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ANALYSIS

In-House Attorneys Irked That Outside Counsel Lack Business Savvy

"One of the reasons you go to outside counsel is that they have perspective from many sides and in many different industries and practices. But that doesn't mean they get this particular company as well as the in-house team does," said Susan Hackett, CEO of Legal Executive Leadership.

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Law Firm Client Relationships



Trudy Knockless
Reporter



What You Need to Know

- Law firms struggle to provide advice that is actionable for their legal department clients, a Thomson Reuters survey found.
- That may be true, legal observers say, but outside counsel also have specialized expertise and a broader perspective that is invaluable.
- More coursework on business in law school would help narrow the divide.

Legal departments are frustrated that outside counsel are not more business savvy, a shortcoming that's [helping drive the trend](#) to move more work in-house, according to a Thomson Reuters report.

While in-house leaders continue to rely heavily on outside law firms for their specialized expertise and knowledge of regulations, many GCs say their own teams have a better understanding of the actual business implications of legal matters, the report found.

"Business savviness ... is one of the strongest drivers of client satisfaction, yet is an area where many law firms are inconsistent in their delivery," according to the report, which is titled "Who does it better? In-house teams or outside counsel?"

Kevin Armstrong, former chief legal officer of the wealth-management software company Docupace, said that by posing such a question, the study fails to fully appreciate the breadth of knowledge outside counsel amass by working with a variety of companies on agreements covering topics such as privacy, data rights and intellectual property.

"They have seen so many variations. ... Outside counsel can help in assessing the financial impact of certain language in these important documents," Armstrong said.

The report found that, on average, clients rate the business understanding of the law firm they use most at 8.4 on a scale of 10.

“Not a tragic score, but still one containing plenty of room for improvement, especially given the fact that more than half of GCs say their internal teams have the advantage when it comes to business savviness,” the report said.

Susan Hackett, CEO of the consultancy Legal Executive Leadership, said that as more legal departments try to align themselves with their company’s business practices and strategies, they’re finding that they have a stronger grasp of those topics than outside counsel do.

“There are really two things there,” she said. “First, there’s a way that a company does business, and every function in the company is expected to do business in the same manner. In terms of how business is done inside the company, in-house counsel sometimes feel that outside counsel aren’t on the same page.”

The other aspect, she said, is that outside counsel might not be delivering their work and their advice in a manner that’s aligned with the company’s priorities.

“Some of that is institutional knowledge. When you work in-house, you’re surrounded all day by the company and the people who work there and the problems as the company sees them,” she said. “One of the reasons you go to outside counsel is that they have perspective from many sides and in many different industries and practices. But that doesn’t mean they get this particular company as well as the in-house team does.”

In-house experts say that if law firms had greater business savvy, they’d be able to provide more actionable advice, and would be able to do so more efficiently.

Danielle Sheer, chief legal and compliance officer for the data-protection platform Commvault, said she has aggressively been moving work in-house because her own team can do it more efficiently and do it better.

The report quotes a legal leader in banking who believes outside counsel need to “think about what the client wants to achieve efficiently and focus their comments more on legal points rather than drafting points, unless it has an impact on the legal documents.”

Jason Winmill, managing partner of the consultancy Argopoint, said that by being in the trenches in-house counsel naturally are more attuned to business implications. Likewise, outside counsel often aren’t as aware of the implications of their advice and the challenges in implementing it.

“A lot of business issues are complicated and context-specific. It takes time to get up to speed. Outside counsel may not have the exposure to get up to speed on every client’s specific business situation,” Winmill said.

“The larger issue is generally less about expertise. It’s often more about cost-effectiveness. Outside counsel rates have exploded in recent years, limiting the types of work a general counsel can assign them. And that’s really the big issue,” he said.

Indeed, a report last month from LexisNexis CounselLink found that rate escalation has accelerated. It found hourly rates for law firm partners [jumped 4.5% in 2022](#), the biggest increase since at least 2013.

Even so, Winmill said that GCs still find outside counsel valuable. It’s just that inside counsel and outside law firms have different strengths.

“The most effective departments try partnership—working together in a complementary fashion with each contributing value appropriately,” he said.

He said that sophisticated legal departments he works with rely on a trusted roster of outside counsel “whose advice they find very valuable. If they found outside counsels’ advice to be impractical, they wouldn’t continue to use them.”

Winmill added: “I don’t suppose it’s realistic that you can call up a random law firm, dump a complicated legal business problem on them and expect them to be fully up to speed, well-versed and practical on the turn of a dime.”

The report quotes a GC in the technology/media/telecom industry who lamented that work from outside counsel needs to be refined before the business can act on it.

“Quite often, you will get back ... advice and you have to translate it to the business, so making advice more business-facing so the business understands it,” the GC said.

Armstrong, who is now a senior adviser at Neurocolor, a personality-based assessment tool for employers, said legal departments can minimize such problems by ensuring they’re working with the law firm attorney who is most knowledgeable about the issue at hand.

He said legal departments also need to make sure they give the lawyer sufficient information to be able to come up with a business-savvy solution.

“I have found that some of these issues are caused by assumptions that we might make as in-house lawyers in communicating the missing piece that is needed to solve the company’s problem,” he said.

At the same time, Armstrong said law firm lawyers would be on stronger footing to provide business-savvy advice if law school curriculums included more instruction about business.

“I do believe that law students should learn more about business in law school because lawyers should understand what actions might drive the commercial motives of their clients in all types of businesses,” Armstrong said. He said that business instruction would give lawyers a stronger sense of the potential financial risks or rewards of using certain legal clauses.

Such instruction also would give attorneys who opt to go in-house a greater understanding of the expertise they’ll need to be successful legal department lawyers, Hackett said. She said many in-house attorneys don’t learn business basics such as reading a balance sheet and managing projects across multiple offices until they pick them up on the job.

“A lot of lawyers are, unfortunately, kind of divorced from those kinds of skills because they aren’t the ones that are often used. Nor is it required of them when they’re in a law firm,” she said.

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6 Things General Counsel Want From Outside Counsel



There is a trend in GCs shifting towards boutique law firms as their outside counsel, especially in the areas of commercial contracts reviews, data privacy, technology law, and corporate matters. And for very good reason. Boutique law firms can provide industry experience, a small but diverse team, and the insight on institutional knowledge retention as key focuses.

This year's in-house legal terrain is projected to be challenging and General Counsel's ability to be agile will make all the difference. It's expected that workloads will increase by 25% over the next year, while internal headcounts are expected to decrease. GCs find they are set back by the piles of commercial contracts, constant meetings, managing different styles of business teams, and the overarching management challenges posed by in-house employees. The

path forward is establishing a relationship with the right outside counsel, but GC's have faced various challenges in finding the perfect fit.

