred route and most trusted source for nearly all corporate counsel, but the research shows that one in three use online search tools such as Google to help them find what they are looking for. Around 30 per cent of respondents said they used Google as a search tool although they were slower to put their trust in it – with only four per cent counting it as a trusted source.

Daniela Della Rosa, general counsel for Gucci, is a typical user. The company does not have a panel of selected firms, but uses a number of external law firms as and when required. If looking for a new firm, she undertakes a search, consulting around the business first to check for recommendations.

When looking in new markets, however, Ms Della Rosa says her first step is to use Google. "This brings up all sorts of information such as rankings, articles etc which gives me a good start when looking for a law firm in a new area."

With one in four consulting the legal press and 11 per cent using social media such as Twitter and blogs, the popularity of media tools in the search and selection process can only increase in the years ahead. Indeed, when asked about directories, 42 per cent preferred to use directories online while a similar number liked both. Only 15 per cent opted to use a printed directory.

Recent research by Greentarget into the social media habits of inhouse lawyers found that LinkedIn is by far the most popular network among lawyers. Seen as a "serious" social network, it is estimated that between 50 and 70 per cent of lawyers over 40 use it regularly.

The importance of electronic assistance in the search process is also reflected in the fact that 28 per cent use tenders or online auctions to find

### In your opinion what are the three most important factors when looking for a law firm?



Recent research by Greentarget into the social media habits of inhouse lawyers found that LinkedIn is by far the most popular network among lawyers

## RESEARCHING LAW FIRMS

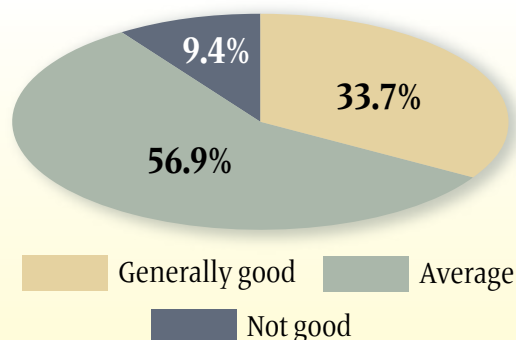
law firms. Nearly half of the respondents said this method gave them the opportunity to assess new law firms and was more efficient than traditional law firm panel selection. Two in three (65 per cent) liked the fact that they had price transparency when using e-procurement auctions while 70 per cent again felt it gave them lower fees.

### Marketing tools

Law firm marketers can be heartened by the growing influence of law firm websites. The websites were regarded as generally good by 34 per cent of respondents and average by 57 per cent, while nine per cent were not impressed.

Law firms mentioned for having websites that impressed or influenced were global firms Allen & Overy, Linklaters, Baker & McKenzie, Clifford Chance and Norton Rose, Indian firm Amarchand, South African firms Werksmans and Webber Wentzel, US firms MOFO and Quinn Emmanuel, Netherlands firm Van Benthem en Keulen and UK firm Lewis Silken.

### Do you think law firm websites are informative when researching a particular firm?



## Emerging markets

Finding a law firm in an emerging market has its share of challenges and corporate counsel were more divided about how to source this information. The legal department was the first port of call for general counsel to find local firms. Around half of the respondents always used contacts provided by their legal department while 41 per cent 'sometimes' did. Contacts in the organisation were a must for one in three respondents, while another 49 per cent 'sometimes' used this route. Legal directories were also deemed useful for emerging markets, with 27 per cent always using them and 38 per cent 'sometimes' using them.

Law firm websites were seen as useful with 23 per cent checking them out as a matter of course and 42 per cent 'sometimes' using them. Law firm network websites were also one of the first ports of call for 12 per cent of respondents, with a further 32 per cent using them as and when necessary.

Respondents were loathe to use the local embassy

or trade associations which came bottom of the list – only three per cent regularly sought assistance while three in four respondents rarely or never asked for recommendations from 'our man in...'

## The 'must have' factors

So what are the key ingredients for legal departments when selecting law firms? Cost, business expertise and top rated individuals/teams in the firm were the prime factors cited by corporate counsel when seeking a law firm.

Two in three said each of these was equally important, with costs marginally edging ahead as the number one priority. Firms that focused on the sector in question were important to 46 per cent of respondents, while reputation mattered to 36 per cent.

Size and reach were only important to 19 per cent, with law firm network affiliates significant for nine per cent. Least rated was media profile – only half a per cent saw this as key although one in eight opted for law firm brands.

## When researching firms in emerging markets, which of the following do you use?

	Always	Sometimes	Rarely	Never
Legal Directories	36	51	25	22
Law firm website	28	51	26	18
Law firm network website	14	38	37	31
Local embassy/trade association	3	27	37	48
Contacts in the organization	43	63	12	12
The legal department	67	54	4	8
Our external advisors	51	68	3	10

Cost, business expertise and top rated individuals/teams in the firm were the top factors cited by corporate counsel when seeking a law firm

### Sourcing by e-procurement

Tenders or auctions are used by 28 per cent of respondents to find law firms. Apart from lower fees and price transparency, the main advantages of using e-procurement auctions to find law firms was the opportunity to assess new firms.

A number of companies have gone down this route over the last decade – from GlaxoSmithKline to eBay, Toyoto Motor Corporation to Sun Microsystems and Deutsche Bank. General Electric's now retired general counsel Ben Heineman was one of the early adopters and launched one of the first auctions at the company a decade ago.

At the time, law firms were horrified that they could be asked to participate in such a blatantly competitive environment and it signalled a change in the attitude by certain general counsel who were prepared to take control of the legal services supply chain. With firms no longer in the driving seat, once they entered the process, legal departments operating such tendering were able actively to

control costs on certain types of work.

The main thrust of a reverse auction is to knock the price of legal services down as much as possible. The company sends out a tender requesting bids from firms. The bidding takes place in an online chat room and firms are forced to participate in a live bidding process at a decreasing fee level so that the company can obtain the lowest prices possible. Multiple law firms are involved and anonymously submit quotes for a job.

The competitive environment sees the firms tender discounts in what law firms might describe as a race to the bottom. If a bid comes close to the end of the allotted time, the auction is extended so that firms can enter the fray again with another round of lower offers.

Insurance giant AIG has recently been involved in such a process as part of its panel review in a move to push costs down for the insurance giant on non-disease personal injury work. In a statement it said that the company has "begun a review of the legal services it engages both for







# GLOBAL EXPERTISE. LOCAL CONNECTIONS. SEAMLESS SERVICE.

**You're here. The issues are everywhere. TerraLex member firms deliver value-driven, high-quality legal services around the globe.** The world may be shrinking. Commerce may be global. But close-knit, local connections still make all the difference when legal matters cross borders. TerraLex members in more than 100 countries give law firms and their business clients the local expertise to manage even the most complex global engagements — **seamlessly.**



**TERRALEX®**  
Global Expertise. Local Connections. Seamless Service.

[www.TerraLex.org](http://www.TerraLex.org)



*155 firms are only a scan away! Use this QR code to visit our online directory of Member Firms.*

17,000 Lawyers



100 Countries

corporate and claims work. The objective is to create a more efficient and co-ordinated way of working that meets the requirements of AIG's operational structure in the Emea region."

GlaxoSmithKline has also been using the auction system for the past few years in a bid to knock down fees for some services, but is said to be expanding it across all substantial legal areas. Lawyers have complained that it requires firms to specify time and labour resources, but the company has defended it processes, saying standardised procedures and reverse auctions make it easier more fairly to evaluate firms' cost-effectiveness on a uniform basis.

In the UK, banks have used e-tendering for the last decade, with Barclays and RBS starting the trend over 10 years ago with much focus on reducing fees. RBS employed the Ariba system and faced many complaints at the time as it was unusual for clients to play hardball on fees. RBS certainly took this approach on the tender which was sourcing external advisers for litigation work.

Santander followed suit in 2007, outsourcing the review to its procurement department, Aquanima.

### **The Deutsche Bank way**

Deutsche Bank has also shown a fondness for reverse auctions using a system created inhouse, Click4Legal, in 2007.

The aim was to gain control, some measure of transparency and a reduction in the cost of legal services as well as track law firm instructions and billing. The system provides up to three quotes from external law firms. The system provides regular feedback to the law firms telling them how often the law firm bid and by what percentage their fees were too expensive if they did not win.

Originally used for Deutsche Bank's global markets work, Click4Legal is now being used by other divisions including litigation and regulatory work and there were rumours in the press that the bank was contemplating rolling it out to the market generally.



# Managing relationships with law firms

From cultivating a trusted advisor to running an online auction, law firm relationships are many and varied. But good management is essential to get the best results from advisers.

in association with



## MANAGING RELATIONSHIPS WITH LAW FIRMS

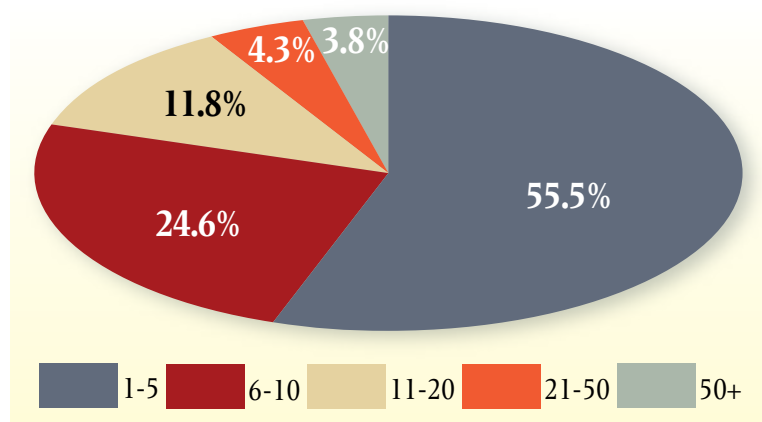
Managing relationships between the law department and its external legal advisors is one of the primary tasks of a general counsel. Traditionally, law firms have taken the lead in running this relationship and the legal function has, either through inertia or not possessing the right management skills, taken a back seat.

But this is now beginning to change and a new breed of corporate counsel is rising to the challenge. The report assesses how far law departments have come on this front and what management processes they are deploying to control the legal supply chain.

### The selection process

Unsurprisingly, personal relationships are still very important with over half of respondents saying they are the main reason why firms get hired. When asked how involved the business heads were in allocating legal work, a surprisingly large number – 47 per cent – said they were ‘sometimes’ involved and only 13 per cent said business

### How many law firms do you use in your country?



### Leading the way

One of the best examples of client law firm collaboration is the Tyco Eversheds contract. The deal, which was first signed by the engineering conglomerate in 2006, was most recently reviewed in April this year. Essentially the contract means that the company has spend control and delivers a fixed fee across more than 40 jurisdictions for all routine work.

The breakdown of the work was originally 80 per cent commoditised work and 20 per cent of a more complex nature which has changed now to around 30 per cent commoditised and 70 per cent more complex. The deal is thought to be in the region of £13 million.

Commenting on the recent renewal, EMEA TYCO general counsel Dave Symonds said the two firms had worked together since 2007 “identifying areas for improvement on both complex and basic work. We are impressed how the model has operated and the level of service we have received. We are excited to grow and develop this partnership.”

When it was first set up, the deal was worth £10 million and saw Tyco shed between 175 and 200 law firms in favour of just one. The general counsel at the time, Trevor Faure, adopted the Tyco approach by carrying out a ‘stakeholder analysis’ where he reviewed targets and how they could be improved. He looked at what were ‘core legal essentials’ and how to develop best practices to carry them out. He also devised a ‘gap analysis’ plan which took into account actual performance versus potential performance. Mr Faure, who is now a general counsel at E&Y, has latterly written a book about the model – SMARTER – and lectures at Harvard on the subject.

Recently the firm secured a deal with Tyco spin-off Pentair Flow Control which saw the new company sign a two year contract. Pentair Flow Control makes valves and controls and provides thermal management solutions as part of the company’s broadly diversified portfolio.

Pentair associate general counsel Marek Tapsik worked on the original Tyco contract and will work with Eversheds exclusively across Europe, the Middle East and Africa on a range of work from litigation, intellectual property, commercial and including a share of premium work such as major litigation, M&A and antitrust work.

He said that having worked with the law firm, “and seen the success in the operation of the model, I was keen that the Flow Control businesses continued to work with the same discipline.” The two are committed to using data and management information in the process and will be using e-billing systems such as Serengeti to move towards a single fixed fee for Pentair’s work in the region.

## MANAGING RELATIONSHIPS WITH LAW FIRMS

### Emma Callanan European GC – ValueClick

“The key from my perspective is value for money and prompt responses. When you are working for a global multinational it is important to move very fast. As such I want to use a reliable partner who really understands my needs and our company’s priorities. This of course has to balance up with a ‘value for money’ exchange.

“Given it is important always to accrue your external counsel costs with your finance teams it is also key that outside firms provide regular invoicing with a full and detailed breakdown of the work carried out. Often, it can be very difficult to extract the costs to date and a final bill is presented at the end. I also like when our outside firms will consider signing a company’s own internal retainer agreement – this shows an element of trust and partnership which is crucial.

“The ability to be able to pick up the phone for an informal query is also a very attractive element of any outside firm. It shows its innate knowledge, but also the ability to have a friendly and advisory voice at the other end without having formally to instruct.

“A firm which can strategically put a company in the best position possible based on its own legal knowledge and industry knowledge is a very reassuring trait in any outside firm.”

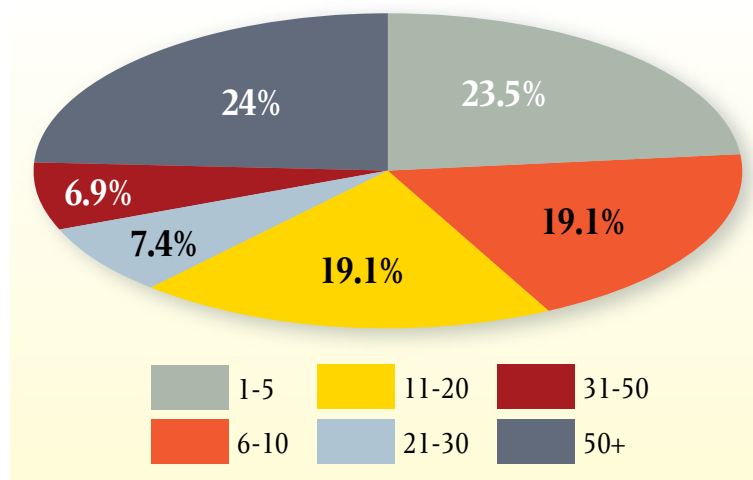
heads had absolutely no say in their company’s choice of law firms. However, in the majority of cases, the general counsel is seen as the most responsible for selecting law firms, according to 80 per cent of respondents, four per cent say the CEO has the final word and two per cent point to the chief financial officer as the person who takes charge in their company, while five per cent see procurement as leading the way.

The research found that more than half of the legal departments surveyed use an average of one to five law firms in their own country with 25 per cent using between six and ten and 12 per cent using between 11 and 20 law firms and four per cent using up to 50. Another four per cent used above 50 law firms plus.

### A better managed approach

However, while the traditional relationships still exist, many are being superseded by the legal department’s move towards a more managed purchasing of legal services. This manifests itself

### How many law firms do you use globally?





## MANAGING RELATIONSHIPS WITH LAW FIRMS

through the creation of panels, the involvement of procurement teams and the move to e-procurement in a growing number of legal departments. Delivering cost-effective services is the main aim and corporate counsel have grown smarter about the management of external advice and the different options available – which in turn has forced firms to begin to think like other suppliers in their pricing structures and ultimately changing the dynamics of the relationship.

