

What's the Return on Your Investment?

These Legal Departments Are Proving Themselves to Clients, Demanding More From Others

CORPORATE LEGAL TIMES ROUNDTABLE

Joel F. Henning, Hildebrandt Inc. (moderator): We're here to talk about how to measure the value we add to the company and to shareholders, and how we can increase that value. But before we begin, describe your respective companies and legal departments.

James S. Downing, Bridgestone/Firestone Inc.: We sell tires and provide automotive services at 1,500 company-owned stores throughout the United States. Our revenues are approximately \$1.5 billion, and we have about 15,000 or 16,000 employees. We have a legal staff at the divisional level, with six attorneys and three paralegals. We're also responsible for environmental and real-estate functions.

William J. Bowe, Encyclopaedia Britannica Inc.: Encyclopaedia Britannica has gone through a fairly dramatic change in the 1990s, and the law department very much has been a part of that corporate shift in response to the changing marketplace. When I joined the company, it was a traditional print publisher. Today, it is as much of a software developer as it is a traditional publisher of the content. Like the rest of the company, the law department has undergone a fairly dramatic downsizing, from a high-water mark of about seven professional staff to three lawyers in-house today with a paralegal



Roundtable participants are (left to right) standing: James S. Downing, Bridgestone/Firestone Inc.; Marcia E. Doane, Corn Products North America; William J. Bowe, Encyclopaedia Britannica Inc.; sitting: Roger H. Marks, H₂O Plus Inc.; Joel F. Henning, Hildebrandt Inc.

and virtual legal staff outside the company.

Marcia E. Doane, Corn Products North America: Corn Products is a division of CPC International Inc. and is in the business of making products—namely starches and sugars used in various industries—out of corn. The legal department of CPC is located in Englewood Cliffs, N.J. However, the divisional attorneys are located at the management site of those divisions. So for Corn Products, there are two attorneys: myself and another individual who functions as an operations attorney dealing with the day-to-day issues that come up in our manufacturing plants, of which we have three in the

United States and three in Canada. We also have a joint venture in Mexico.

Roger H. Marks, H₂O Plus Inc.: We manufacture and retail consumer cosmetic products throughout the United States and Canada, and we have several stores in Argentina. I'm a one-attorney legal department, so I get involved in all areas of the company, ranging from trademarks and contracts to employee-relations issues. The legal department oversees the human resource function.

WHO PICKS UP THE TAB?

Henning, Hildebrandt: In the old days, the

cost of legal departments was part of the corporate or headquarters' budget. That is no longer necessarily the case. How do each of you handle your pricing?

Downing, Bridgestone/Firestone: We have several methods. The budget for the internal costs of the law department remain at the headquarters level. But outside counsel fees or settlements are charged to the business units that incur them.

For instance, all litigation involving personal injury resulting from service done to a customer's car will be charged back to the individual store where the work occurred. Each store will have a yearly deductible to cover those matters on an individual basis. Beyond that, it goes to the district level and beyond that, to the zone level. We're essentially self-insured. We rarely have a case in which insurance plays a role.

The stores are charged an internal premium for this insurance policy. Anything not covered is absorbed elsewhere. We have a fair amount of litigation in the employment area, and those costs again are pushed to the zones or the districts and the stores. But when dealing with certain matters that may have a legal principle which applies across the country, we absorb the costs. It's not fair to have one small unit bear that burden.

We do not keep track of or charge by time, but by the case or matter. That's a change from years past when it used to all stay in the law department. Now that it's the responsibility of the business units,

ROUNDTABLE PARTICIPANTS

PHOTOS BY JOHN MCNULTY



William J. Bowe is executive vice president, general counsel and secretary of Chicago-based Encyclopaedia Britannica Inc., and president of Merriam-Webster Inc. and Encyclopaedia Britannica Educational Corp. He was previously vice president, general counsel and secretary for United Press International Inc. Bowe received his J.D. from the University of Chicago Law School.

Marcia E. Doane is vice president, legal and regulatory affairs for Corn Products North America, a wet-milling processor with operations in the United States, Canada and Mexico. She is also a member of the president's senior staff and is responsible for the management of all legal matters and regulatory compliance issues for the company. Prior to joining the company, she was a partner at Cowen Crowley Nord & Doane. She received her J.D. from Loyola University School of Law.

James S. Downing is general counsel of Bridgestone/Firestone Inc. in Rolling Meadows, Ill. He is responsible for all legal issues affecting the company's retail division. Prior to joining the company he was a partner at Peterson Haramy Cline & Shoup in Indianapolis. He received his J.D. from Indiana University School of Law.



Joel F. Henning is senior vice president and general counsel of Hildebrandt Inc. in Chicago. He is a general consultant with expertise in strategic planning, total quality management, law practice management, lawyer compensation and accountability, lawyer motivation and leadership. Through resource allocation studies, Henning helps law departments evaluate the efficiency and profitability of their practice specialties. He received his J.D. from Harvard Law School.



Roger H. Marks is general counsel and secretary of H₂O Plus Inc. in Chicago. He established the legal department for the privately held cosmetics company, and has been responsible for contract drafting and negotiations, litigation, employee relations, international issues, and franchising, real-estate and regulatory issues. The legal department also oversees the human resources function. He received his J.D. from Cornell Law School.



there's more interest in these cases and how to avoid them. A great deal of principle has gone by the wayside on litigation.

Bowe, Encyclopaedia Britannica: Like other departments in the corporation, we are on an annual budgeting cycle. Our expenditures are allocated back to the business units. We have three major business units domestically, and offshore we have business units in the United Kingdom, Northern Europe, France, Italy, Australia, the Philippines, Japan and Korea.

In all of those operations, we make an attempt to allocate the legal component of corporate overhead back to the business units. We have one exception, and that is protecting the intellectual property of the corporation. We regard that as a corporate headquarters responsibility. We don't want our local managers unduly concerned about the impact of those expenses on their day-to-day operations.

We do not keep time, although we do, as part of the budgeting process, look back in an attempt to allocate our burden among the different units, and the domestic and international components.

Doane, Corn Products: We prepare an annual budget as well, and there are two components to it. Outside counsel fees and direct litigation costs such as settlements are charged back to the particular division on a dollar-per-dollar basis. The other part of the budgeting process involves each attorney; at the end of each year, he or she estimates a percentage allocation of how much time was spent working on matters

"The fully loaded cost of in-house counsel is 29 percent to 50 percent less than the cost of outside counsel. That's a significant selling point for in-house legal departments."

—William J. Bowe, Encyclopaedia Britannica Inc.

for various divisions. There's a charge-back based on that estimated allocation. We do not keep time or charge-back time directly to the divisions.

Marks, H₂O Plus: We also do an annual budget. However, we do not charge any costs down to the business-unit level. There are obvious advantages to holding the business units accountable, but I've always had some concern of whether this would deter the business units from seeking legal advice. So the entire budget comes out of legal department resources.

