



Wednesday, October 3, 2012

11:00 AM - 12:30 PM

109 – Metrics that Matter

Gary Chadick

Senior Vice President, General Counsel & Secretary
Rockwell Collins, Inc.

Lisa Damon

National Chair, Labor & Employment Department
Seyfarth Shaw LLP

Kenneth Grady

General Counsel and Secretary
Wolverine Worldwide, Inc.

Gary Nelson

VP of Legal Operations
Medtronic, Inc.

Faculty Biographies

Gary Chadick

Gary R. Chadick is senior vice president, general counsel and secretary for Rockwell Collins. Additionally, he is a corporate officer of Rockwell Collins. He is responsible for the services provided by the office of the general counsel, which includes providing legal services and advice, overseeing the ethics and ombudsman programs as well as the company's anti-bribery compliance activities, and providing export and import compliance services and advice. Additionally, he works with the company's board of directors and management to implement good corporate governance practices.

Previously, Mr. Chadick served as assistant general counsel, operations, for Litton Industries in Woodland Hills, CA. Prior to that position, he was group counsel of Litton's advanced electronics systems group. Before joining Litton, he was in private practice at the law firm of McKenna & Cuneo in Los Angeles specializing in government contracts litigation and claims.

Mr. Chadick is also a member of the American Bar Association, the Association of Corporate Counsel, the Iowa State Bar Association, the Society of Corporate Secretaries and Governance Professionals and the Aerospace General Counsels' Group. He serves on the board of directors of the United Way of East Central Iowa and chairs their Strategic Planning Committee.

A native of Syosset, N.Y., Mr. Chadick earned a BA, cum laude, from Union College in Schenectady, N.Y. He earned his law degree from the George Washington University National Law Center in Washington, D.C.

Lisa Damon

Lisa J. Damon serves on Seyfarth Shaw's executive, administrative and compensation committees, and also has executive oversight of the firm's SeyfarthLean initiative. SeyfarthLean is a systematic way of applying empirical models, such as Lean Six Sigma, with various knowledge and project management tools to create efficiencies and lower costs for the firm's clients. Her vision and guidance have been highly instrumental in adapting SeyfarthLean's core principles of delivering client value, collaboration and efficiency to all firm departments and practice groups. Ms. Damon, a certified GreenBelt, leads teams of lawyers and staff throughout Seyfarth to bring SeyfarthLean to our clients across a broad platform of legal services such as real estate, litigation, employment, benefits and corporate transactions.

Under Ms. Damon's leadership, SeyfarthLean has gained significant attention and she is regularly asked by high profile organizations, such as the Association of Corporate Counsel, to share best practices and other knowledge at nationally sponsored seminars

and conferences. Ms. Damon was featured as one of the ten most innovative attorneys in the country in a recent story published by the *ABA Journal*, "Legal Rebels: Big Change in Big Law." In June 2012, Ms. Damon and Seyfarth were named ACC Value Champions for achievements in applying value-based management approaches to the delivery of legal services. In February 2012, Ms. Damon was named Employment Lawyer of the Year at the inaugural Chambers USA Women in Law Awards.

Ms. Damon is the National Chair of Seyfarth Shaw's 350 attorney labor and employment department.

Kenneth Grady

Kenneth A. Grady is the retired general counsel and secretary for Wolverine World Wide, Inc., a NYSE listed global marketer, wholesaler and retailer of footwear and apparel. Mr. Grady currently is the deputy general counsel, transitioning his responsibilities to the new general counsel. In 2011, the *Financial Times* recognized Wolverine Worldwide's legal department for its leadership in in-house counsel/outside counsel relationships.

Mr. Grady also has experience as a general counsel, in-house counsel or senior executive with PC Connection, Inc., KB Toys, Inc., Payless ShoeSource, Inc. (now part of Collective Brands, Inc.) and HNI Corporation. His management experience includes vice president and general manager of a "lean" manufacturing and distribution facility, and he has more than 1,500 hours of lean implementation experience.