Even more ominously for law firms, it has forced them to re-think their economic model and *modus operandi* based on high fees and long hours. Legal departments have traditionally not prioritised data and the usage of key performance indicators (KPIs) but these are becoming key components of the management of legal services in companies.

However, only 26 per cent of respondents say their department has an established process for selecting firms on all matters. Another 61 per cent said that the legal department sometimes operated a process but it depended on the matter in hand

while 13 per cent said that their department did not use an established process but that the individual counsel decided.

### Nothing personal

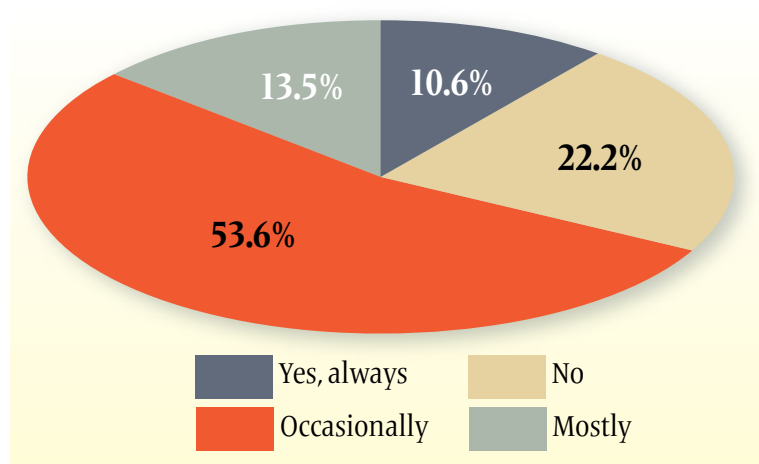
The trusted advisor is not always what a company wants on a transactional piece of work and legal departments have gone down the route of competitive tender, with a number using an auction process to unearth the best value for the particular job. Toyoto, Sun Microsystems and eBay to Deutsche Bank, Royal Bank of Scotland and GlaxoSmithKline are examples of corporates which have taken this less personal approach.

Indeed, only 22 per cent of companies do not use some form of competitive tender, the research finds, with one in ten using it as the main way of distributing work and over half (54 per cent) occasional users. A further 13 per cent describe it as their preferred method of selecting law firms. Some legal departments use competitive tenders for a wide range of work whilst others are more selective

### Which criteria do you use when selecting a foreign law firm?



### Do you use competitive bidding to distribute work to outside law firms?



Legal departments have traditionally not prioritised data and the usage of key performance indicators (KPIs), but these are becoming key components of the management of legal services in companies

## MANAGING RELATIONSHIPS WITH LAW FIRMS

### The Pfizer way

Pharmaceutical company Pfizer had led a ground-breaking initiative to better manage its relationship with outside counsel, the Pfizer Legal Alliance. It was set up by general counsel Amy Shulman who wanted to fix what she viewed as a major obstacle to the lawyer-client relationship – the billable hour.

She devised the collaborative approach in a bid to work with her outside law firms as business partners rather than act simply as legal troubleshooters.

The Pfizer Legal Alliance (PLA) consists of 19 law firms and is managed by chief counsel Ellen Rosenthal. Set up to manage the legal needs of a multinational pharmaceutical company, it is an ideal example of how a legal department can lead the way on managing relationships with its external advisers.

The firms operate on a flat fee and handle 75 per cent of the company's work worldwide. Indeed when it started up, one of the lawyers, Beth Wilkinson at Paul Weiss Rifkind Wharton & Garrison, said her firm had never worked on a fixed fee until it joined the PLA.

The alliance is now in its fifth year and has a governing body with representatives from six of the law firms which manage the group. The body holds a monthly roundtable to discuss issues of importance and discusses the management of the PLA as a whole.

The arrangement sets annual fixed fees for each firm and these are paid as a monthly retainer – with no procurement, estimates or hourly billing. The PLA incorporates 360-degree performance reviews for all inhouse and external team members twice a year.

The company sees the alliance as a way of predicting its annual legal budget, cut costs and allowing performance input as the year progresses. It leads to much deeper relationships between the company and the law firms as well greater insights on the advisers and more efficiencies.



*Ellen Rosenthal*

### An alliance in action

#### How is the PLA operating now?

Building on five years of success, the Pfizer Legal Alliance (PLA) is a collaborative partnership between Pfizer and 15 law firms that transforms the way legal services are delivered and valued. The PLA continues to provide the benefits of superior legal services and closer relationships between our outside counsel and inhouse lawyers. The collaborative model has improved communications and efficiencies for Pfizer's legal matters by providing our outside lawyers with a deeper understanding of our priorities and key business issues.

#### Have there been many changes in the last year?

Our long-term strategy to develop closer relationships with dedicated partners remains constant, and the basic structure that supports our vision remains the same. The law firms continue to work with us on an annual flat fee and collaborate with each other more closely each year. We continue to have a joint governance structure – the PLA Roundtable – that is charged with developing and implementing the PLA's strategic vision, and we have streamlined that body. Over the years, we have developed robust tools and metrics to facilitate the management and oversight of our large and varied portfolio of work.

#### How would you say it deals with relationships with law firms?

The introduction of the flat fee has turned traditional incentives on their head and allowed us to introduce smarter ways for our law firms to practice more efficiently. We're proud to have leveraged the PLA structure to create innovative ways to promote junior and diverse talent and provide *pro bono* services. When the PLA members work together in support of these goals, the results are powerful and long-lasting.

#### What advice would you give to other legal departments about starting something similar?

For other companies, I would advise that they take a leap rather than taking baby steps. You have to commit to a new approach to engagement with your outside counsel and follow through or else you do not make real change.

Many companies are seriously re-examining how they work with outside counsel and considering changing their model. We also have been receiving more serious inquiries about the PLA in recent months. In the beginning, it was perhaps seen as a bold experiment. Now, others are seeing that we have made the PLA work for a company as large and complex as Pfizer, so there's significant interest from companies who want to make similar changes.

## MANAGING RELATIONSHIPS WITH LAW FIRMS

– choosing them for more commoditised work such as employment and property. One general counsel of a TMT company with more than a six billion turnover said that he used competitive tendering for transactional work such as mergers and acquisitions work but preferred to select firms the traditional way for premium areas of work.

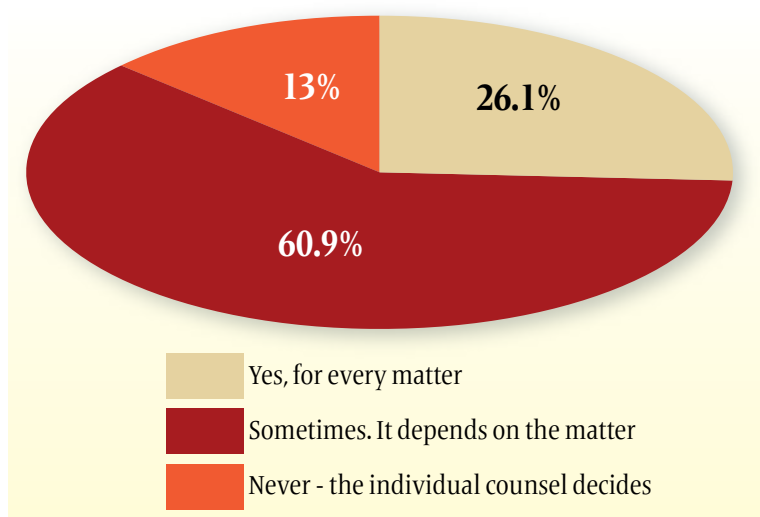
Law firm panels are also one of the manifestations of a better managed approach – although the majority deviate from their chosen firms, according to the research which found that only 28 per cent stuck rigidly to the selected firms with nearly three in four using external advisors from outside the panel.

### What legal departments really want

Legal departments are increasingly varying the way they want to pay for legal services, with hourly billing on a downward trajectory. But it is not dead yet with nearly all departments using it, albeit much less.

Indeed, 59 per cent said hourly billing this

Does your legal department have an established process for determining which law firms should be used?



## MANAGING RELATIONSHIPS WITH LAW FIRMS

was the main way they were billed, while 28 per cent said they used it when appropriate. Flat fees were used by 67 per cent 'occasionally' as were fixed fees which were used by 63 per cent. The research also pointed out that 52 per cent sometimes used blended rates or retainers, but that two in three had never used a success bonus and over half had never used monthly retainer payments.

Fixed fees was most popular, with 98 per cent using them, followed by hourly billing used by 97 per cent and flat fees used by 86 per cent.

Bizarrely, 53 per cent of law firm rarely or never organise meetings with their clients to see how satisfied they are with the law firm's work. However, 75 per cent of law departments are happy with the level of communication between themselves and their external advisors. But they appreciate law firms which are knowledgeable about their activities and the sector (49 per cent) whilst a single interlocution with one responsible partner or team is valued by 41 per cent.

### Best practices for procurement

The introduction of procurement is fraught with issues for many legal departments which resent non-lawyers taking control of this area. While only five per cent of respondents say the procurement department is in charge, they encompass some of the biggest and most successful global companies. Procurement managers are aware of that the relationship between the legal department and the procurement department has to be handled carefully so they must endeavour to tread carefully.

### Legal differs from other areas

In an article in *Inside Supply Management* Jason Winmill of Argopoint Consulting and Celia Parsons, a sourcing professional who has worked in legal, reported on a conference held last year discussing collaboration between supply chain management and the legal function. The authors quoted legal services procurer Justin Ergler of GlaxoSmithKline who said it was important to

**'We use personal contacts established through previous experience as well as contacts we make at international conferences.'**

*Large Finnish financial institution*

**'We use the Association of International Petroleum Negotiators as well as getting member referrals.'**

*Global oil company, Middle East*

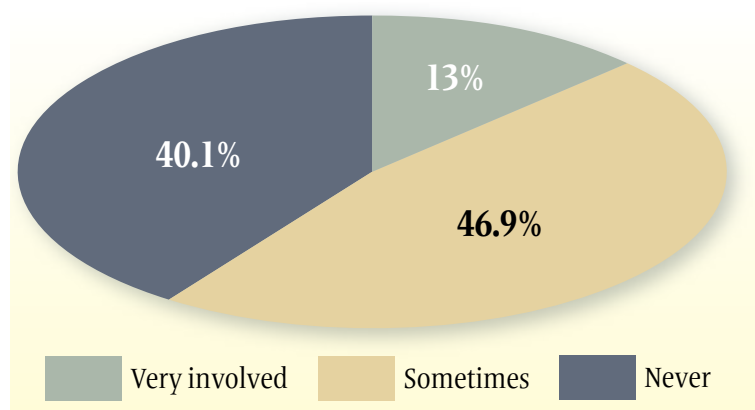
**'We use recommendations from industry lawyers.'**

*Large Japanese pharmaceutical company*

**'We use the local knowledge of our managing directors.'**

*Medium-sized Netherlands Corporate*

### How involved are the business heads in allocating legal work?



recognise that several aspects make the legal category different from other areas. These varied from the complexity of legal services, a large number of providers in the marketplace to lawyers having a different state of mind. He pointed out that procuring legal services properly needed 'a real investment' which leading companies were increasingly doing.

## Creating success in procurement

The authors advocate a number of points to obtain a successful procurement result in their article 'Legal Sourcing Steps into the spotlight'.

Using the experience of Fortune 500 companies which have enjoyed success in legal sourcing, they say that firstly the legal team must be allowed to drive the project, but procurement must help navigate. Because new approaches will be used, the procurement team should help prevent the legal team from falling back into traditional approaches. Procurement can help by providing high-quality benchmarking data showing gaps and potential

## Which of the following do you use?

	Always	Mostly	Sometimes	Never
Contingency fees	2	14	71	96
Fixed fees	11	57	128	5
Blended rates, Retainers	4	34	101	56
Performance bonus	0	1	48	133
Flat fees	8	23	122	30
Monthly retainer payments	2	6	73	98
Success bonus	0	4	57	125
Hourly rates	18	119	57	7

The two consultants point out the importance of data and facts which are not readily available in the legal department



# *Trust, Personalised service, efficiency*



Established in 1996, **Roca Junyent** has offices in Barcelona and Madrid, as well as in other cities in Spain and in Shanghai. The Firm delivers advice across the whole spectrum of legal areas, particularly in Business Law. Roca Junyent is well positioned and widely regarded as one of the leading legal firms in the European market and has established firm and successful collaboration arrangements with leading law firms and international networks.

[www.rocajunyent.com](http://www.rocajunyent.com)

FOLLOW US:  

#### **BARCELONA**

*Roca Junyent Barcelona*  
Aribau, 198  
08036 Barcelona  
TEL.: +34 93 241 92 00  
FAX: +34 93 414 50 30  
[bcn@rocajunyent.com](mailto:bcn@rocajunyent.com)

#### **MADRID**

*Roca Junyent Madrid*  
José Abascal, 56, 7º  
28003 Madrid  
TEL.: +34 91 781 97 60  
FAX: +34 91 781 97 64  
[mad@rocajunyent.com](mailto:mad@rocajunyent.com)

#### **GIRONA**

*Roca Junyent Girona*  
Gran Via Jaume I, 37, 5º  
17001 Girona  
TEL.: +34 972 48 71 11  
FAX: +34 972 48 32 11  
[gi@rocajunyent.com](mailto:gi@rocajunyent.com)

#### **PALMA DE MALLORCA**

*Roca Junyent Palma de Mallorca*  
*Riutord & Contestí*  
Paraires, 34 A  
07001 Palma de Mallorca  
TEL.: +34 971 22 90 27  
FAX: +34 971 22 90 30  
[pma@rocajunyent.com](mailto:pma@rocajunyent.com)

#### **LLEIDA**

*Roca Junyent Lleida*  
*Estudi Jurídic Alonso*  
Rambla Ferran, 2, 3º D  
25007 Lleida  
TEL.: +34 973 24 60 62  
FAX: +34 973 23 00 70  
[advocats@alonsoroca junyent.com](mailto:advocats@alonsoroca junyent.com)

#### **SHANGHAI**

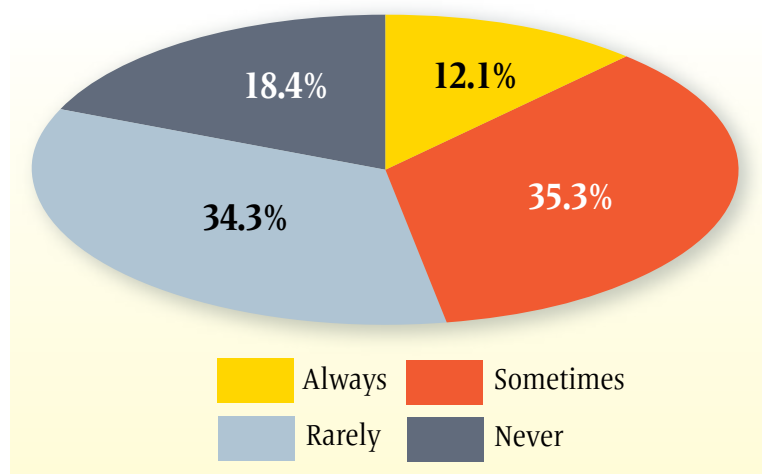
*Roca Junyent Shanghai*  
Suite 2209 Westgate Mall  
1038 Nanjing Xi Rd.  
200041 Shanghai - China  
TEL.: +86 21 621 80 666  
FAX: +86 21 631 12 291  
[sba@rocajunyent.com](mailto:sba@rocajunyent.com)

## MANAGING RELATIONSHIPS WITH LAW FIRMS

opportunities. It should also draw up realistic, specific options for strategies which the legal team can follow and produce 'tested best practices' for consideration. And the procurement team should also provide ongoing value-added support for new enhanced processes.