Henning, Hildebrandt: Jim talked about how his clients are far more interested in what's going on now that certain costs are charged right down to the store level. Roger raised the legitimate concern that it might discourage them from using legal services when they should, and as a result you could end up spending more money because the company is exposed to more risks. Where will this trend ultimately end up with regard to the concern over discouraging legitimate use of the legal function versus bringing costs down to the user?

Marks, H₂O Plus: The reason for charging business units is to ensure that they are efficiently using the limited resources in the legal department. I am inundated with all sorts of contracts and documents sent to me from departments all over the company. I've adopted a policy where I ask the business people initially to review the contracts and mention any business-related concerns they may have. If I receive a contract and there are no comments, I assume that the business terms are acceptable. This policy is one way of encouraging business units to assume some responsibility in their review of the documents and to make more efficient use of legal department resources.

Doane, Corn Products: Corporate legal staffs have to adopt what's going on in the rest of the corporation. As corporations continue to downsize and try to figure out ways of becoming leader operations, that filters into the legal department.

There are more demands now for accountability for expenditures, and the trend may be moving in the direction of holding people accountable for the corporate resources they use. That's the way we

do it at Corn Products, and it hasn't deterred people from seeking advice. But there must be something in place that encourages them and maybe even forces them to get involved in the process.

I've used a team approach for major litigation that has a direct affect on Corn Products' business, and it's very effective. If the business people are part of the legal team, especially at the beginning when you're setting up strategy and then periodically throughout, the litigation runs more effectively. They feel invested in the process, and they understand how we got to where we are.

CLOSENESS MAKES THE HEART GROW FONDER

Henning, Hildebrandt: Marcia, you're not at corporate headquarters. You're much closer to the client. Does the fact that business people see you more have an impact on their willingness to work with you?

Doane, Corn Products: That has a great impact. It's easy for them to work with me because they just have to walk down the hall.

Henning, Hildebrandt: If you were in Englewood Cliffs, it might be a different story.

Doane, Corn Products: Geographically and logistically, it is not as easy to reach out to those attorneys at corporate headquarters, but it's part of our function. If a business person has a question about, for example, intellectual property law, which is handled out of Englewood Cliffs, then I

ROUNDTABLE continued on page 36

If you're wondering where the legal profession is headed in 1997, follow us.

We're Special Counsel, the nation's new direction in legal staffing. With one phone call, you have immediate access to hundreds of the most competent, reliable temporary professionals available. Whether for several months or just one day, we'll have any number of the finest attorneys, paralegals, and support staff at your door tomorrow — without the burden of payroll taxes, health and pension benefits, vacation or employee reviews.

Our all-inclusive rates begin at only \$16 an hour for support staff, \$18 an hour for paralegals, and \$25 an hour for attorneys. And with our Temp-To-Hire Program, you can assess a candidate before committing to permanent employment.

Where's the legal profession headed? Just follow the lead of the nation's top law firms and corporate legal departments — straight to Special Counsel. Call us today at 1-800-737-3436.

OUR GUARANTEE

Our goal is to provide you with only the highest quality legal professionals.

Thus, we guarantee prompt, personal, reliable service. If you are ever not completely satisfied with a practitioner's work, there will be no charge.

Special Counsel®

ATTORNEYS • PARALEGALS • SUPPORT STAFF

OFFICES NATIONWIDE 1-800-737-3436

40,000 CORPORATE COUNSEL READ CORPORATE LEGAL TIMES EVERY MONTH. YOU SHOULD, TOO.

CORPORATE LEGAL TIMES

THE 1996 CORPORATE LEGAL TIMES
200
LARGEST LEGAL DEPARTMENTS

The Big Just Keep Getting Bigger
Doing More With...More

BY INDUSTRY

IN THE 1996 survey, corporate counsel departments grew by 10% over the previous year. This growth was driven by the fact that corporate counsel departments are now being asked to do more than just provide legal advice. They are now being asked to provide business advice as well. This is reflected in the fact that the number of corporate counsel departments that provide business advice has increased from 10% in 1995 to 15% in 1996. This growth is also reflected in the fact that the number of corporate counsel departments that provide legal advice has increased from 10% in 1995 to 15% in 1996.

1996	1995	The Nation's Ten Largest Law Firms	Page
1	1	Skidmore, Owens, Merrill & Co.	10
2	2	Wacht, Lipton, Rosen & Katz	11
3	3	Liberty National Insurance Co.	12
4	4	General Electric Co.	13
5	5	AT&T	14
6	6	Exxon Corp.	15
7	7	Boeing Co.	16
8	8	Procter & Gamble Co.	17
9	9	Amgen Inc.	18
10	10	United Technologies Corp.	19

Inside

**REPORT PARTNERS WITH
OUTSIDE COUNSEL.**
DuPont has managed to cut its legal expenses by 20 percent after reducing the number of law firms it uses from 100 to 14. Each is required to share information and expertise with one another. In return, the company awards the law firms in rotating order.

**JURORS' DEATH IN PAYOFF
CASES GREATLY
EXAGGERATED.**
The jury last year in Dallas cases in which a juror was killed in a case involving a death penalty case was 10% higher than in cases involving a death penalty case.

**WITHIN TO DEAL
WITH AN ISO ALONE.**
The Commission on Corporate Law, 10 years in the making, is now a reality. It will be a major force in the development of corporate law in the future.

**PURSUING THE
HISTORY OF LAW.**
The American Bar Association is now a reality. It will be a major force in the development of corporate law in the future.

**SUBSCRIBE TODAY
AND BEAT THE PRICE INCREASE!!!
FOR A LIMITED TIME,
A ONE YEAR SUBSCRIPTION IS STILL ONLY \$95
THAT'S ALMOST HALF OFF
THE COVER PRICE
CALL 312-654-3500
OR SEND BACK THIS COUPON**

☒ **Yes, I want to receive a full year of
CORPORATE LEGAL TIMES
at almost half off the cover price.
Please bill me \$95**

Name: _____
Title (Required): _____
Company/Firm: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____
Signature: _____ Date: _____

PH9701

CONTINUED FROM PAGE 35 CORPORATE LEGAL TIMES ROUNDTABLE

make sure they come to me with that kind of a problem, and that the attorney who handles is brought in. Again, we deal with it in a group situation.

Henning, Hildebrandt: Jim, what are the costs and benefits on being hundreds of miles from corporate headquarters?

Downing, Bridgestone/Firestone: For our type of operation, which by itself is a large organization, it's not a disadvantage. In fact, it's probably an advantage to be separate from corporate. Most of our clients are not close to any other particular client; the store operations are spread across the country. So there's no way we can have attorneys anywhere that would be particularly close to all the clients.

