



# Synchronizing Business and Legal Priorities—

## A Powerful Tool

BY JOHN H. OGDEN



WITH THE PACE OF BUSINESS TODAY AND THE INCREASING need for efficiency and cost effectiveness in all corporate endeavors, it is not enough that the legal function merely coordinate its activities with the business. To productively provide the level of service a corporation or business unit requires, the legal function must be totally synchronized with business goals and activities. Only a legal function that is synchronized with the business can fully practice preventive law and respond most effectively when, despite preventive measures, a problem occurs.

What exactly is meant by the term “synchronized” in this context? Among the definitions in Webster’s for synchronous is to be “in the same phase.” An example from the new economy might be a brick-and-mortar company with a .com element synchronizing its catalog, web, and retail sales/service channels so its customers see a seamless entity.<sup>1</sup> The harmonious sound achieved by a symphony orchestra is the result of a number of professionals, all with different roles, working toward the same goal—literally playing from the same sheet of music. To achieve optimum performance, a corporation’s legal function must similarly match its performance with the needs and goals of the enterprise—to get on the same page as the client.

This process is not merely low-key ad hoc coordination but express, highly active (indeed, interactive and proactive) synchronization. Express agreement is reached with whatever level of management is appropriate (for example, corporate, division, general management,

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Mr. Ogden acknowledges the assistance of Mary Monaghan Barnes, JD, MBA, who is a part-time attorney with KWPC for, among other things, a core legal issue, and has been instrumental in developing and executing KWPC’s synchronization process.

Additionally, Mr. Ogden acknowledges the contribution of Rees W. Morrison, of Altman Weil, to the metrics section of the article. The benchmarks and charts are excerpted from Mr. Morrison’s recent publication, *Law Department Benchmarks* (second edition), published by Glasser LegalWorks.

John H. Ogden, “Synchronizing Business and Legal Priorities—A Powerful Tool,” ACCA Docket 18, no. 9 (2000): 18-34.

## IN ADDITION TO SECURING THE COOPERATION AND SUPPORT OF BUSINESS COLLEAGUES AT VARIOUS LEVELS, THIS PROCESS ALSO HELPS IN MANAGING THE LEGAL FUNCTION.

their relative importance. In addition to securing the cooperation and support of business colleagues at various levels, this process also helps in managing the legal function. This is particularly true in setting priorities for resources (time, money, staffing, technology, and so on). Both business and legal leaders should recognize that this process is the same as what our business colleagues do to develop and execute plans for running the business.

Generally, it is a good idea to reduce those understandings to writing. It can begin either with freeform brainstorming between lawyer and businessperson or with a memorandum from the lawyer suggesting what legal issues are central to the business and why. It can be bilateral—the legal function with one business unit—or multilateral—with several (or all) business units represented, along with other key staff functions such as finance, HR, and so on. It can take place periodically (annually or perhaps more frequently) or the full process might take place once, with adjustments occurring as necessitated by changing business conditions or significant changes in the law. Many approaches can yield success in various corporate cultures.<sup>2</sup> The author will describe what, after several years of fine-tuning, has worked in his corporation.

Before addressing the means and methods of synchronization, it is important to identify the goals. The intermediate goal should be understanding between lawyer and client about the legal elements of important business activities. That understanding should include agreement about identification and prioritization of those issues. The next goal at the beginning of the process should be to optimize corporate performance vis-à-vis legal issues. The ultimate goal, perhaps unachievable since this is a continuous improvement process, is to maximize corporate legal performance.

The synchronization process consists of two elements. The central element is joint issue prioritization, in which business and legal leaders agree upon the relative importance to the enterprise of certain areas of the law. The other element is optimization of the legal function, which consists of two related components: integrating the legal function into the enterprise and developing a common metric lexicon with the business. One element cannot be accomplished without the other. These elements are interrelated and occur in repetitive and/or continuous iterations that can be both

parallel and serial. Since joint issue prioritization is the central element of synchronization, it will be addressed first.

### JOINT ISSUE PRIORITIZATION

The most critical part of the synchronization process is joint issue prioritization. A prerequisite is a common understanding between business and legal leaders about the legal aspects of an enterprise's activities. Once this has been achieved, specific issues or topics can be identified and prioritized. In some instances, this may be straightforward. For example, a company doing business within a regulated industry, such as securities or communications, would set regulatory compliance as a high priority. Indeed, these issues may be so ingrained in the business that the synchronizing process may be fairly quick. The situation with companies in less regulated industries,<sup>3</sup> however, may be more nuanced.

During joint issue prioritization, legal topics are categorized as core, key, or other. Although in some instances it may make sense to rank issues within categories (in other words, designate a particular core topic as more important than another) or develop sub-categories, for the purposes of this article, the author will only address the three primary categories.