The two consultants point out the importance of data and facts which are not readily available in the legal department. Such data provides meaningful comparisons and, according to GlaxoSmithKline's Justin Ergler, helps legal get a sense of the trends in the marketplace.

**Do your law firms organise regular meetings to see how satisfied you are with their work?**



### Selecting law firms

**"We use a formal procurement process and keep foreign firms on the retainer panel for two years minimum."**

*General counsel, transport,  
(£6 billion-plus turnover)*

**"The GC selects law firms in the main, but others in the legal department have a say. Responsibility falls on the local organisation for minor, non-strategic legal issues."**

*General counsel, transport,  
£6 billion-plus turnover)*

**"Each individual lawyer in the team has discretion to select law firms."**

*General counsel, food conglomerate  
(£6 billion-plus turnover)*

**"Law firms are selected by the lead lawyer on a transaction, in conjunction with other members of the team."**

*General counsel, financial company  
(£2-6 billion turnover)*

**"We use a combination of the general counsel and the CEO."**

*General counsel, government non-profit  
institution (less than £60 million turnover)*

**"We use local managing directors."**

*General counsel, TMT company (£301-600  
million turnover)*

**"The board has mandated use of the main law firm and also selects various specialist law firms."**

*General counsel, FMCG/food company  
(£6 billion turnover)*

# Emerging markets, risk and communications

The legal department's role in communications strategy in growth markets is key to a successful outcome.

in association with



The attraction of emerging markets has long been a given for global businesses as the main economies such as the US and Europe stagnate. And, while such markets may be bumpy, predictions are that 70 per cent of the world's growth will emanate from these countries over the next few years. Indeed by 2020, Brazil, India, Russia and China (the BRICs) are expected to account for nearly 50 per cent of all global GDP growth. It is little wonder, then, that global businesses are actively engaged in growth markets, as is reflected in our research.

### Risk factors

The research looks at how companies deal with the risk factors involved in emerging markets and, more particularly, how the legal and communication arms of the business work in times of crisis.

What strategies and systems are in place to deal with issues far away from the home territory, how does the legal department get involved and

what level of communication exists with the local teams? Indeed, how should the general counsel be involved and what level of responsibility should be taken?

### Core member of the crisis team

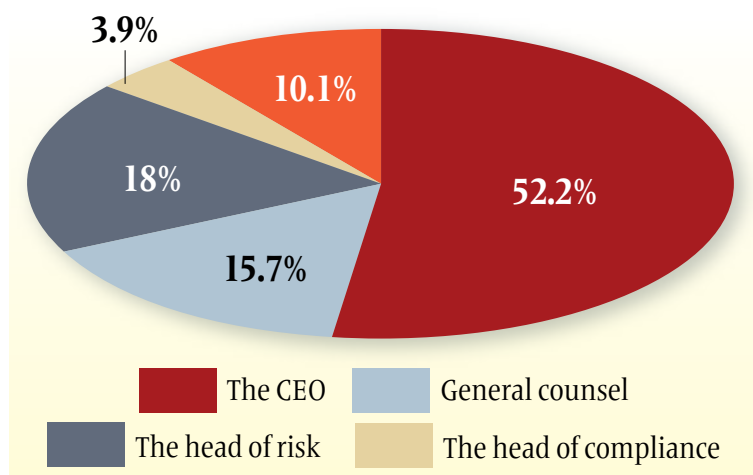
The highly respected ex-General Electric general counsel Ben Heineman famously said that the general counsel must be a core member of the crisis management team responding to investigations, law suits, product problems, personnel emergencies and threats to company people, facilities, information or supply chain from terrorism, natural disaster or war.

In the article, 'The General Counsel as Lawyer-Statesman', he pointed out: "Working with the CEO, the general counsel must seize the issue the moment top management learns about it; develop a crisis management team with clear responsibilities; meet continuously to adapt

### Using lawyers in emerging markets – Gucci

Gucci's legal department is mainly focused on Italy. The company uses mainly external counsel in locations outside Italy where it has offices such as Asia Pacific, Hong Kong and Tokyo. Gucci general counsel Della Rosa says that when the company recently set up a joint venture in Thailand, the project was managed directly from headquarters as was recent work in Panama.

### Who is in charge of crisis management in your company?



### Dealing with risks in growth markets

The two main risks when dealing with emerging markets are transactional and operational, says Bill Waite, general counsel and now chief executive officer of the Risk Advisory Group, a global risk management consultancy.

Transactional risks could occur as a result, for example, of a merger or acquisition where the company signs a joint venture with a third party for exploration rights. However, unless the company is sure how the joint venture partner has acquired such rights, the company could well be “buying a problem not an asset,” says Mr Waite.

From an operations point of view, there are many examples of companies finding themselves dealing with problems on the ground from supply chain issues to environmental damage. Bribery is increasingly rearing its head on the operations front, with huge fines for companies transgressing the rules. The US in particular has been fighting a battle on this front through its legislation the Foreign Corrupt Practices Act which saw German electronics firm Siemens AG agree to a settlement with the Department of Justice in 2008 of some \$800 million.

According to Mr Waite, companies need to be aware that legislation such as the Dodd's Frank Act and the growth of whistle-blowing makes it all the more important for companies to be aware of the implications of falling down on the governance front.

Political and security risks are endemic in emerging markets – the recent Arab Spring provides an example and countries such as Turkey and Brazil are also dealing with issues on this front. For this reason, companies need to understand what they are getting into, said Mr Waite. While the large oil and gas companies are usually well prepared for such scenarios, other sectors need to follow suit.

However, the same structure was not appropriate for every country and companies had to be prepped for the potential problems and how to deal with them.

When dealing with a crisis, Mr Waite said that while the legal department played a very important role, others must also be involved. Local problems were unlikely to be purely a legal issue and companies often lost sight of the fact that it should be dealt with as a business process.

In general, a team should be formed, which would include legal, but with the CEO having the definitive role. If the issue was between the company and the local state, the company may want to deal with it outside the state.

He said that there were issues such as getting data in and out as well as multijurisdictional issues. Companies needed to focus on outcomes as there was often confusion with people admitting one thing when they should have admitted another.

Ultimately, Mr Waite said, planning for a problem was critical. “You should have a proper crisis planning and you should test that crisis planning.” And he forecast that this would become all the more important going forward as, “We are in line for significant and rapid changes.”

to changing developments; and ultimately determine an appropriate response.”

Mr Heineman went on to say: “A key related role, one for which the general counsel is well suited, is to develop the facts both expeditiously and carefully. And the general counsel must be closely integrated in all communications stemming from the crisis to assure accuracy and credibility. Crisis management is often a stress test for the corporation's integrity – and for the general counsel.”

These comments are particularly pertinent to emerging markets where companies are exposed to any number of danger points.

### Different landscapes

Entering emerging markets *per se* has a number of risks attached including different regulatory landscapes, political instability and potential for reputational damage. There are also inherent risks in dealing with growth markets from afar, including finding local partners who are well

There were issues such as getting data in and out as well as multijurisdictional issues. Companies needed to focus on outcomes as there was often confusion with people admitting one thing when they should have admitted another



matched with the parent company.

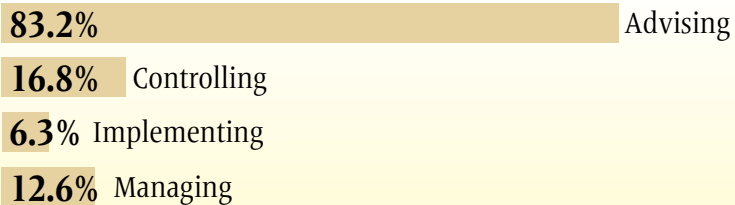
If a crisis arises, local knowledge is important, but there are marked differences in corporate approaches to providing a solution.

Firstly, the research revealed that while most were doing business in emerging markets and strategies differed across the board on a range of issues, one in two felt that communications should be an inherent factor in the legal department's strategic decision-making process for emerging markets. Furthermore, most agreed that the general counsel was a pivotal part of any crisis management plan in an emerging market.

Secondly, empowering the local team is undoubtedly part of the strategy of most corporates, but they differ when assessing how much power to devolve. With 37 per cent empowered to propose and implement a communications plans, 63 per cent were ordered to seek approval for each step.

Thirdly, 28 per cent said their companies took a 'reactive' role regarding communications

### What is the role of the general counsel in your company regarding strategic communications?



Empowering the local team is undoubtedly part and parcel of the strategy of most corporates, but they differ when assessing how much power to devolve

### The Walmart experience

US company Walmart found itself in trouble with the US Department of Justice over alleged bribes in Mexico. It was claimed that the company's Mexican division had paid more than \$24 million to allow stores to be opened faster than going the regular government route. The company, which had informed federal agencies that it was conducting an internal investigation into the scandal, issued a news release, saying it had been working on compliance with the FCPA and that the company had "a rigorous process in place to quickly and aggressively manage issues like this when they arise."

It added that the company would not "tolerate noncompliance with FCPA anywhere or at any level in the company. We are confident we are conducting a comprehensive investigation and if violations of our policies occurred, we will take appropriate action."

The investigation to date has cost Walmart at least \$230 million and saw the company hire Little Rock law firm Mitchell Williams Selig Gates & Woodyard and more recently Jones Day which was appointed to handle the internal investigation. As yet, there is no conclusion to the case, which could drag on for years.

– whilst 72 per cent were proactive. The importance of communications in local markets is key and can often be the factor between success and failure when companies expand into new territories – the world of oil and mining are particularly pertinent examples of how corporates can find themselves in stormy waters.

In times of crisis, the importance of a well thought-out plan and a good local team cannot be underestimated, particularly as headquarters may not understand the local area and culture or be able to provide a quick response to a difficult situation. Conversely, there are dangers attached to relying too much on a local team and significant responsibilities should only be delegated locally after much time has been invested in training and testing local capabilities and experience.

Different companies have different strategies when dealing with a crisis in a growth market and far from their home base.

Three in four companies surveyed are doing

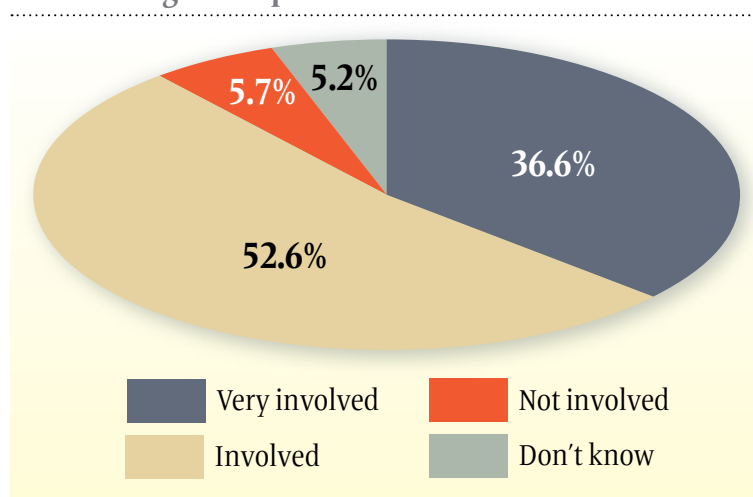
business with emerging markets over a wide range of sectors. However energy, utilities and infrastructure and financial companies are most likely to have operations in such locations followed by technology, media and telecoms companies and transport sectors.

When dealing with such markets, most (58 per cent) corporates deployed a mix of allocating lawyers from the legal department and using local law firms. Around 26 per cent said they just used local law firms while 15 per cent relied on their inhouse corporate team. Those who used local law firms alone had the smallest legal departments with around three in four having legal departments of not more than ten inhouse lawyers.

### The buck stops with the CEO

The research revealed that the CEO was deemed to be in charge of crisis management in 52 per cent of corporates operating in growth markets

How much is the general counsel involved regarding the crisis management plan?



“We are guardians of corporate integrity, keeping our eyes open for risk”

### Fashion counsel Barbara Kolsun: Stuart Weitzman Holdings



The recent disaster in Dhaka, when a factory making clothes for many western companies collapsed and killed over 1,000 workers, is one instance why dealing with emerging markets has high risks for international companies. The fall-out in terms of litigation and reputational risk is massive and, as such, for companies that are involved in the retail business, top priority should be given to ensuring that a risk programme is in place.

Stuart Weitzman general counsel Barbara Kolsun is one lawyer who has experience

of dealing with retail in such markets. Having started three legal departments in three different US fashion companies, Kate Spade, Seven For All Mankind and Stuart Weitzman, she was also assistant general counsel at Calvin Klein Jeans and West Point Stevens.

Fashion has numerous global compliance issues – from human rights compliance, the Foreign Corrupt Practices Act issues and employment compliance. “We are guardians of corporate integrity, keeping our eyes open for risk,” she says.

Her company outsources manufacturing to countries where goods could be made cheaper but, she added, the social costs were all too evident.

“In each company where I have started a legal department, I have also created compliance programmes for our vendors, requiring inspections of their factories, initially using outside inspectors,” she said at the Luxury Law Summit in London recently.

The company has recently been acquired by The Jones Group which, she said, allowed the inspections now to be done by “our well-organised company’s compliance programme”.

Ms Kolsun said it was important for the company to have control over how its products were made “because it was the right thing to do”. But, she added, “situations like the Bangladesh fires, costing so many lives, are also public relations nightmares and affect shareholder relations. Outsourcing human rights compliance involves risk and one of my most important functions as an embedded lawyer is to know where we make product and who makes that product.”

Ms Kolsun said that her team “also handle any number of public relations issues: from criticism of our ad campaigns to sensitive issues like product recalls.”

followed by the head of risk, (18 per cent) while the general counsel led the charge in 16 per cent of companies.

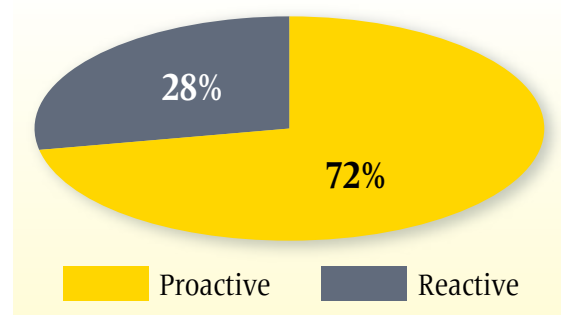
The communications director led the crisis team at 10 per cent of businesses while the head of compliance was in charge of crisis management at four per cent of companies surveyed.

TMT companies were most likely to put the GC in charge whilst those in the retail, leisure, travel and entertainments tended to put the director of communications in charge. When the director of risk was in charge, the companies were mainly in the financial sector.

### Communication protocols

In 83 per cent of cases, the main role of the general counsel was said to be advising on strategic communications although 17 per cent used him or her to control such communications whilst 13 per cent said they managed the communications process. Implementing

### Generally speaking, do you take a proactive or reactive role regarding communications?



strategic communications was said to be the role at only six per cent of companies.

Many corporates adopt transparent and proactive communications as part of their corporate social responsibility (CSR) policies, with 80 per cent saying this was the position in their company although five per cent said it was not part of their CSR policies.

The research also pointed out that 85 per cent had systems and procedures in place to make sure that stakeholder communications and concerns were known to senior management and answered accordingly.

However, 28 per cent of corporates surveyed took a reactive approach when dealing with communications while energy/utilities/infrastructure companies were most proactive on the communications front.