In 2022, EY Law and the Harvard Law School Center on the Legal Profession surveyed 1,000 General Counsel and Chief Legal Officers. The results showed that ninety percent of business development leaders reported facing challenges when working with their procurement, legal, and commercial teams on issues related to commercial contracts. These departments are under increased pressure to operate more efficiently, and in-house legal teams are feeling the brunt of the pressure.

According to **EY Americas Legal Function Consulting Leader**, "Optimizing use of outside counsel provides law departments with the opportunity to shift cost savings to other areas."

With solid and strategic support, GCs can enjoy their positions and make a meaningful and noticeable impact on the organization.

Here Are The Top 6 Things That GCs Struggle Getting From Outside Counsel

1. Outside Counsel that Are Strategic Business Advisors

Business stakeholders require quick turnarounds and business-minded thinking from the legal team. Outside counsel that can mirror your soft and hard skills becomes a true extension of the in-house team. That allows GCs to trust their outside counsel to work closely with internal stakeholders in the same way the in-house team does.

Outside counsel who not only identify risks, but also help the business leaders get to fast solutions are the ones with the commercial mindset that bring exceptional value to the entire organization. They should be instrumental in collaborating across operational areas to help stressed out business teams close deals more efficiently.

The great outside counsel will become a fierce advocate for the business and provide tailored, meaningful, and clear advice that business teams can digest.

The right outside counsel is one that will help in-house lawyers flourish in their roles. This means they'll need a deep understanding of the business they are serving, and anticipate the GCs needs. That's where the right boutique law firm shines over big law or legal marketplaces. The great ones will truly get to know the business and legal issues, becoming a fierce advocate for the business, which includes not just identifying challenges but also advising on smart risk taking to achieve business goals. That comes down to providing tailored, meaningful, and clear advice that business teams can digest.

2. Cost Sensitivity and Control

In-House legal teams have budgets just like other business units. Some boutique firms will provide reduced hourly rates and are generally preferable to large firms as well as online legal marketplaces. Fifty-nine percent of General Counsel believe that a focus on negotiating better rates with a boutique law firm creates some opportunity for cost savings. Additional approaches include consolidating spend into fewer outside providers.

The law firm's bills should be reviewed by a partner to ensure they are reasonable and accurate. The last thing an in-house lawyer wants to do is to have to question outside counsel's time entries.

Given the current cost-reduction environment, it's not surprising that law departments turn to boutique law firms as their outside counsel as opposed to big firms. The key is finding the right match for supporting them appropriately and using them as part of an overall balanced approach.

3. Opportunities for Feedback to Outside Counsel

GCs need their outside counsel to be predictable and trustworthy. To that end, a major pain point for GC's is that their outside lawyers are not in frequent communication with them. Regular touchpoints let GCs be aware of everything that's happening, saving you time and helping you shine in front of your internal clients.

General counsel are looking for firms that provide them with opportunities to provide feedback. GCs and their in-house teams want to be asked for their

feedback from outside counsel which leads to better relationships and more meaningful outside counsel support. One key reason GCs use firms like Gouchev Law is that we ask the big question “How can we serve you better”.

In addition for opportunities to give feedback, receiving regular status reports from your outside counsel will save considerable time in managing.

4. Strategic Risk Management to Accelerate Revenue Recognition

In-house law departments and business leaders struggle with internal process management, which limits the company’s understanding of risk. One pain point is that contract review processes are not standardized, including not memorializing contract deviations from standard terms. Gouchev Law offers a solution by creating a living, breathing playbook that is constantly updated. Great outside counsel should do this for you, sharing knowledge and ensuring the use of updated templates throughout the organization.

Some of the largest organizations don’t track contractual obligations as a matter of process which creates risks that will eventually affect client and vendor relationships. That pain point can be solved with the right outside counsel that has both a commercial mindset and a data-driven approach to risk management. Leaders within the organization will be impressed with the in-house legal team as they get more transparency and efficiency.

5. Protecting and Retaining Institutional Knowledge in In-House Legal Departments

CEOs, CLOs, and GCs all say that retaining talent is one of their biggest challenges. All organizations are plagued by the “knowledge drain”. In-house legal are one of the departments that suffer the most in this aspect. Employees and contractors take valuable institutional knowledge with them when they leave, and the insight into the processes and relationships they’ve accumulated departs with them. Indeed, the departure of just one in-house lawyer can lead to substantial delays in turnarounds for key transactions, as one GC told us in an interview of his pain points.

So how can leaders of in-house legal teams capture these exceptionally important intellectual assets? GCs struggle finding outside counsel who understand the importance of capturing and retaining institutional knowledge and making that knowledge accessible to others. This ensures business continuity, provides high quality legal services, and helps GCs and their in-house teams thrive in their roles, even when in-house employees leave. This is priceless and essential to the continued success of any in-house team.

Solving that pain-point lies within using a small firm as outside counsel that keeps the same team with a partner being a key point of contact, creates a process for safeguarding key information, and helps the in-house team promote a culture of knowledge transfer and collaboration. This approach supports your company's collective knowledge retention, versus using big law firms with revolving associates on your account or individual contractors with other priorities and limited capacity.

A boutique firm can scale with the organization and keep the same key people on the account, using the information they learn over time, and nurturing the relationships they've established.

Having long term points of contact as outside counsel helps the business trust that the institutional knowledge will stay and grow with the same people, equaling less management for the in-house lawyers and happier business stakeholders. With this institutional knowledge comes the ability to stay lean on hours, allowing in-house teams to send more work to their outside counsel instead of worrying about having services be over budget.

6. Promoting Diversity & Inclusion

Supplier diversity is one of the most effective ways to drive real business value, and GCs are starting to recognize the importance of diversity, equity, and inclusion (DEI) as relating to their outside counsel. Organizations are being encouraged now more than ever to hire vendors, including outside counsel, to improve their diversity, equity, and inclusion (DEI). Diverse teams of outside counsel bring dynamic viewpoints that produce fresh and effective strategies and counsel.

Outside counsel that qualify as diverse will help make meaningful progress on DEI initiatives. The reason this is a pain point for in-house legal leaders is that many outside counsel don't have a true focus on diversity, equity, and inclusion. According to a recent Diversity Snapshot from Law360 Pulse, at every level of a typical law firm, the representation of minority attorneys increased by less than one percentage point in 2020 and made only incremental progress over the years.

There is an emerging trend to work with not just boutiques, but ones that are women-owned, minority-owned, and/or LGBTQ-owned businesses.

Key Takeaway for GC: Optimizing the Use of Outside Counsel

The modern in-house lawyer needs agile outside counsel with a likeminded business approach to help take things off their plate so their in-house teams can thrive. GCs and their in-house teams benefit most from outside counsel with an entrepreneurial mindset.

The truly elite outside counsel has resources, stability, and predictability for long-term support. A boutique law firm should be able to scale up or down as your needs ebb and flow. GCs need to find outside counsel that has the niche experience and cost-effective partner-level attorneys who will be with you long-term, retain institutional knowledge, including having project managers that are non-billable.