Prior to his in-house positions, Mr. Grady was a partner in McDermott, Will & Emery. He has a BA, summa cum laude, from Drake University; a master of management degree from Northwestern University's Kellogg School of Management where he was an F.C. Austin Scholar; a JD from Northwestern University's School of Law where he was the coordinating executive editor of the *Journal of International Law & Business* and a recipient of the Lowden-Wigmore Prize, and has completed graduate level studies in psychology.


Mr. Grady speaks on a variety of issues regarding the relationship between corporate clients and law firms and is a member of the Association of Corporate Counsel's Board of Directors, Advocacy Committee and Value Challenge Steering Committee.

Gary Nelson

Gary Nelson is vice president, legal operations and risk management for Medtronic, Inc. Mr. Nelson provides support to Medtronic's global legal operations in the areas of financial management and reporting, process improvement and information technology. His objectives in these areas are to develop better transparency, improved efficiency and lower costs for the legal function. Other responsibilities include managing Medtronic's

global risk management and insurance program, which covers insurance operations, business continuity management, environmental management, and employee health and safety.

Prior to joining Medtronic, his work experience included a variety of positions in finance and risk management with Bull HN Information Systems, Honeywell, and General Electric. Mr. Nelson holds a BS in business administration from the University of Minnesota, an Associate in risk management (ARM) designation, and he serves on the board of the Minnesota Workers' Compensation Reinsurance Association.




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Metrics that Matter

Gary Chadick, General Counsel, Rockwell Collins
Ken Grady, Deputy General Counsel, Wolverine
Lisa Damon, Seyfarth Shaw



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


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Today

- Open up some new thinking for you about metrics
- Share examples of “Metrics that Matter (MTM) in Action” from innovative in-house counsel
- Get you to do some ‘on your feet’ thinking with your colleagues
- Provide you some hands-on tools to put into action back at the office.








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Our panelists


- **Gary Chadick, Rockwell Collins** -- Case study highlights:
Metrics that matter with internal-external teams
- **Ken Grady/Lisa Damon** -- Case study highlights -- Wolverine:
Metrics that matter in portfolio management
- **(tentative) Gary Nelson, Medtronic** -- Case study highlights:
Metrics that matter to executive management

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What you'll learn from our panel

- *What makes a metric a "Metric that Matters"*
- *What MTM's you can use to best manage costs, improve quality of non-financial results*
- *How to get data you need from inside and outside your organization*
- *How MTM can help you engage/ lead teams*
- *How you can use metrics that matter to strengthen your department's position as a strategic business partner*




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Rockwell Collins' Law Group:

Re-engineered Its Processes For
Engaging Outside Counsel And
Achieving Great Results



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Introduction To The Law Group Lean Project

- Using Lean ElectronicsSM And Six Sigma Principles
 - Value Stream Mapping
 - DMAIC Methodology (Define, Measure, Analyze, Improve and Control)
 - o Voice Of The Client In The Measure Phase
 - o Force Field Analysis In The Control Phase And After The Pilot
- Re-engineered Our Processes For
 - Selecting, Engaging, Managing And Evaluating Outside Counsel
 - Including Developing New Processes For:
 - o Moving Away From Only Using The Hourly Rate Approach (Such As Success and Fixed Fee Arrangements)
 - o Requesting Competitive Proposals
 - o Having Lessons Learned Discussions

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Why We Embarked On This Journey