### Working with the communications department

When asked how closely they worked with the communications department, 60 per cent said all the time while 21 per cent work closely in times of crisis. However 19 per cent rarely work with the communications department.

One head of legal affairs at a large TMT company said he dealt with the communications department only "in all relevant communications to the stock market, media and press releases."

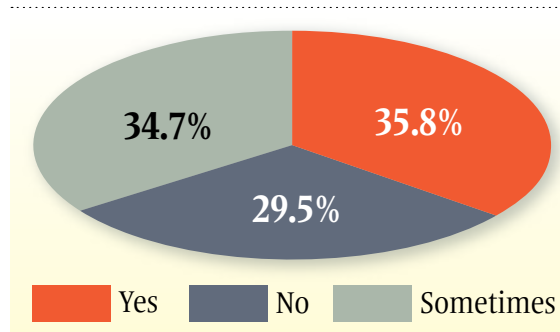
"Occasionally as and when necessary," another GC in a major conglomerate said. Another GC in a conglomerate added: "When they request our support or we become aware of something that requires it."

"Never" said the head of legal at a Brazilian company with a turnover of between £2-6 billion.

Two in three respondents confirmed their



### Do you conduct a SWOT analysis before entering a new market from a communications point of view?



When asked how closely they worked with the communications department, 60 per cent said all the time while 21 per cent work closely in times of crisis



companies had a chief communications officer (CCO) while 29 per cent did not. But asked if the legal department should view the communications side of the business as an inherent part of their strategic decision-making process, response was divided, with 53 per cent believing that it should be so viewed while 47 per cent said no. And 86 per cent viewed the communications side as a support area of the company and not pivotal.

### **Making a plan**

When entering a new market, 36 per cent always conducted a SWOT analysis from a communications perspective while a further 35 per cent of respondents said they conducted a SWOT analysis sometimes. But 29 per cent said they did not.

When dealing with a disaster in an emerging market, two thirds (63 per cent) said their company required the local team to seek approvals for each step – from key messages to

---

When dealing with a disaster in an emerging market, two thirds (63 per cent) said their company required the local team to seek approvals for each step – from key messages to changes in the plan – while 37 per cent said that their local team was sufficiently empowered to propose and implement a communication plan





# We offer consistent solutions according to our Clients' value building approach.

Beyond legal advise or case management, our business model focuses on **strategy integration, corporate organizational architecture, team work, clear strategies and policies, specific objectives, plans, goal oriented advice and MAKING IT HAPPEN.**

We DO only what we DO BEST by understanding our clients needs and acting as strategic business partners.

## EMERGING MARKETS, RISK AND COMMUNICATIONS

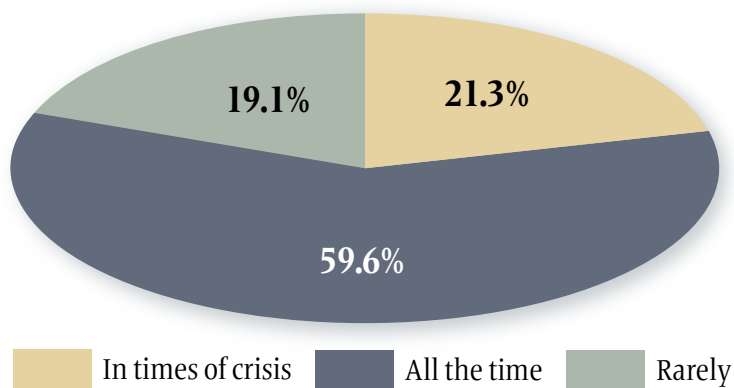
50

changes in the plan – whilst 37 per cent said that their local team was sufficiently empowered to propose and implement a communication plan.

A general counsel of a large energy company said his business used a combination of the above strategies, adding: “When feasible, the company should seek approval from headquarters, but they are empowered to use their own judgement to avoid delays.”

A head of legal affairs at a medium-sized Portuguese TMT business said local firms were called in to intervene when there was a crisis, while the general counsel at a bank said they used a combination of the two.

### How closely do you work with the communications department in your business?



# The role of the GC in M&A, divestitures and strategic alliances

The importance of the legal department's role cannot be underestimated, but feedback would also be appreciated.

in association with



**TERRALEX®**  
Global Expertise. Local Connections. Seamless Service.™

## THE ROLE OF THE GC IN M&A, DIVESTITURES AND STRATEGIC ALLIANCES

Despite a strong start in 2013, the long-awaited rebound in merger activity is yet to arrive. However, there are some signs of movement. Cash is plentiful and companies are looking for growth. Private equity companies are cash rich and deal poor. A flurry of companies are on the lookout for opportunities to buy, sell or divest.

In recent times the worlds' largest advertising merger was announced – with French company Publicis and New York-listed Omnicom creating a \$23 billion dollar firm. Blackberry is looking to be sold, while US pharmaceutical company Perrigo is acquiring Irish biotechnology company Elan. Meanwhile Berkshire Hathaway is taking over HJ Heinz while Dell is in the process of being sold to its founder.

Like all deals, there are a multitude of risks involved in actually getting the transaction done and it is an area where the management and legal teams need to work closely from the start. However, it is often fraught on a number of levels with a distinct lack of co-ordination between the

### Has your company, over the last five years, been involved in...

	Yes	No
Mergers?	120	40
Divestitures?	96	54
Strategic alliances?	111	40

Like all deals, there are a multitude of risks involved in actually getting the transaction done and it is an area where the management and legal teams need to work closely from the start.

### Selecting external advisers

The importance of selecting outside lawyers cannot be underestimated. A recent academic study looked at exactly the value which the external law firm team brings to the transaction.

Called 'Does Legal Counsel Expertise Add Value? Evidence from Mergers and Acquisitions', the paper was published in July 2013 by four academics, three from the University of Arizona, Sandy Klasa, Lubomir Litov and Simone Sepe and one from the University of Melbourne, Jordan Neyland.

The research looked at the role of legal counsel expertise in mergers and acquisitions over 20 years and concluded that there was a distinct economic gain to the company.

The authors said that they found that counsel with expertise in ERISA litigation, corporate law or the acquirer's industry as well as high overall expertise in league tables are associated with lower acquisition premia, lower completions rates, higher acquirer announcement returns and higher post-acquisition accounting performance.

The academics said that the effects appeared to increase over time as the deals became more complex and to be stronger for targets with greater earnings management, lower analyst coverage, higher idiosyncratic volatility, or greater indebtedness.

The authors looked at 3,760 bids from Thomson SDC's mergers and acquisitions database between 1990 and 2010.

"We found that acquirers paid a lower target premium, received higher abnormal return, withdraw from a deal more frequently, and record improved post-acquisition accounting performance if they retain legal counsel with greater experience. These results are consistent with legal counsel being able to enhance the acquirer's bargaining power in negotiations by successfully uncovering target unrecorded liabilities or incentivising targets to disclose such liabilities with the potential threat of litigation."

The authors added that: "Taken together, these results concluded an important economic role of legal counsel expertise in mergers and acquisitions."



## THE ROLE OF THE GC IN M&A, DIVESTITURES AND STRATEGIC ALLIANCES

two teams which can lead to complications in the transaction. The management team tends to run the deal in many companies and lawyers often feel that that they are called in too late – all of which can make a transaction unnecessarily complicated.

The research looked at how the legal department was involved in these transactions, what areas they gave advice on and how they felt about their overall role. They were also questioned about their dealings with the board and their analysis of how this relationship worked. How involved does the general counsel get at strategy level and how do they handle the recruitment of law firms for the job in hand.

### **Tensions between business and legal**

Firstly, the results reveal evidence of the tension between the business side and the legal function in that many general counsel do not feel they get direct feedback from the board on whether they performed above and beyond requirement. Although two in three felt they did, one in three

### **Are you directly involved in any of the following?**

	Yes	No
Due diligence in evaluating and negotiating purchases	130	31
Examining the legal implications of cross-border transactions	126	32
Cost-benefit analysis of acquisitions	72	80
Protecting corporate reputation during growth periods	110	45
Planning ahead and strategising the implications of the acquisition to the structure and stance of the company	105	53



## THE ROLE OF THE GC IN M&A, DIVESTITURES AND STRATEGIC ALLIANCES

**Do you feel you have added value above and beyond what was expected from the legal department?**

**“By managing and applying our commercial and technical knowledge we have ensured that the transactions are completed with a minimal issues and within budget.”**

*Director (incorporating general counsel responsibilities) energy company (UK)*

**“Being the originator and pursuing the opportunity.”**

*General counsel, manufacturing household/commercial goods. (£2-6 billion turnover, Italy)*

**“It was expected that the legal department was competent in these fields and the expectation was met.”**

*General counsel, FMCG/food beverage producer/processor (£6 billion-plus turnover, South Africa)*

**“There is a lack of respective feedback.”**

*General counsel, pharmaceuticals/healthcare, Sweden*

did not know or actually felt they did not perform more than was expected of them.

Secondly, there is still a high level of business involvement in choosing law firms, with the CEO, the finance director and others often having a say. Given the importance of mergers and the level of negotiations involved, this is not surprising. However, 81 per cent of general counsel were involved or had some involvement in selecting the law firm for the job.

### High level of activity

Despite the economic climate, the companies responding had quite a high level of involvement in all three areas of activity. Indeed most of the respondents surveyed said their companies have been involved in mergers, divestitures and strategic alliances over the past five years.

Three in four have gone through mergers, 73 per cent strategic alliances and 64 per cent divestitures. Their roles saw them involved in due diligence in evaluating and negotiating purchases (81 per

### Are you responsible for allocating appropriate law firms for the following?

	Yes	No	Sometimes
M&A transactions	93	29	31
Divestitures	84	31	30
Strategic alliances	87	32	28

‘It is impossible to determine what the board does expect as no-one has experience of the detail other than requiring the result to be delivered.’

## THE ROLE OF THE GC IN M&A, DIVESTITURES AND STRATEGIC ALLIANCES

55



cent), 80 per cent were involved in examining the legal implications of cross-border transactions. Protecting corporate reputation during growth periods saw 71 per cent directly involved, while 66 per cent had a role to play in the planning ahead and strategising the implications of the acquisition to the structure and stance of the company. Less than half were involved in the cost-benefit analysis of acquisitions.

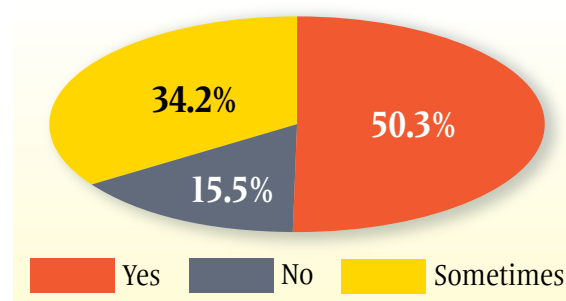
### A role to play

Respondents tended to be heavily involved in the deals when choosing which law firms to act – 69 per cent were very involved, 12 per cent quite involved while 19 per cent were not involved. They were also heavily involved when managing the transaction with 56 per cent very involved and 26 per cent quite involved.

Over half, 51 per cent, were very involved, giving advice to the board. One in three said they were quite involved in dealing with the board.

Nearly half the respondents have been involved

### Do others in the company have an input in choosing the law firms for a particular transaction?



## THE ROLE OF THE GC IN M&A, DIVESTITURES AND STRATEGIC ALLIANCES

in dealing with regulators – 47 per cent said they were very involved. A further 28 per cent had dealings with the regulators. One in four, 25 per cent, had no involvement with the regulators.

A large number were actually involved on the business end when the company was deciding to do the deal. One in three respondents were very involved, 29 per cent of respondents were quite involved and 37 per cent were not involved.

### Selecting law firms

Allocating law firms for the deal was not automatically the responsibility of the respondent. Only 61 per cent said they were responsible for M&A appointments, with 20 per cent saying sometimes and 19 per cent saying never. Figures were similar for divestitures and strategic alliances.

Instead, 84 per cent said others in the company had an input in selecting the law firm for a particular transaction. Only 15 per cent said no others had an input.

### If yes, who has an input?

	Yes	No	Sometimes	Don't know
Legal department	100	1	12	0
CEO	59	23	25	2
Other board members	19	38	30	9
Finance director	37	32	31	3
Business executives in the company	31	24	37	5

A large number were actually involved on the business end when the company was deciding to do the deal

## THE ROLE OF THE GC IN M&A, DIVESTITURES AND STRATEGIC ALLIANCES

Of those who had a say in the appointment of law firms, the legal department topped the bill (88 per cent) followed by the CEO, with 54 per cent saying he or she was involved. Only 21 per cent of companies had no CEO input while 23 per cent said the CEO sometimes had an input.

The finance director was next, with 36 per cent saying he or she had an input, while business executives in the company had an input in 32 per cent of cases and other board members in 20 per cent always and 32 per cent sometimes.

### Reducing costs

Pressure to reduce legal costs was roughly the same for all three categories with mergers and acquisitions having marginally more call for cost efficiencies. Some 60 per cent said there was pressure and a further 17 per cent said there was some pressure. Meanwhile 58 per cent said there was pressure for lower costs in divestitures and strategic alliances.

Law firms were chosen for M&A mainly

### Simon Zinger, general counsel, Aegis Media

"The scope of involvement in my experience depends largely on the size and complexity of the deal. An organisation with a constant small to medium size deal flow will rely quite heavily on the general counsel to lead and manage the process within the scope of a defined M&A policy.

"In that respect, the GC will work collaboratively with finance and other senior management, but will have a strong leadership position. Once the nature of the deal is no longer 'routine', typically involving a large public transaction and regulators, it is normal for the GC to share the stage with colleagues from other functions and a swarm of external advisors.

"In that scenario the GC's involvement is diminished, but with enough initiative, enthusiasm and persistence he or she can still offer valuable assistance."

### How do you choose law firms for each of the following?

	Law firm panel	Firms outside the panel	Law firm networks	Long standing law firm relationships
Mergers & Acquisitions	49	9	16	91
Divestitures	43	12	12	81
Strategic alliances	47	11	14	79



## THE ROLE OF THE GC IN M&A, DIVESTITURES AND STRATEGIC ALLIANCES

through long standing law firm relationships, according to 64 per cent of respondents, while 35 per cent selected through a law firm panel. Law firm networks accounted for 11 per cent of appointments and a further six per cent opted for firms outside the panel.

Similar to divestitures, 62 per cent said firms were chosen because of a long standing relationship while 59 per cent said the same for strategic alliances. Divestitures saw nine per cent opt for law firm networks and nine per cent outside the panel. Ten per cent of those going through strategic alliances selected firms from networks and eight per cent elected firms outside the panel.

### Reputation

Most important when selecting a law firm to do the deal is the individual lawyer's reputation (70 per cent) with the reputation of the law firm next (55 per cent) and personal relationships with the external legal team (47 per cent). Firms with

### Business director – transport company

"When the board decides it wants to grow the business and do it through a certain route, the inhouse mergers and acquisitions team, which is linked with the investor relations team, will look at the board's strategy.

"If a certain company is targeted, they will look at the shareholders, work out who the company knows and how the strategy will work. At this point it tends to be finance-led and the inhouse lawyers won't be involved. This is because the inhouse lawyers tend to be generalists and for mergers you need some very specific advice.

"Some companies may have a specific M&A lawyer on the team but we don't and the management team is very involved. The board generally tends to have an input on which external firms to employ for the job and will look for firms with a strong reputation in the area – they may already be on the company's law firm panel.

"The bigger the merger, the more input the chairman will have. The top law firms are geared up to do the work as they have a lot of resource so they will take the lead on the legal side and the general counsel will have an advisory role and keep an eye on progress."