Firestone used to have a centralized law department at corporate. All lawyers were corporate. Several years back, we split into 21 operating divisions. Now a number of those divisions, particularly the large ones, have counsel on site. I see a lot of advantages in that. First, the law department is no longer viewed as a separate department to which good ideas go to die. It is an integral part of the business; we're working with business people hourly.

Secondly, we've developed a relationship with our clients from around the country—there's absolutely no hesitation to contact us. We're inundated by phone calls all day long. And finally, the idea of pushing down the costs has worked for us, if for no other reason than our legal costs have continued to decline. Once the client becomes involved in the process and understands what's at stake, it's much easier to say early on in the process, particularly in litigation, "We can spend a \$100,000 to win this thing, or we can spend \$20,000 today and be done with it. It's your money, what do you want to do?" That changes attitudes very quickly. It's no longer a fight to the death.

Henning, Hildebrandt: A lot of general counsel say, "I can manage my outside lawyers close to home, at least in this country. But once you get beyond the borders of this country, it's a black hole in terms of managing them and ensuring that they're providing value." Is that a problem?

Bowe, Encyclopaedia Britannica: It is more of a black hole. I've seen black holes of a domestic variety as well. Outside the country, you don't have direct familiarity with the culture's legal system, the time it takes for disputes to be resolved and the manner in which business disputes tend to unfold in terms of cost. However, the fax machine, e-mail and other modern methods of communication can bring a business problem in India or Japan pretty close

to your desk.

Doane, Corn Products: As a member of the president's senior staff, I find myself becoming very involved in what's occurring in the business, and all of the daily trials and tribulations that have nothing to do with the law department. I have to constantly remind myself of who is really the client—in my view the shareholders of CPC.

TWO PLACES AT ONCE

Henning, Hildebrandt: When we do a client assessment, we often hear that clients want lawyers to be part of the business team. But as the size of legal departments has diminished, there are less legal resources to use for non-legal purposes. Is that a pressure some of you feel when you're trying to measure value and add maximum value?

Marks, H₂O Plus: At our company, protecting our trademarks is very important. I've made numerous presentations, both at the corporate level as well as to

store managers out in the field, to ensure that all of us are properly using the trademarks, and policing and protecting them. In the long run that saves time; I don't have to repeatedly correct people within the company on proper internal usage of the trademarks. So we address recurring problems by holding educational compliance seminars or issuing guidelines.

Henning, Hildebrandt: But do you often get the sense, as I get from many lawyers inside companies, that, "I understand how important preventive law, and compliance and training programs are for the clients' education, but I'm dancing as fast as I can."

Marks, H₂O Plus: There's no question that it's a balancing act. There are a number of preventive practices I would like to engage in at our company, but at the same time, there are more immediate priorities. You're trying to balance preventive practice programs with all the day-to-day issues that arise.

Henning, Hildebrandt: Jim, there is a lot of preventive training and education you could do at the store level, where you're dealing with employees who are probably making close to minimum wage but are doing very important things, such as replacing wheels on cars. How do you deal with that?

Downing, Bridgestone/Firestone: We deal with it by wishing we could do something about it. We have a very small legal staff for an organization of this size. Most days are spent putting out fires.

Another topic that was mentioned earlier that I want to address is the idea of counsel being at the business site rather than at corporate headquarters. It does create tension. For instance, I directly report to the president of the division. However, I have a heavy dotted line to the corporate general counsel. It is a balancing act trying to serve

two masters, if you will. We're so involved with the business aspect, and our bonuses are linked to the division, that it gives us a different perspective. I am in favor of having a centralized law department for reporting purposes, but geographical dispersion for where lawyers are physically located.

Bowe, Encyclopaedia Britannica: On the one hand, lawyers are expected to gain a closer degree of familiarity with the business issues of the day, and yet they also have a separate requirement for independence. That is a constant tension. I always try to make sure that I and my staff are clear about coming down on the independent counsel side of that mix. While we have become increasingly immersed in direct communications with our business clients throughout the company, we try to be very clear that the hat we're wearing is not a business hat in the sense of pushing a business decision one way or the other, but rather to stop at what I hope is still the traditional stopping point of independent legal advice.

Henning, Hildebrandt: This dotted line/solid line issue is one that comes up all the time. Is it an important issue and, if so, how should it be handled?

Marks, H₂O Plus: Because our company is relatively small, we're not faced with that issue. I have a direct reporting relationship with both the president and the chairman, so I don't have dotted reporting relationships to any of the business units. I don't have the tensions and conflicts that might unfold if that were the case.

Doane, Corn Products: I have a direct line reporting to the legal department and a dotted line to the president of Corn Products. The strong direct line to the legal department helps me maintain independence, and the dotted line to the president always reminds me that there is a client to whom I have to provide good service.

PROVING YOUR WORTH

Henning, Hildebrandt: One might say, dotted line, solid line—that really isn't the issue. The issue is does the client—the head of the business units, the CEO, the board or the shareholders—recognize that we, the lawyers, add value to the company? How do you market yourselves with regard to that issue?

Bowe, Encyclopaedia Britannica: For me, the starting point is, what's the legal department's return on investment? That's the way the other business elements of the company are looked at.

I think of it in terms of a fraction. The numerator is the returns you get in terms of damage recoveries and—more importantly for many law departments—the limitation of exposures, either their reduction or outright elimination.

The denominator is, what does it cost the law department internally and in terms of outside expenses to achieve that ratio? We've never been a profit center in a strict sense; I don't think we ever will be. But that ground is changing as more aggressive intellectual property litigation opens up an opportunity for recoveries that traditionally were not there.

We are always telling our clients where exposures are and what worries us on a monthly or quarterly basis. We recently set up an intranet that permits us, for the first time, to get our message out on a variety of legal and policy topics, from e-mail usage and electronic communications policies to anti-discrimination policies. A strong communication process is essential to having your client believe it is getting a return on its investment from the legal department.

Doane, Corn Products: In terms of sending out reports and using e-mail and the like, I've often thought about other more visible ways a legal department could demonstrate its value to the client. Whenever I'm tempted to do something like that,

I always come back to my fundamental belief that there's no substitute for success and working closely with the client. If I'm consistently achieving results in a way that's an integral part of the management team and keeping the business moving forward, people will see that on a daily basis.

Henning, Hildebrandt: We hear the same argument from outside lawyers in private law firms. They say all of this marketing stuff is not only undignified, but it's no substitute for just doing good work. But the overall movement toward sophisticated marketing requires almost all law firms that want to remain competitive to get into it.

Doing good work is your ante. If you want to play a poker game, the client will

expect you to do good work. But the fact is, you have to market yourself as well. Outside lawyers would like to see more outsourced business, and there are tremendous internal pressures to reduce the legal function. So there are defensive reasons for marketing—to increase your perceived value.