Core issues are defined as areas of the law in which difficulties could affect the enterprise's ability to conduct business in the manner management determines is best. In a core area, it would be expected that agreement between business and legal leadership could be reached such that a major resource commitment would be devoted to preventive law. Certainly the same would be true if and when problems arose. Even if the approach were not "no hold barred" or "cost is no object," certainly the cost side of the cost/benefit equation would have relatively less priority. An example is a securities firm violating important securities laws or regulations.

Key issues are those that do not necessarily have the potential to affect the fundamental conduct of the business but can nonetheless have a serious financial impact on the company. In managing preventive and remedial legal activities associated with key issues, pressure to reduce costs will be greater than in core issues, but the cost would not be emphasized as much as in the "other" category, discussed below. An example of a key issue would be harassment or discrimina-





tion. It is highly unlikely that management of any substantial company would adapt a conscious policy of harassment or discrimination, so legal difficulties would not affect the enterprise's ability to conduct business as management determines is best. Significant legal claims in these areas can be very expensive, however, including the cost of defense and judgments or settlements, as well as bad publicity and loss of goodwill among various stakeholders, such as the community, employees, and prospective employees.

The boundary between "core" and "key" can change based on the seriousness of a matter. For example, a consumer goods company with many products geared to an upscale female market might be adversely affected by a sexual harassment or discrimination suit. A multitude of suits or a class action suit would have the potential of even greater harm.

The category of other is just that: matters that are not "core" or "key." An example of an "other" issue would be non-pattern product liability claims arising from a discontinued product line. As long as sufficient reserves are available for deductibles or self-insurance costs, the cases can be handled as they arise without a need for major emphasis. Identifying and reaching agreement about these areas in advance is useful for dealing with problems and for targeting areas for cut-backs if needed.

Take, for an example, a company or unit of a company that decides its central business strategy will be to develop and license chemical processes to third parties worldwide.<sup>4</sup> To the extent regulatory approval is needed to operate the pilot plant where the processes are developed, the attorney and lead business executive would most likely have little difficulty deciding that a core area would be securing necessary permits and ensuring compliance. The same would be true for suitable intellectual property protection: patents, trademarks, trade secrets, and so on. What might be less obvious, absent the specific focused discussion that takes place during joint issue prioritization, are the areas of customs law and TSCA (Toxic Substance Control Act) as they apply to overseas customers sending raw materials to the U.S. pilot plant. If there are U.S. and non-U.S. based rival technologies, the legal function would play an important role by assembling the necessary team, chemists, customs specialists, and so on, to address foreign customer needs as quickly or more quickly than the licensors of the rival technology.

A key area, which might not be immediately obvi-

ous without the joint issue prioritization process, could be tax. Once the most likely license markets have been identified, issues such as how foreign technology is taxed and various depreciation issues could lead to a combined team of legal, tax, and technical personnel to design technology and license terms addressing such issues generally and/or for specific jurisdictions. The best (and possibly only) means to address such issues is in advance, while they can be influenced. It cannot be done by lawyers alone and must have approval at the necessary level of management to ensure optimum interaction among the functions, hence the need for joint issue prioritization.

Once there is agreement as to what is core and what is key, resource allocation decisions follow. If a problem arises in a core area, it is very useful to be able to decide on short notice to seek a temporary restraining order against a competitor. Since there has been pre-agreement on the matter's importance, critical assistance can be assured from business and/or technical personnel who have to be taken off normal assignments to assemble the necessary factual foundation. Similarly, a rapid decision may need to be made to alter a certain business practice due to a potential problem in a core area. This is accomplished most readily if the appropriate legal and business personnel have addressed the subject matter in advance in a noncrisis mode.

It must be stressed that the foregoing categories should not be applied rigidly. Changing operations and/or legal developments may modify the relative importance of issues. Additionally, a particular matter may arise that transcends previously agreed upon categories. For example, a criminal complaint or action by a competitor could bring increased antitrust scrutiny, giving rise to a significant expenditure of resources to interview employees, analyze markets, and so on to confirm that your company was not involved.

## OPTIMIZATION THROUGH INTEGRATION

Attorneys and the legal function must be as fully integrated as possible into the business. In the synchronization process optimizing through integration is both a cause and effect of joint issue prioritization. Business and legal leaders can be much more effective in jointly prioritizing legal issues if the legal function has been well incorporated into the business processes. Additionally, one of the results of joint issue prioritiza-



tion is that both business and legal management can agree on the subjects that are appropriate for intensive integration. For example, an attorney should be at virtually every meeting on core issues and invited to all meetings on key issues, with decisions on attendance at particular meetings made jointly by business and legal personnel. For other issues, however, the legal function may need only to be copied on meeting minutes.