### How important are the following when deciding which law firms to use for mergers, divestitures etc ?

	Very important	Important	Not important
Price	61	73	8
Reputation of the law firm	75	55	7
The individual lawyer's reputation	95	37	4
Personal relationships with the external legal team	63	58	14
Firms with a global presence	34	55	44
Independent local law firms	18	44	65
Law firms with specific specialisms	59	54	18

The board generally tends to have an input on which external firms to employ for the job and will look for firms with a strong reputation in the area – they may already be on the company's law firm panel





# GLOBAL EXPERTISE. LOCAL CONNECTIONS. SEAMLESS SERVICE.

**You're here. The issues are everywhere. TerraLex member firms deliver value-driven, high-quality legal services around the globe.** The world may be shrinking. Commerce may be global. But close-knit, local connections still make all the difference when legal matters cross borders. TerraLex members in more than 100 countries give law firms and their business clients the local expertise to manage even the most complex global engagements — **seamlessly.**



**TERRALEX®**  
Global Expertise. Local Connections. Seamless Service.

[www.TerraLex.org](http://www.TerraLex.org)



*155 firms are only a scan away! Use this QR code to visit our online directory of Member Firms.*

17,000 Lawyers



100 Countries

## THE ROLE OF THE GC IN M&A, DIVESTITURES AND STRATEGIC ALLIANCES

specific specialisms follow at 45 per cent. Views on independent local firms were mixed with 51 per cent not seeing the local factor as important and 49 per cent saying very important or important.

Firms with a global presence also get a mixed reaction with 26 per cent saying very important, 41 per cent saying important and 33 per cent saying unimportant.

### Adding value

Interestingly, many respondents are not sure if they have added value above and beyond what was expected from the legal department. In M&A transactions, 69 per cent felt they did while 18 per cent did not know and 13 per cent said no.

Divestitures saw 62 per cent saying yes while 24 per cent did not know and 14 per cent said no. For strategic alliances, 64 per cent said they added value whilst 22 per cent didn't know and 14 per cent believed they had not added extra value.

### Do you feel you have added value above and beyond what was expected from the legal department?

	Yes	No	Don't know
M&A transactions	97	18	26
Divestitures	83	19	32
Strategic alliances	86	19	29



# Law firm outsourcing

Pressure on budgets is forcing a sea-change in attitudes on the subject of delivering legal services.

in association with



Insightful Outsourcing. Remarkable Results.

## LAW FIRM OUTSOURCING

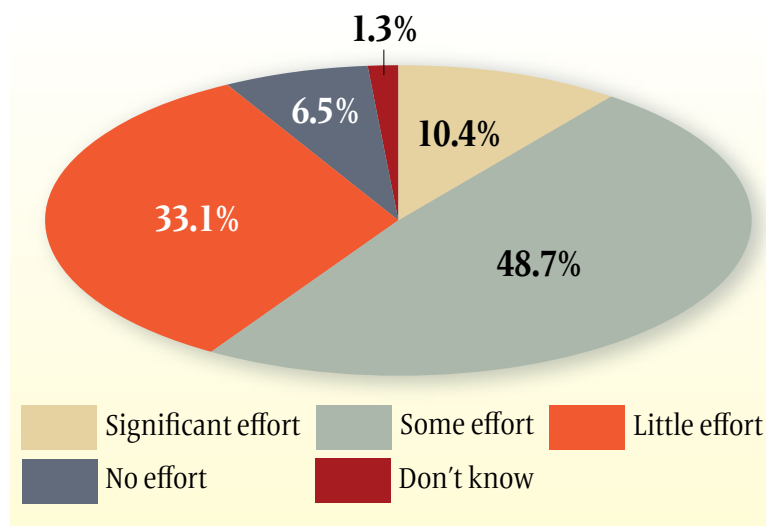
62

Outsourcing is one of the biggest game-changers on the horizon for law firms with almost half of all legal departments surveyed attesting to having a panel of preferred LPO providers already in place.

However, with price still being a key motivator for outsourcing work, and an overwhelming majority, 76 per cent of corporate legal departments, indicating a willingness to work with their law firms' chosen outsourcing providers, this represents a major opportunity for law firms to gain a competitive edge by implementing a legal outsourcing strategy.

Legal outsourcing, whether to a captive or third party provider, is clearly on an upward growth trajectory. With only one in three corporate legal departments currently of the opinion that their outside counsel provides good value for commoditised legal work this trend is set to continue. If law firms wake up to the opportunities afforded by embracing a legal outsourcing strategy they will be able to expand their offerings and deliver their clients a more cost effective, end-to-end suite of legal services.

**In your experience, how much effort are law firms making to reduce legal costs for their clients?**





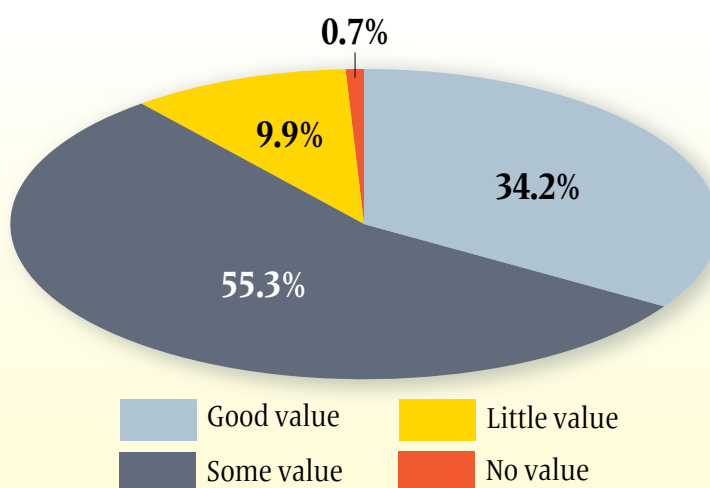
## More awareness of legal outsourcing

One of the most interesting developments reflected in the survey is just how much corporate counsel have bought into outsourcing in the past three years. Research back then showed much lesser awareness of outsourcing and its benefits, with 84 per cent of companies not using any form of legal outsourcing. Furthermore, 66 per cent had not considered using an outsourcing provider. And 47 per cent said they did not plan to outsource in the future.

Now one in two legal departments have a roster of legal outsourcing providers and a further five per cent plan to. Furthermore, as far as the respondents know (and 24 per cent said they did not) 20 per cent of respondents use law firms which already outsource legal work.

Companies with LPO external providers tended to be in the energy, utilities, infrastructure and financial services sector with technology, media and telecoms also showing strongly. They also had the biggest turnovers, over £2 billion.

What do you believe your law firm provides when delivering work that doesn't require a legal opinion (eg contract review, legal research etc)?





### Having a say in the decision

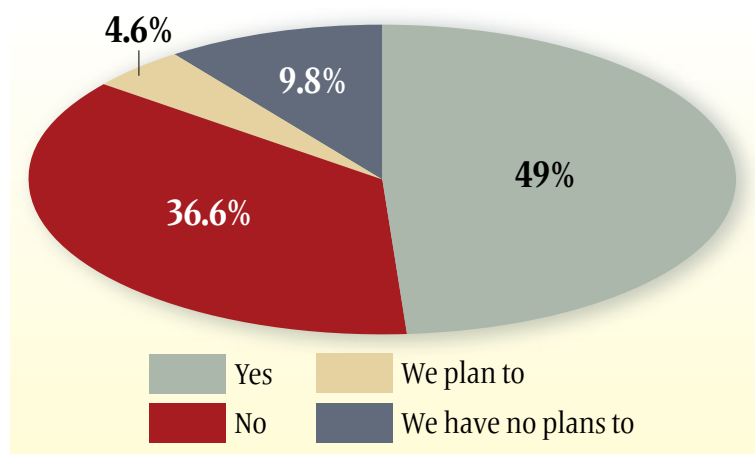
While legal departments are happy to use outsourcing providers recommended by external law firms, a number like to have a say in the decision, as reflected in some of the comments by respondents.

One general counsel respondent from a Portuguese TMT company said his company "recruit our outsourcers on our own. Sometimes we listen to an advice or recommendation but the decision is ours."

A head of legal at a large German leisure company said his company "would evaluate the legal outsourcing provider and even insist on using ours if applicable."

But a legal director from a pharmaceuticals company based in the Netherlands was happy to leave the decision to the law firms in the main. "It depends on the subject. In most cases law firms are in a better position to judge."

### Does your legal department have a roster of preferred legal outsourcing providers?



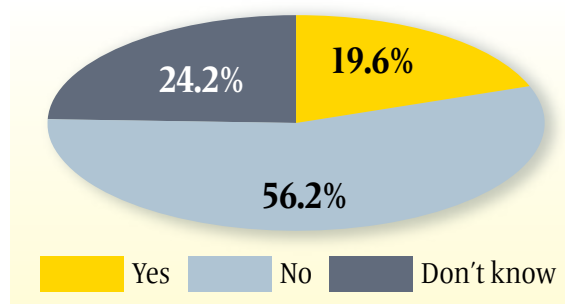
### Price and flexibility

Respondents believed that law firms should develop alternative sourcing/outsourcing strategies for a variety of reasons, with price topping the list. However, one in four believed outsourcing solutions would allow law firms to provide improved services, while 16 per cent say it allowed them to offer more flexibility and seven per cent that it would help with global coverage.

Legal departments as a whole are not entirely dissatisfied with their external providers when it comes to commoditised work such as contract review and legal research. One in three felt that the law firms provided good value while over half (55 per cent) believed the firm provided 'some value'. Ten per cent thought that law firms provided little or no value.

Unsurprisingly, saving legal costs for clients is not a priority for law firms, in the opinion of those surveyed. Only one in ten law firms are viewed to

**Do the firms you instruct already outsource on your behalf, or on the behalf of other clients, any legal work?**



## LAW FIRM OUTSOURCING



be making 'significant efforts' to reduce legal costs for their clients although 49 per cent are seen as making a 'significant effort'. However, respondents feel that 41 per cent are making little or no effort to spare their clients costs.

Of those using outsourcing methods, one in four legal departments would insist that their external law firms use the corporate preferred outsourcing providers while 76 per cent would be happy to work with those recommended by their external law firms.

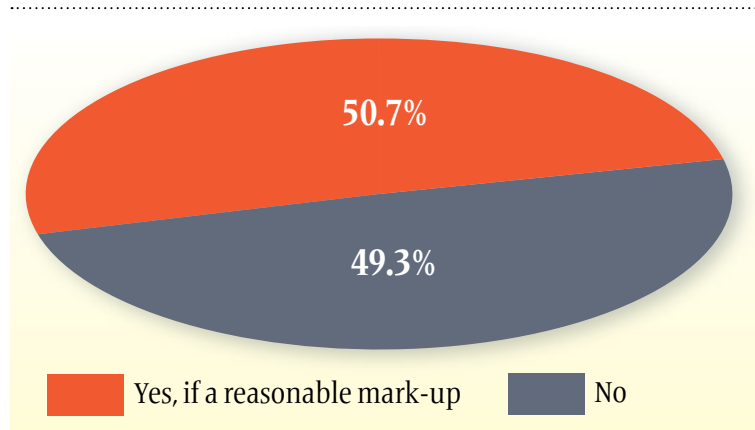
E-discovery is viewed as the most suitable area for outsourcing say 71 per cent, with IP maintenance second at 67 per cent and legal research next at 65 per cent.

Litigation and document review follow with 59 per cent and 58 per cent respectively. Two in three believe compliance is not suited to outsourcing while views on contract management were evenly divided – 44 per cent said it was suitable for outsourcing while 47 per cent felt that it was not.

### In your opinion, what areas of legal practice are most suitable to outsourcing?

	Yes	No	Don't know
Litigation	85	44	14
Document review	74	41	13
Contract management	56	60	12
Compliance	30	81	15
IP maintenance	89	33	11
Legal research	87	33	13
E-discovery	91	21	16

### Do you think it is reasonable for your external law firms to mark-up the cost of the services provided by a legal outsourcer, provided the mark-up itself is reasonable?



Only 20 per cent insist that certain areas are outsourced to third-party providers whatever creative pricing structures their law firms offer. Two in three do not make such demands on their law firms

**Do you think it is reasonable for your external law firms to mark-up the cost of the services provided by a legal outsourcer, provided that mark-up itself is reasonable?**

**“It depends on how much work the firm is doing on the matter and generally for the company.”**

*General counsel, TMT company, UK*

**“I would expect them to do a quality control review of outsourced work, so appropriate recompense for that would be fair.”**

*General counsel, FMCG/food beverage producers/processors*

**“No. As it’s an admin process only and they are assured of being paid for the services and so carry no risk.”**

*General counsel, FMCG/food beverage producers/processors, South Africa*

**“What I don’t like is when they outsource, but charge the client law firm rates.”**

*General counsel, finance, India*

**“Only if they value add.”**

*Head of legal, real estate/construction/building materials, Slovakia)*

**“Liability requires a margin.”**

*General counsel, FMCG/food beverage/producers, Australia*

They are managing a service for us which takes effort  
(GC, TMT, US)

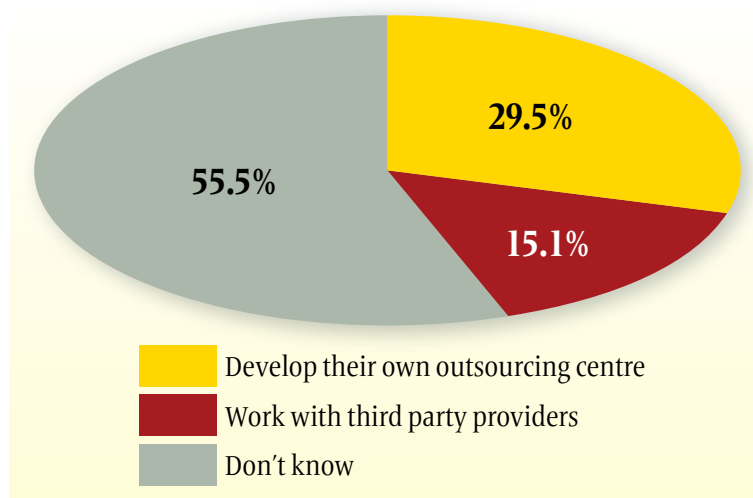
Meanwhile, only 20 per cent insist that certain areas are outsourced to third-party providers whatever creative pricing structures their law firms offer. Two in three do not make such demands on their law firms.

## Innovative actions

Innovative thinking by law firms on using outsourcers to deliver services – provided the mark-up price is reasonable – is acceptable to over half the corporates responding. While 49 per cent are against a mark-up, one in five (22 per cent) saw it as acceptable to do so while 29 per cent believe a reasonable mark-up is OK.

There is still much thinking to be done on how legal outsourcing can benefit the inhouse community as reflected in the number of respondents who are not sure whether they would prefer their external law firms to develop captive LPOs as opposed to working with third-party providers. However 29 per cent would prefer their own LPO captive delivery centre

**Would you prefer your external law firms to develop their own legal outsourcing captive delivery centres as opposed to working with third-party providers?**





## Around the world

Legal outsourcing may be still a relatively young industry, but it is starting to be seriously factored into the thought processes of corporates and law firms alike in the face of a rapidly changing legal landscape. Reckoned to be valued in the region of \$2.4 billion, research by the London School of Economics says it is set to expand into higher value, more complex work.

The LSE predicted that the growth of outsourcing would “transform the shape of enterprise legal functions” and that LPOs would become more sophisticated and compete with law firms for various types of work.

