



Tuesday, October 21
11:00 am-12:30 pm

502 Good to Excellent: Managing and Maintaining a Successful Law Department

John Morrow

Senior Vice President, Corporate Development, and General Counsel
Vertafore, Inc.

Jeffrey Shelby

Vice President and General Counsel
Varolii Corporation

Charles A. Volkert III

Executive Director
Robert Half Legal

Faculty Biographies

John Morrow

John Morrow joined Vertafore as senior vice president and general counsel. Mr. Morrow is responsible for legal matters involving Vertafore and its business units, and is also responsible for leading execution of acquisition and financing transactions. Vertafore is the leading provider of specialized software, services and information for the insurance industry backed by Hellman & Friedman and JMI Equity, two leading private equity firms.

Prior to joining Vertafore, Mr. Morrow was a partner with Heller Ehrman LLP, a major international law firm, where he represented public and private technology companies in mergers and acquisitions, securities offerings, licensing and strategic partnership transactions, corporate governance, and general business matters. He joined the firm as a result of its merger with Venture Law Group, a leading Silicon Valley-based law firm focused on representing technology companies. Prior to joining Venture Law Group, Mr. Morrow was an associate in the Cleveland office of Baker & Hostetler LLP.

Mr. Morrow is a member of the Washington State Bar, the ABA, and ACC.

He earned a bachelor's degree from DePauw University and a JD, magna cum laude, from the University of Notre Dame Law School.

Jeffrey Shelby

Jeffrey Shelby is the vice president and general counsel of Varolii Corporation, a 350 plus employee company headquartered in Seattle that provides on-demand communications software and services.

Prior to joining Varolii, Mr. Shelby had a corporate, securities and mergers, and acquisition practice at Heller Ehrman LLP, an international law firm, and Cooley Godward LLP, a national law firm. Prior to law school, Mr. Shelby served in several roles in aircraft operations management at United Airlines, Inc. Mr. Shelby began his career with seven years of service in the US Army.

Mr. Shelby is a member of the Washington State Bar and the ABA.

He holds a BS from Embry-Riddle University, an MBA from San Francisco State University, and a JD from the University of Washington.

Charles A. Volkert III

Charles Volkert is executive director for Robert Half Legal, the premier provider of experienced project and full-time professionals for law firms and corporate legal departments.

Mr. Volkert began his staffing industry career when he joined the company and previously served as vice president of national accounts where he was instrumental in the Eastern zone expansion of Robert Half Legal, which has locations in major markets throughout the United States and Canada. Prior to his employment with Robert Half Legal, Mr. Volkert was with McGrane & Nosich in Coral Gables, Florida and Ford & Sinclair in Miami, Florida.

Mr. Volkert is also a noted author and speaker on employment trends, job search, and career management strategies. He is a member of the Florida Bar, the Dade County Bar Association, and the ABA.

Mr. Volkert is a graduate of the University of Miami School of Law where he received his JD. He also holds a BA from Furman University.



Challenges Facing Today's Law Departments

Law departments continue to face unique challenges:

- New regulations introduced = a longer, more complex list of requirements that businesses must meet
- Competitive pressures requiring quick responses
- Globalization
- Staffing (internal and outside counsel)
- Budget restraints; cost reductions



Legal Teams in a Heightened Regulatory Environment

- As new laws and regulatory programs continue to be introduced, the list of requirements and rules that businesses must satisfy becomes lengthier and more complex
- In addition to complying with corporate, securities, employment, IP protection and other laws, legal departments must cope with new (and new interpretations of) rules, regulations and new cases
- Security and privacy issues are now increasingly added to the mix
- As a result, compliance is becoming more complex and can consume a huge share of in-house counsel's attention, time and resources



Legal Department Management -- from Good to Excellent

We'll discuss:

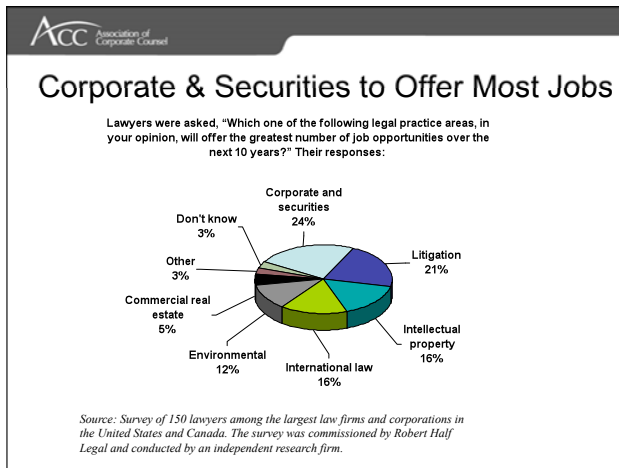
- Legal teams in a heightened regulatory environment
- Making the most of your expanding role
- Globalization and the dangers of 'silos'
- Strategies for maximizing staff performance
 - Managing change
 - Assessing staffing needs
 - Recruitment and retention methods
 - Succession planning
- Management and customer service opportunities
- Managing outside counsel to reduce costs, maximize efficiency



Legal Teams in a Heightened Regulatory Environment (cont.)

