

How to Create Sound Legal Service Relationships - Orientation Meetings, Annual Updates & Beyond

Sound legal service relationships enhance the value of legal services for the corporate client. Creating and nurturing these legal service relationships depends upon mutual understanding and trust between the client and counsel, which in turn requires good communications.

This How-To summarizes some steps that in-house and external counsel can take in setting the tone to establish sustainable relationships. ACC's How-tos are always evolving; we welcome your ideas and input on additional discussion items to consider as part of a meaningful orientation meeting; please send them to us at accvaluechallenge@acc.com.

The importance of understanding each other

To set a strong foundation for sustainable legal service relationships, law departments and law firms should consider initiating discussions early on to ensure that they have aligned goals and objectives. This communication need not relate to any specific case for which the company has retained outside counsel or other particular matter on which the inside and outside attorneys work together. Rather, it relates to their relationship and how they expect to work together.

By investing time and effort up front, law departments and law firms can realize the following benefits:

- More open communication
- A stronger sense of shared understanding of the client's needs and goals
- A relationship that is better able to respond to and overcome unexpected developments because the parties have the trust in and understanding of each other sufficient to permit them to address the heart of the hurdle to be overcome without bogging down in extraneous issues
- A more effective sense of teamwork and more efficient working relationships among the members of the legal team (inside and outside)
- A heightened, shared sense of investment in achieving the client's goals
- A clearer, common understanding of their respective roles in achieving the client's goals

Start off on the right foot- consider an ‘orientation meeting’

The most important communication about a relationship occurs at its commencement. There is no better time for the attorneys to set out for each other their respective needs and expectations for their working relationship. Miscommunications and misunderstandings that arise at the start can only become more deleterious as time goes on without more significant corrective measures being taken at greater cost to the relationship – and the client’s goals and budget - than would have been needed at the start.

For that reason, when establishing a new relationship, take time to assess the ways in which the members of the law department expect to work with their outside counterparts. Though some of that might be established in documents such as a retention agreement or letter or a set of guidelines, much detail in that format would weigh down the documents considerably. Accordingly, a face-to-face ‘orientation’ meeting (even if conducted remotely with the assistance of technology like teleconferencing to reduce costs) can help establish the relationship on the proper footing.

Some key things to consider in planning the orientation meeting include:

- **Participants-** consider key players both within the *law department* and within the *law firm*, including relationship managers, key lawyers who will be on point for the legal services, and other key players who will touch the service relationship; also consider whether including *key business clients* to provide an overview of the client’s strategic business goals and help enhance the law firm’s understanding of client goals and objectives
- **Format; time-** an initial orientation meeting might range from 2 hours to half a day; the goals are to engage in constructive, meaningful dialogue, to enhance mutual understanding of client goals and objectives and key relationship expectations and to set the tone for the relationship
- **Agenda-** create an agenda and send it out in advance to help keep discussions on track; consider circulating a draft agenda and solicit input so that both sides have an opportunity to list issues important to them to cover in the orientation session

Prepare an appropriate agenda

What issues should you address? While specific ‘tee-up’ discussion issues may vary from company to company (and perhaps even from law firm to law firm), consider including the following relationship issues on the agenda for the kickoff meeting:

Defining the relationship, success and expectations:

- **Establishing trust**- how to establish trust on both sides of the relationship
- **Understanding the client's needs and goals**- how to assure that the outside lawyers fully understand the client and its needs and are able to efficiently represent its interests
- **Training**-how best to train more-junior lawyers on the client's matters without increasing costs inappropriately
- **Budget management**-how to budget the client's matters more effectively and to better manage staffing of its work
- **Relationship; staffing**- how to institutionalize the relationship effectively in order to eliminate the risk of deterioration in the event of one or more attorneys' departures
- **Defining success**- what do "success" and "value" mean for the client and what are its desired results
- **Communications expectations**- how often, in what form, to whom
- **Establish common terms** – what does the client mean by "win"? how much importance does the client ascribe to budgetary certainty? does the client use any idiosyncratic terms on account of its industry or business operations that the lawyers should know and take into account in their representation of it?
- **Evaluating progress** - how to evaluate progress and performance on the matters entrusted to the outside lawyers
- **Identifying improvement opportunities**- timing and mechanism for identifying lessons learned to help improve practices going forward; how to create a culture and attitude of constantly seeking improvements to the relationship and methods of working together

Enhancing understanding of the client's business:

Discussion items might include:

- **Sources of company information** (relevant repositories and corporate officers and departments)
- **Substantive policies** adopted by the company relevant to the work
- **Corporate structure**, with roles and responsibilities delineated
- **Policies relative to the outside counsel's relationships with the company** (*e.g.*, policy on waiver of conflicts of interest)
- **Administrative approaches or management techniques** expected of the attorneys by corporate management (*e.g.*, budgeting, reporting, etc.)
- **The role of business units' personnel** in the legal matters and communications with the in-house and outside lawyers

Sharing Law Firm Expertise and Experience- During this portion of the agenda, invite outside counsel to share its perspectives and experience from working with other clients:

- What types of arrangements were most successful?
- What types of practices led to the best alignment?
- What learnings can be leveraged in structuring the current relationship?
- What are the pitfalls to try to avoid?

Other Discussion Items?

Keep it going; review and improve

Once the relationship is in place, review its effectiveness periodically.

- **Assess performance against definitions of success and performance criteria** outlined during the initial orientation session (or, if developed during the course of the relationship, based on those criteria developed in conjunction with or communicated to and agreed to by the law firm).
- **Communicate the results** of the assessment; over time, discuss historical comparisons and trends.
- **Adjust based on lessons learned** and/or new, unanticipated circumstances in both the legal and business environments.
- **Communicate any changes in expectations** so that all involved have a clear understanding of goals and objectives.
- **Involve business unit representatives** because they can contribute to discussion of business goals and gain greater appreciation for the attorneys' role in achieving those goals. They can also reinforce to outside counsel the company's goals in securing greater value in its legal service and the need for efficiency in that regard.
- **Share success stories-** within your law department, with other law firms to leverage knowledge, with ACC so we may share them with others (contact us at accvaluechallenge@acc.com)