There is no doubt that law firms are reviewing outsourcing going forward and a number have already gone down this path. From the earliest, US firm Bickel and Brewer, which opened a captive facility in India back in 1995, to the interim activities of firms such as Baker & McKenzie, which set up a captive in Manila, to the more recent activities of Ashurst, which has headed for an onshore option in Scotland, the pressure is on to find new models of operating.

Global law firms Allen & Overy and Herbert Smith Freehills have launched operations in Belfast – and a number of others are considering such options.

Meanwhile a number of firms are appointing panels of outsourcers to carry out high volume work. Last year UK firm Olswang announced that it was selecting three companies to act as its preferred providers to carry out document review work for the firm when required. Australian firms Corrs and King & Wood Mallesons have gone down a similar route.

Corporates have been using such services for the

last decade or so and companies such as Unilever, BT, Colt Technology and RBS are firm supporters of legal outsourcing and have awarded contracts to various providers including law firms.

Baker & McKenzie, for example, carries out routine IP filing for Unilever in Manila while Rio Tinto looked to India to have its contract review, basic drafting and document review work handled.

Colt Technology GC Robin Saphra has gone on record with his support for LPO models and the company uses an offshore captive operation in India where a team of lawyers provides a shared legal service across the business.

Meanwhile Royal Bank of Scotland set up an alternative provider sub-panel, comprising law firms and legal process outsourcing providers – emphasising the importance of legal outsourcing in its tender document when conducting its panel review. RBS deputy GC John Collins described it as ‘intelligent purchase of our legal services’ where the bank deconstructed the relevant components and bought the right services from the right suppliers.

While a number of firms globally have moved to add outsourcing capacities to their menus, many more are reviewing it as clients increasingly expect it to be part of the law firm package.

Research by PWC on UK law firms said that the firm expected legal process outsourcing/offshoring to become an increasingly important area for the sector. ‘Pricing pressure and the threat of new entrants are together forcing firms to reappraise how they deliver legal services, while maintaining quality as a ‘non-negotiable.’

[http://www.pwc.com/im/en/publications/assets/21st\\_law\\_firms\\_survey\\_2012.pdf](http://www.pwc.com/im/en/publications/assets/21st_law_firms_survey_2012.pdf)





# THIS PREDICTION NEVER CAME TRUE...

"Nuclear powered vacuum cleaners will probably be a reality within 10 years."

Alex Lewyt, President of vacuum company Lewyt Corporation,  
1955, *The New York Times*



## ...BUT THIS ONE DID.

"Outsourcing will transform the practice and business of law."

With unrivaled legal outsourcing experience and our industry-leading onshore and offshore capabilities, law firms and in-house counsel increasingly rely on Integreon to help transform their legal service delivery models.



Insightful Outsourcing. *Remarkable Results.*

Visit us at [www.integreon.com](http://www.integreon.com)

## LAW FIRM OUTSOURCING

70

whilst 15 per cent would prefer law firms to work with third-party providers.

At the end of the day, much of it boils down to price, with one in two respondents putting it top of their list when asked why law firms should be developing alternative sourcing/outsourcing strategies. However, improved services are also important, according to one in four, while flexibility appeals to 15 per cent.

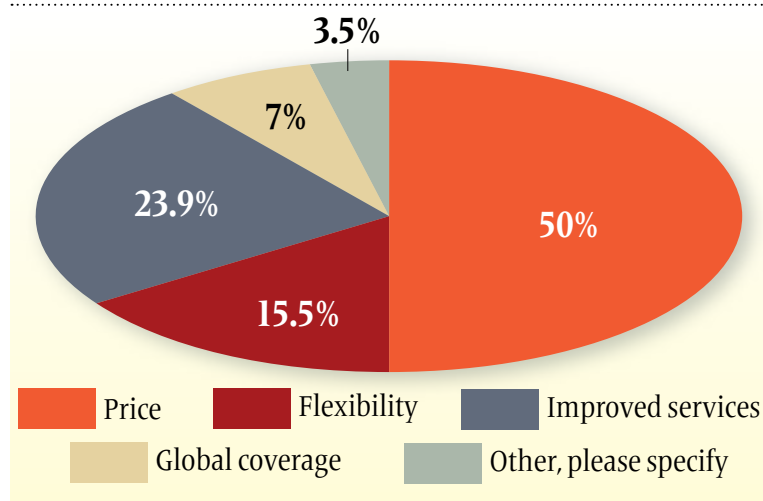
“Legal outsourcing is increasingly focused on output and results rather than just labour and cost arbitrage. We see the future of outsourcing in the development of collaborative partnerships where corporate counsel, law firms, and LPO providers deliver services to business leaders and corporate operations by applying the right people to the right task at the right cost for the business.

“Delivery models typically have a near shore or offshore component in them to leverage lower cost delivery whether it is a corporate captive, a law firm’s near shore centre, or a multi-shore LPO provider.

“We also see an evolution of pricing models from pure hourly billing to unit based pricing focused on output – a trend that gives businesses pricing predictability to better budget for their legal spend. This trend also parallels the trend for alternative fee models.”

**Brent Larlee,**  
global head, legal services,  
Integreon.

What is the most important reason you feel law firms should develop alternative sourcing/outsourcing strategies?



# LPO, LSO, BPO

The challenges and opportunities  
of outsourcing

in association with

NewGalaxy

Legal Process outsourcing (LPOs), Legal Services Outsourcing (LSO) and Business Process Outsourcing (BPO) all impact on corporates in a variety of ways.

Research by PWC on law firm trends last year revealed that “business process outsourcing is of increasing maturity in the legal sector. Most firms have taken steps to evaluate outsourcing in recent years, but while some have clearly embraced BPO, other firms remain to be convinced of the fit with their culture and strategy.”

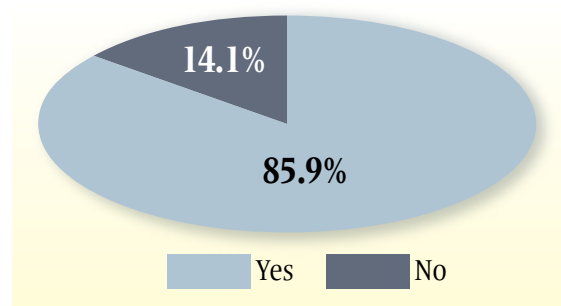
[http://www.pwc.com/im/en/publications/assets/21st\\_law\\_firms\\_survey\\_2012.pdf](http://www.pwc.com/im/en/publications/assets/21st_law_firms_survey_2012.pdf)

But how do general counsel view the entire outsourcing arena and what is having an impact on their outlook?

### Cost control

Firstly, there is clearly pressure to cut costs in an economic environment which has put the squeeze on spend. This is evidenced by the 53 per cent of respondents who said they were considering

### Are you under pressure to do more for less?



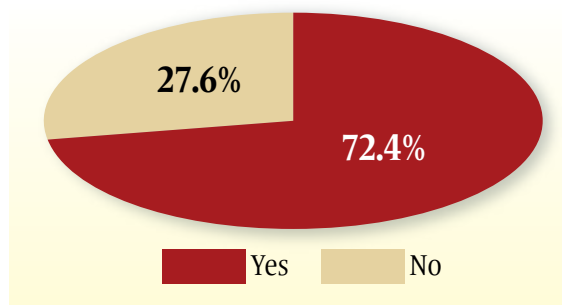
outsourcing now or in the future. Secondly, there is still much to do on the perception of outsourcing as three in four express doubts on the quality of the work outsourced – despite 69 per cent believing it would increase efficiency and 65 per cent seeing cost reduction benefits.

Thirdly, the fact that 87 per cent have never considered onshoring and two in three want to know more about onshore options is quite surprising, considering the efforts being made to promote onshoring by various jurisdictions.

With 86 per cent of legal departments under pressure to do more for less and 94 per cent looking to manage their internal and external legal spend more effectively, the case for outsourcing is overwhelmingly made by legal departments responding to the survey.

More directly, 72 per cent are actively looking for providers who can provide a more effective and cost-efficient service.

**Are you actively looking for service providers who can provide you with a more effective and cost efficient service?**



With 86 per cent of legal departments under pressure to do more for less and 94 per cent looking to manage their internal and external legal spend more effectively, the case for outsourcing is overwhelmingly made by legal departments responding to the survey



## LPO, LSO, BPO

### Who uses what

Of the different varieties of outsourcing, 12 per cent are using Legal Services Outsourcing (LSO), 10 per cent are using Legal Process Outsourcing (LPO) while only 7 per cent are using Business Process Outsourcing (BPO). But 37 per cent are considering outsourcing in the future while 16 per cent are considering it now. Of those not using outsourcers, 14 per cent said they had considered outsourcing services but rejected them.

Nearly three in four legal departments (71 per cent) would consider outsourcing litigation support and IP administration which 69 per cent pinpointed as work they would consider outsourcing. A significant number would consider outsourcing legal research (63 per cent) while 55 per cent would outsource document review. Next is transaction support, with 45 per cent, while contract management and/or review would be outsourced by 41 per cent.

For those actually outsourcing, litigation topped

### Are you using any of the following?

	Yes	No	Don't know
Legal Services Outsourcing (LSO)	17	114	10
Legal Process Outsourcing (LPO)	14	114	11
Business Process Outsourcing (BPO) providers	10	116	13

Of the different varieties of outsourcing, 12 per cent are using Legal Services Outsourcing (LSO), 10 per cent are using Legal Process Outsourcing (LPO) while only 7 per cent are using Business Process Outsourcing (BPO)



the list of work outsourced (62 per cent), followed by transaction support and IP administration and legal research – around 45 per cent already outsource these areas.

Legal departments also outsource work which does not justify internal resources (44 per cent). Contract management is bottom of the list with 29 per cent outsourcing it.

### Pros and cons

The key benefits of outsourcing legal work are seen to be increased efficiency (69 per cent) and cost reduction (65 per cent). One in four felt a benefit was improved job satisfaction for the legal department while 19 per cent believed it led to reduced risk. Only seven per cent saw greater transparency as a benefit of outsourcing.

A general counsel in a multinational energy company said that, apart from greater efficiency, it allowed legal departments “to manage the workload for one-shot major transactions and local law expertise”. He saw conflict and quality

### What type of legal work would you consider outsourcing?

	Yes	No	Don't know
Document review	67	47	7
Transaction support, including M&A	56	53	14
Contract management and /or review	49	61	10
Litigation support	96	34	6
Legal research	80	39	8
IP administration	86	27	11

A general counsel in a multinational energy company said that, apart from greater efficiency, it allowed legal departments “to manage the workload for one-shot major transactions and local law expertise”

issues as part of the downside of outsourcing. He added that his department had considered outsourcing but rejected it. However, he would like to know more about onshore options.

"It allows the legal department to manage a surge capacity as well as specialised competence in single transactions," a corporate counsel from a Norwegian company commented.

Another, a food conglomerate, which was using LSO and LPO services, said the benefit of outsourcing was in "price and routine paper work" and "it freed up more time for business engagements."

However, the majority agreed that quality was the greatest challenge of outsourcing legal work with 75 per cent saying this was their number one anxiety. Confidentiality was next, but viewed as a lesser risk (40 per cent) while data security was identified as the third challenge with 31 per cent worried on this score. 15 per cent saw conflict of interest as a potential problem while privilege was an issue for 10 per cent of respondents.

#### If your department is outsourcing work, please indicate which of the following is being outsourced?

	Yes	No	Don't know
Document review	30	34	5
Transaction support, including M&A	33	30	8
Contract management and /or review	19	39	8
Litigation support	50	24	6
Legal research	30	30	6
Routine work that is capable of being commoditized	23	35	8
Parts of our work which do not justify being completed by our inhouse resources	32	33	7
IP administration	34	30	10



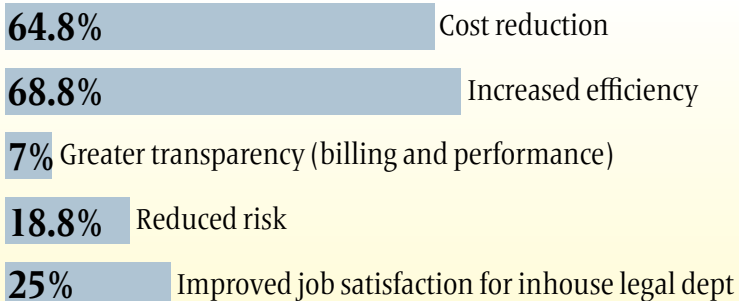
### Managing process

Four in five legal departments routinely analyse who is best for tasks in their department. Most (73 per cent) undertake a commercial assessment of how the task benefits the business while 71 per cent deconstruct tasks or transactions to determine which type of resource should work on particular elements of the task or transactions. Over half (54 per cent) said they undertook an economic assessment of the cost of the task.

### Where to go

Meanwhile, the US topped the list of jurisdictions where multinationals were most comfortable outsourcing legal work with 43 per cent. Next is Australia/New Zealand (32 per cent) closely followed by India which has a 30 per cent following. One in four, 26 per cent, are comfortable sending legal work to the Republic of Ireland while 22 per cent opted for Scotland, 21 per cent South Africa and 20 per cent for Northern Ireland. Bottom

### What do you see as the key benefits of outsourcing legal work?



Four in five legal departments routinely analyse who is best for tasks in their department. Most (73 per cent) undertake a commercial assessment of how the task benefits the business, while 71 per cent deconstruct tasks or transactions to determine which type of resource should work on particular elements of the task or transactions



## The comfort factor – LPO hotspots

Australia and New Zealand feature high on the list of jurisdictions where corporate counsel feel most comfortable outsourcing legal work, coming behind the USA and just in front of India – with 32 per cent of respondents opting for ‘Down Under’, 30 per cent for India and 43 per cent for the US.

The picture changes slightly for business process outsourcing, with the US again leading at 43 per cent but India a strong second with 35 per cent and the Republic of Ireland right behind at 29 per cent. Australia and New Zealand are in fourth place at 27 per cent.

### Oceanic waves

The strong showing of Australia and New Zealand is due partially to the popularity of Anglophone lawyers who are well-versed in the English legal system. Both countries have a large number of skilled legal professionals able to offer high-quality legal services. The time zone is an advantage for UK clients whose can have worked turned round while England sleeps.

The Oceanic duo use the common law system and have a highly regarded legal education system which produces surplus lawyers. Although significantly more expensive than traditional LPO destinations such as India and the Philippines, they remain cheaper than London.

### Favourable climate

South Africa is also attracting a following as a major player in the LPO field and the government is keen to promote its BPO and LPO offerings. It has introduced a number of measures similar to those which have secured India's prevalence in the industry, including low costs and favourable taxes. Some 21 per cent of corporate counsel who responded selected South Africa as one of their favoured locations.

### Tartan tigers

Scotland is a new entrant to the legal outsourcing game and is showing early signs of success with 22 per cent of respondents expressing an interest in doing legal business with the tartan tigers. The first LPO to launch a European onshore delivery centre in Scotland was NewGalex. Since that launch NewGalex has been providing managed legal support services to FTSE 100 corporations and large UK law firms. NewGalex's move was followed by the arrival of global law firm Ashurst

which is opening new legal and business support services office in Glasgow.

Ashurst's new Legal Analyst team will develop a structured approach to various document review processes in the finance and dispute resolution practices. The services are expected to be extended across all practice areas in due course. The centre will also deliver some business support services including processes within IT, business development, finance, HR, risk and compliance, business services and knowledge and learning.

The Scottish government is targeting the legal sector, particularly higher value qualitative work such as portfolio management, elements of corporate transaction work, governance, risk management and compliance. With 3,000 law students graduating from Scottish universities and some 1,200 law firms operating in Scotland, the country also boasts a strong shared service and BPO pedigree.

