

**ANNUAL MEETING
2014 * NEW ORLEANS**
OCTOBER 28-31
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM14 



ACC Association of
Corporate Counsel

Faster, Better, Cheaper Legal Services Through Technology, Lean, and Continuous Improvement

The ACC Value Champions Series

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The Use of Technology to Bring Value

Hyundai Motor Manufacturing Alabama, LLC

Chris Smith, General Counsel

October 29, 2014



Outline of Presentation

- Background of HMMA and Legal Department
- Start-Up Challenges
- Development of ELM
- Value Results from Technology
 - Legal Assistance
 - Contract Management
 - Litigation Management
 - Training
 - Key Performance Indicators



Background of HMMA and HMMA's Legal Department

- Hyundai's first U.S. manufacturing facility
- Started vehicle production in 2005
- Employs 3,000+ employees and has capacity to produce approximately 400,000 Sonata and Elantra vehicles per year
- The Legal Department consists of 5 attorneys and 3 support staff



Start-Up Challenges

2002



Today





Start-Up Challenges

- As a start-up company, HMMA had to quickly establish legal systems and controls from scratch with limited resources
- The Legal Department also faced language barriers due to working in a multi-cultural environment
- During the start-up phase, the Legal Department had no organized system for:
 - Providing legal assistance
 - Contract management
 - Litigation management
 - Training
 - Key Performance Indicators



Development of ELM

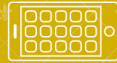


- In 2010, the Legal Department collaborated with HMMA's IT Department and AutoEver-Korea to create the Electronic Legal Management (ELM) online program
- ELM underwent updates and improvements between 2010 and 2013



Value Results from Technology

- Legal Assistance
 - Other departments submit an electronic request for legal assistance
 - The request is routed to HMMA's General Counsel to assign to the appropriate in-house attorney or outside counsel
 - The attorney enters the response into ELM and the system forwards the response to the requesting department



Legal Assistance

- Old Request to Review Contracts Paper Form

REQUEST FOR LEGAL SERVICES INFORMATION SHEET	
TO: Legal Department	
FROM: <u>Melanie</u> Requesting Party	Extension: <u>8473</u> Cell No.: _____
DEPARTMENT: <u>HR-Benefits</u>	<u>W. Swann</u> Manager Approval
SUBJECT: <u>Trust Agreement from Fidelity</u>	
DATE/TIME SUBMITTED: <u>09/04/16 10:30 AM</u>	
DATE REQUESTED BY: <u>09/13/16</u>	(Standard turnaround time is 3-5 business days, depending on current volume. If needed earlier, you must speak directly with someone in the Legal Department.)
TIME REQUESTED BY: <u>10:30 AM</u>	
NATURE OF SERVICES/DESCRIPTION OF DOCUMENT	
DOCUMENT TO BE REVIEWED: <u>Trust Agreement</u>	
Is document available on e-mail/Word? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If "yes", please provide to Ginger Loy via e-mail.
OTHER LEGAL SERVICES REQUESTED (Describe with specificity): <u>Please review and respond with any comments.</u>	
AREAS/ISSUES OF PARTICULAR CONCERN:	
STATUS/RESOLUTION	
DATE/TIME RETURNED: <u>4-28-04</u>	
REVIEWED BY: <u>Allen Mathkins</u>	
ACTION TAKEN:	<input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved with Changes <input type="checkbox"/> Unsatisfactory/Major Revisions
	<input type="checkbox"/> See Attached Memo <input checked="" type="checkbox"/> See Comments in Document <input type="checkbox"/> Additional Information Needed
COMMENTS: <u>Outside Counsel reviewed and negotiated with Fidelity. Several revisions made. Drafts are in the file. Final Trust Agreement signed by Humma.</u>	
DATE/TIME RETURNED:	For Legal Department use only
RETURNED TO:	



Legal Assistance

Legal Review

Issue Review | **Contract Review**

Requesting TM: Grant Donna M

Requesting Department: Z:Legal

Contract Title:

Type: | Originating Department:

Contracting Party: | Effective Date:

Contract Value: | Expiration Date:

Governing Law: | Dispute Resolution:

Subject:

Issues:

Keyword:

Attachment:

ELM Electronic Legal Management v2.0

LEGAL REVIEW | CONTRACTS | LITIGATION | TRAINING | COMPLIANCE | IMMIGRATION | LAW FIRM

Hi Grant Donna M | INBOX | REMINDER | Logout | My page | Option | Notice | Site map | User

LEGAL REVIEW

Home > Legal Review > Request of Legal Service

Legal Review

Status:

total / 1137

No	Type	Status	Subject	Requesting Dept	Legal TM in Charge	Date Submitted	Deadline	Date Answered
1157	CR	Answer Completed		HR	Reed Williams	2014-02-07	2014-02-13	2014-02-07
1156	JR	RLS Assigned		Parts Development	Gil, Ekaterina (Katya)	2014-02-06	2014-02-13	
1155	CR	Answer Completed		Gen. Affairs & Safety	Reed Williams	2014-02-05	2014-02-11	2014-02-05
1154	JR	Answer Completed		Z:Legal	Whitehead Christopher	2014-02-04	2014-02-10	2014-02-06
1153	JR	RLS Assigned		Cost Management	Gil, Ekaterina (Katya)	2014-02-04	2014-02-10	
1152	CR	Answer Completed		Environment / Operators	Gil, Ekaterina (Katya)	2014-02-03	2014-02-10	2014-02-06
1151	CR	Answer Completed		HR	Reed Williams	2014-02-03	2014-02-13	2014-02-07
1150	JR	Answer Completed		HR	Whitehead Christopher	2014-01-31	2014-02-06	2014-02-03
1149	CR	Answer Completed		Public Relations	Gil, Ekaterina (Katya)	2014-01-30	2014-02-05	2014-02-06
1148	JR	Answer Completed		HR	Gil, Ekaterina (Katya)	2014-01-30	2014-02-05	2014-01-30

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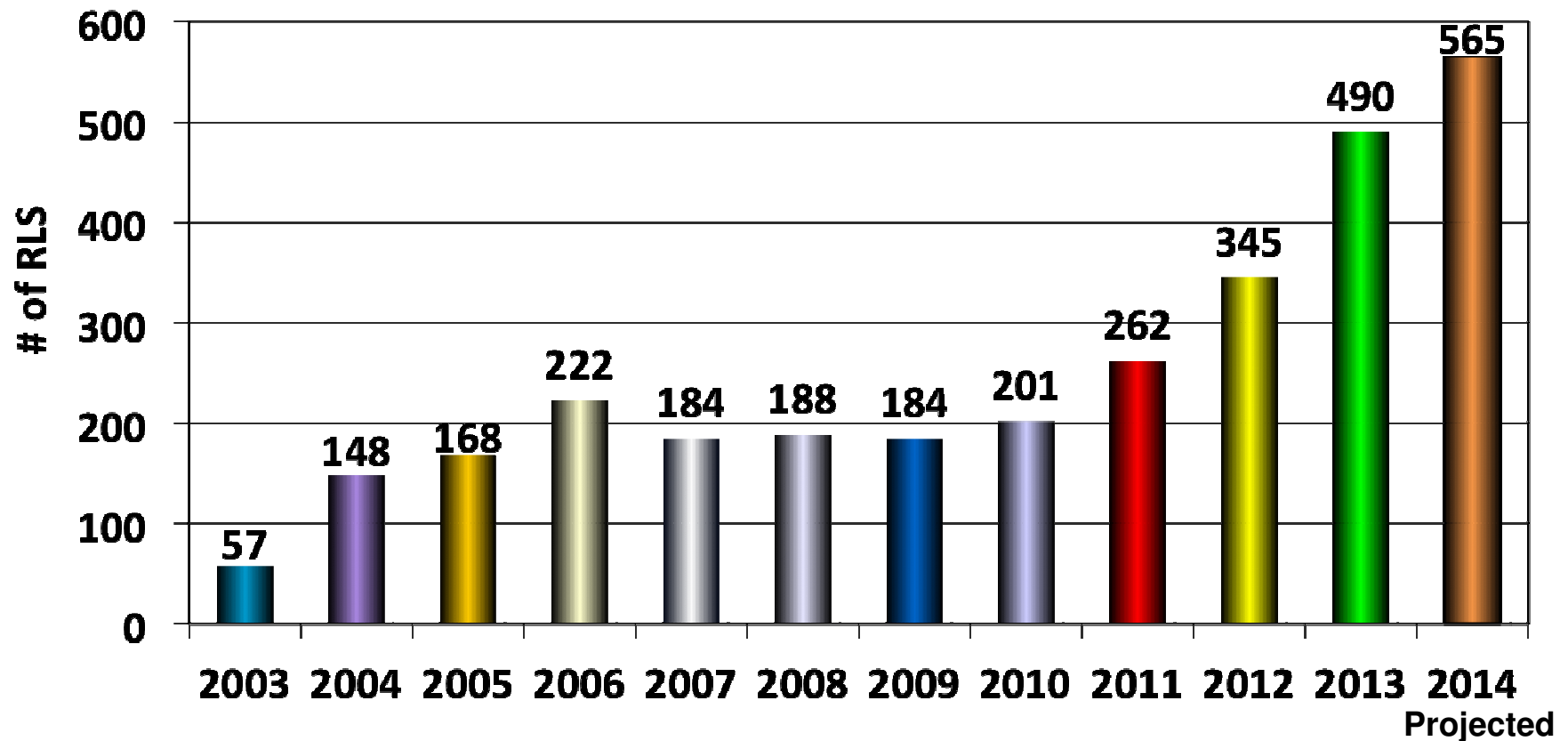
Legal Review Search:

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Value Results: Legal Assistance

History of Requests for Legal Service





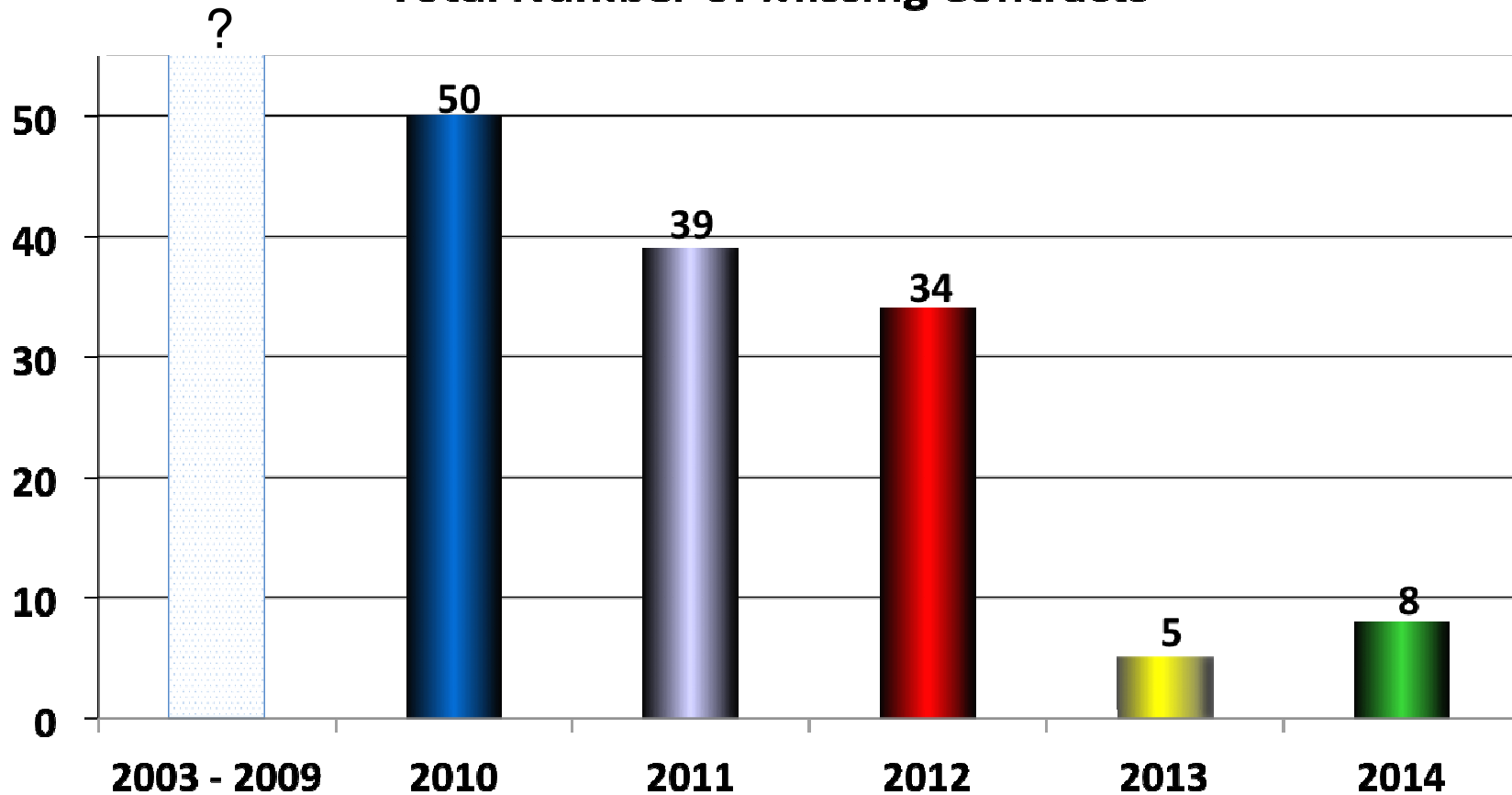
Contract Management

- ELM's contract management system gives the Legal Department the ability to review, store, and search for contracts electronically
- ELM has a contract expiration tracking feature that notifies departments via e-mail the dates when contracts will expire



Value Results: Contracts

Total Number of Missing Contracts






Litigation Management

- ELM consolidates all litigation information electronically for retrieval and review
- The Legal Department uses ELM during monthly litigation status meetings



Litigation Management



Electronic Legal Management v2.0

Hil Grant Donna M | INBOX 0 | REMINDER 0 | Logout | My page | Option | Notice | Site map | User

LEGAL REVIEW
CONTRACTS
LITIGATION
TRAINING
COMPLIANCE
IMMIGRATION
LAW FIRM

Litigation | Dockets | Collection | Legal Hold Management

LITIGATION

- Litigation
- Dockets
- Collection
- Legal Hold Management

- INTERNAL Link

- EXTERNAL Link

Litigation Home > Litigation > Litigation

total / 173

No	Plaintiff	Litigation Type	Jurisdiction	Inside Counsel	Outside Counsel	Status
143		Federal	District of New Jersey	Reed Williams		Closed
142		Worker Compensation	N/A	Chris Whitehead		Closed
141		State	Montgomery County	Reed Williams		Pending
140		State	New Jersey - Bergen County	Reed Williams		Pending
139		State	N/A	Chris Whitehead		Closed
138		State	Caswell County, North Carolina	Reed Williams		Pending
137		Federal	Eastern District of New York	Reed Williams		Anticipated
136		State	N/A	N/A		Closed
135		Worker Compensation	Montgomery County	Chris Whitehead		Pending
134		EEOC Charge	Montgomery County	Chris Whitehead		Pending

« < 1 2 3 4 5 6 7 8 9 10 > »