There are obviously aspects of practicing law in-house (for example, attorney-client privilege) that differentiate attorneys and their activities from business colleagues and their activities. It is the responsibility of individual attorneys and the legal function in general to ensure the business receives the full benefit of having an in-house legal staff. Naturally, one part of doing this is to rigorously conduct matters in a way that preserves the attorney-client and work product privileges. For purposes of this article such conduct is presumed and will not be addressed further.<sup>5</sup>

It is just as crucial to take conscious steps toward developing and expanding the commonality between the legal function and the business functions. Simply put, in-house attorneys should view themselves and be viewed by their clients as businesspeople who specialize in the law just as others specialize in marketing, HR, and other matters. In a well-integrated legal function attorneys understand and can describe corporate goals and activities as well as those of the specific units they represent to the same extent as business colleagues at a similar level in the organization. The need for continuing legal education is well accepted. An in-house attorney should undergo similar continuing education about the business he or she represents. Ideally this is accomplished on both formal and informal levels.

On the formal level, individual attorneys, with support from legal management if and when required, should be invited to general meetings, not only those at which specific legal issues are expected to arise. Attorneys should regularly study company (and competitor) brochures and websites as they apply to their client departments. This should be more than a legal review. The goal should be a comprehensive understanding of the business. If possible, trade show or industry conferences should have attorney attendees. If travel

is not possible, ask to sit in on the briefing and debriefing sessions. Additionally, long- and short-term multidiscipline teams are common ways of addressing business issues today. Attorneys should be on such teams whenever appropriate, using a very liberal definition of appropriate.

In addition to formal steps to integrate the legal function and its practices with the corporate mainstream, informal steps are also important. The legal profession is not particularly well liked or respected in America. Corporate America may, on average, be somewhat more accepting (although some companies may be more or less accepting based on how they perceive the legal system has treated them), but it is still important that key individuals with whom corporate attorneys interact come to understand them beyond stereotypes. The more corporate attorneys can be seen as businesspeople who specialize in the law rather than some significantly different kind of person, the better attorneys and corporate clients can productively interact. Informal socializing (for example, joining company sports teams, engaging in casual discussions while traveling, attending after-hours gatherings, and so on) with business colleagues can engender this type of understanding.

The reader may be saying "I'm already too busy, I don't have time for those distractions." It is suggested, however, that such activities would enhance the effectiveness of your practice. A legal function that is well integrated into the business provides the opportunity to practice preventive law, thus decreasing the number of problem issues and allowing for a more orderly practice than constantly putting out fires. A short comment during a staff meeting or team brainstorming session can effectuate a relatively minor and well-accepted change early in the life of an initiative. If the attorney were not there to make the comment, he or she would instead be scrambling to modify a much more fully developed issue, with buy-in from many quarters, at the eleventh hour. Even worse would be dealing with the repercussions if a program with a legal flaw has been rolled out to the company's customers, and thus its competitors, regulators, stockholders, neighbors, and various other stakeholders.

## OPTIMIZATION THROUGH A COMMON LEXICON: METRICS

An essential means of integrating the legal function into the enterprise and of establishing a foundation for synchronization is to speak the same language as the businesspeople. Typically, this language is quantitative. The legal function should set goals and measure performance to the fullest extent possible, using statistical methodology that is transparent and therefore readily understood inside and outside of the legal department. This should not be limited to merely going through the same capital and expense budgeting process as the other business units. It means aggressively seeking

This table lists the most common benchmarks as well as the benchmarks that are most closely related to them. The third column suggests a normal range for law departments, keeping in mind that individual differences can be significant. The right column goes beyond the typical cause of variance (noted in the label) to suggest other factors that influence the benchmarks.

—Rees W. Morrison

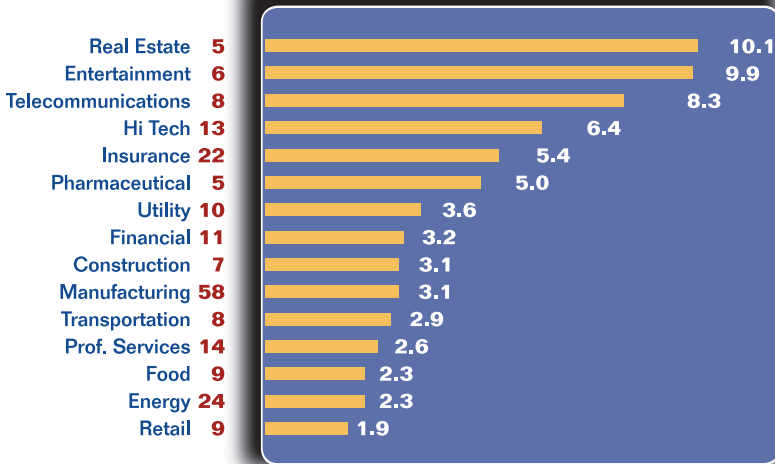
methods of measuring the operation of the legal function in a meaningful way.