Law departments are reacting to these additional compliance burdens by:

- Establishing separate compliance departments
- Hiring Director of Security, Chief Security Officer or Chief Privacy Officer
- Developing more policies and procedures
- Separating ethics & whistle-blower related activities from legal department



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Globalization; the Dangers of 'Silos'

In an era of globalization, in-house counsel should:

- Provide not only strategic advice, legal guidance and accurate risk assessment, but also evaluate issues of IP, corporate governance and risk in multiple countries and diverse legal systems around the world
- Possess extensive, comprehensive legal knowledge and be able to monitor and evaluate the significance of political and economic developments in every market where the company operates

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Making the Most of Your Expanding Role

Today's GC:

- Develops relationships with senior management
- Wears many hats – legal advisor to the board of directors and chief executive officer, knowledgeable interpreter of regulations and statutes, risk-assessment expert, visionary and manager of outside counsel
- Is a generalist in an era of specialization
- Must balance new and delicate roles of independence in trying to advise management and the board of directors concurrently
- Must not only be a legal expert but also a skilled risk manager who understands the needs of a variety of stakeholders (customers, business partners, governments, employees and shareholders) and can think globally

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Globalization; the Dangers of 'Silos' (cont.)

In an era of globalization, in-house counsel should:

- Extend the concept of team-based management to serve offices in a variety of locations and jurisdictions. This presents significant challenges, not only in terms of staffing but also integrating cultural differences:
 - In Europe, in-house counsel are functional experts, not business partners or strategic advisers, as they have become in the United States
 - Other key issues include degree of centralization, appropriate reporting lines, the allocation of responsibilities (e.g., by practice group or geographic location) and the level of resources (personnel and financial) available to create a geographically dispersed legal team

Managing Teams in Multiple Areas

- As the role of corporate counsel continues to evolve, the structure and staffing of corporate legal departments is changing
- Many departments have found it easier to serve internal clients by decentralizing -- assigning staff attorneys to specific business units at a company's individual offices rather than based in one office at corporate headquarters
- Other examples:
 - Vertafore: 1100 employees in 14 locations with five separate business units minimizing the use of junior associates on matters
 - ShopKo: Legal department uses a combination of functional and business unit assignments to serve to the company's 350 retail stores in 23 states
 - Great-West: Five-lawyer legal department is structured so that clients can quickly locate the appropriate lawyer to handle their legal matters. Each lawyer is assigned to a specific area -- HR matters, compliance issues, contract drafting, etc. This makes their services more accessible to internal clients
 - McDonald's: Implemented a different structural model to serve the company's locations in 110 different countries. They adopted a double matrix system in which attorneys may be based anywhere in the world but specialize in specific areas of the law, such as franchising, intellectual property, marketing, litigation or antitrust
 - Ernst & Young: Legal department is divided into two major groups -- litigation and transactional law. Attorneys within each practice group interact extensively with clients and are familiar not only with specific transactions but also more general concerns to the growth of the business

Increased Workloads Greatest Challenge for Law Departments

Lawyers were asked, "Of the following, which would you say is your legal department's single greatest business challenge today?" Their responses:

Challenge	Percentage
Increased workloads	34%
Compliance or regulation issues	28%
Controlling litigation or outside counsel costs	24%
Budget restrictions	7%
Employment issues such as hiring, retention or maintaining morale	6%
Other/don't know	1%

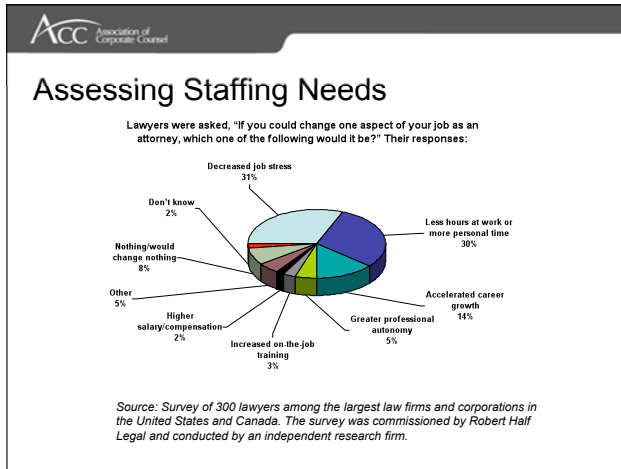
Source: Survey of 150 lawyers among the largest law firms and corporations in the United States and Canada. The survey was commissioned by Robert Half Legal and conducted by an independent research firm.