Litigation Search



Litigation Management

Home > Litigation > Litigation

LITIGATION

- Litigation
- Dockets
- Collection
- Legal Hold Management

Litigation

Case Summary | Matter Status Report | Deadline | Checklist | Budget

Matter Name	[REDACTED]						
Matter Type	EEOC Charge						
Jurisdiction							
Job Assignment	Quality Control - Trim Line Dynamic 2 C						
Inside Counsel	Chris Whitehead						
Outside Counsel	<table><thead><tr><th>Name</th><th>Lawfirm</th><th>Tel</th></tr></thead><tbody><tr><td>[REDACTED]</td><td>[REDACTED]</td><td>[REDACTED]</td></tr></tbody></table>	Name	Lawfirm	Tel	[REDACTED]	[REDACTED]	[REDACTED]
Name	Lawfirm	Tel					
[REDACTED]	[REDACTED]	[REDACTED]					
Judge							
Magistrate Judge							
Summary	[REDACTED]						
Case Status	<u>Update 1/22/14:</u> A response has been requested by 2/13/14, but we'd like to get that extended to 2/28/14.						
Settlement Status							
Insurance	AXIS						
Status of Matter	Pending						
Date Closed							

List > Print Delete Edit



Training

- All training videos are posted on ELM
- Employees can review training at their convenience
- ELM tracks which employees have completed required training



Training

ELM
Electronic Legal Management v2.0

Hi! Grant Donna M
INBOX 0
REMINDER 0
Logout
My page
Option
Notice
Site map
User

LEGAL REVIEW
CONTRACTS
LITIGATION
TRAINING
COMPLIANCE
IMMIGRATION
LAW FIRM

Home > Training > Training

TRAINING

- Training
- Legal Information

Contract Review

Antitrust Training	Duration
1. Intro	1:58
2. Contracts	2:36
3. Contracting Parties	4:36
4. Contract Forms	4:26
5. Finalization	3:08

You must watch the video sections in order. Once one section is completed then the next section will become available to open. Your progress is auto saved periodically during playback. You may close the video, and when you come back to it, you will be returned to the latest saved point. You cannot scan forward during playback, but you can rewind. Rewinding will not hinder your progress and will not move your saved point back to an earlier time. After you have completed all video sections, press the "Complete Training" button so you will receive credit for this training.

Please note that this presentation is an educational tool and is general in nature. It is not intended to be an exhaustive review of applicable laws and regulations and is not intended to provide legal advice. Materials presented in this presentation should not be considered a substitute for actual statutory or regulatory language or case law.

Course Materials

- + Evaluation Form
- > Manuals & Policies
- + Antitrust Manual
- + Business Ethics Policy



Training

ELM Training Results

	Completed User ID	Completed User Name	Completed Department	Completed Position	Completion Date	Incomplete - User ID	Incomplete - User Name	Incomplete - Department	Incomplete - Position
Harassment (KOR)	HMM100641		PC	Material Handling Group Leader	2014/01/24	HMM103892		Engine	Specialist
Harassment (ENG)	HMM100506		GA	Group Leader of Trim	2013/06/26	HMM103893		GA	Specialist
Antitrust Training	HMM100335		Stamp/Weld/Paint/GA	Director - Stamp, Weld, Paint, GA	2013/06/11	HMM103894		Plant Engineering	Specialist
Product Liability	HMM103516		Environment / Operations	Specialist of Plant Engineering	2013/04/01	HMM103895		Welding	Specialist
Vehicle Services	HMM100406		Cost Management	Sr. Manager General Accounting	2013/02/18	HMM103896		Stamping	Specialist
Business Ethics	HMM101856		PC	Specialist	2013/02/13	HMM103864		Welding	Specialist
Contract Review	HMM103648		QC	Specialist of Inspection	2013/02/07	HMM103870		Engine Quality	Specialist
Alabama General Contr:	HMM103283		Stamping	Specialist	2013/02/03	HMM103872		Engine	Specialist
Harassment 2012	HMM103627		Legal	Manager of Legal	2012/05/01	LGL999123		Legal	
Harassment 2012 (KOR)	HMM103667		Legal	Manager Legal	2012/04/18	PR-103566		Public Relations	Manager
HMMA Intellectual Prop	HMM100287		QC	Specialist	2011/12/09	HMM103907		IT	Director or above
	HMM100683		QA	Claim Engineer	2011/12/07	HMM103908		HR	Specialist
	HMM103794		Plant Engineering	General Coordinator of Plant Engineering	2011/11/17	HMM103910		HR	Senior Manager