### Irish alternatives

Northern Ireland already has a strong track record in the LPO marketplace and has attracted global law firms Allen & Overy and Herbert Smith Freehills to its shores.

Axiom, the agency which provides legal support to corporates or law firms in the form of freelance lawyers, has also set up a base in the region as has Citibank, which is also doing legal back office work in Belfast.

The region has the advantages of keeping work onshore while offering offshoring pricing. Whilst it cannot rival India or the Philippines on costs, it is substantially cheaper than keeping work in London. And with a good legal education system, the quality of work is high. One in five respondents to the research said they would be comfortable outsourcing to NI.

The surprise entrant is the Republic of Ireland, which has a strong BPO industry but has only recently made noises about legal outsourcing. As yet, it has not made any big announcements of law firms or corporates setting legal operations in the country but with a strong background in business process outsourcing – especially at the high-skill end of the spectrum, it could up its offering in the legal space. And if the 27 per cent of respondents who would feel comfortable outsourcing to the Republic of Ireland are anything to go by, the push should start rather sooner than later.



# Leading the way in Innovative Legal Services

## Managing Change

---

[www.newgalaxy.com](http://www.newgalaxy.com)

NewGalaxy provides fixed fee legal support services to assist in-house counsel of large international corporations “do more for less”.

With delivery centres in the UK and India, our team of highly trained and specialised lawyers can assist your business with both onshore and offshore LPO services.

### Our innovative services include:

- End to End Contract Solutions
- Legal Risk Management
- Regulatory, compliance and corporate governance support
- Document review to support litigation, investigations and disputes
- Legal Due Diligence Support

To discuss how we could help your business, please contact our Sales Director Ricky McCracken at +44 141 280 1600

---

London | Glasgow | Mumbai | Chicago

[www.globallegalpost.com](http://www.globallegalpost.com)

NewGalaxy

The General Counsel Excellence Report 2013

of the list is Brazil and Mauritius with 3 per cent each with the Philippines on 6 per cent and China on seven per cent.

US companies, not surprisingly, feel most comfortable outsourcing legal work to the USA, with Scotland and the Republic of Ireland coming next in their list of preferences.

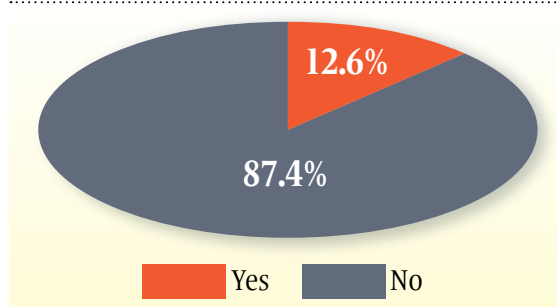
An astonishingly high 87 per cent have not considered the option of outsourcing to onshore LPO providers, while two in three say they would like to know more about onshore options.

The US tops the table for where companies feel most comfortable outsourcing business processes, with 40 per cent indicating this is their first preference, while 35 per cent opt for India and 29 per cent for the Republic of Ireland and 27 per cent for Australia/New Zealand. South Africa shares fifth place with Northern Ireland with 22 per cent while 17 per cent opt for Eastern Europe and 10 per cent for the Philippines.

### What is the greatest challenge of outsourcing legal work?



### Have you looked at the option of outsourcing to onshore LPO providers?



# Benchmarking Fees

Analyzing data is key to monitoring and controlling the legal department's costs.



The value of an organisation's legal spend can be illustrated through benchmark, reports Mark Stapleton, managing director EMEA, TyMetrix

Grappling with squeezed budgets, spending cuts and cost efficiencies is the reality of doing business today. Legal departments are no exception. Gone are the days when inhouse legal teams were treated somewhat differently to other business departments, with fewer commercial pressures on their operations and less board scrutiny of their spend.

While legal expertise is still highly valued, the old ways of operating a legal department or law firm are experiencing unprecedented pressure to evolve.

Legal professionals are now required to run their departments like business professionals, looking for ways to reduce costs without compromising risk.

### Doing more for less

Coupled with the cost pressure is an increased work load. Legal teams are busier than ever keeping up with ever-evolving regulations and legislative changes. Recent watershed moments, like the banking crisis of 2008-09 had led to an increase in regulatory bodies as well as compliance requirements. For example, in the UK, the Financial Services Authority has been replaced by two new bodies – the Financial Conduct Authority and the Prudential Regulation Authority, each with its own regulatory demands.

In addition to new industry requirements, organisations that operate in multiple countries must understand and adopt to the laws and regulations in each jurisdiction, all of which falls into the remit of the legal department.

And finally the proliferation of data and mobile devices which, like the explosion in regulation, creates increased risk for companies and a significantly greater workload for legal professionals.

### Most value for price

Company-wide demands for cost-savings and efficiencies mean inhouse legal departments must take more direct control and understanding of their spend.

As part of this process, existing relationships with external law firms are under evaluation and the new firms under panel review face greater scrutiny. Moving towards a more traditional business model, one in which spend and efficiency must be justified, is a step-change for legal professionals. It requires more transparency about costs and pricing, and evaluating the effectiveness of legal spend and the value of the expertise.

But for legal professionals, whose expertise does not necessarily extend to number crunching, the prospect of managing their company's legal spend – and finding ways to cut costs even further – can be daunting. Just how do they prove the value of their department?

The key to this is data. Knowing how much a corporation is spending and on what can help general counsel make critical decisions about cost efficiencies. Data can help answer questions such as: How much is being spent on external law firms? What are companies being billed for? Do those bills compare to industry benchmarks? How does a legal department's operations compare with others in their industry?

### Data-driven strategy

The sheer volume of information that needs to be captured to gain useable insights can be quite formidable. To cut a path through this jungle of information, many legal professionals are starting to use large, market-wide data sets for comparison and analysis.

Based on this, legal professionals should be able to create highly effective strategies to manage their legal spend. The right data provides the necessary insight to establish billing guidelines and an ongoing monitoring of the program, thereby driving down costs and improving efficiency.

A data-driven strategy for managing outside counsel not only lowers costs – it can also help elevate the reputation of the legal department and validate its accomplishments and financial investments with key stakeholders. It also helps legal departments build stronger relationships with external firms, which in turn leads to improvements in the quality of service provided.

### Big data is changing the legal business

While not all corporate legal department are skilled in data analysis or data management, this should not be a reason to shy away from building a data programme. The right talent may well be found elsewhere in the company, such as in the accounting department, customer research or

sales. Another key partner is the IT department, which monitoring of the program, the infrastructure enabling a 'big data' programme.

Once an organisation has set up a data analytics programme it can use the insights to renegotiate its legal fees or move toward a fixed fee relationship with external firms.

While the advantages of this for the company are obvious, big data can also benefit law firms, who can use it to gain insight into what competitors are charging and adjust their rates accordingly and identify which cases will be profitable and those that might not.

### Speaking the same language

This new way of working and its focus on efficiency is here to stay. The dynamics of the legal services market have permanently changed and there is more price competition, more non-hourly billing, more contract attorneys and more outsourcing of legal services.

Gone are the days of legal departments crudely guessing how much legal spend to accrue for at year end and law firms that do not proactively help clients manage their legal spend will not remain on an organisation's panel.

Spend management and other legal technology solutions are the way forward and software like Wolters Kluwers' TyMetrix enables legal departments to give the business realistic estimates of legal costs to properly model the financials, thereby providing spend and budget transparency.

### Actionable insights

According to an Economist Intelligence Report, companies that significantly outperform their peers are more likely to collect multiple types of data for making strategic decisions. But just having the data will not magically create an





efficient legal department. Big data is a tool that will bring results when implemented correctly.

Understanding and analysing the data will help to illustrate the legal department's value and validate its financial spend, which is best illustrated through benchmark reports.

Benchmarks are a tool that can be used to compare past performance of a specific group or law firm against itself, or to compare groups against one another. Data can also be spliced in various ways for insights. For example, geographic data can indicate areas or locations that have a consistently higher legal spend, or according to practice areas or types of litigation. Companies must be able to draw appropriate industry benchmarks from the data, screen out anomalies and draw valid conclusions about the type of work and relevant activities being delivered.

### Credible benchmarks

Credible benchmarks emerge when data is captured and analysed objectively. Once analysed it becomes actionable and can be used to make informed decisions, based on the insights of both the legal department's own performance and that of its outside counsel.

Key points to consider when developing benchmark reports include:

- **Segmentation:** what insights should these reports illustrate? Practice area trends, litigation trends or law firm management, for example?
- **Audience:** who are the reports aimed at? The legal department itself, the company CFO or supporting law firms?
- **Purpose:** How should the intended recipients use the information?

Credible benchmarks require legal departments to identify key performance indicators that include year-on-year legal spend, compliance to budget and average wholesale costs for select sets of like matters.

### Extracting useful information

Analysing legal invoices can help to define benchmarks around whether resources are used in an efficient and effective manner. Uniform task-based management system (UTBMS) codes for tasks, activities and phases indicate what work outside counsel is performing, how often, how long and at what cost. It also indicates who at the outside firm is performing those tasks – is it an associate or a senior partner?

Turning the mirror inwards can provide insights about how a legal department operates, and its own internal processes that can impact its bottom line. How quickly are invoices reviewed after receipt? How often are invoices rejected for grossly improper billing? What is the fee adjustment rate after review? Analysing data like this can validate or illuminate areas of improvement to save money.

### Case Study: Enabling transparency for long-term value

In 2008, Jonathan Adelman, joined the UK gaming company Ladbrokes as the General Counsel & company secretary. At that time, no inhouse legal team existed. The business instructed law firms, with little consideration about which firm could provide the best counsel on any particular matter.

Ladbrokes operates in a highly regulated industry, across global jurisdictions, which requires deep domain expertise from its outside counsel. The company has significant businesses, in the UK, and other countries around Europe such as Ireland, Belgium and Spain. Ladbrokes also operates in China through a joint venture with a local partner, and has made a strategic acquisition of a Nevada-based business. Its current £1.5 billion turnover is set to climb, and so is the complexity of its legislative issues.

Adelman decided to adopt a business process and spend management technology to better understand its legal spend and to define an approach that delivered long-term value and savings. Leveraging enterprise legal management tools at TyMetrix, Adelman deployed e-billing and a law firm appraisal system that collectively reduced outside counsel spend by 30%, and saw the number of firms Ladbrokes used in the UK and Ireland pared down to a core group of 12 from 100.

In addition, Adelman introduced a document management system and developed a bespoke contract management system to help keep track of company contracts, which could then quickly and easily be mined for information. This system is now commercially available and provides an income line on Adelman's P&L.



### Known unknowns

The goal of data gathering and segmentation analysis is to be able to gain insights that legal departments can use to develop a strategy for managing legal spend. When deciding on the most effective strategy there are a number of questions that the data should be able to answer.

These include:

- Which practice areas and legal matters require a premium (more expensive) service and where will a lower level of service suffice?
- Will a more experienced lawyer at a higher rate lead to lower total costs overall?
- What are the average fees industry-wide for a particular matter and what is the range on either side? Knowing the range can help determine negotiating power on both sides. Smaller ranges indicate tighter markets where operational efficiency or competitive pressures have narrowed the gap. Wider ranges indicate more room to manoeuvre.
- Will building a closer relationship or collaborating more closely ensure a better outcome, or will it raise overheads related to time and expenses?
- How quickly does a matter need to be addressed

and resolved? Based on the need for speed, a premium fee structure may be appropriate.

- What is the overall risk profile of a case? Can an innovative approach be taken or does it require a tried and tested strategy?

### Case Study: How Motorola Solutions used data, business acumen and process to get its arms around legal spend management

US-based Motorola Solutions turned the flood of legal spend flowing through its legal department into a useful stream of information.

Based in Schaumburg, Illinois, Motorola provides mission-critical communication infrastructure, devices, software and services for enterprise and government customers worldwide. Best known for its walkie-talkies, the company also makes barcode scanners, tablets, rugged handheld devices and security products. In 2012, its revenue was \$8.7 billion.

General counsel Mark Hacker has brought a business focus to the Legal and Government Affairs organisation by aligning lawyers and



professionals with the business colleagues they serve and advise. "Each one of the practice areas is now more effective at protecting the corporation's assets, mitigating risk and helping produce better margins for the business," says Hacker.

The practice areas formerly led with their intuition and experience, and now are augmenting that with fact-based decision making. Each area requires a specific strategy for marshalling its information in managing the most cost-effective spend. "We improved the business acumen of our team by institutionalising a training programme designed to increase business, financial, and communication skills," says Hacker.

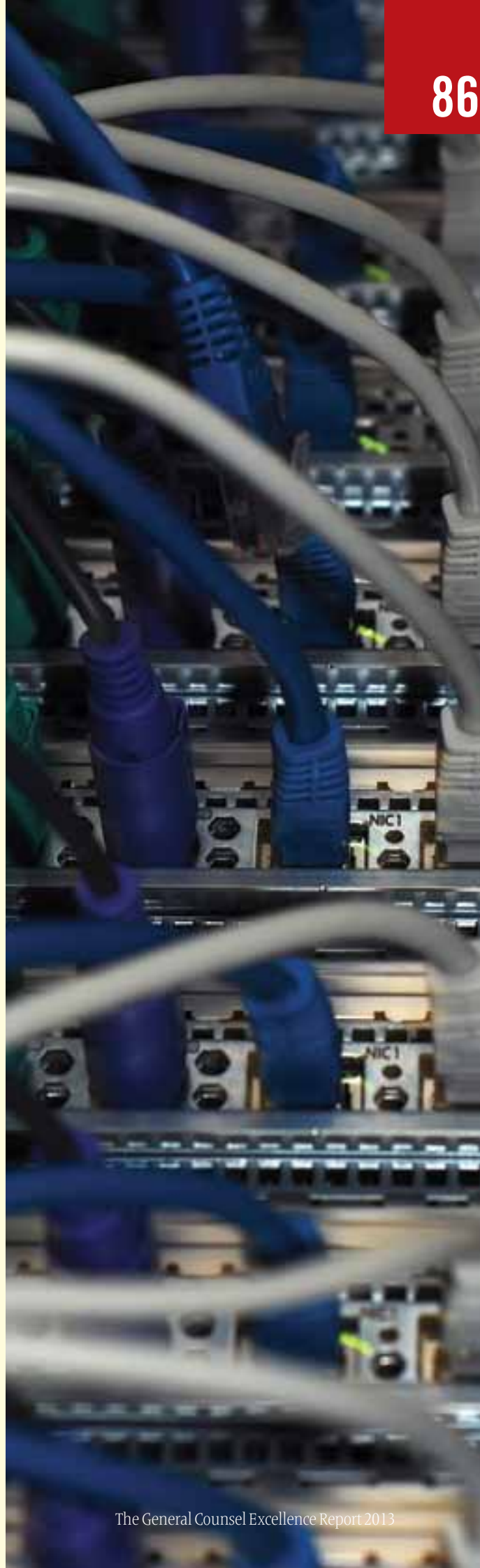
Karen Dunning leads legal operations and drove the development of the Legal Spend Management Model. Dunning and her team began by providing monthly reports to various stakeholders within Legal & Government Affairs. They spent time to make sure they understood the reports and pointed out key areas to focus on. The reports provided a new lens through which the attorneys could get a new perspective on their cases and how they impacted the budget, as well as the overall financial health of Motorola Solutions.