Strategies for Maximizing Staff Performance

- Managing change
- Assessing staffing needs
- Recruitment and retention methods
- Succession planning

Managing Change

- To remain competitive and acquire new customers, companies must evolve
- The process of change frequently includes potential disruptions that can be mitigated with proper planning and smart communication
- By clearly defining roles and staffing strategically, in-house attorneys can help their teams not only survive times of change but also prepare for future growth and new opportunities
- Managing attorneys should:
 - Communicate effectively
 - Set a positive example
 - Help staff find solutions
 - Define new roles
 - Emphasize core values
 - Staff strategically
 - Consider hiring legal project professionals



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Succession Planning

- Fifty-three percent of attorneys polled in a survey by Robert Half Legal said their law firm or legal department does not have a formal succession plan in place for key positions

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Recruitment and Retention Methods

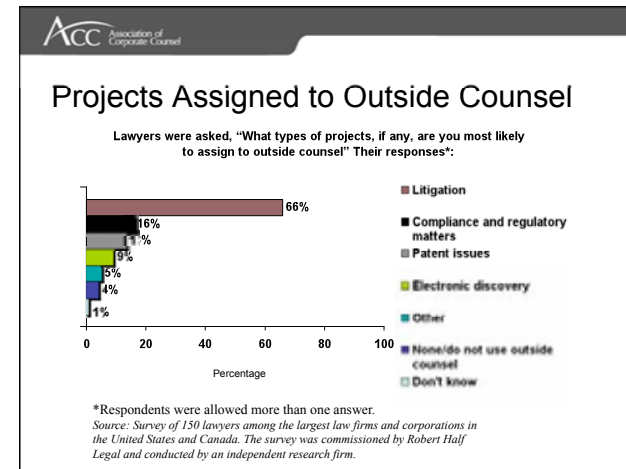
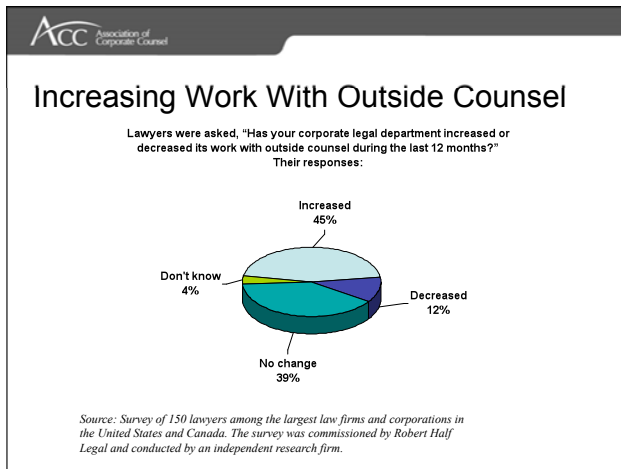
Legal departments are competing with law firms for qualified attorneys. To attract top candidates, they are:

- Emphasizing corporate reputation and a team-oriented environment
- Providing flexible scheduling options (flextime, compressed workweeks, job sharing) so corporate attorneys can better balance the demands of work and parenting or other personal obligations
- Using project attorneys to meet individual attorneys' desire for balance and legal departments' cost-cutting goals
- Providing opportunities for professional growth and career advancement:
 - Formal training, mentoring, reimbursement for CLE or courses taken in pursuit of an MBA or advanced finance degree, onsite professional instructors and access to online seminars and training programs
 - Creating ascending career paths or arranging for lateral movement into other areas of the company so that attorneys can expand the scope of their abilities

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Building a Plan

- Identify and prioritize the personal and professional qualities that are essential for success in the role:
 - Are organizational and interpersonal skills most important, or should technical abilities and a legal background predominate?
 - Which is most critical: conducting effective meetings, managing projects or making persuasive presentations to internal clients?
 - What other competencies should be identified?
- Select high-potential individuals who are most capable of assuming greater responsibility
- Target developmental activities for a number of the most promising attorneys and associates
- Offer leadership training and opportunities for candidates to develop their abilities in practice management, strategic planning, client service, etc.
- Senior attorneys should mentor promising candidates



- ### Management and Customer Service Opportunities
- **Combine** legal skills with an understanding of the company's business objectives
 - **Anticipate** potential legal problems to make meaningful suggestions that help guide the company
 - **Provide** parameters or alternative solutions for a given legal situation
 - **Lead** the team to focus on the project at hand/ practical business application
 - **Develop**
 - a rapport with thought-leaders, decision-makers and other employees across divisions/departments
 - a better sense of a given division's/department's needs and concerns

- ### Managing Outside Counsel to Reduce Costs, Maximize Efficiency
- To cut costs and conserve resources, many law departments are:
- Keeping more work in-house and decreasing their use of outside firms
 - Increasing the use of small specialist law firms or sole practitioners
 - Increasing the use of project and part-time attorneys or other legal professionals for special projects and litigation
 - Going directly to non-legal outside service providers for document production, regulatory advice, etc.
 - Outsourcing or offshoring of certain legal tasks



Managing Outside Counsel to Reduce Costs, Maximize Efficiency (cont.)

Fee pressures with outside counsel are driving:

- Closer budgeting and cost controls, more rules and bolder requests for value-added services
- Alternative billing plans/fee arrangements
- Third-party billing and electronic billing
- Requests for lean staffing
- Milestone meetings and early resolution