Key Performance Indicators

- Technology can allow a Legal Department to quickly report various performance indicators to demonstrate value
 - KPI Summary
 - Requests for Legal Services
 - Missing Contracts
 - Litigation
 - Training Hours
 - Outside Counsel Fees

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Questions?



Funnel Approach to Contract Management

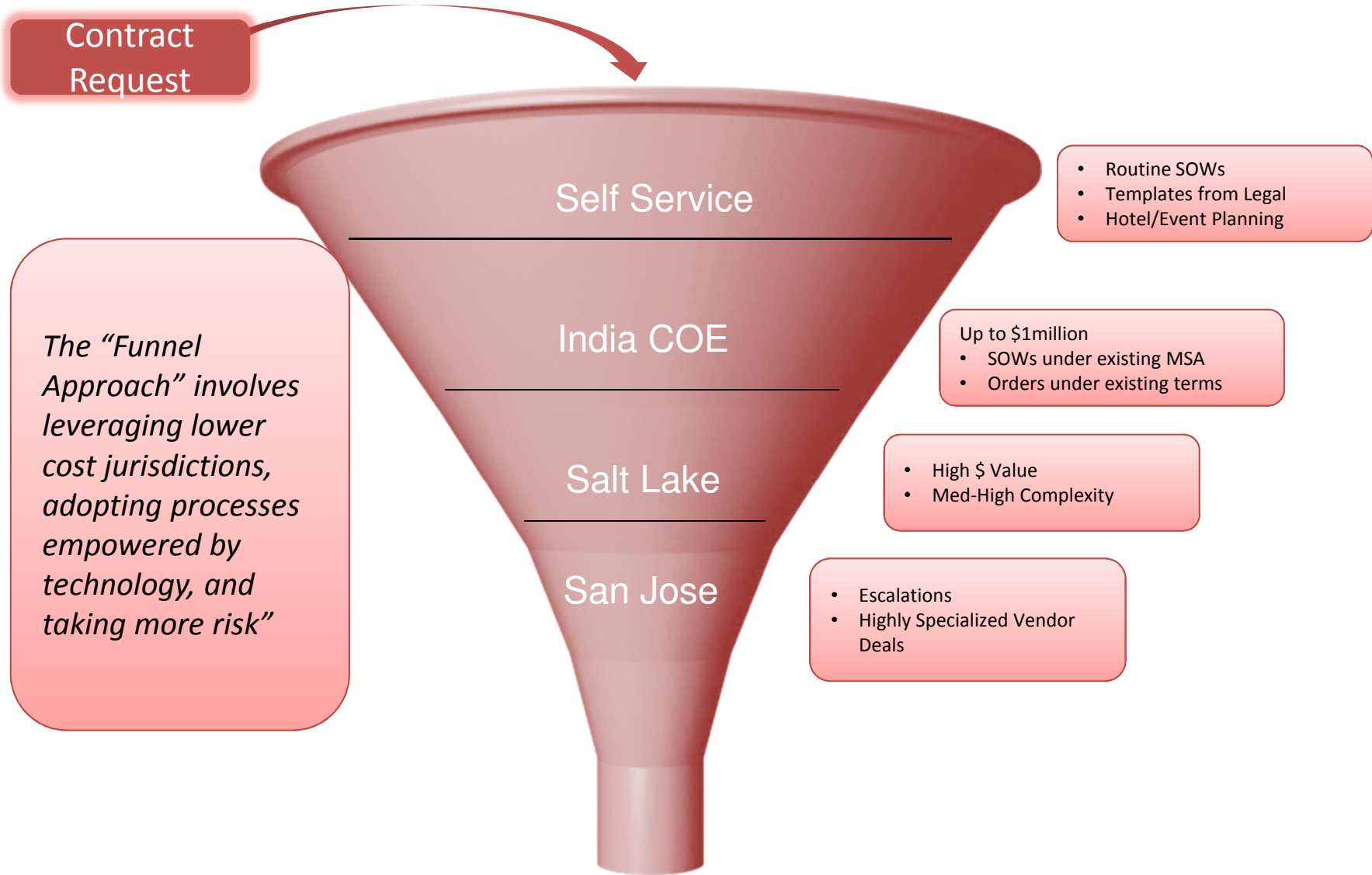
Rafik Bawa

Associate General Counsel

eBay



A “Funnel” Approach to Contract Allocations



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QUESTIONS?



MAKING LEGAL LEAN

ACC VALUE CHAMPION 2014

EMBRAER S.A.

Terena P. Rodrigues
Executive Vice President, General Counsel

EMBRAER: A GLOBAL COMPANY HEADQUARTERED IN BRAZIL



Our Journey: Who we are

Embraer S.A.

(NYSE: ERJ; BM&FBOVESPA: EMBR3)

Our business:

- Commercial Aviation
- Executive Jets
- Defense and Security
- Agricultural Aviation
- Systems (development and integration)
- Customer support and services

Global Presence:

- Brazil, US, France, UK, Portugal, China, UAE, Singapore, Mexico

- More than 5.000 aircraft delivered worldwide

- 19.278 employees worldwide

Legal Department

Embraer's Legal Department:

- 40 employees (32 attorneys)
- Based in Brazil and US
- Support to all business



Our Results

Yesterday

- Annual budget forecast (2009)
32% above forecast
- Compliance Deadline
(legal revision - contract)
2009 – 72%
- Legal Department Turn Around Time
(Contract Negotiation Cycle)
28,6% of the time with Legal
- Standard documents
120 standard documents
- Improved ratio of standard/non-standard
contracts – 39/61 (2012)

Today

- Annual budget forecast (2013)
Reduced to 1,2% below forecast
- Compliance Deadline
(legal revision – contract)
2013 – 98%
- Legal Department Turn Around Time
(Contract Negotiation Cycle)
Reduced to 18,3% of the time with Legal
- Standard Documents
196 documents
- Improved ratio of standard/non-standard
contracts – 45/55 (2013)