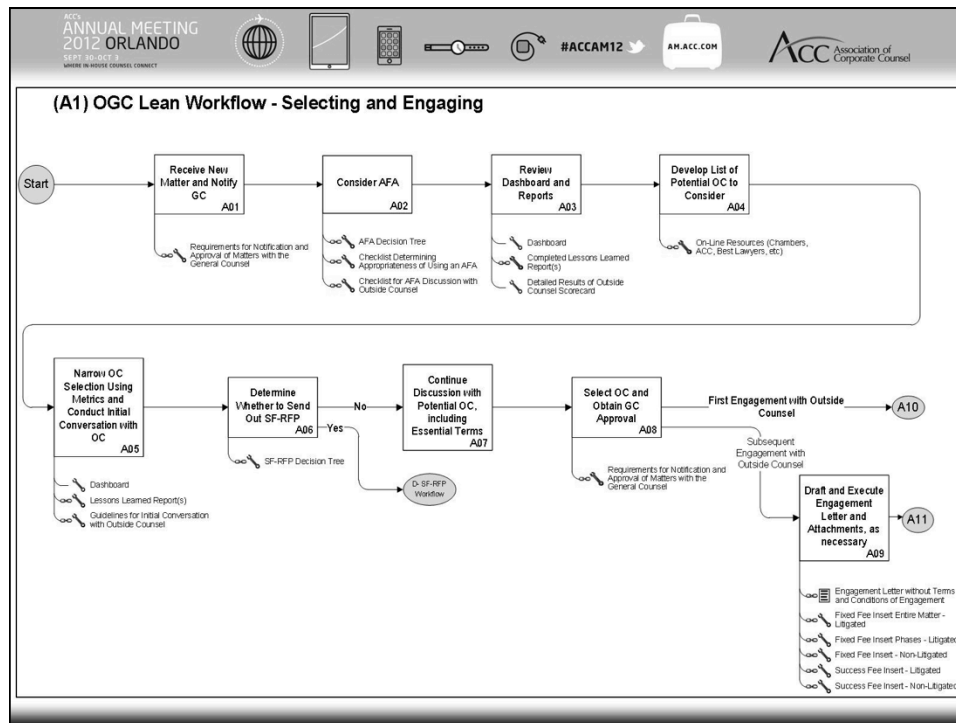
- 2010 Voice Of Employee Survey – Lean Not Visible
 - Only 52% Agreed That RC Does A Good Job Of Improving Efficiencies (i.e., Reducing Waste, Streamlining Processes)
- CEO Lean Renewal Imperative (FY11)
- Invited A Law Firm Partner To Speak About Her Firm’s Project
 - Used Six Sigma Tools To Re-engineer Their Processes
- I Saw Opportunity To Improve Our Processes And The Way We Engage With Outside Counsel

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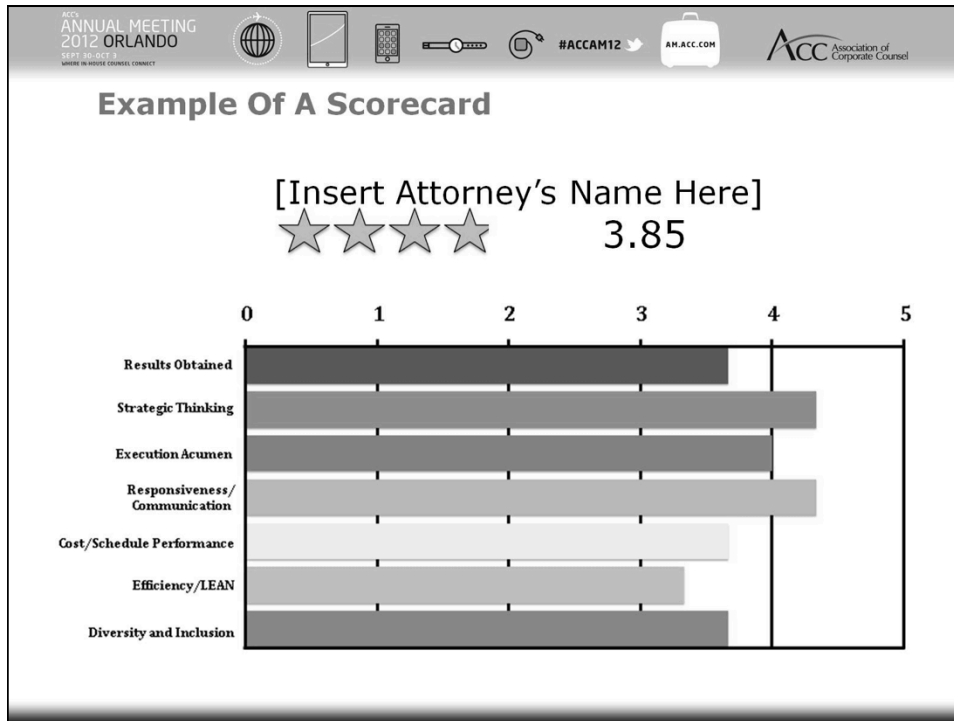
What We Accomplished