The search for such methods must be well considered because many aspects of the law admittedly do not lend themselves to meaningful measurement. The keyword is meaningful. Virtually anything can be measured. Since it is well accepted that there is a strong tendency to perform in accordance with what is being measured, measuring the wrong elements can do more harm than good. A simple example would be hourly rates of retained counsel. If the only measure is the hourly rate, among the negative outcomes could be ineffective representation because the wrong attorney is on the matter and/or no cost savings because more hours would be spent at the lower rate.

Many metrics may be used in a legal department,<sup>6</sup> but to be used in the synchronization process, a metric must pass a two-part test. First, the metric must measure something that contributes to the effective delivery of legal services. An example would be a fully loaded internal hourly rate compared with

Benchmark	Related Benchmarks	Normal Range	Factors Affecting the Ratio Other Than Size of Company, Maturity of Company, General Counsel's Style, Industry
Lawyers per Billion Dollars of Revenue	Support Staff per Lawyer; Fully Loaded Cost per Lawyer Hour	3 to 6	Amount outside counsel are used; use of technology, expectations of clients; view of support staff
Legal Staff per Billion Dollars of Revenue	Lawyers per Billion Dollars of Revenue; Support Staff per Lawyer	5 to 13	Amount outside counsel are used; use of technology
Support Staff per Lawyer	Legal Staff per Billion Dollars of Revenue	1	Use of technology
Inside Spending per Lawyer	Outside Counsel Spending per Lawyer	\$200,000-300,000	Compensation policies of the company; tenure of the lawyers in the department; availability of stock options
Fully Loaded Cost per Lawyer Hour	Lawyers per Billion Dollars of Revenue	\$100-\$160	Chargeable hours per year; whether facilities are included; investment in technology
Outside Counsel Spending per Lawyer	Inside Spending per Lawyer	\$250,000-400,000	Quality and number of in-house counsel; support staff per lawyer
Inside Legal Spending to Outside Counsel Spending	Inside Spending per Lawyer; Outside Counsel Spending per Lawyer	60/40 either way	Traditional ties to certain law firms; desire for flexibility; headcount constraints
Total Legal Spending as a Percentage of Revenue	All	0.25 to 0.45	All of the above; settlement policy in litigation

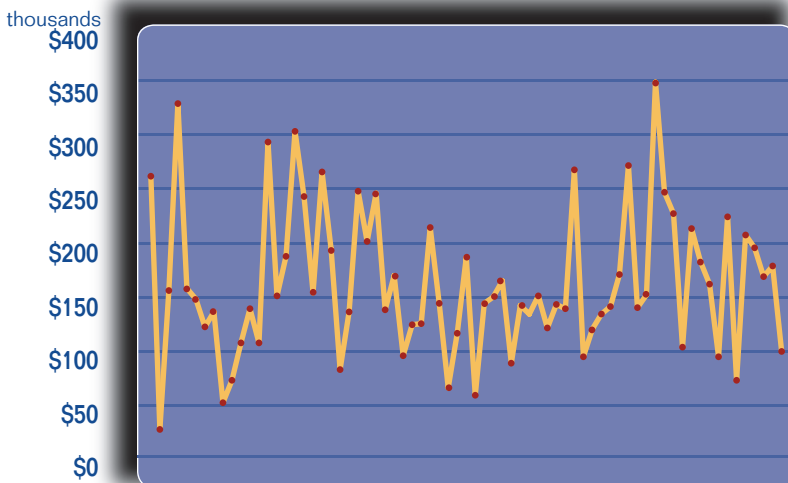
**FIGURE 1**  
LAWYERS PER  
\$1 BILLION OF REVENUE



Source: Morrison, Rees W., "Directory of Corporate Counsel—Special Supplement" 24 (Aspen Law & Business 2000)

■ Lawyers per \$1 Billion Revenue (weighted)  
■ # of Companies within Industry Surveyed

**FIGURE 2**  
FULLY LOADED HOURLY  
COST PER LAWYER (1998)



Source: Morrison, Rees W., "Law Department Benchmarks: Myths, Metrics and Management" (Glasser LegalWorks 2nd Ed., to be published fall of 2000)

70 companies surveyed

retained counsel rates. Second, the metric must be expressed in terms that are meaningful to businesspeople. An example would be the average number of attorneys per billion dollars of sales in the client's industry. It is extremely important for business and legal leadership to agree at the beginning of the synchronization process on the relevance of specific metrics and to jointly decide where the company should be in relation to external norms.<sup>7</sup>

Many possible measurement methods are available and can be used, customized, or combined to meet the needs of the legal function and its clients. Following are several of the most important benchmarks.<sup>8</sup>

### Lawyers per \$1 Billion of Revenue

A much-touted metric in law department management compares the number of lawyers a company has per \$1 billion of the company's revenue to the same figure for companies of the same size, industry, or location. This benchmark calculation normalizes the data per billion dollars of revenue so that companies of all sizes can compare themselves. For example, a \$2 billion company with eight lawyers has four lawyers per billion or \$250 million in revenue per lawyer.