Doane, Corn Products: I agree with you that doing good work is a given. A client has the right to expect that the work either inside or outside counsel does will be technically correct and accurate. I'm referring to the relationship aspect of what we do. If you're doing good work in a vacuum, you have reason to be concerned about your job security. But if you are doing good work in

ROUNDTABLE continued on page 38

Conquer Change!

With Flourish based CLMS™



Now you can truly process, manage and control every aspect of your practice with greater efficiency, consistency, speed and lower cost.



- Internet Web access via any platform (PC, Mac, Unix, etc.)
- Full management functions via remote access
- Interdepartmental access facilitation and control
- Collaborate online with outside counsel
- Receive electronic, task based invoices from vendors into finance module

See what our clients are raving about:

General Counsels Say:

- "Relationships between people, events, paper and money are constantly changing. We like that CLMS is designed not only to keep up, but to put us ahead of the game."
- "We did the math. There is no question that CLMS is adding very significant dollars to our bottom line."
- "CLMS ability to flexibly track changes across our many departments is phenomenal."
- "For the first time we have budget projections and the ability to closely monitor performance against those budgets. We've never felt so much in control before. CLMS is great."

Legal Administrators Say:

- "We've mapped our entire work flow into CLMS. Nothing slips through the cracks anymore. We are much more efficient and consistent."
- "We can coordinate and find everyone we deal with much more effectively thanks to CLMS fully integrated scheduling and records search."
- "We never imagined that document production could be so easy. Files, faxes, photos, videos and more are all right there at the click of a mouse. A few more clicks and anything you want can be sent to anyone via hard copy, fax, or email."

I.S. Executives Say:

- "We like Flourish's position. It's a timely yet proven technology."
- "Windows, client server, C++, scalable, enterprise wide integration, transparent interfaces to existing systems, a one-stop solution. YES!"
- "Flourish has the power to truly manage massive amounts of information."
- "Flourish based CLMS sets and exceeds industry standards."
- "CLMS provides secure transaction processing, even remotely over the Internet."



MITRATECH

Management Solutions with the Power To Conquer Change

To learn more, ask for our free executive guide, or attend one of our free seminars held throughout the U.S. Call today!

800-852-4188

<http://www.mitratech.com>

CONTINUED FROM PAGE 37

CORPORATE LEGAL TIMES

ROUNDTABLE

a way that's perceived to be part of the business management team and the solution to the problem by meeting business goals and moving them forward, it speaks for itself. I'm old-fashioned about this.

Henning, Hildebrandt: As are a lot of lawyers in outside law firms.

Downing, Bridgestone/Firestone: It's politically smart to market the law department, but I have not done that. As a matter of personal satisfaction, I would prefer to

aid a person out there in the firing line who has a legal question, needs help and has nowhere else to turn. If I had more time, my next priority would be to do proactive things for that person.

As I look around the corporate environment, many other departments spend a great deal of time marketing, and in my opinion it's form over substance. It's a smart political thing to do; I just choose not to do it. I prefer just to do good work. If they like it, they like it. If they don't, you won't either.

Bowe, Encyclopaedia Britannica: There's one traditional advantage that remains very important. I've seen various surveys showing that the fully loaded cost of in-house counsel is 29 percent to 50 percent

less than the cost of outside counsel.

That's a significant selling point for in-house legal departments. It's important that business unit managers understand that equation, because ultimately it affects not only their business unit profits, but the company as a whole.

Henning, Hildebrandt: To further provoke you, our most recent studies indicate that those very dramatic in-house cost savings disappear as a legal department matures. If you hire a third- to fifth-year associate to do work in-house, a third- to fifth year associate at an outside firm costs 50 percent more. But 10 or 15 years later, that hire is being paid a significant salary and may very well be doing the same level of work. A very

close make-buy analysis is required to determine whether something can be done significantly less expensively inside.

Marks, H.O. Plus: I have a slightly different perspective on demonstrating value and indirectly marketing yourself to your corporate client. Where I work it's important to be perceived as wearing more than one hat.

A while ago, we were setting up operations overseas. There were all sorts of legal issues and non-legal issues that had to be addressed, such as deciding what kind of legal entity we would have, negotiating employment contracts, opening bank accounts, hiring a bookkeeper, dealing with transfer pricing regulations, product labeling issues and real estate issues.

This was a situation where the company could have sent a business person and a legal person overseas to handle all of these various tasks, however I assumed the responsibility not only of addressing the strictly legal aspects of this particular project, but also the administrative and financial aspects. This produced a very tangible savings to the company because it reduced travel costs by a second person, as well as the valuable time that would have been consumed by that person having to travel overseas. It would have been difficult for the company to send a business person overseas to handle the legal and business aspects, but a legal person could handle all these various tasks. In-house lawyers can demonstrate their value to management (and produce some real savings) by wearing more than one hat.

Downing, Bridgestone/Firestone: The overriding issue is not the money. It's head count. So I haven't found it effective to market the cost savings.

READING BETWEEN THE LINES

Marks, H.O. Plus: How do you put a dollar value on a lawsuit that never comes into being, because in-house counsel enacted some compliance procedure that prevented someone from making a mistake?

Downing, Bridgestone/Firestone: We use every opportunity to show our management headlines of judgments assessed against our competitors. "We got out of this thing for \$1 million, they just got tagged for \$40 million, aren't we bright?" The general reaction is, "That's your job." But we do use it as a marketing device.

Bowe, Encyclopaedia Britannica: It is a difficult problem. Over the years, first in print and then more recently in software, Britannica has had counterfeiting and piracy problems. We put resources from the law department into protecting our core intellectual property assets. It's easy to see that money go out the door, but it's not always as easy to demonstrate the enforcement return to the company. That's largely a question of education and managing expectations.

Doane, Corn Products: I do a fair amount of compliance training programs. The feedback I get from those is not immediately after the program. But I hear on a reoccurring basis, "I had a situation like the kind of thing we talked about in your compliance seminar, and I felt good because I knew how to deal with it." That

MANAGEMENT MARKETING TECHNOLOGY ORGANIZATION SURVEYS PLANNING



An hour isn't what it used to be.

Everyone's confused. Attorneys. Clients. Corporate management. How do you price legal services in the computer age?

What used to be an hour's worth of billable activity can now take minutes. Or even seconds.

Consulting with Altman Weil Pensa can help your law firm or law department not only survive this kind of technological time warp, but thrive in it.

We have a reputation for integrity,



Altman Weil Pensa

WHAT YOU NEED MOST IS WHAT WE DO BEST.

objectivity and innovative thinking nearly three decades in the making.

It's not that we have all the answers. But rather that our questions reflect a sophisticated level of experience and a wealth of legal industry data that no other consulting firm can match.

You can't turn back the clock. But you can put time on your side. By calling Altman Weil Pensa today.

is a tangible return, because I know the problem has been dealt with, and it won't turn into a mess in the future.

