

**104 Working in a small law
department – Management of outside
counsel**

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Why outside counsel?

- General factors: geography, expertise, resources
- Why do **you** need outside counsel?
 - What does your company need?
 - What type of legal department do you have?
 - How do you see your role and position as in-house counsel?
 - Before going outside, can you change or simplify matters / procedures inside? For example, hire in-house colleague? Lawyer or paralegal? Change internal working procedures? etc.

How do you select outside counsel?

- Do you select a firm or do you select a lawyer? Long-term or on project basis?
- Selection criteria: highest quality, lowest cost, fastest response, ease to work with, efficiency, accessibility, amount and flexibility of resources within the firm, areas of expertise, value added services, location, name and reputation, flexibility in billing/payment
- How do you find outside counsel? referral from other outside counsel, company-approved outside counsel list, referral from other in-house counsel at the company, referral from in-house counsel at other companies, from other employees at their company, online directories, published directories, search of law firm websites
- Selection methods: beauty contests, request for proposal, etc.

Engaging outside counsel

- The basis for your relationship. Transparency and clear expectations
- Subjects to discuss: roles of inside and outside attorneys, scope of work, conflict waiver, process of engagement for new work, responsible attorney / lead attorney, persons qualified to handle matters, objectives and measurements, communication mechanism, file retention, type of compensation / fee arrangement, billing

Billing

- Billing agreement should include: fee arrangements, required level of billing detail, requirement for timely submission of bills, details of allowable expenses
- How to cut cost: one person to handle bills and pursue savings; monitor; strict and uniform billing policy for outside counsel; budgets for all specific matters and cases; cut the overall number of firms you retain; preferred providers by region or practice area; electronic billing services; free services e.g. training
- Alternative fee arrangements: flat annual fees; variations on contingency fees; lesser hourly rates with a bonus for early conclusion

Management of outside counsel

- Create a relationship; create a team
- Constant evaluation of performance; review invoices and work product
- Regular reporting meetings; 'post-mortem'
- Communication:
 - Create clear expectations on both sides
 - Share corporate goals and objectives
 - Share business and industry information
 - Centralize communication through you
- Reward and punish