Figure 1, "Lawyers per \$1 Billion of Revenue" arrays 15 industries according to their weighted average of lawyers per \$1 billion of revenue. The number following the industry name indicates how many companies were in that industry. The length of each bar represents the number of lawyers per \$1 billion of revenue in the industry. Overall, the 1912 lawyers and 211 companies represented in this chart amount to 3.5 lawyers per \$1 billion of revenue (\$54 billion of total revenue).

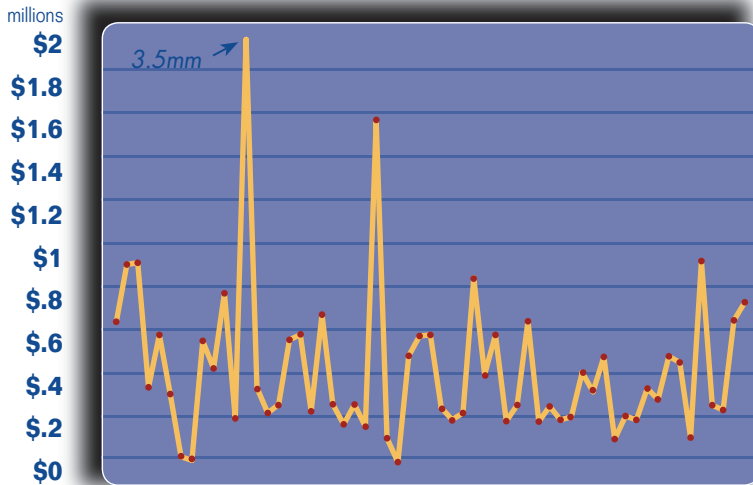
### Inside Spending Per Lawyer

By contrast, consider in this benchmark the perspective of inside spending per lawyer. Inside spending includes compensation of all forms (except stock options and awards), facilities, equipment, depreciation, and vendor costs (excluding outside counsel costs and patent fees). For example, the median inside spending per lawyer in 1998 for 50 manufacturers was \$274,000.

### Fully Loaded Cost per Lawyer Hour

Many law departments compare their own cost, as if their lawyers were to charge their clients an hourly rate sufficient to cover all inside costs, with a com-

**FIGURE 3**  
**OUTSIDE COUNSEL**  
**SPENDING PER IN-HOUSE LAWYER**  
**(1998)**



Source: Morrison, Rees W., "Law Department Benchmarks: Myths, Metrics and Management" (Glasser Legal-Works 2nd Ed., to be published fall of 2000)

60 companies surveyed

parable figure for outside counsel, a blended rate of all the company's outside lawyers that includes the full amount billed to the company. The inside cost per hour should include similar costs to what law firms must pay, notably rent. Figure 2, "Fully Loaded Hourly Cost per Lawyer," suggests the range of this internal cost.

For the entire group of 3551 lawyers in 71 corporate law departments, a group that excluded government law departments, the weighted average internal cost per lawyer came to \$167 an hour. The median size law department in the group counted 32 lawyers, so these were large law departments. The calculation assumed 1850 hours per year of chargeable time. In this group, of the 60 law departments that employed at least 10 lawyers, the average spending on outside counsel per inside lawyer was \$471,760. Because two departments stated very high figures, the median figure is much lower: \$350,000.

#### **Ratio of Inside Legal Spending to Outside Counsel Spending**

The typical law department spends between 40

and 60 percent of its total budget on its inside costs, with the remainder on outside costs. From a group of approximately 75 law departments, the average ratio of outside counsel spending to inside budget was 1.5 to 1, which amounts to a 60/40 ratio.

#### **Total Legal Spending as a Percentage of Revenue**

Total legal spending consists of a law department's spending for its own costs and its spending on outside counsel. For government and nonprofit law departments, the nearest equivalent to revenue seems to be the budget of the organization.

Figure 4, "Total Legal Spending," divided companies in the data set by revenue, representing the companies that had revenue of more than \$2 billion in 1998. The revenue axis is at the bottom, and the left axis stands for total legal spending in 1998—inside budget and outside counsel spending—per \$1 billion of revenue. The median figure for all the companies was .31 percent of revenue. The weighted figure was .27 percent (\$572 billion of 1998 revenue compared to \$1.56 billion of total legal spending).<sup>9</sup>

#### **THEORY IN ACTION/MEASURED RESULTS**

The title of this article identifies synchronization as a powerful tool. The theory has been explained. Following is an actual example of how powerful and dynamic it is in practice.