ENFORCER/BUSINESS PERSON

Henning, Hildebrandt: Now, at least two of you deal with intellectual assets in your company, and intellectual property is at the very heart and soul of your business. Is there a legal responsibility to manage intellectual property assets, to keep management informed of what assets aren't adding value and should be abandoned, licensed or used in some better way? Did any of you get involved in that as a way of adding value?

Marks, H₂O Plus: I get extensively involved in that. We have trademark applications and registrations in 40 countries, so this is an ongoing process. Our mark has encountered a number of problems overseas and, to some extent, domestically because of the generic aspects of H₂O designating water and the word "Plus." So in the trademark area, reoccurring problems make it essential that I meet with our management and make sure everyone's on the same page regarding how we want to use our trademarks in the United States and overseas.

Henning, Hildebrandt: Do they look at you as sort of the head man on the management of these assets, as well as the legal protection of those assets?

Marks, H₂O Plus: They do. I'm not sure that everyone in the company has the complete sensitivity of policing and protecting the trademarks. Because we are a thinly-staffed organization, it's even more incumbent on me to make sure that both the business and the legal aspects are at least discussed with all of our management.

Bowe, Encyclopaedia Britannica: At Britannica, the legal function is where the intellectual property management is concentrated. It is not unusual to have business unit managers, particularly outside the United States, who want a full range of trademark registrations, from more important, well-known marks to lesser-known marks of a more marginal value. Their view is, why not register it all? We do have a very important role in trying to put a price tag, in terms of cost and dimension of attention, on the management of those marks, and to winnow out those costs that really are not justified. Sometimes we get into arguments about that, but the legal function is the best place for it to come together.

Marks, H₂O Plus: The trademark costs can be phenomenal in terms of the registration process overseas and using foreign associates. So it's particularly important to educate your management on the benefits of applying for a mark and how that translates into the costs and future protection of that mark.

EXAMPLES OF ADDING VALUE

Henning, Hildebrandt: Could each of you give one specific example of how you've concretely added value?

Downing, Bridgestone/Firestone: We've had a lot of employment litigation over the years. Within the last three years, we've implemented three steps that have gone a

"Doing good work is your ante. If you want to play a poker game, the client will expect you to do good work. But the fact is, you have to market yourself as well."

- Joel F. Henning, Hildebrandt Inc.

long way in reducing costs. One is that we're shoving costs down to the operating division, so they think twice about making emotional decisions regarding terminations. Secondly, we've always had a severance pay plan when someone goes out the door. But we never had a release as a precondition, so now we do. Thirdly, we've

implemented an alternate dispute resolution system, so that all employment matters are mediated and arbitrated instead of going to court.

Henning, Hildebrandt: That's not only an economic value, but clearly a value in terms of company morale, because every

time an employee leaves, there isn't a dispute and/or a lawsuit.

Bowe, Encyclopaedia Britannica: We've had a recent example of a relationship with a law firm that was a bit unusual and represents the kinds of flexibility you see now in the marketplace for legal services. Before Britannica was sold a little over a year ago, it sold its product through the direct-selling method and financed the purchases of its customers. So it had a very large accounts-receivable portfolio. If you looked at the company's balance sheet, you'd say that it really wasn't a publisher as much as a finance company.

As the company, responding to changes

ROUNDTABLE continued on page 40

ComplInfo

The Best Just Got Better

See why, with our newest release, the best law department software is now even better.

Corporate LawPack, the choice of more than 100 major corporations:

- 28 of the Fortune 100
- 9 of the Dow 30 Industrials
- Major government agencies

Corporate LawPack features:

- Comprehensive user-and process-centric views
- Explorer-style Windows 95/Windows NT navigation
- Inter/Intranet connectivity
- Total design flexibility and user-defined reports
- Built-in metrics and trend analysis
- PC DOCS and document assembly integration
- and much more

COMPLINFO

Telephone: (212) 353-7500
Email: compinfo@pcdocs.com
Web site: <http://www.lawpack.com>

A PC DOCS® Group™ International Company

PC DOCS GROUP
INTERNATIONAL INC.

CONTINUED FROM PAGE 39

CORPORATE LEGAL TIMES

ROUNDTABLE

in the marketplace, began to change the way it did business, we found that we needed a very intimate involvement on the part of outside lawyers to assist us in managing the substantial and complicated process of shifting out of the receivables-financing business. The company received a good fee arrangement after discussing this issue, and for an extended period of time we had total immersion on the part of the outside legal counsel involved in this process. At the end of the day, we had not been required to hire internal legal staff, and we'd gotten spectacular service from one of the company's long-time suppliers at a very attractive price. That kind of thing would not have been possible five or 10 years ago.

PHOTO BY JOHN MCNEILTY



"In-house lawyers can demonstrate their value to management (and produce some real savings) by wearing more than one hat."

—Roger H. Marks,
H₂O Plus Inc.

it arises. Sometimes it's resulted in my providing a user-friendly legal form or checklist, or maybe it identifies for me an area of training.

Most of the problems that come in our door as in-house counsel are not legal problems in the true sense of the word. What we see 99 percent of the time are business problems with legal implications.

Marks, H₂O Plus: Many times, managers come into my office with issues that may have legal overtones. But what they're really looking for is input on an approach to a business problem. One can add value there by acting as a problem-solver. My role as in-house counsel goes far beyond strictly rendering legal advice to the com-

pany. I also must help people walk through problems and address approaches that in the end may have nothing to do with legalities. But that is not recognized when they initially come into the office.

Having an involvement in a number of departments within the company enables in-house counsel to see a problem from many perspectives. Sometimes there are conflicts between the needs and objectives of one department and another. Therefore, being able to recognize and resolve those conflicts can add value to the legal function.

Another way of demonstrating real value to the corporate client might be, for example, the use of outside counsel and

enacting alternative billing strategies that can have very tangible reductions on legal costs when compared to strict hourly billing. There's a number of different areas where one could demonstrate value.

Henning, Hildebrandt: Another important area is turnaround time. Whenever we do client assessments, that's the big complaint. And a quick turnaround time is a great way to enhance your client's perception of value.

How do you impart to your lawyers how important it is not to write a legal treatise before responding?

Downing, Bridgestone/Firestone: I don't hire lawyers who don't share that viewpoint. Every lawyer in my organization realizes how important it is, but we're also realistic. We'll ask the client, "How soon do you need this?" Depending upon the answer, we'll do it right then. If we can't do it, we will not hesitate to ship it out immediately. Fortunately we have very good relations with some good firms that understand the same thing, and they'll get back to us quickly.

OUTSIDE COUNSEL: GOOD TO THE LAST DROP

Henning, Hildebrandt: How do you get value from your outside counsel?