About The Author

Jana Gouchev, Esq., Managing Partner

Jana Gouchev is a prominent NYC lawyer on the leading edge of technology deals and complex commercial transactions. Jana delivers cutting-edge legal and commercial insight that propels company growth and drives faster revenue realization by Business Units. She has mastered the art of risk management balanced with business focused legal strategy. Jana's practice is focused on Corporate Law, Data Privacy and Information Security, Tech Law (consulting, SaaS, and AI), Complex Commercial Contracts, Intellectual Property, M&A, and Advertising law.

Jana comes from Paul Weiss, an AmLaw 50 firm, and has since been outside counsel to some of the world's most innovative brands, including the New York Times, Citi, Estee Lauder, Hearst, Nissan, and Squarespace, in addition to being key outside counsel to numerous companies. Jana is ranked as a Best Lawyer by the *U.S. News* and is featured in *Forbes*, *Bloomberg*, *Modern Lawyer, Inc.*, and the *Business Insider*.

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TOP REASONS LAW FIRMS LOSE BUSINESS & HOW TO WIN THEM OVER (2024)

by Molly McGrath | Apr 25, 2024 | Coaching for Lawyers, Communication, Decreasing Stress, Employee Engagement, Employee Retention, Increasing Business, Law Firm Business Development, Law Firm Marketing, Leadership, Legal Staffing & Leadership Development, Personal Growth, Systems, Team Empowerment, Team Training | 0 comments



Have you ever felt like potential clients just don't understand **what you do and WHY you're the best at what you do?** You provide a valuable service, yet people walk away or choose another firm. Lawyers are particularly susceptible to this, according to the **2024 Legal Marketing Trends Report**.

The good news? This is a fixable problem. Let's explore why firms lose business and how you can turn the tide.

They Don't Know They Need You

The trends report revealed a surprising truth: 44% believe their prospects don't recognize situations where a lawyer can be beneficial. They might navigate legal issues alone, costing them time, money, and potentially their rights. This highlights a crucial issue: communication.

Crafting a Clear Message

The answer lies in a clear and consistent marketing message. This message should answer two key questions:

- **Who are you?** This goes beyond just your name and practice area. What makes your firm unique? What kind of clients do you excel at helping?
- **How do you help?** Don't just list your services. Explain the problems you solve and the benefits you bring. Use everyday language and focus on the results you achieve for clients.

By consistently communicating this message across all platforms (website, social media, consultations), you educate potential clients. They'll start recognizing situations where your expertise is essential.

Beyond the Message

A clear message is a great start, but there's more to consider:

- **Content Marketing:** Create informative blog posts, articles, or videos that address common legal issues your target audience faces. Put your expertise to work and establish your reputation as an expert.
- **Client Reviews:** Positive testimonials from satisfied clients build trust and credibility. Encourage clients to leave reviews on your website and Google My Business listing.
- **Accessibility:** Make it easy for potential clients to reach you. Offer convenient consultation options, like evenings or weekends, and be responsive to communication.

Building Trust and Visibility

Here's where a strong marketing strategy goes beyond just attracting clients. **Increase referrals, brand awareness & visibility** through a systemized approach. This can include:

- **Systemized Follow up Process with accurate reporting:** Ensure no lead falls through the cracks and track your progress for continuous improvement.
- **Systemized Referral Management Process with weekly measurement:** Develop a program to nurture and incentivize referrals from past clients and partners. You can significantly increase your visibility and credibility by doing this.
- **Clear marketing process with weekly tracking:** Hold yourself accountable with a defined marketing plan and track key metrics to measure the success of your efforts.

Remember, legal issues can be stressful and confusing. By providing clear communication, valuable information, and a helping hand, you can ensure potential clients see you as the trusted advisor they need.

Is your firm ready to take on the next challenge?

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If you had the chance to gain insights directly from your clients, wouldn't you seize every moment? And better yet, implement those insights? With this thought, I consistently attend events spotlighting in-house counsel.

Their repeated messages resonate, emphasizing the importance of understanding their primary expectations from outside counsel: transparency, responsiveness, cost-awareness, business acumen, proactive solutions and delivering added value through insightful content.

Yet, surprisingly, not all firms manage to meet these expectations seamlessly. Clients are the lifeblood of any law firm, driving current business and shaping future referrals.

A law firm's most precious assets are its clients, which are the source of both today's business and tomorrow's referrals. Therefore, you'd think that firms would strive to integrate the voice of their clients into all they do. But not all of them do, or maybe they try but just can't.

Law firms always need to remember that their clients do not need to work with them. They need to want to work with them. *And it is all within the power of law firms (and their lawyers) to achieve true client satisfaction and long-term loyalty* by providing the highest-quality legal services, quickly resolving client issues, being a fierce client advocate who anticipates and solves problems and consistently adding value at every stage of the client relationship.

To stay competitive in this dynamic landscape, law firms need to prioritize a client-first approach in every interaction – from the initial greeting at the reception desk to the meticulousness of monthly billing and every email sent. Every single touchpoint matters and will be remembered, and a misstep can be very costly.

Every interaction counts, leaves an impression, and any oversight can carry significant repercussions. The following are insights gleaned from client-centric panels that I hope will guide you in enhancing and enriching attorney-client relationships within your firm.

Here are some ideas from panels I've attended featuring the voice of the client that I hope inspire you on how to enhance attorney/client relationships at your firm.

1. **Ask for feedback and act on it.** I've gone to multiple panels where the in-counsel speakers said that they were *not asked often enough* to provide feedback to their outside law firms and would welcome the opportunity to provide input and suggestions in either a formal or informal manner. Asking your clients how you're doing and what you could be doing better/differently should be a no brainer. *Your clients want to provide feedback – it's that simple!* Requesting feedback enables you to acquire deeper insights to ensure that you are exceeding expectations and delivering value. Many firms don't solicit feedback

because they are afraid of what their clients will say when asked – yikes. Then go a step further and take real action based on the responses received.

Remember, your goal is to enhance the customer journey and do what you can to ensure that your clients are satisfied and remain with your firm.