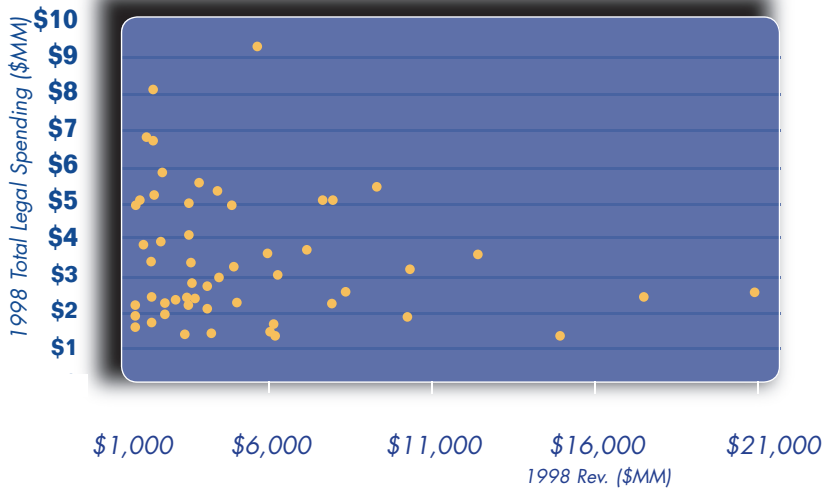
The author created this method and has used it successfully with two different CEOs. It was developed when a CEO joined the company from Europe. It was his first full-time U.S. posting. Naturally, many elements of U.S. law were perplexing to an executive with experience operating in the more certain environment of Civil Code jurisdictions. Joint issue prioritization and metrics were excellent vehicles to engender understanding.

The next CEO was an American with whom the author had worked closely for more than 15 years. Synchronization also worked extremely well when joint issue prioritization discussions expanded from important but relatively narrow commercial and intellectual property issues to the full range of legal issues facing the company.

With both CEOs, outside counsel expenses were identified as a key metric, both in terms of the actual costs and as a method of identifying the scope of

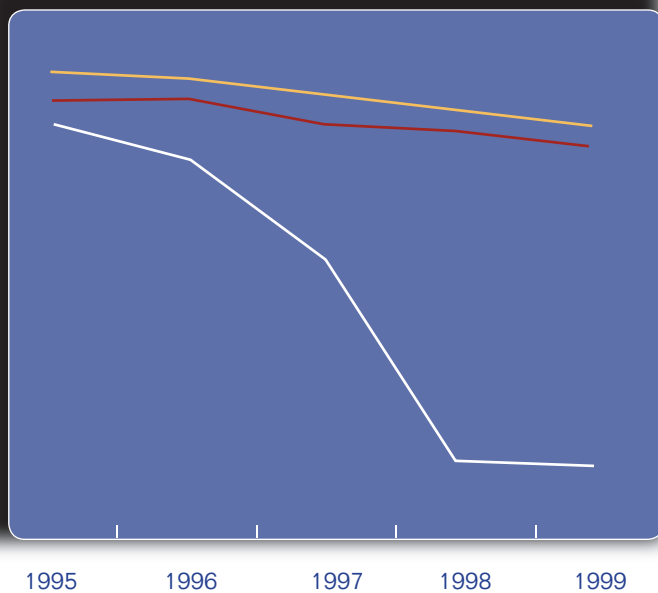


**FIGURE 4**  
**TOTAL LEGAL SPENDING**  
**(COMPANIES WITH OVER**  
**\$2 BILLION REVENUE – 1998)**



Source: Morrison, Rees W., "Directory of Corporate Counsel—Special Supplement" 32 (Aspen Law & Business 2000).

**FIGURE 5**



■ Average Cost for Similar Size Legal Department  
■ Average Cost for a Company with Similar Revenue  
■ Actual Costs

issues being addressed. Using composites of several studies, industry averages were agreed upon based on company revenue and department size. Intensive and rigorous efforts succeeded in keeping actual expenditures well below those industry averages.

Among the steps taken to reduce costs was the use of part-time attorneys.<sup>10</sup> These attorneys received ongoing specific training in core and key issues as they pertained to the company. The formal and informal integration process was undertaken for and by them. They had company voice mail and email addresses just as staff attorneys would. They were invited to company social functions. They practiced proactive preventive law. Yet, because they were retained and not actually on staff, their costs (substantially lower than traditional outside counsel because of decreased overhead, assurance of billings, and other factors) were included in outside counsel costs.

In Figure 5, average outside legal costs based on department size and company revenue are measured and compared with actual costs. Dramatic actual cost reductions are shown between 1995 and 1998, with a subsequent leveling off to an appropriate percentage of industry averages.

Additionally, several significant trends are depicted in Figure 6 (portions redacted and modified due to the confidential nature of the subject matter). First, overall legal expenses declined significantly from 1998 to 1999. From the point of view of synchronization, an even more significant trend is the steady increase from 24 percent to 52 percent of the amount of expenditures allocated to core and key subjects. To a large extent, Figure 6 shows what synchronization is all about, allocating resources based on the relative impact of legal issues.

In Figure 6, the core and key portions of the chart literally jump out at the reader. It is an extremely powerful means of demonstrating to the attorneys and to the business executives that the company's legal expenditures address to a greater and greater extent those matters that have been jointly agreed as being most important. That, combined, of course, with excellent results achieved through those expenditures, makes for a smooth and effective working relationship in which the right issues can be addressed rather than reacting haphazardly to issues.