Marks, H₂O Plus: Create a partnership with your outside law firm. It's important that they have some understanding of your business, so that when you present them with a legal issue, it's not viewed strictly in an academic sense. If they have background

Cut Your Legal Bills Down to Size

You carefully review your legal bills. Still, you can't help wondering.

Are your law firms billing fairly?
Are your legal charges reasonable?
How much should that legal matter have cost?

To get the answers, team up with EXAMEN. As the nation's leader in legal cost management, we make sure our clients get their money's worth where legal bills are concerned.

Our services include:

- legal bill auditing
- legal bill reviews
- fee negotiation
- worksite training seminars
- expert witness testimony

EXAMEN's objective approach to legal cost management helps level the playing field. Call us—and pay your legal bills with confidence.



Call us for your free copy of *The Examen Guide*, a valuable compilation of court rulings on law firm billing practices. Together they help define which billing practices are reasonable—and which are not.

examen
LEGAL COST MANAGEMENT SERVICES

1-800-639-2636

CORPORATE LEGAL TIMES

GIANT STEPS MEDIA COMPANY

Announces
our presence on the
Internet:

info@gsteps.com

GIANT STEPS MEDIA
U.S. BUSINESS LITIGATION
CORPORATE LEGAL TIMES
ILLINOIS LEGAL TIMES

Last minute.
Fast. Ready
when you are.



You need a court reporter
and you need one now.
Instantly. At a moment's notice.
You need Chicago Trial Reporters.

We offer:

- ▼ Trained reporters immediately available for all types of court reporting
- ▼ State-of-the-art software and hardware — available to reporters and clients
- ▼ Instant transcripts of consistent quality
- ▼ Litigation support services
- ▼ LiveNote and CaseView.

WBE Certified

Call

**Chicago
Trial Reporters**
312.345.0303
1.800.VCR.7708

We're ready for you.

knowledge of the company, the advice they render will likely be more pragmatic and useful to your business objectives.

Henning, Hildebrandt: What's your responsibility in establishing that partnership, and what's their responsibility?

Marks, H₂O Plus: It is very important to have a substantial involvement in all aspects of a project assigned to outside counsel. For example, in the litigation context, I get involved in staffing a case, discussing alternative strategies, obtaining a budget up front so that our management can weigh the costs of litigation against any settlement alternatives, and just keeping the litigation well-focused, defined and on track. I want to ensure that they're looking at what it is we want to

accomplish out of the litigation, rather than escalating it into something that will cost the company a lot more money and may not achieve the original objectives.

Henning, Hildebrandt: What do you do to ensure that outside counsel learn about your business, but not necessarily on the clock?

Marks, H₂O Plus: Lunches are a good occasion to meet with the attorney—hopefully, without being charged for it—because it gives you an opportunity to explain your company, its background and some of the personalities that you're dealing with. When a problem comes up, they'll have a better sense of the corporate culture and your company's operations.

Downing, Bridgestone/Firestone: I remember not more than five years ago approaching one of the premier law firms. There was really no discussion of any alternate billing arrangement. Their hourly rate was what it was, they provided great service and were efficient, and they were somewhat offended that the topic even came up. Today, anything's fair game. You can work out fixed fees, contingencies, reduced hourly rates, etc., but the most important thing is the relationship, and that just comes over time.

How do they know your business? Any law firm working with a company for the first time should come in to spend half a day with you. After that, it's the chemistry. When it's there, it's great, because they're on the same wavelength. They know when I ask a question, I don't want a law review article. I don't care how right their people are, I just want the answer yesterday so I can do something with it. The hourly rate portion is fairly meaningless. I get some of my best service from the lawyers with the highest hourly rates, because they will tell me in 30 seconds what a younger associate could take the day to research.

Henning, Hildebrandt: So what you're saving, and I hear this so much from cor-

porate lawyers, is "I don't care what the hourly rate is if I can get the answer while I'm on the phone."

Downing, Bridgestone/Firestone: The hourly rate's only half of the formula.

Marks, H₂O: One of the things I find very important and I communicate to outside counsel is, I basically prefer the outside advice to be delivered verbally rather than in writing and confirming memos. That not only reduces the legal costs, but it enables me on the spot to ask the quick questions and reach a resolution. It's in-house counsel's role to take that information and translate it into meaningful terms for the management.

"It's politically smart to market the law department."

**—James S. Downing,
Bridgestone/
Firestone Inc.**

Bowe, Encyclopaedia Britannica: We all understand from our practices that communication

between in-house counsel and the outside law firm is essential to a good business and legal results at the end of the day. The way in which that communication takes place has been changing fairly dramatically over the last years. We have seen the fax come into widespread use on both ends. E-mail hasn't made a complete entry yet into use by both outside and in-house counsel, although corporations are fairly well-networked and highly reliant on e-mail communication. But due to the confidential nature of legal communications and the lagging technology in some law firms, you don't see that easy flow.

If I were to put my finger on a trend that will break down that remaining wall, it would be the encryption technology that is now within reach from a price and security standpoint. In terms of complexity, it is like using a VCR to record your favorite program. Once the link becomes more secure, we will see a level of communication and efficiency that's dramatically beyond what even we've become used to in the last few years.

TECHNOLOGY

Henning, Hildebrandt: How do you encourage outside firms to make an investment in technology or take the time to understand your business?

Doane, Corn Products: The marketplace is convincing them.

Bowe, Encyclopaedia Britannica: Just as the law firms followed their clients as their clients' businesses became globalized, so they will follow the clients in terms of the sophistication of communications media.

Henning, Hildebrandt: While we're on the subject of technology and the added value it offers, how do you keep from paying again and again for re-inventing the wheel?

Bowe, Encyclopaedia Britannica: One thing that helps are legal research resources. I'm not referring to an in-house

ROUNDTABLE continued on page 42

HOW EFFECTIVE IS YOUR FIRM-TO-CLIENT COMMUNICATIONS SYSTEM?



Close business relationships demand the easy, accurate flow of information. With over 20 years of consulting experience, Hildebrandt is acutely aware of how information and communications technology can affect client. Coupling this knowledge with an understanding of ever-changing trends and regulations in the communications industry, we can partner with your MIS and Telecommunication groups, opening up new lines of communication and establish a better connection with your clients.

- Telecommunications & Messaging Systems
- Remote Information Access
- Video Conferencing
- Cost Recovery
- Wide Area Networking
- Call Center Technologies
- Strategic System & Network Planning
- System & Vendor Selection & Management
- Local & Long Distance Services



Hildebrandt

S O L U T I O N S

CHICAGO • DALLAS • FLORIDA • NEW JERSEY • SAN FRANCISCO • LONDON affiliate-Stephen Mayson
For More Information Call 908-725-1600 • <http://hildebrandt.com>

CONTINUED FROM PAGE 41

CORPORATE LEGAL TIMES

ROUNDTABLE

file of memoranda, but to the resources available on the Internet.