2. **Prompt replies are non-negotiable.** In today's fast-paced environment, clients anticipate a response from their external legal teams in under 24 hours. Even if you're swamped or need more time to address their query, a simple acknowledgment of their message is essential. It's crucial to ensure your clients always feel valued and prioritized. Letting communications go unanswered is a misstep you can't afford.
3. **Be likeable.** Guess what? It's not enough to just be a great lawyer anymore. You must also be likeable. Luckily for most lawyers out there, this isn't a problem. So, make an effort to connect with your clients and contacts on a deeper level. Show that you genuinely care about them. Ask questions about their interests and personal lives. Actively listen to them and talk less about yourself. Give genuine compliments. People want to do business with people they like, period. Building deeper relationships is important to long-term success and client loyalty. Paraphrasing Rihanna aim to make each of your clients feel like they're the only person in the world.
4. **Invest in your clients and offer them something that enables you to showcase your expertise too.** When it comes to social interactions with outside counsel, the trend is leaning toward educational, substantive events versus social events. Your clients are busy individuals who are getting pulled in many different directions both professionally and personally, as a result some prefer to build relationships with their outside counsel through educational touchpoints that have the added benefit of enabling law firms and lawyers to demonstrate their value. This type of reputational marketing has a much stronger impact than any concert or fancy dinner. Offer to provide a CLE program for them, to co-author an article with them or

to invite them to speak on a panel with you. *Invest in your clients in a way that will showcase your talents and will further cement the relationship.*

5. **Cultivate lasting connections and offer value.** Many in-house counsels often turn to outside attorneys they've known over the years—whether it's someone from law school, a previous firm, mutual acquaintances, or past cases. The takeaway? Deepening and maintaining relationships is crucial for success in private legal practice. The source of your next client or referral could be unexpected, so regularly engage with former peers, past clients, and academic alumni. Strengthen these bonds through a mix of face-to-face and digital networking. Also, proactively identify areas where you can offer specialized knowledge that could benefit clients or prospects, like a pivotal change in the law affecting their sector. Share pertinent articles or legislative updates, or even draft an advisory note on the subject. Personalize your communication by emphasizing its relevance to them. This strategy not only establishes you as a dependable business consultant but also amplifies your reputation as an industry expert.
6. **LinkedIn is KING.** The primary social media channel used by your clients is LinkedIn, and even if you think they're not looking at your profiles and content, trust me, they are. They may not be engaging with it, but they are viewing it in "invisible user" or listen-only mode. In terms of how your clients use LinkedIn, they are using it both to connect with individuals and to find useful content related to their industry/legal issues. Make LinkedIn part of your marketing priorities today. Here are two articles I wrote on creating your personal LinkedIn strategy: "[Build a Stronger Professional Network Today with These LinkedIn To-Do's](#)" and "[LinkedIn 101: How to Master Profile Basics & Build Your Professional Brand.](#)"
7. **Ensure impeccable billing practices.** Every invoice from your law firm should be thorough and double-checked by the lead billing attorney. Clients meticulously assess monthly invoices from their

external law firms, and inconsistencies can strain the attorney/client bond. Billings should clearly outline all tasks undertaken during the month. If clients find ambiguities in the bills, it can lead to doubts about the collaboration, prompting them to explore other legal service options.

8. **Think show vs. tell when it comes to content.** What communications resonate most with clients? Tailored, timely, relevant and easily digestible electronic client alerts and newsletters that are “snackable” in length with succinct subject lines (from the law firms they actually use). Ensure that these communications are client-focused and there’s more show than tell in the approach. These “light touches” keep your firm top of mind with professional contacts and can often lead to new business, or at the very least, help elevate your lawyers as subject-matter experts. In addition, consider including case studies on your web site and in newsletters. They can help in-house counsel understand your firm’s experience in solving specific problems that they may be facing themselves.
9. **Communicate strategically and thoughtfully.** Another important note on content – the information you send to clients and prospects should be sent strategically and sparingly. Segment your mailing lists and analyze engagement and open rates. Many firms are taking a “random acts of content” approach, which is a waste of time for everyone, most importantly, the prospect or client. Use the power offered by your email marketing software and social media analytics. Play the role of the client and think about what you would like to receive and how often if you were them. If you always put yourself in your clients’ shoes, you will always be on the right path.
10. **Take the time to personalize.** Personalization is one of the biggest factors on whether clients look at marketing materials sent by law firms (newsletters, client alerts, etc.) and they are much more likely to read content from those law firms they use and trust. Interestingly, most of the in-house counsel panelists said they don’t even open emails from law firms they

don't currently use, including those from the most prestigious firms. Someone asked the question of why they didn't just unsubscribe from those lists and one in-house counsel panelist said that while she may not read the alerts from the firms she doesn't use she still wants to know what they are writing about so she knows what she should care about.

11. **Prioritize client-centric service.** Ensuring you have a robust team of lawyers for future endeavors is crucial. Clients appreciate knowing their legal team members and often desire multiple touchpoints with their outside counsel. They value understanding the full team composition, and at times, prefer direct interactions with associates for more cost-efficient tasks. Consistency and transparency are key. In-house counsel emphasize the importance of regular, monthly updates detailing all ongoing matters, including current status, jurisdiction, stage of the case, hours billed, fees and more. Despite its significance, many firms either overlook these reports or produce ones that aren't tailored to client needs. Offering customized, straightforward status reports can set a firm apart from its competitors.
12. **Always avoid surprises.** No client likes surprises when it comes to something on their matter going off schedule, a missed deadline or another human error on the part of their outside counsel or just something not going according to plan. You can avoid these by regularly communicating, setting expectations, implementing project management tools, putting strong people on the team, letting the client know right away when an issue arises and accepting full responsibility when something goes sideways.
13. **Know your clients' businesses inside and out.** Stay attuned to major developments and news affecting your clients so you can better anticipate needs and become a smarter legal solution provider. What challenges and opportunities are they facing? Show that you care and will go above and beyond for them by setting up Google Alerts on your top clients. Not only will this will provide valuable information to help

you serve them better, but it will also give you reasons to reach out to them to congratulate them on successes or send an article that touches on a legal issue they might be facing. Information is power here, so use it wisely.

14. **Optimize your speaking engagements.** Speaking at conferences remains a vital method for attorneys to gain visibility and attract potential clients. As expressed by an in-house counsel, attending conferences is akin to scouting for competent outside counsel. Thus, every speaking opportunity should be seen as a chance not only to share knowledge but to connect and network. One particular instance highlighted the importance of this - an in-house counsel was impressed by a Big Law partner's panel presentation. Eager to discuss potential collaboration, the in-house counsel discovered the partner had left the event prematurely, bypassing numerous networking opportunities. Such instances underscore the value of maximizing conference engagements beyond just the presentation itself.
15. **Legal directories really don't matter to clients.** While legal directories like Chambers and Legal 500 are often highlighted in marketing efforts, the reality is that they don't play a significant role in a client's decision to hire outside counsel. The hours we invest in these submissions as legal marketing professionals might not directly influence a client's choice. However, these rankings are not entirely without value. They act as a form of third-party validation, enhancing PR, branding efforts and aiding in the recruitment of law students and lateral hires. It's essential to understand that these accolades often hold more weight within the legal community than with the clients themselves.
16. **Embrace technology:** As digital transformation becomes ubiquitous across industries, clients expect their legal partners to be technologically savvy. Adopting case management software, using e-discovery tools, or leveraging AI-driven research can help improve efficiency and show clients that you're forward-thinking.