- Created New Process For Selecting, Engaging And Managing Outside Counsel
 - Selecting:
 - Identified On-Line Resources Of Potential Counsel
 - Created Templates For Lessons Learned Reports/Outside Counsel Scorecards
 - Engaging:
 - Developed Alternative Fee Arrangement (AFA) And Request For Proposal (RFP) Templates And Checklists
 - o i.e., Success Fee (15% Discount And 20% Holdback)
 - o RFPs – Competitions Drive Prices Down
 - Created Guidelines For Initial Conversation
 - Managing:
 - Purchased e-Billing Software



What We Accomplished – Evaluating Outside Counsel

- Created Workflow For Evaluating Outside Counsel
 - Lessons Learned Session With Outside Counsel
 - o Developed Guidelines For Lessons Learned Discussion And Report
 - o Broadened To Include OGC Performance And BU/SS Processes/Training
 - o In FY11, We Prepared 37 Lessons Learned Reports
 - Twofold Purpose Of Lessons Learned Reports:
 - o Capture Areas For Sustainment And Improvement
 - o Utilize For Future Selection Processes
 - Scorecard: Measures Our Satisfaction Level
 - o Results, Strategic Thinking, Execution Acumen, Responsiveness, Cost/Schedule, Efficiency And Diversity/Inclusion
 - o In FY11, We Prepared 46 Scorecards




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Achieving Great Success

- Achieving Excellent Results While Controlling Costs
- Not Paying For Inefficiency/Waste
- Savings of \$598,000 Over 10 Months Using AFAs = > 17%
- Success Fee Arrangements
 - Greater Clarity About What Constitutes "Success"
- Lessons Learned
 - Helps Outside Counsel Know How We Evaluate Their Performance

Overall Relationships With Our Outside Counsel Have Strengthened




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Metrics – As Of July 31, 2012

- Percentage Of Annual Spend On Outside Counsel Using Alternative Fee Arrangements
 - 58% (or \$3.4M out of \$5.9M) Spent Using AFAs in FY12
- Dollars Saved Using AFAs in FY12
 - \$598,000 Saved On \$3.4 Million (17.4%)








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Wolverine World Wide: Driving Efficiency in Global TM Portfolio


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The story at a glance

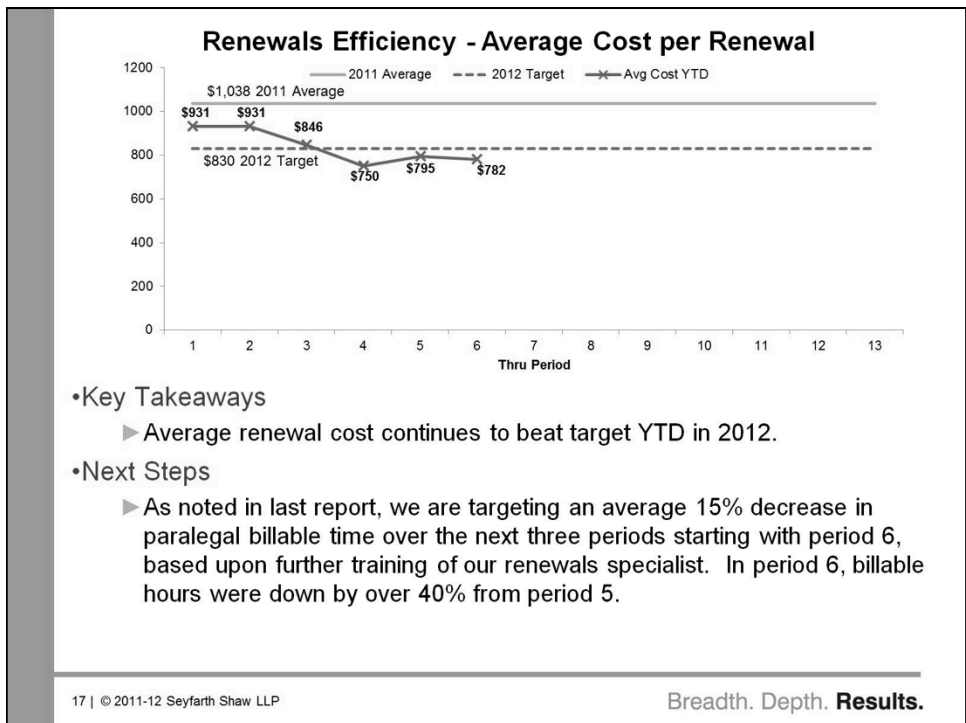
- 4,000 marks, 800 domain names, 190 countries
- Wanted Lean approach to help drive consistency, quality, efficiency, lower cost
- Program now in Year 2
- 9 metrics for performance, 5 of which influence firm compensation
- Alt fee structure for portfolio, not per matter
- Efficiency improvements of 15-20%

