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INSIGHT: How Do Outside Counsel Make the Grade? Tips From an In-House Cost Cutter



BY BILL MORRISON

As assistant general counsel of Tenet, I partnered with more than 100 law firms and learned many lessons about what it takes to properly support and serve in-house counsel. Here are some of the qualities I found particularly valuable in outside counsel.

Responsiveness

When working with outside lawyers, I received a lot of quick “OKs” — or what I call “placeholder responses” — to my questions. It was invaluable to find lawyers who could both quickly and meaningfully respond by providing concise talking points that squarely addressed the issues at hand.

Succinctness is key; few in-house lawyers have the time to wade through a 60-page PowerPoint to get to the answer.

Working as an in-house counsel is much more demanding today because companies expect more from the position. It is also very fast-paced. It is vital that outside counsel appreciate these pressures and respond accordingly.

Predictability

It is also vitally important for in-house counsel to be able to reasonably anticipate the scope and cost of an engagement early in the process. So many firms are unwilling or unable to mine their experience and accounting systems to provide in-house counsel with useful predictive guidance.

I am fine with a certain level of uncertainty, but I appreciated the firms that had enough confidence to provide a detailed budget without all the caveats that so often render the process meaningless.

It was likewise challenging to find firms that were confident enough in their early-matter assessments to agree to fixed fee or other alternative fee arrangements that could have yielded greater budgeting predictability.

Value

In evaluating counsel at the end of an engagement, I was concerned about more than just the outcome. I was looking for value.

To me, I calculated “value” by adding the result obtained plus the cost of obtaining and the time it took to get the result. In other words, there may not be value in a great result that was over budget and that took years to obtain.

The time element is important: In most cases, the longer it takes to obtain a result, the more internal resources are required from a company.

Familiarity

At Tenet, I was on a mission to reduce the number of outside law firms we worked with. With so many firms representing us, it could be difficult for them to really know us and understand our business.

As we started to narrow the list of outside counsel to a smaller group of preferred providers, we were able to deepen our relationships with the firms and give them broader exposure to the company. We tended to gravi-

tate to full-service firms that had broad practice and geographic reach. Sometimes, we had to end long-term relationships because of an inability to meet our needs.

By engaging a smaller number of firms at a deeper level, we became a more important client to the firms and they in turn became more important, valued providers to us.

My final advice to outside firms--in addition to being responsive and predictable and providing real value--is to collaborate seamlessly with other firms to provide targeted solutions for the client. You must do so using

innovative legal approaches and fee structures that provide maximum value to the client.

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