17. **Diversity and inclusion is very important:** Clients are increasingly looking at the diversity of the teams that serve them. Ensuring that your firm prioritizes diversity and inclusion can send a strong positive signal to clients about your values.
18. **Transparent pricing is key:** In today's competitive market, clients are not just looking for quality legal services but also transparency in billing. Clients deeply appreciate clarity in financial dealings. Offering alternative fee arrangements—such as flat fees, retainer agreements, or capped billing—can cater to different client needs. Providing clear, detailed estimates upfront, avoiding hidden costs, and regularly updating clients on billing matters ensures there are no unexpected surprises. This open approach to pricing not only builds trust but also fosters long-term relationships and client loyalty.
19. **Stay in touch:** Proactive communication is key to nurturing client relationships. Even in the absence of significant updates or changes, a brief check-in or message can have a profound impact. Regularly share news, insights or simple progress reports about a case or matter. Such gestures, though seemingly small, signal your commitment and diligence. By maintaining this consistent transparency, you not only keep your clients informed but also underscore their importance, reinforcing trust and establishing a stronger connection with them.
20. **Offer customized training:** Extend your services by providing tailored training sessions for your client's in-house teams, focusing on regulatory shifts, pertinent legal subjects, or emerging challenges in their industry. By facilitating these educational opportunities, you not only showcase your depth of knowledge but also position your firm as an active partner in their business growth and adaptability, reinforcing trust and enhancing mutual understanding.
21. **Offer value-add services:** Consider offering services that extend beyond just traditional legal counsel. This could encompass areas like risk management strategies, strategic consulting, regulatory compliance

guidance, and even industry-specific workshops or training sessions. By integrating these services, you position your firm as a holistic solution provider, not just a legal resource, thereby deepening client trust and fostering longer-term relationships.

22. **Prioritize clear communication:** Legal jargon can often be intimidating and confusing for clients who aren't well-versed in the law. It's crucial to communicate in a manner that's both precise and accessible. While lawyers are adept at detailed, comprehensive writing, it's essential to distill complex concepts into simpler terms for your clients. Aim to explain legal scenarios and implications without resorting to legalese. By ensuring your messages are both transparent and relatable, you position yourself not just as a lawyer, but as a trusted, approachable advisor who understands and respects their client's perspective.
23. **Seek and act on feedback:** Don't just solicit feedback – create processes that loop feedback into action. This iterative process can help in consistently refining and improving your services based on client needs.
24. **Be proactive:** As you understand more about a client's business, proactively suggest strategies or legal considerations they might not have thought of, based on current market conditions or legal developments. Anticipate potential challenges or risks that may arise in the future and advise clients on preventive measures. By being a step ahead and offering solutions before problems arise, you position yourself not just as a service provider, but as a trusted business advisor who is genuinely invested in the client's success.
25. **Host client-centric events:** Host client appreciation events, workshops or seminars tailored to their interests and relevant to their industry. This not only solidifies the relationship but provides an informal platform for feedback, relationship-building and showcasing your firm's expertise. Ensure that these events address real-time challenges faced by your clients and facilitate peer-to-peer networking opportunities. By creating value-packed experiences, clients feel acknowledged and are more likely to

regard your firm as a strategic partner rather than just a service provider.

26. **Educate clients on data security:** With increasing concerns about data breaches and privacy, educate your clients on how you protect their information and the steps you take for cybersecurity.
27. **Be accessible:** Consider offering various communication channels like video conferencing, messaging apps or dedicated client portals for document sharing and updates. The easier you are to reach, the more valued clients feel.
28. **Collaborate with others:** Sometimes, legal issues intersect with other fields, such as finance, human resources, public relations, technology and real estate. Engaging in proactive collaboration with experts from these areas not only enhances the depth and breadth of your legal advice but also underscores a comprehensive understanding of your client's broader business ecosystem. This interdisciplinary teamwork can yield innovative solutions, seamlessly integrating legal strategies with other key business considerations. Such collaboration not only strengthens your service offering but also demonstrates a proactive commitment to addressing every facet of a client's challenge.
29. **Give back:** Doing pro bono work for causes aligned with your client's values or industry can reflect positively on your firm's commitment and ethics. Additionally, getting involved in community outreach, supporting local charities, or offering legal clinics can demonstrate a genuine investment in the well-being of the community. This not only strengthens your firm's reputation but also fosters deeper relationships with clients who see that you share common values and are dedicated to making a positive impact.
30. **Stay updated:** The legal field is ever evolving. Regularly updating your skills and knowledge can show clients that you're at the forefront of your field and can provide the best advice. Attend workshops, webinars, and conferences; engage with recent publications and

research; and participate in legal forums or discussions. Demonstrating a commitment to continuous learning and being informed about the latest legal developments can instill confidence in clients, assuring them that they're receiving cutting-edge counsel.

It's never been more important to adopt a client-centric approach to everything you do as a law firm in this competitive and saturated market. There are many firms just waiting to steal your clients from you. Don't give them the opportunity by falling short in client service. Become a fierce advocate for your clients – the business partner that sets the bar higher than anyone else and the firm they just can't ever quit.

You can do this by investing in your clients in a way that enables your firm and lawyers to showcase their knowledge and experience. Remember, by making your client look good at their companies, you make your firm look good and you will elevate your position and value. This approach is a win-win for all involved. So going forward, follow through, put the client first and do what they ask you to do when they ask you to do it. That is how you delight the client and build long-lasting attorney-client relationships. This is also how to become a trusted business advisor in the client's inner circle – and how to separate yourself from the competition.

Key Takeaways:

1. **Feedback Matters:** Solicit feedback regularly and implement changes accordingly. Clients want to give their perspective.
2. **Quick Response:** Acknowledge client communications within 24 hours or less.
3. **Build Genuine Relationships:** Beyond being a great lawyer, be personable and genuinely connect with your clients.
4. **Educational Engagement:** Clients value educational interactions more than purely social ones. Offer learning opportunities like CLE programs.
5. **Cultivate Relationships:** Building and maintaining relationships over the years can lead to consistent

referrals and work opportunities.

6. **LinkedIn's Power:** Use LinkedIn actively for networking and sharing relevant content. Clients are silently observing.
7. **Transparent Billing:** Ensure clarity and accuracy in every bill to maintain trust.
8. **Strategic Communication:** Send tailored, timely, and relevant client alerts and newsletters that showcase more of what you can do rather than merely stating it.
9. **Personalize Outreach:** Tailored marketing materials based on a client's needs and interests have a greater impact.
10. **Be Proactive:** Offer user-friendly matter status reports and maintain multiple points of contact for the client.
11. **Avoid Unexpected Setbacks:** Use communication and project management tools to minimize unforeseen problems.
12. **Deep Business Knowledge:** Stay updated with your client's business environment, challenges, and opportunities.
13. **Maximize Conferences:** Make the most of every speaking engagement and networking opportunity at conferences.
14. **Relevance of Legal Directories:** While they might not heavily influence hiring decisions, they can serve other branding and PR purposes.
15. **Adopt a Client-centric Approach:** In a saturated market, put your clients at the forefront to ensure long-term loyalty.