Before coming over here today, I printed out my Netscape bookmark section of legal research web sites. There are probably about 50 on my list, and a variety of those are very specific in their focus on intellectual property issues, be it patents, trademarks, trade secrets or copyright, which is a big part of our life at Britannica. Those are now available at your desktop.

Marks, H₂O Plus: I find a direct approach with outside counsel often works. Ask them, "Is this something you've done before?" Because if they don't have the experience or have not done it before, then I need to reconsider whether it is the right law firm for the particular project. I've also found using computer technology and subscribing to a number of online legal services can be extremely helpful in terms of pulling things off of the Internet. We can get free advice from legal counsel in other jurisdictions where we may have problems or just simply keep current with regulations that affect our industry.

Henning, Hildebrandt: Have any of you established intranets with your outside counsel or other arrangements that would add value, such as obtaining access to the work they've done for you?



PHOTO BY JOHN MCNULTY

"Any law firm working with a company for the first time should come in to spend half a day with you."

—James S. Downing,
Bridgestone/Firestone Inc.

Downing, Bridgestone/Firestone: We've done that very recently, and we now are linked on an e-mail system, not only among our internal lawyers, but to a great number of our outside counsel through Lotus Notes. We selected Lotus Notes because of the security available through encryption.

I've only used it for two or three weeks, and it's like magic. Your outside counsel can write you a memo, "Here's the motion we're planning to file next week," and then you see a little icon, click on it and the thing pops up like magic. You can look at it quickly, edit it if you want and send it back. The other nice thing about it is you can communicate around the clock. In our company, the law department is far ahead

of the business units when it comes to using the e-mail system.

Bowe, Encyclopaedia Britannica: For those without Lotus Notes, such as our shop, we found that Pretty Good Privacy is emerging as a standard for encrypted business communications. It's been a very good tool and widely available.

GOING THE EXTRA MILE

Henning, Hildebrandt: Are law firms more sensitive to this issue of value, not necessarily just price, discounts or piece work? When they come to you to make pitches, do they describe how they can add value?

Marks, H₂O Plus: Our intellectual property

firm provided me with a free set of books authored by one of their partners. It has served as an excellent resource tool. The firm demonstrated that they were trying to assist me and the in-house legal function in rendering trademark advice. I put a high premium on those firms that are committed to expressing an eagerness to work with me and control costs, and providing those books is a prime example. Otherwise, I would have had to do research or possibly call them to ask them a question.

Doane, Corn Products: I want my outside counsel to keep abreast of what's going on in the business. When they call me, they should express interest keeping abreast of what's going on. They should be aware that we're in a cost-cutting mode and proactively come up with creative solutions. If they do that, it demonstrates that they want to provide value to me.

DON'T TAKE ME FOR GRANTED

Henning, Hildebrandt: When we do client assessment for law firms, sometimes corporate clients will say, "We've used that law firm a long time, and they clearly are excellent lawyers and provide high-quality service, but they're beginning to take us for granted." What do you do about it?

Downing, Bridgestone/Firestone: I've had that experience and I convinced the corporate general counsel that we shouldn't be using that firm exclusively. The matter resolved itself.

This may sound old fashioned, but within a law firm there is typically a spec-



Baker Robbins & Company

TECHNOLOGY CONSULTANTS

Chicago 312.943.8400 Houston 713.840.0510 Los Angeles 310.843.0880 New York 212.953.3570 San Francisco 415.393.0550 Washington DC 703.264.9870

MATTER MANAGEMENT

When the future is the bottom line

"My department is small, but my needs are similar to those of a larger department. LegalEdge offers a solution with great functionality, a price that my department can afford, and the ability to expand in the future."

Executive Version

"My growing organization needed a comprehensive solution at a moderate price with the ability to do future customization. LegalEdge was the solution we were looking for."

Classic Version

"I work for a Fortune 50 company with exact needs in matter management. LegalEdge was able to build a full custom system that was a perfect match!"

Custom Version

*The Corporate Edge Suite
is the only answer*

LegalEdge

Call for a free demonstration disk
(610) 975-5888
<http://www.legaledge.com>

trum of attitudes relating to client service. For example, I can literally get in touch with an outside labor attorney I work with any hour of the day or night, as he can with me—by home phone, office phone, pager or fax. I know he's in contact and will respond immediately. There are others—typically younger lawyers who have a little more aloof opinion of themselves—who are not quite as service oriented. It's a mixed bag. You can't say one firm offers it and another doesn't.

Bowe, Encyclopaedia Britannica: It's a little bit like Michael Jordan saying some of the younger players don't always remember that the fans are pretty important to the game.

Henning, Hildebrandt: One of the things I heard recently in a meeting with general counsel was that they find they will always get value-added service and a fast response from the responsible partner or that small group within the law firm who is on the team. But when they need specialized service from another lawyer in the firm, they feel as if they're being taken for granted.

It is often a function of the compensation system within the law firm. "It's worth more if I am working on my clients or even trying to find new clients, rather than working on my partner's clients. Therefore, I may do it, but I'm not giving it that much attention because Bridgestone/Firestone or Encyclopaedia Britannica isn't my client." Do you ever encounter that attitude?

Downing, Bridgestone/Firestone: I've encountered it in the past, but again it's a mixed bag. I've also encountered those truly responsive attorneys. They will go out and do whatever it takes—browbeat, intimidate, or threaten others—to convince them we are just as important to them as to the billing partner.

Bowe, Encyclopaedia Britannica: We've seen that from time to time, but one of the trends in our consumption of legal services is that we have increased the number of firms which are providing specialized services, so we're far less of a one stop shop than when I entered EB as general counsel. Now when we have a specialized legal matter, we're likely to work with a firm or a lawyer at a firm that is highly focused on that and appreciates the business.

LINES OF COMMUNICATION

Henning, Hildebrandt: Is it appropriate to inquire of your current outside counsel or those looking for business from you about their infrastructure—their compensation system, for example?

Bowe, Encyclopaedia Britannica: That's their business, and if the way they organize their business isn't to our liking, we vote with our feet.

Henning, Hildebrandt: But wouldn't you find if you went into your business units, that when your business people are looking for preferred providers, vendors or suppliers, they look with a great deal of intimacy at the infrastructure of those offices?

Doane, Corn Products: It's a legitimate area of inquiry, but after all is said and done, it comes down to the individuals, the personalities, how closely they want to work with you and how willing they are to marshal the resources of people in the firm to work on your business.

Marks, H₂O Plus: Market forces are making firms far more competitive and, therefore, more responsive to the corporate client. They recognize that if the corporate client is not getting the kind of service they want, they could easily switch firms. So the market factor dictates that the service is generally good, or there's a recognition that we could go elsewhere.

