

ACC PROGRAM AIMS TO IMPROVE RELATIONSHIPS

By Jane Pribek

Much like a marriage, the relationship between in-house and outside counsel becomes strained when communication breaks down and there are no shared goals.

The Association of Corporate Counsel issued a recent initiative that serves as marriage counsel—or of sorts, to preserve and strengthen the symbiotic relationship.

It's the Value Challenge, and it's based on the concept that firms can greatly improve the value of what they do, reduce their costs to corporate clients and still maintain strong profitability.

The Value Challenge suggests, first and foremost, that in-house counsel and law firms “meet, talk and act”. Change will result from their individual discussions; because each entity is unique, there's no “one-size-fits-all” solution.

The In-house Perspective

Patricia M. Hanz, president of the ACC Wisconsin Chapter, said it hosted a remarkably popular session on the Value Challenge at the statewide group's last annual meeting in May. Another similar program is already in the works for next year's meeting.

Some perceive the Value Challenge as just code for more alternative fee arrangements and lower legal expenses for companies. That may be one aspect for some — but in Hanz's opinion, the more important aspect is promoting better dialogue.

“Communication is as important in the process as anything else — making sure that outside counsel has a clear understanding of the business, its objectives and culture — and making sure there's a good discussion between inside and outside counsel



when the relationship or project is kicked off, so that it's scoped properly, the work that's being done is the work that needs to be done, and there's feedback as time goes on about how the relationship is going,” said Hanz, assistant general counsel at Briggs & Stratton Corporation in Milwaukee.

“It's a very common-sense approach. The thing that can make it difficult and different is, people don't want to have the whole conversation about money. It's a little unseemly still.” Lawyers need to get past that, said T. Michael Rathburn, group counsel at Johnson Controls Inc. in Milwaukee and secretary of the Wisconsin Chapter of ACC. When diplomacy hinders the frankness of the discussion, its benefit disappears. Rathburn has delivered some hard truths in his dealings with outside counsel.

“I put it out there, but I'll also say, ‘If you think what I'm saying is completely off-base, please challenge me on it, because I might not know all the facts here.’ There's always another side to the story. I try to continually invite and solicit that. ...

“I think I achieve that level of communication with my outside counsel. I hope I have.”

The Law Firm Take

Not only does Quarles & Brady LLP agree with the Value Challenge, it has taken the lead in injecting it into its existing relationships.

Michael Ostermeyer, a partner in the firm's Milwaukee headquarters, has been tracking the Value Challenge since its creation by an ACC committee led by California attorney Michael Roster.

In March, Quarles invited Roster to speak to 40 firm leaders. Ostermeyer followed that up with his own presentation to all partners in June, using clips from Roster's speech.

Because the Value Challenge is supposed to be tailored to organizations' needs, Quarles has used it to craft its own “Client Value Standards.” They are:

1. Always to understand our client's objectives and its expectations.

On the Web:
www.acc.com/valuechallenge

2. Always to provide substantive expertise that meets the client's needs and its expectations for diversity.

3. Always to bring efficiency and effective process management to our work.

4. Always to communicate from the perspective of a business partner, not a vendor.

5. Always to budget and manage our work in a way that makes the client's fees predictable.

6. Always to execute with the first aim of delivering the results our client desires.

Since June, firm representatives have talked to 47 of its client-service teams about the ACC Value Challenge and its own value standards. Attorney and client then talk about how they will measure the firm's performance against those six tenets.

To the best of Ostermeyer's knowledge, Quarles is the only Wisconsin firm to have embraced the ACC Value Challenge to this extent. Predictably, it's been well-received by clients.

He said, “I think it fits our firm's orientation very well. We have, I think, a reputation nationally as very good technicians. At the same time, we're also Midwesterners, and we think our fees are fair for the service. We have a fundamental value compass, and the Value Challenge matches very well with the kind of culture and talent we have in this firm.”

Ultimately, Quarles will incorporate its Client Value Standards into all engagement agreements and its performance by September 2011. They're moving remarkably fast for a large firm in a profession that isn't known to change quickly, notes Ostermeyer.

“It's the right thing to do, for inside and outside counsel, and we intend to use it to motivate who we are.”