In conclusion, adopting a client-centric perspective is paramount. Ensuring clients feel valued, understood, and cared for is the key to differentiating your firm and fostering lasting relationships.

Reach out to me for help creating a marketing strategy that will resonate with your clients.

Stefanie Marrone advises law firms of all sizes, professional service firms, B2B companies, recruiters and individuals on the full range of marketing and business development

consulting services designed to enhance revenue, retain current clients and achieve greater brand recognition. She also serves as outsourced chief marketing officer/marketing department for small and mid-size law firms.

Over her 20+-year legal marketing career, she has worked at and with a broad range of big law, mid-size and small firms, which has given her a valuable perspective of the legal industry. Connect with her on [LinkedIn](#), [Twitter](#), [YouTube](#), [Instagram](#), [sign up for her email list](#) and [follow her latest writing on JD Supra](#).

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If you had the chance to gain insights directly from your clients, wouldn't you seize every moment? And better yet, implement those insights? With this thought, I consistently attend events spotlighting in-house counsel.

Their repeated messages resonate, emphasizing the importance of understanding their primary expectations from outside counsel: transparency, responsiveness, cost-awareness, business acumen, proactive solutions and delivering added value through insightful content.

Yet, surprisingly, not all firms manage to meet these expectations seamlessly. Clients are the lifeblood of any law firm, driving current business and shaping future referrals.

A law firm's most precious assets are its clients, which are the source of both today's business and tomorrow's referrals. Therefore, you'd think that firms would strive to integrate the voice of their clients into all they do. But not all of them do, or maybe they try but just can't.

Law firms always need to remember that their clients do not need to work with them. They need to want to work with them. And it is all within the power of law firms (and their lawyers) to achieve true client satisfaction and long-term loyalty by providing the highest-quality legal services, quickly resolving client issues, being a fierce client advocate who anticipates and solves problems and consistently adding value at every stage of the client relationship.

To stay competitive in this dynamic landscape, law firms need to prioritize a client-first approach in every interaction – from the initial greeting at the reception desk to the meticulousness of monthly billing and every email sent.

Every single touchpoint matters and will be remembered, and a misstep can be very costly.

Every interaction counts, leaves an impression, and any oversight can carry significant repercussions. The following are insights gleaned from client-centric panels that I hope will guide you in enhancing and enriching attorney-client relationships within your firm.

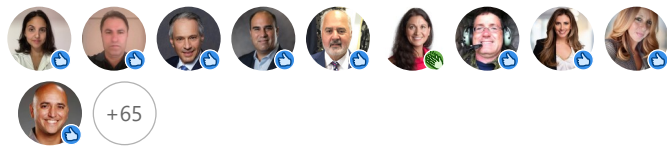
Here are some ideas from panels I've attended featuring the voice of the client that I hope inspire you on how to enhance attorney/client relationships at your firm.

Let me know in the comments if you have other thoughts to add.

[#inhousecounsel](#) [#generalcounsel](#) [#legalmarketing](#) [#lawfirms](#) [#lawfirmstrategy](#)

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I 100% agree that prioritizing the client-first approach is essential.

In the early days of my law practice, I would frequently find myself trying to convince my clients that a deal from the prosecution was the best they would likely receive. This inevitably led to some less-than-satisf ...see more

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Joshua Baron yes yes and yes! To all of this!!

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Feedback is always a way to learn how your approach works from the "other side"

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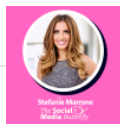
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Working Effectively with Outside Counsel Checklist

by Practical Law

Maintained • USA (National/Federal)

A Checklist providing in-house counsel with general guidance on working more effectively with outside counsel. This Checklist addresses hiring outside counsel, outside counsel guidelines, applying legal project management principles to legal matters, insourcing and outsourcing legal work, analyzing matter outcomes, and terminating outside counsel.

Hire the Right Outside Counsel

Consider Using a Competitive Bidding Process

Build a Strategic Relationship with Outside Counsel

Create an Approved Outside Counsel List

Set Outside Counsel Guidelines

Implement Legal Project Management

Legal Project Management Steps

Insource and Outsource Legal Work

Insourcing

Outsourcing

Analyze Matter Outcome

Terminate Underperforming Outside Counsel

In addition to competently handling a company's legal matters, a corporate law department must demonstrate how it creates value for the company. In turn, outside counsel providing legal services to a company must show in-house counsel how they create value. Law departments and their outside counsel can deliver on this value proposition by creating efficiencies in the attorney-client relationship.

Hire the Right Outside Counsel

Hiring the right outside counsel is one of the most important steps in creating an effective working relationship between the law department and outside counsel.

Factors to consider when hiring outside counsel include the firm's:

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- Reputation.
- Expertise in the areas of law governing the matter.
- Track record with similar matters in terms of size, scope, and issues involved.
- Knowledge of the client and its industry, internal politics, and challenges. While certain information about a company and its industry can be obtained through public sources, law firms with experience representing a company on prior legal matters or other clients in a company's industry have a better understanding of its risk tolerance and business objectives.
- Office size and location. To facilitate in-person meetings, the firm's offices should be located near the company's headquarters. If the company has offices located throughout the US or in other countries, the firm should also have offices in those locations.
- Language abilities and cultural sensitivity, especially if the company:
 - is foreign; or
 - does business outside of the US.
- Knowledge of the forum, judges, adverse parties, and opposing counsel, for a litigation matter.
- Conflicts (see [Practice Note, Outside Counsel Conflicts of Interest](#)).
- Billing rates.
- Willingness to offer alternative fee arrangements (AFAs) which compensate outside counsel based on a structure other than hourly billing, including:
 - fixed (flat) fees which provide predictable pricing for routine legal matters;
 - blended (hybrid) rates where the law firm charges an agreed rate for all attorneys staffing a legal matter;
 - capped fees, which are calculated based on the number of hours each attorney bills to the matter at that attorney's usual hourly rate, but the law firm agrees that the total bill cannot exceed a capped amount;
 - collared fees where the client pays the law firm's hourly rates subject to a case budget and a collar (a range above and below the budget, typically 10%). If the total fees are less than the lower collar amount, the law firm receives a bonus. If the total fees are more than the upper collar amount, the client receives a discount off the law firm's regular hourly rate;

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- holdbacks where the client withholds an agreed fee amount until a certain result is achieved or until the end of the engagement;
- success fees where the client pays the law firm a bonus for achieving a certain result; and
- contingent fees where the client pays the law firm a percentage of the total financial recovery obtained in a matter. If the client does not receive a financial recovery, the law firm is not compensated.