As the department began to see value in data, Dunning began work on the next phase of developing a data-informed culture. With the help of her team members, she rolled out the framework for the Legal Spend Management Model. The model included the following components:

- Analytics (Know your data)
- Benchmarking (Know your world)
- Dialogue (Know your business)
- Automate (Digitize for simplicity)
- Architect for Strategy (Improve your results)
- Know your data

This is the cornerstone of the Legal Spend Management Model. Insights are driven by data and analytics. Yet Motorola Solutions realised it also needed to tell a story through the data. To do so, Motorola Solutions utilised visualisation tools that produced easy-to-understand charts and graphs, which helped the attorneys understand the bigger picture. Motorola Solutions focused its analytics in three main areas:

- Summary of Spend – Understanding where the legal spend was allocated (type of work, business unit, practice area) was core to their success and to the Legal Spend Management Model.
- Practice Area Details – Determining the cost drivers of legal expense for each practice area, and understanding which matters, businesses and attorneys are driving legal expense helped focus the team's attention on areas that would offer the greatest impact.
- Law Firm Profiles – Gaining insights into the work each law firm was performing, along with its billing practices and pricing over time allowed





for informed decisions about which law firms to send work to.

- **Know your world**

Dunning understood benchmarking was critical to her department's ability to truly understand how it stacked up in the market and where the company had opportunity for improvement. To do this, they leveraged industry reports and tools that provided quantifiable benchmarks, derived from data about the results legal departments in other companies were experiencing. The initial stage of benchmarking focused on attorney rates and patent filings.

Through benchmarking, the Legal and Government Affairs team was able to clearly understand its position in the market and drive data-informed discussions with internal clients (business units) and external resources such as its law firms (see Know your business below).

"Having an 'outside-in' perspective is important to understanding how other companies have optimised their spend," says Hacker.

### **Know your business**

The team also realised that to be successful it could not simply gather data about historical spend and industry benchmarks, it would need to create an open dialogue with all stakeholders, business leaders and partners at the company's law firms.

Through these open discussions, they could better plan for the future and understand the past and present challenges each group faced.

Using analytics and benchmarking, these discussions became data-informed, instead of just subjective reviews of outside counsel performance and estimates of what had

historically happened. "For a law firm to truly be a partner, it must understand our strategy and desired results," says Hacker.

### **Digitise for simplicity**

Dunning recognised that she could leverage technology to help reduce the burden placed on the attorneys of reviewing invoices, making it easier to manage their legal expense and ensure greater enforcement of their guidelines. Her team identified a number of outside counsel rules that could be automatically identified and processed by the electronic billing solution, increasing the accuracy of review, and removing the need for attorneys to manually review invoices.

They also recognised that a large portion of invoices going through the patent group were for small dollar amounts. Identifying the disproportionate amount of time it took attorneys to review these invoices, they developed a strategy to have them routed to a central review team. Again, this freed up attorneys' time.

Through this type of automation, Motorola Solutions was able to reduce the overall cost for processing an invoice. At the time they conducted their study, they calculated that manual invoices cost approximately \$5.69 to process, while electronic invoices cost only \$0.15, a 97 per cent reduction in cost for each electronic invoice transaction.

### **Improve Results**

All of the steps outlined above support the overarching strategy and deliver measurably improved results. It's important to have a clear vision of your strategy, so you know what results you are looking to achieve.

## BENCHMARKING FEES

	TYU division			FRT division		
GHT	254	550	254	274	154	1015
RDW	650	320	754	273	829	5054
TRG	241	450	144	364	954	1074
RTG	254	650	874	657	124	254
WEF	784	145	124	752	241	759
HRT	453	784	954	241	741	345

What Dunning and Motorola Solutions discovered was that the last component of their Legal Spend Management Model, Architect your Strategy is a critical component. This element is frequently overlooked by most legal departments as they develop their spend management programmes.

Dunning and her team transformed the Motorola Solutions culture from an intuition-based one to a data-informed one. The key to doing this is to understand and document your objectives and principles for managing legal expense. Those objectives and principles should then guide the decisions you make and the tactics you deploy. Keep in mind that, without a clear strategy, it is difficult to implement and sustain any type of change.

### Bottom Line

In the present economic climate companies need to control costs like never before. In the legal profession, costs and productivity traditionally went unmeasured – unlike in manufacturing, for instance.

Today's scope for the automation of paperwork, and particularly for large scale data analysis, has changed all of this. Legal departments can now monitor and control their spending in ways previously undreamt of. This goes for both their own costs and for what they spend on external lawyers. Law firms can also benefit from this development. They too can monitor and control their costs - and provide clients with better and more cost effective legal assistance.



Mark Stapleton is managing director of TyMetrix EMEA. He joined the company in 2013 to fill a newly created role to meet the global demands of corporate clients and law firms.



# Partner Profiles

# Integreon NewGalexy

Insightful Outsourcing. Remarkable Results.

## Integreon

Integreon is a trusted, proven and high impact partner to corporate legal departments and law firms facing the challenges of raising productivity, while managing resources cost effectively – doing “more for less”.

For a legal sector undergoing transformation, by leveraging Integreon’s Legal Process Outsourcing (LPO) services corporate legal departments and law firms can better meet the volatile and episodic nature of legal practice. Responsibility for scaling up or down and capacity utilisation rests with Integreon.

Integreon is a positive force for change in the legal sector with a unique breadth of onshore, offshore and on-location professional support services in the following areas: Consulting, E-Discovery and Document Review, Contract Management and Review, Due Diligence, Compliance, Legal Research and Drafting, and On-Location Staffing. Integreon also has significant multi-lingual LPO capabilities.

Integreon also offers operational support with a range of Document and Business Services.

Law firms and corporate counsel at Fortune 500 corporations rely on Integreon’s expertise, processes and the global scale of its proven delivery capability to enable their adoption of change. Nine of the top 10 global law firms, 32 of the top 50 Am Law firms, 18 of the top 30 U.K. law firms, and 5 of the top 7 Australian law firms already use Integreon’s LPO services.

Integreon has received more than 30 awards over the past five years for outstanding service delivery in the legal field, including recently being named among the world’s Best 5 Legal Services Providers by the International Association of Outsourcing Professionals® (IAOP) and a Top Ranked Legal Services Provider in the prestigious Chambers Global 2013 guide.

Integreon combines talented people with a deep understanding of the specialized requirements of the legal sector as well as industry leading processes and state-of-the-art technology to deliver insightful outsourcing and remarkable results.

## NewGalexy

NewGalexy uses the best in processs, technology and people to deliver managed legal support services efficiently and cost effectively to large international corporations and leading law firms.

With world-class LPO delivery centres in the UK and in India, NewGalexy provides expert legal support to allow in-house counsel and law firms to focus on matters which require high-value and specialist legal advice. As an experienced LPO supplier, NewGalexy provides solutions for end-to-end contract management, document review, transactional support, legal risk management and compliance risk & regulatory matters.

NewGalexy also offers its clients instant and effective on-demand solutions for innovative and scalable solutions to help overcome the challenges of managing peaks in work-flow.

NewGalexy is an ISO certified company and quality is one of its key drivers. Its pricing is transparent, fixed and cost-effective and the savings made allow in-house counsel and law firms to invest in and focus on other parts of their businesses where they can add best value.



## RPC

Clients expect their lawyers to understand the law. What they really need are advisers who bring a clear understanding of their business and who can apply their legal expertise to the commercial context in which they operate. On this measure, you won't find a better firm than RPC; the leading client satisfaction report for the UK legal sector recently placed us above all other law firms for quality of commercial advice.

Combining this commercial outlook with our reputation for forward thinking and innovation, we deliver a high quality business law service to UK and international clients that is second to none.

Our practice spans a wide range of industry sectors with specific expertise in insurance, media, retail, technology and outsourcing. We work across the world on both contentious and non-contentious matters for a range of clients encompassing large multinationals, growing corporates, financial institutions and other professional practices, including many household names.

We are headquartered in London, and have offices in Bristol, Singapore and Hong Kong. Alongside these offices we also have access to more than 155 leading independent law firms with 17,000 lawyers in nearly 100 countries, and more than 40 states in the US through our association with global network TerraLex.



## Roca Junyent

Established in 1996, Roca Junyent has offices in Barcelona and Madrid, as well as in other cities in Spain and in Shanghai. The Firm delivers advice across the whole spectrum of legal areas, particularly in Business Law.

Roca Junyent is well positioned and widely regarded as one of the leading legal firms in the European market and has established firm and successful collaboration arrangements with leading law firms and international networks.





## TerraLex

TerraLex is one of the world's leading international legal networks. With more than 155 top independent law firms and more than 17,000 attorneys in 100 countries, TerraLex members provide the legal resources and expertise needed to conduct seamless business worldwide.

TerraLex members provide a broad range of business and legal counsel. Members represent clients effectively because of their native knowledge of local law and business customs and their expertise and experience in the practice of law, especially in the context of transnational transactions and dispute resolution. TerraLex members collaborate seamlessly with colleagues from other jurisdictions regardless of differences in legal systems and cultures.

Our members know and trust each other. TerraLex provides its members with opportunities to develop close personal relationships with one another and to acquire an understanding of each other's business and legal environments. These relationships are the key to providing responsive, quality service.

No matter what the issue or where in the world a challenge presents itself, TerraLex members provide prompt, responsive, and highly competent service seamlessly.



## Tobar

Established in 1993, Tobar & Bustamante's strives every day to become a better and leading integrator of strategies and solutions for sustainable and innovative businesses on a regional market basis. T&B seeks to partner with clients at strategic levels, understanding and supporting every client's value proposition and adjusting its service delivery model accordingly.

Focused mainly on corporate business clients, inspiring leadership, teamwork and innovation define T&B services in a wide variety of business related legal practices, through a business unit structure that includes

- Corporate, Tax & Family Business
- Investment, Project Financing, Securities and Venture Capital
- Natural Resources, Energy & Infrastructure
- Intellectual Property
- Sports Rights & Entertainment Law
- Sustainability, environmental, risk management and communications
- Conflict Management & Litigation



## Researchlex

Researchlex, the research division of *The Global Legal Post* conduct and publish wide-ranging reports, surveys and guides across the international legal sector. Now more than ever, competitive advantage is vital to outpace rival firms. Researchlex provides reliable business data, analysis and insights to shape your decision making process and strategic direction. Solid reliable research methods using robust data and analysis coupled with experienced consultants deliver the answers you need.

The Researchlex team has surveyed the legal market for over 20 years. Purchasers of our reports can be confident of robust data, analyses and experienced consultants. The editorial and research pedigree of Mary Heaney and her team, have produced *The Lawyer*, *The European Lawyer*, *The European Lawyer Reference Series* and *The Global Legal Post*. The team launched *Legal Week*, *Legal Director*, *The PWC report*, *PEP tables*, *The Lawyer top 100* and *The Lawyer Awards*.

New from Researchlex are *The Selection and Retention of Law Firms in Western Europe* (in association with Lexis Nexis), the *Wealth Report 2013* (in association with Boodle Hatfield), *The General Counsel Excellence Report 2013* (in association with TerraLex) and the *Legal Process Outsourcing Guide*. Publishing in 2014 will be the *Growth Market Legal Reports* for the Middle East and Africa and the *Legal Advisors Guide to Wealthy Individuals – China Edition*.

For more information on how Researchlex can work with your business to produce market reports or publications for the legal sector please contact Maria Sunderland on  
T: +44(0)20 7332 2576  
E: [mariasunderland@globallegalpost.com](mailto:mariasunderland@globallegalpost.com)  
[www.globallegalpost.com](http://www.globallegalpost.com)

## THE GLOBAL LEGAL POST

THE VERY BEST OF THE WORLD'S LEGAL MEDIA

## The Global legal Post

*The Global Legal Post* is the world's fastest growing legal news and views digest. Bringing the very best of the world's legal media to 100,000 lawyers globally on a daily basis, it provides a commentary on the world's legal press, blogs, tweets, LinkedIn, web and global media. It is essential reading for business lawyers world-wide. Published by the most experienced team in legal media – that ran *The Lawyer*, *The European Lawyer*, *Lawtel* and launched *Legal Week*, and produced *The European Lawyer reference book series* - it also publishes the Corporate Counsel Weekly news briefing and the monthly Telecoms Legal Post.

*The Global Legal Post* specializes in creating and managing unique and memorable events for the legal profession. Working in partnership with the *International Herald Tribune*, the team at *The Global Legal Post* has recently launched the highly acclaimed *Luxury Law Summit*, bringing together business leaders and their legal teams from some of the world's leading luxury brands. *The Energy Law Summit* again in association with the *International Herald Tribune*, launches in 2014 and will follow this successful format, bringing together business leaders and general counsel from key international energy companies. The events team launched the first ever awards at *The Lawyer* newspaper and key events such as the *Legal Week Private Client Forum* at the Villa d'Este, Lake Como, Italy, the *Corporate Counsel Forum* and the *Lawyer Summit* in Monte Carlo.

Researchlex, the research division of *The Global Legal Post* conduct and publish wide ranging reports, surveys and guides across the international legal sector. See opposite for more details.

For more information on how your business can access the legal sector via *The Global Legal Post* events, online information services or research please contact Maria Sunderland on  
T: +44(0)20 7332 2576  
E: [mariasunderland@globallegalpost.com](mailto:mariasunderland@globallegalpost.com)  
[www.globallegalpost.com](http://www.globallegalpost.com)

# THE GLOBAL LEGAL POST

The Very Best Coverage of the Legal Market

## Events

### The Luxury Law Summit

In association with the International Herald Tribune - London May 2014

The Luxury Law Summit is the new event for the international luxury and legal calendars looking at the developing challenges which will impact the business of luxury brand development and retail, providing clear analysis and positive solutions for business leaders and their legal teams. The Luxury Law Summit brings together luxury business leaders, luxury legal experts and regulators for high level networking, debate and informative roundtable sessions.



### The Energy Law Summit

In association with the International Herald Tribune - London 2014

This new event for the energy sector will look at the impact on companies operating in this highly visible market, examining risk and regulation, climate change, the changing political landscape and the implications of the developments in shale oil and gas. The Energy Law Summit will bring together energy business leaders, general counsel in energy companies and regulators.

## News

### The Global Legal Post

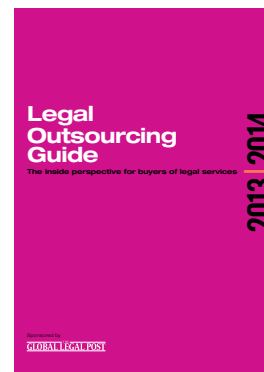
The Global Legal Post is the world's fastest growing legal news and views digest. Bringing the very best of the world's legal media to 100,000 lawyers globally on a daily basis, it provides a commentary on the world's legal press, blogs, tweets, LinkedIn, web and global media. It is essential reading for business lawyers globally. Published by the most experienced team in legal media, it also publishes the Corporate Counsel Weekly news briefing and the monthly Telecoms Legal Post.



## Research and Publishing

ResearchLex, The research division of The Global Legal Post conduct and publish wide-ranging reports and surveys across the international legal sector. Latest research and publications include:

- The General Counsel Excellence Report 2013
- The Wealth Report 2013
- The Selection and Retention of Law Firms in Western Europe (in association with Lexis Nexis)
- The Growth Market Legal Reports (publishing 2014)
- Legal Advisors to Wealthy Individuals – China Edition (publishing 2014)
- The Legal Outsourcing Guide 2013/2014



[www.globallegalpost.com](http://www.globallegalpost.com)

For further information on the above products please contact Maria Sunderland.  
+44 (0) 20 7332 2576 mariasunderland@globallegalpost.com  
23-24 Smithfield Street, London EC1A 9LF, UK