By Lillian Moyano Yob

We are pleased to welcome the 7-Eleven Convergence Committee (General Counsel Rankin Gasaway, Deputy General Counsel Lillian Kirstein, Senior Counsel David Colletti, and Senior Counsel Kristen Cook) to this Value Practice blog series. This six-part series will highlight 7-Eleven’s design and launch of a program designed to optimize the number of its outside counsel firms. The expectation is that by converging firms, the in-house legal team will be able to handle 7 Eleven’s growing legal demands most effectively while improving collaboration and significantly reducing outside counsel spending.

This series will offer an unprecedented step-by-step look into how one legal department’s disciplined convergence process unfolds. Follow along to see how the initiative yields a network of preferred counsel who will partner to serve the majority of the organization’s legal needs in ways that are mutually valuable for both client and firm. This small law department’s approach for convergence is best-in-class for strategy, pace and overall cost.

ACC wishes to thank everyone at 7-Eleven and Lisa Damon, partner and lean consultant at Seyfarth Shaw LLP, for their time in sharing their convergence experience with us. As always, any comments, questions, constructive criticism and kudos are welcomed.

We open the series detailing how and why converging to a panel of preferred providers was a good idea for 7-Eleven.

Perspectives from Rankin Gasaway, general counsel, 7-Eleven

The Problem: Too Many Law Firms on the Books Hindered Value

Early this year, we faced an issue common to many established law departments: a vast portfolio of outside law firms amassed over years of ad hoc engagements whenever the need for external legal support arose. Not only was the group of outside counsel unwieldy to manage, the sheer number of providers meant that too few were invested enough in us to truly understand our values and how we operate. By not limiting the number of law firms, we believed 7-Eleven was missing opportunities to negotiate fees and build partnerships.

As our legal department took stock of its outside counsel roster in early 2014, we tallied almost 200 law firm engagements since 2011. We realized that the law department needed a disciplined process for culling our outside counsel providers down to a select group of firms who could support the company’s legal needs across the broad range of expertise and geographies where 7-Eleven operates.

The Goal: To Consolidate Outside Counsel to a Panel of Preferred Providers

To accomplish our goal of reducing external firms to a manageable group, our department decided to launch a process to converge outside counsel providers from the hundreds of firms then on the books, down to a select number of firms who could work with 7-Eleven as integrated partners. While the 7 Eleven legal team did not have a set number of firms in mind, we knew it was less than the current number and knew we needed a data-driven model to get to the right number.

By devising a plan to build a network of trusted advisors, we planned to break the habit of engaging new outside counsel on an ad hoc basis every time a novel matter arose. We felt the old practice limited our ability to optimize our relationships with outside firms and created more work for the internal team
managing outside counsel. We also expected to achieve transparency in the selection process for outside counsel. We were confident this should lead to better and more effective representation and relationships, more cost effectiveness – and more cost certainty.

Getting Started: Identifying External Counsel Traits that Align with 7-Eleven’s Needs

The first item on the agenda was to create an internal team who could help us identify qualities we needed from our outside counsel. The right team would be able to lead with solutions for selecting and managing a preferred provider network. For me, it was important that the legal department own the convergence plan from inception. If we could internalize the brainstorming phase within the law department in the initial stage – without help (yet) from external procurement or other business units – I was confident we could devise a vision of what the ideal outside counsel should offer 7-Eleven in satisfying our quest to build more value-driven relationships.

With this notion in mind, I assembled a convergence team that was and continues to be lean, effective and fast. The three legal leaders I nominated were Lillian Kirstein, Deputy General Counsel, and Senior Counsels David Colletti and Kristen Cook, each of whom had been involved in the initial current state analysis and early-stage projects with others from the department since 2013. This team hit the ground running in June and has worked hard to help our department identify selection criteria for outside firms that reflect both 7-Eleven's values and our vision of what the perfect network can offer us. As the fourth member of the team, I offer guidance and reflect the top-down support that helps to underscore our department’s commitment to the process. We also decided to retain the services of SeyfarthLean’s consulting arm to help us focus and prioritize our values.

Although controlling costs is an important goal for us in converging to an optimal number of network law firms, it is not the only goal - nor the most important goal. By eliminating the focus on billable hours through alternative fee models, our hope is that firms will learn more about 7 Eleven, our team and our industry, and they will become experts in 7-Eleven. It's not just about reducing spending – although this is very important. It's also about how our firms can understand 7 Eleven at a deeper level.

http://www.acc.com/accdocket/onlineexclusives/seveneleven.cfm