Trademark Prosecution Productivity in Hours Per Matter

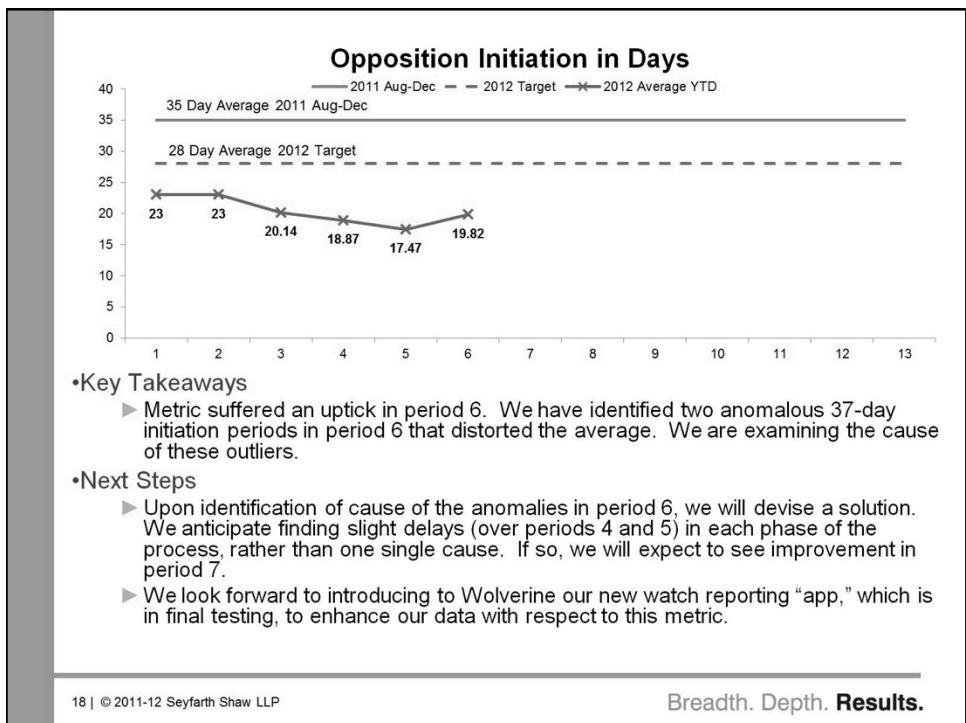
Period	Hours Per Matters Worked On
1	0.22
2	0.20
3	0.26
4	0.28
5	0.26
6	0.16

- Key Takeaways
 - ▶ Metric average YTD is below 2012 target.
 - ▶ Following upticks in periods 3, 4, and 5, we succeeded in significantly enhancing prosecution productivity in period 6.
- Next Steps
 - ▶ We will analyze the effect of our modified filing process in period 7 to confirm reduction of billable hours spent on new filings with the new process.

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Discussion

- “My favorite metric”
- Why it matters most

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Scenario

(Additional fact pattern info to be provided in a 1-page handout.)