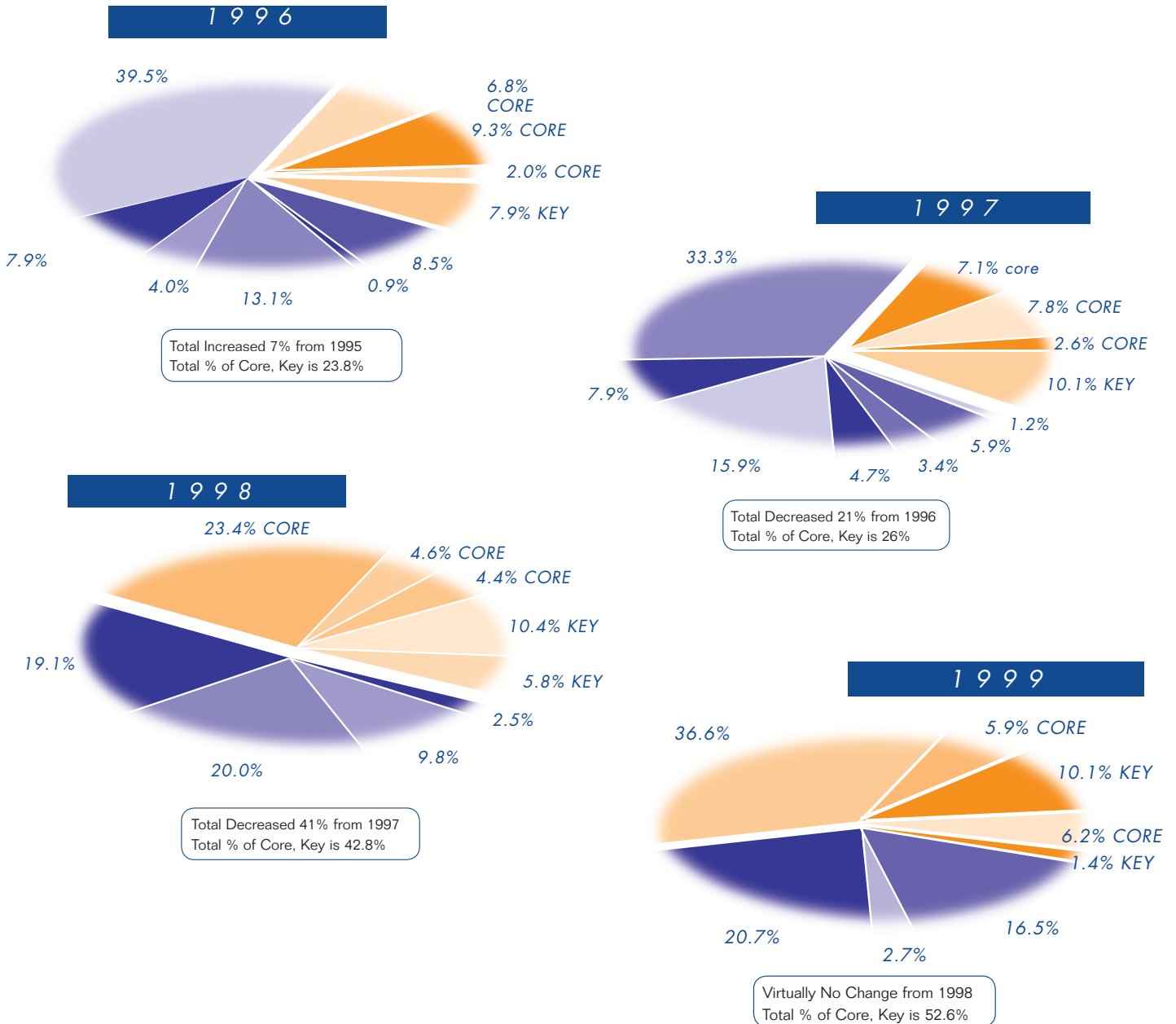
**CONCLUSION**

Legal problems will arise no matter how much effort has been devoted to preventing them. A legal function that is well integrated into the enterprise is in a strong position to deal with those problems quickly, efficiently, and as proactively as possible. Building an effective partnership between business and legal functions calls for the legal department to match its efforts to business priorities. This effort should move beyond

ad hoc coordination to an actual synchronized effort. Once the issues have been prioritized, activities and resource allocation can be managed accordingly, with attention being devoted to issues based on relative importance to the enterprise. Crucial to the effort is the development of meaningful metrics to understand the extent to which legal and business priorities are, in fact, synchronized.