For more information on AFAs, see [Practice Note, Alternative Fee Arrangements](#) and [Overview of Counsel Fee Arrangements Chart](#).

- Proposed matter team, including attorneys as well as non-attorney support and technical staff.
- Performance against diversity, equity, and inclusion (DEI) benchmarks, including:
 - numbers and percentages of diverse attorneys on the proposed matter team, progressing from associate to partner at the firm, and in firm leadership positions; and
 - participation in legal industry DEI initiatives.

For more information on law firm diversity, see [Practice Note, Increasing Law Firm Diversity](#). For a sample law firm diversity statement, see [Standard Document, Law Firm Diversity Statement](#).

- Precautions taken to protect client data and its own data from cyber attacks (see [Practice Notes, Cyber Attacks: Prevention and Proactive Responses](#) and [Cybersecurity Issues for In-House Counsel](#)).

As the success or failure of a matter can turn on the strength of the relationship between in-house and outside counsel, in-house counsel should believe both that:

- The law firm has the experience and credentials to capably represent the company.
- The relationship partner and other attorneys and legal assistants staffing the legal matter are:
 - responsive;
 - approachable;
 - collegial; and
 - flexible.

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For more information on factors to consider in hiring outside counsel, see [Practice Note, Outside Counsel Selection Considerations](#).

For additional issues to consider before signing an engagement letter with outside counsel, see Standard Documents:

- [Engagement \(Retainer\) Letter: Hourly Fee Arrangement](#).
- [Engagement \(Retainer\) Letter: Alternative Fee Arrangement](#).
- [Engagement \(Retainer\) Letter: Contingency Fee Arrangement](#).

For a sample policy setting out the procedures governing a company's retention of outside counsel, see [Standard Document, Use of Outside Counsel Policy](#).

Consider Using a Competitive Bidding Process

If a company has never hired outside counsel or seeks to change its current counsel, it may wish to invite several firms to participate in a "beauty contest" or competitive bidding process where they:

- Present their capabilities to the company.
- Introduce the proposed matter team, including all partners, associates, and legal assistants who may staff the matter.
- Submit a bid that includes a detailed estimate of all fees and costs for the representation in compliance with the company's outside counsel guidelines (see [Set Outside Counsel Guidelines](#)).
- Provide descriptions, including outcomes, of previous engagements for similar matters along with client references.

If a company decides to hold a competitive bidding process, it should ensure that the request for proposals (RFP) sent to prospective law firms contains clear guidelines for participation, as some law firms may decline to participate in the RFP process if the requirements to do so are too vague, expensive, or time-consuming. For more information on drafting an RFP for legal services, see [Practice Note, Drafting an Effective RFP for Legal Services](#).

Build a Strategic Relationship with Outside Counsel

Once hired, in-house counsel can build a long term, strategic relationship with their outside counsel by:

- Regularly communicating the company's business objectives and initiatives to outside counsel.
- Inviting outside counsel to meet key employees at the company to better understand how it operates.

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- Encouraging outside counsel to share relevant industry news with the company, including new commercial opportunities.
- Sharing feedback with outside counsel throughout the course of a matter and at its conclusion (see [Analyze Matter Outcome](#)).
- Attending educational programs offered by outside counsel.

Create an Approved Outside Counsel List

After a law firm is retained, and assuming that the firm provided competent, well-priced services, the law department should add the firm, specific attorneys at the firm, and their practice areas to a maintained list of approved outside counsel for the company. An approved outside counsel list is a law department management tool that enables in-house counsel to quickly find a reputable attorney that:

- Has the required expertise for a given matter.
- Understands the company's business and risk tolerance.
- Previously achieved a favorable outcome for the company.
- Provided cost-effective service.
- Has complied with the company's outside counsel guidelines (see [Set Outside Counsel Guidelines](#)).

Set Outside Counsel Guidelines

To control costs and set out their expectations for the attorney-client relationship, many companies create outside counsel guidelines addressing:

- **The basis for professional fees.** For example, some outside counsel guidelines require that law firms bill the company at the lowest billing rates for any of their similarly situated commercial clients.
- **Cost estimates and budgeting.** Outside counsel guidelines generally require that law firms provide in-house counsel with a cost estimate or budget before commencing work on a legal matter.
- **Billing and expenses.** For example, some outside counsel guidelines:
 - do not allow law firms to bill for copying, computerized research, and other overhead expenses;
 - place tight restrictions on travel and meal expenses; and

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- require in-house counsel's prior approval before conducting extensive legal research.
- **Matter staffing.** For example, some outside counsel guidelines:
 - prohibit staffing matters with junior attorneys;
 - require diversity in the law firm and on the legal team assigned to work on the company's legal matters; or
 - do not allow staffing changes without client consent.
- **Conflicts of interest.** For example, some outside counsel guidelines prohibit giving blanket waivers of conflicts of interest to law firms. For more information about how to identify the existence of a conflict, see [Practice Notes, Navigating the Complex World of Conflicts](#) and [Outside Counsel Conflicts of Interest](#).
- **Communications with the law department.** Limiting outside counsel's contacts to one or two in-house attorneys streamlines communication and reduces costs by eliminating duplicative phone calls, emails, and other communications.
- **Maintaining confidentiality.** Outside counsel guidelines generally require that law firms treat all legal matters as confidential.
- **Dealing with media inquiries.** Many outside counsel guidelines prohibit law firm contact with the media without the law department's prior approval.

The law department should periodically review and update its outside counsel guidelines to ensure they:

- Reflect changes:
 - within the law department and its management;
 - at the company; and
 - in the legal industry.
- Comply with other company policies.

Although some law firms may push back on onerous outside counsel guidelines, those placing reasonable expectations on outside counsel are generally accepted.

For sample outside counsel guidelines, see [Standard Document, Outside Counsel Guidelines](#).

Implement Legal Project Management

Legal project management (LPM) applies traditional project management principles to the management of commercial, transactional, and litigation matters. Some law departments have used LPM for many years. However, it has emerged only recently as a trend in the delivery of legal services by outside counsel, especially among those offering AFAs, because LPM:

- Improves communications between outside counsel and the client.
- Increases the predictability of legal fees and costs.
- Better manages risk and client expectations.

Legal Project Management Steps

LPM involves:

- Defining a matter's scope, including:
 - setting a clear goal against which to measure the matter's success (for a commercial matter, the goal may be to complete a project by a certain date, for a transactional matter, the goal may be closing an M&A deal at a certain price, and for a litigation matter, the goal may be settling the case for an amount covered by insurance);
 - identifying the legal work that must be performed;
 - outlining the steps that must be taken to complete the legal work;
 - determining the legal team's size and composition;
 - setting a schedule for completing each work phase; and
 - preparing a budget (see [Litigation Budget Toolkit](#)).
- Obtaining in-house and outside counsel's agreement on the matter's scope and budget.
- Selecting a legal team composed of attorneys and legal assistants with the right level of experience.
- Assigning specific tasks to each member of the legal team, including in-house counsel and other company employees. For an overview of the key steps involved when in-house counsel must manage civil litigation, see [Managing Litigation Checklist](#).