Henning, Hildebrandt: How many of you have had outside counsel, in the interest of measuring the value they're contributing to you, come to you on a formal systematic basis, and sit down or hire outside consultants to sit down with you and ask, "How are we doing?"

Downing, Bridgestone/Firestone: I have only had experiences like that with two firms. It is not a common practice.

Marks, H₂O Plus: I have not found that to be the case, but at the same time, I often pre-empt that by letting the partner or associate know how they're doing.

Bowe, Encyclopaedia Britannica: There is always a matter of direct and fairly regular communication between myself and the senior lawyers in the firms we're working with. So I like to think that we both know how the relationship is working, because that's our business to be close and fix it if it goes wrong.

Doane, Corn Products: No one has come to me in a systematic fashion, but I give feedback on a fairly regular basis. That's not to say, being as busy as we all are, that I wouldn't appreciate a call from outside counsel from time to time. I would like to be asked, "Is there a way I can do

ROUNDTABLE continued on page 44

JENNER & BLOCK

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

WHAT YOU ALREADY KNOW: JENNER & BLOCK is widely regarded as the nation's preeminent litigation firm.

WHAT YOU MAY NOT KNOW: JENNER & BLOCK'S Tax Department handles tax planning and mergers and acquisitions tax structuring for some of the world's largest companies.

Call James M. Lynch, Tax Department Chair

Direct Dial: (312) 923-2817
E-Mail: jlynch@jenner.com

CHICAGO OFFICE
ONE IBM PLAZA
CHICAGO, ILLINOIS 60611
(312) 222-9350
(312) 527-0484 (FAX)

WASHINGTON OFFICE
601 THIRTEENTH STREET, N.W.
WASHINGTON, D.C. 20005
(202) 639-6000
(202) 639-6066 (FAX)

LAKE FOREST OFFICE
ONE WESTMINSTER PLACE
LAKE FOREST, ILLINOIS 60045
(847) 295-9200
(847) 295-7810 (FAX)

CONTINUED FROM PAGE 43

CORPORATE LEGAL TIMES

ROUNDTABLE

things better?"

Downing, Bridgestone/Firestone: There are also certain things the inside people can do. It may sound a little hokey, but it's very well-received and effective. When a case is handled well for us, particularly when it's done by a younger associate, I make it a point to call them up directly and express my appreciation for what they've done.

In my subsequent conversations with managing partners, they've said, "You can't imagine how appreciated that was, because they typically don't hear good things about what they do." But the payoff on that is the next time you make the phone call and you've got something hot, they feel fired up to go that extra mile. It's the golden rule in action.

Bowe, Encyclopaedia Britannica: Most of our conversation has been focused on the nuts and bolts and businesses aspects of managing the in-house/outside counsel relationship and other internal relationships. But there is nothing more personally rewarding than a good working relationship. The results may not always be as good as the relationship, but it is professionally deeply satisfying.

SELF-ASSESSMENT



PHOTO BY JOHN MCNUALLY

"A strong communication process is essential to having your client believe it is getting a return on its investment from the legal department."

—William J. Bowe,
Encyclopaedia Britannica Inc.

Henning, Hildebrandt: I'd like to turn once again to your internal legal function. Do you systematically ask your clients how you're doing and how you can do better?

Doane, Corn Products: From time to time I do. That's why it would be nice for outside counsel to do it as well. Everyone needs feedback to help them identify those areas that need more attention.

Marks, H₂O Plus: I don't do it in a direct manner, but I make on-site visits to the business units and maintain a visible presence. Questions pop up when I pass by or stop in someone's office, and I always wonder whether those questions would

otherwise filter down to the legal department. My hope is that by maintaining that visible presence, they will see value and tell me if there are certain things they want to see done.

Bowe, Encyclopaedia Britannica: We're not large enough to undertake formal client surveys, either on our own initiative or through outside consultants, but we talk informally with clients and regard that as a requirement of the management of the legal function.

Downing, Bridgestone/Firestone: Our process to date has been informal. There's constant communication with the client. So if there are problems, you'll find out about

them quickly. But I believe this year, we will actually start a formal client survey.

Henning, Hildebrandt: Given that 90 percent of the relationship between your legal department and your major client is high quality and very satisfactory, what would we hear from your clients if we asked them about their biggest frustration?

Downing, Bridgestone/Firestone: I'm fairly certain it would be, "We want it quicker."

Bowe, Encyclopaedia Britannica: For us, it's the classic problem of the lawyers sometimes being in a gray area of the law and not having a yes or no answer. It can be frustrating if you're a business manager.

Henning, Hildebrandt: It's on-the-one-hand and on-the-other-hand sort of problem?

Bowe, Encyclopaedia Britannica: Yes.

Doane, Corn Products: If I ask that question of my clients, I think they'd say, "We want quick-and-ready answers for our legal problems." I need to be very accessible, let them know if I don't know and let them know that I will get an answer to them pretty quickly. I need to have the support to do that.

Marks, H₂O Plus: I would also share what has been said about turnaround time, particularly as a one-attorney legal department where I'm balancing so many projects at one time, and there's only one of

POWERFUL INTUITIVE

No longer a contradiction in legal management software.

Designed by corporate attorneys for corporate attorneys, Case&Point proves beyond a reasonable doubt that "Powerful" and "Intuitive" needn't be contradictory terms. Only the Case&Point corporate legal management system combines industry leading ease-of-use with the power to track, manage and analyze everything you need to know about matters, outside counsel, invoices/billings, budgets, docket/calendar items, legal documents, status reports and more.

With its intuitive, yet comprehensive interface design, Case&Point puts all the information you need at your fingertips. Find information instantly without searching through lots of menus and "drill downs." Installation takes only minutes and with virtually no training required, you'll be up and running fast.

Compatible with Windows PC's and popular LAN systems, Case&Point fits immediately into your present work environment. Case&Point is optimized for fast performance over networks, so the system can scale to meet your changing needs. With the industry's #1 rated report writer integrated into the system, you'll have the flexibility to easily customize standard reports or create your own report formats. And, to meet your company's unique system needs, Case&Point offers optional custom programming services.

So why wait any longer? Call today to order your free Case&Point demonstration package.

Call 800-597-4361.

Case&Point

HOW TO AVOID A LEGAL FEE-FOR- ALL

There are a lot of reasons why you might seek assistance in auditing and reviewing your outside legal fees. Put the professionals at PFE on your side. PFE has audited fees of 85% of the nation's 20 largest law firms. We have the expertise, the experience and the sensitivity to deal with legal fee evaluations honestly and fairly.

Our service includes:

- Tailored, Concise Reports
- Recommendations
- Fee Negotiation Expertise
- Fair Settlements

To avoid the legal fee-for-all and to reach an agreement on fair fees, call today for more information or a consultation.

PROFESSIONAL FEE EXAMINERS INC.
(303) 758-3179 Fax (303) 759-5546