- Welcome to the ABC Company legal team. Your CEO is concerned with:
 - IP concerns from recent multi-national M&A transactions
 - Fallout on employment issues from recent high-profile class-action exposure
 - Franchise operations (from global expansion and domestic reduction) that have generated numerous real estate issues
- The CFO (who always raises the bar the same time the CEO does) seeks material improvement from selected admin functions.
- Board meeting coming up in 60 days.
- You need to have a short-term plan, with longer-term continuous improvement.
- The key challenge here is to define how to benchmark and measure success.

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Table exercise

- Identify 3 “metrics that matter” that you will use to demonstrate progress and/or challenges.
- In the spirit of transparency, these 3 metrics that you will share with the board must also be shared with your internal clients, law team, law firms.
- Factor in how you will collect data.
- Report out from facilitators.

Metrics that Matter
Wednesday, 10/3
11a to 12:30p

Session description:

The mounting popularity of value-based billing arrangements in a community that, until recently, was wed to the billable hour, is changing the way we approach the practice of law. No longer are in-house law departments subject to the command of outside law-firms' hourly rates. As buying power continues to shift, in-house practitioners must define and standardize the measures they use to analyze their engagements. You'll need to consider which metrics align your external law firms with your law department, and ultimately, your organization's corporate strategic goals (e.g., profitability, etc.). You'll need to look at the picture through a different lens and importantly, one that is more transparent than ever. This session will examine today's most meaningful metrics and give you the tools to determine which metrics matter most for you and your organization.

Time	Length	Topic	Key points	Leader
11:00	<i>10 min</i>	Welcome, intro	<p><i>Intro -- What we want to accomplish today:</i></p> <ul style="list-style-type: none"> • Open up some new thinking for you about metrics • Share examples of "Metrics that Matter (MTM) in Action" from innovative in-house counsel • Get you to do some 'on your feet' thinking with your colleagues • Provide you some hands-on tools to help you take what you learn here and put it into action back at the office. (TBD) 	Lisa
11:10	<i>40 min</i>	Case studies	<p><i>To be covered in this segment by moderator/panelists:</i></p> <ul style="list-style-type: none"> • <i>What makes a metric a "Metric that</i> 	Lisa moderates with Gary C., Gary N. (tentative), Darden panelist (tentative)

Matters”?

- *What MTM’s you can use to best manage costs, improve quality of non-financial results*
- *How to get data you need from inside and outside your organization*
- *How MTM can help you engage/ lead teams; how you can use metrics that matter to strengthen your department’s position as a strategic business partner*

Gary Chadick, Rockwell Collins -- Case study highlights: Metrics that matter with internal-external teams

Gary Nelson, Medtronic -- Case study highlights: Metrics that matter to executive management

Lisa (for Ken Grady, Wolverine) -- Case study highlights: Metrics that matter in portfolio management

Panelist from Darden -- TBD

Panelists conclude with “My favorite metric” and why it matters most to them and their organization

11:50	<i>10 min</i>	Overview of exercise/fact pattern	Everyone in the room is on the ABC Company legal team. CEO is concerned with one or all of these, somehow related to portfolio management: IP concerns from recent multi-national M&A transactions, fallout on employment issues from recent high-profile class-action	Lisa
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exposure; franchise operations (global expansion; domestic reduction) have generated oodles of real estate issues.

The CFO, who always raises the bar the same time the CEO does, seeks material improvement from selected admin functions. Board meeting coming up in 60 days. You need to have a short-term plan, with longer-term continuous improvement. The key challenge here is to define you will benchmark and measure success.

12:00 noon	<i>20 min</i>	Table exercise	Identify 3 "metrics that matter" that you will use to demonstrate progress and/or challenges. In the spirit of transparency, these 3 metrics that you will share with the board must also be shared with your internal clients, law team, law firms. Factor in how you will collect data.	Panelists and Seyfarth partners facilitate
12:20	<i>10 min</i>	Facilitator report-out; conclusion	Impressions from facilitators. Highlight what they've heard at tables.	