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- Effectively communicating with the legal team throughout the matter's duration. Law departments should consider using a secure shared site or other technology that enables departments and their outside counsel to:
 - monitor matter status;
 - track matter metrics; and
 - collaborate on, store, and manage documents.
- Continuously tracking all work against the budget established at the matter's outset.
- Meeting all due dates set out in the schedule.
- Addressing any unforeseen events by adjusting the matter's scope and budget, if necessary.
- Managing client expectations.
- Analyzing the results obtained after the matter concludes (see [Analyze Matter Outcome](#)).

Law departments are increasingly asking their outside counsel to use LPM to manage their matters because it enables in-house lawyers to:

- More closely collaborate with their outside counsel.
- Improve internal and external communications about a legal matter.
- Forecast and track budgets more accurately.
- Reduce overall legal spend.
- Better manage company risk.
- Achieve more predictable outcomes.

Some law firms have resisted embracing LPM in an effort to preserve firm culture and with it, the billable hour model of providing legal services. However, as more law departments demand AFAs in connection with implementing LPM, these firms are rethinking their approach to providing legal services.

For additional information about improving legal processes within a law department, see [Article, Applying Lean Six Sigma Methods to Litigation Practice](#) and [Lean for Law: Legal Process Improvement Checklist](#).

Insource and Outsource Legal Work

Whether or not a law department and its outside counsel use LPM to manage a legal matter, the law department can make more effective use of its outside counsel and reduce its spending by:

- Insourcing certain legal work (see [Insourcing](#)).
- Outsourcing routine legal tasks (see [Outsourcing](#)).

Insourcing

As law departments continue to grow and become more sophisticated, in-house counsel often need to look no further than their department colleagues to provide advice and other assistance with company legal matters. Although law departments are hiring more attorneys and legal assistants to facilitate insourcing legal work, they also are hiring:

- **Interns.** For key issues to consider when hiring interns, see [Practice Note, Interns, Trainees, and Volunteers under the FLSA](#) and [Internship Program Checklist](#). For a sample unpaid internship agreement, see [Standard Document, Unpaid Internship Agreement \(Learning Contract\)](#).
- **Contract attorneys.** For independent contractor classification considerations, see [Using Independent Contractors and Outside Firms: Avoiding Employee Misclassification Checklist](#). For a sample independent contractor agreement, see [Standard Document, Independent Contractor/Consultant Agreement \(Pro-Client\)](#).
- **Seconded attorneys.** A **secondment** is a mutually beneficial arrangement between a company and its outside counsel where a law firm attorney works in the company's law department full-time on a fixed-price basis for a set time period to learn more about the company and its business. In addition to reducing outside counsel fees, secondments can assist the company in staffing:
 - maternity leaves and other attorney leaves of absence; or
 - large projects, such as a company-wide audit.

For key issues for in-house counsel and their outside law firms to consider when establishing a secondment arrangement, see [Practice Note, Secondment of Outside Counsel to Law Departments](#). For a sample secondment agreement for employers to use when transferring employees within the US, either to another part of the employer's organization or to an outside organization, see [Standard Document, Secondment Agreement \(Domestic\)](#).

The benefits of insourcing legal work include:

- Lower costs.

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- Better client service.
- In-depth knowledge of the client and its industry.
- Better understanding of how a given legal matter affects the client's business.

For example, in a complex M&A matter, outside counsel may draft the purchase agreement while in-house counsel drafts certain ancillary documents, including:

- Corporate resolutions.
- Assignment and assumption agreements.
- Employment and consultant agreements.

For more information on how law departments can save costs by bringing more legal work in-house, see [Practice Note, Saving Costs by Bringing More Legal Work In-House](#). For additional steps a law department can take to transform itself into a profit center, see [Practice Note, Transforming the Law Department into a Profit Center](#).

Outsourcing

Another cost-savings option is using legal process outsourcing (LPO) providers. These service providers, unlike law firms, do not engage in legal practice, but use non-practicing attorneys in lower cost jurisdictions to conduct work related to legal practice, including:

- Litigation document review.
- Deposition and trial preparation.
- Legal research.
- Merger and acquisition due diligence.
- Contract drafting.
- Corporate secretarial services.
- Patent research, preparation, and prosecution support.

For more information about LPO, see [Practice Note, Legal Process Outsourcing in Litigation](#).

Analyze Matter Outcome

At the end of every outsourced matter, in-house counsel should analyze the matter's outcome to better understand how outside counsel achieved a favorable or unfavorable result for the company. Issues to consider include:

- Comparing the matter's outcome to the goals set forth at its beginning.
- The positive and negative factors that contributed to that outcome.
- Lessons learned by the legal team during the course of the matter.
- How to replicate the same outcome in future matters, if the matter ended favorably for the company.
- Ways to do things differently in future matters, if the matter ended badly for the company.
- Rating outside counsel by compiling feedback from:
 - members of the law department; and
 - other company employees who interacted with outside counsel on the matter.

For more information on evaluating outside counsel, see [Standard Document, Outside Counsel Evaluation Form](#) and [Outside Counsel Evaluation Process Checklist](#).

This matter outcome analysis should be documented and consulted in future similar matters. In addition, in-house counsel should consider using an electronic tool to:

- Track matter metrics, such as legal spend by matter type and business unit (see [Using Metrics to Measure Law Department Performance Checklist](#)).
- Compile historical matter data.
- Measure outside counsel performance, including their efficiency, responsiveness, and effectiveness (see [Using Metrics to Measure Outside Counsel Performance Checklist](#)).
- Generate reports for:
 - the law department; and

- company management.

In-house counsel also should share the results of a matter outcome analysis and other feedback received with outside counsel, especially if in-house counsel intend to use the same outside counsel on future legal matters.

Terminate Underperforming Outside Counsel

Outside counsel's failure to deliver value to a company, however defined, may warrant terminating the relationship. Common reasons for terminating outside counsel include:

- Lack of responsiveness.
- Failure to keep the client informed about a matter's status.
- Providing bad advice or poor work product.
- A lack of expertise.
- Poor results obtained from the representation.
- Bad matter management.
- Overbilling.
- Late billing.
- Personality or other conflicts.
- Loss of the main relationship attorney or other key attorney.
- Conclusion of the matter.

If in-house and outside counsel maintain open lines of communication with each other and raise concerns in a representation early and honestly, many difficult situations can be resolved. If they cannot, in-house counsel must protect the company's best interests by:

- Re-negotiating terms of either or both:
 - billing, including requesting billing write-offs when appropriate; and

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- payment.
- Requesting staffing changes to improve the outside counsel relationship.
- Terminating outside counsel, if problems persist.
- Hiring new counsel.