P3E - Embraer Entrepreneurial Excellence Program

Based on Lean Philosophy

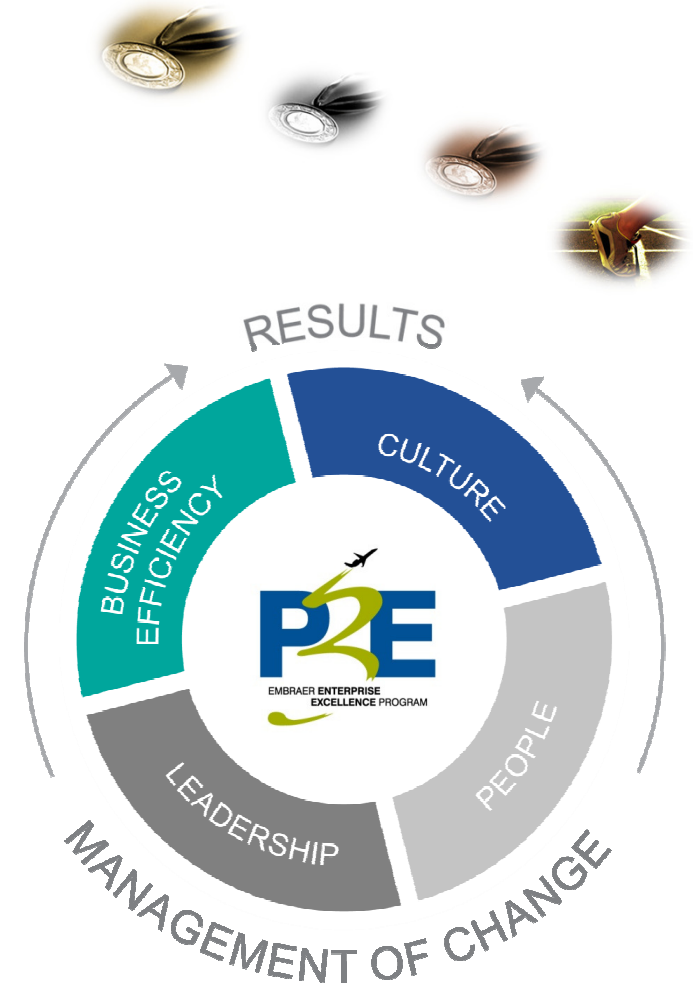
4 PILLARS SUSTAIN P3E

THE DEVELOPMENT OF EMBRAER
ORGANIZATIONAL CULTURE

THE DEVELOPMENT OF THE PEOPLE

THE CONTINUOUS FORMATION OF THE
LEADERSHIP AND THEIR MANAGEMENT SKILLS

THE PURSUIT OF EXCELLENCE AND EFFICIENCY
IN ALL PROCESSES OF THE COMPANY





The Journey: Challenges

- ✓ **Working Without Precedents** - Translating the P3E concepts and requirements originally designed for the production line to an office/legal activity standpoint.
- ✓ **Building Support** – Ensuring engagement and support from the legal team.
- ✓ **Working with little to none additional resources** – Developing tools and procedures for the legal department with existing resources.
- ✓ **Prove to the world you got it** - Showing understanding of requirements and bringing results.



The Journey: Our Strategy

LEGAL

- ✓ **DIVIDE TO CONQUER** – Designated one leader (associate or assistant GC) working with different groups to manage implementation (cross functional teams of lawyers and staff). Technical support from shared company's specialist.
- ✓ **INVOLVEMENT OF ALL MEMBERS** – Disseminated lean and excellence culture within Legal. Added specific P3E objective to each individual action plan.
- ✓ **STONE FROM THE TOP** – Regular reports to Legal's leadership. Full GC support.

OUR CLIENTS

- ✓ **LISTEN (CAREFULLY) TO YOUR CLIENTS (CTQs + MFA)** – Interviewed clients to understand what they identified as critical to the quality of our services. Continuous improvement of metrics. Reevaluated what is important.

TOOLS

- ✓ **KEY PERFORMANCE INDICATOR (KPI)** –What is critical to the quality of the legal services? Defined the key indicators to measure the performance of the most recurrent legal services provided.
- ✓ **VALUE STREAM MAPPING (VSM)** - What are/were the major gaps in the process that are necessary to correct?
- ✓ **KAIZEN** – Used structured tools to redesign existing processes more efficiently



Our Products and Special Projects

- Our Products:**
- Non-Standard Agreements (**APA / ETEP**)
 - Master (**APA / FPY**)
 - Legal Opinion (**APA / FPY**)
 - Litigation (**APA**)
 - Corporate Documents– Power of Attorney + Minutes (**APAp / APAa**)
-
- **Engagement and relationship with law firms - reduction of 10% in legal expenditure**
 - ✓ standard engagement procedures
 - ✓ legal opinion database
 - ✓ law firm database

 - **Lessons Learned (Litigation) - 100% of all unfavorable court decisions generate improvements to internal processes**
 - ✓ communicating with our internal clients more effectively and avoiding future legal costs

 - **Standard Contract Forms and Negotiations (Master / Non-Standard Agreements) - reduction of 30% in cycle-time in contract negotiation**
 - ✓ web-based system that allows Legal and clients to work together through all stages of a contract (USD 400,000 cost of updating the system)
 - ✓ simplify standard forms and improved instructions to clients reducing attorney-hour

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FOR THE JOURNEY |  **EMBRAER**

EMBRAER'S LEGAL DEPARTMENT

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Questions?