To return to our beginning example of the sym-

**FIGURE 6**



phony orchestra, just as the percussion section may be substantially different in function from the woodwinds, the two groups of professionals must operate in accord to produce music rather than cacophony. These musicians and others are working toward the same goal, delineated by the sheet of music. When this organization functions wells, the result is complex, rich, and rewarding. When the legal department operates from the same sheet of music as its clients, the result is also rewarding.

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#### NOTES

1. See NEW YORK TIMES, p. C9, E-Commerce Report, July 24, 2000. In a statement that could also apply to consumers of corporate legal services an analyst is quoted as follows: "So companies are kidding themselves if they think the consumer won't demand a synchronized experience."
2. The author and Rees W. Morrison, of Altman Weil, facili-

tated a discussion on this subject at ACCA's 1999 Annual Meeting. Participants identified the following synchronization activities: regular meetings and presentations; strategic plan review and development; develop "scorecard" for the law division to mesh into corporate "scorecard"; interface and conversation with superiors; dual/multiple roles; information discussion with CEO; include legal time in "ABC" costing models; alignment of legal department; objectives to senior management by structural flow down matrix (lists) of goals and means to measure them; participate in weekly department heads' meeting with CEO; customer satisfaction survey results are part of annual objectives; tie legal departments' five-year goals to company's five-year goals; draft and obtain buy-in on department mission statement; attach budget to goals; legal group discussions with business groups (one-on-one and larger groups). Participant input in its entirety is online: [www.acca.com/education99/cm99/synch.html](http://www.acca.com/education99/cm99/synch.html).

3. Of course, in-house counsel need to make sure all appropriate company personnel understand there are no unregulated companies.
4. This is a pro forma example of how the foregoing process might work. It is intended to be sufficiently detailed to demonstrate the process for all readers but not to definitively address substantive issues. For detailed information on such licensing, see PATENT LICENSING TRANSACTIONS, Einhorn, Lexis Publishing, copyright © 2000.
5. Readers looking for information in this regard are encouraged to visit ACCA Online<sup>SM</sup> for the Attorney-Client Privilege InfoPAK<sup>SM</sup> ([www.acca.com/infopaks/attclient.html](http://www.acca.com/infopaks/attclient.html)) and other resources on the topic in the Virtual Library<sup>SM</sup> ([www.acca.com/vl/index.html](http://www.acca.com/vl/index.html)). See also ATTORNEY-CORPORATE CLIENT PRIVILEGE, Gergacz, Garland Law Publishing copyright © 1987, updates by West Group copyright © 2000.
6. Participants in a discussion on this subject at ACCA's 1999 Annual Meeting noted their use of metrics to manage the following activities: litigation; budget presentation/defense; patents/research and development costs; internal cost per lawyer; number of staff and compensation compared with peers; apply to bonus to focus activities; in-house/outside cost comparison. Participant input in its entirety is online: [www.acca.com/education99/cm99/synch.html](http://www.acca.com/education99/cm99/synch.html).
7. See also Steven A. Lauer, Measuring the Value of Metrics, 16 CORPORATE COUNSEL QUARTERLY 3, p. 50.
8. Excerpted with permission from Rees W. Morrison, LAW DEPARTMENT BENCHMARKS (second edition), Glasser LegalWorks.
9. According to the Hackett Group (Hudson, Ohio) "the finance function costs the average company 1.4 percent of revenues, but in the top quartile of companies participating in the survey [reported in May 1998], that cost drops to less than 1 percent." CFO Alert, 19 J. of BUS. STRATEGY 4 (May/June 1998).
10. See John H. Ogden, Resource Multipliers: Creating a Virtual Legal Department, 15 ACCA DOCKET 3, pp. 30-44.

### *From this point on... Explore information related to this topic.*

- ACCA's 2000 Annual Meeting offers several CLE programs that complement the issues discussed in this article. Program 018, "Strategies for Measuring the Value Added" takes place on Monday, October 2 from 4:30 p.m.–6:00 p.m. The author of this article, John Ogden, will moderate a panel discussion among top level general counsel regarding this topic. Additionally, program 409, which takes place Tuesday, October 3 from 4:00 p.m.–5:30 p.m., discusses "Marketing the Small In-house Department." For details about the AM2K agenda and to register, see ACCA Online<sup>SM</sup> ([www.acca.com/education2000/am](http://www.acca.com/education2000/am)). If you are unable to make it to AM2K, consider contacting ACCA's Education Department: 202/293-4103, ext. 310 after the meeting for information about purchasing the course materials.
- ACCA's 1999 Annual Meeting featured the author in a program on this topic. Materials from the program are online: [www.acca.com/education99/cm99/synch.html](http://www.acca.com/education99/cm99/synch.html).
- Law Department Benchmarks, by Rees W. Morrison, to be published by Glasser LegalWorks
- Resource Multipliers: Creating a Virtual Legal Department, by John H. Ogden  
[www.acca.com/protected/pubs/docket/mj97/virtualdept.html](http://www.acca.com/protected/pubs/docket/mj97/virtualdept.html)