

**Value Practice:****Assessing Legal Performance at Allstate- 'Closing the Loop' on Performance of Premier Law Firms and In-house Lawyers**

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In 2005, the Allstate implemented its first preferred provider program for outside law firms that it retains throughout the country. That initiative is known as the Premier Law Firm (PLF) program. After conducting an extensive evaluation process, Allstate selected 13 law firms to participate in the PLF program. Those firms, designated as Allstate Premier Law Firms, are the primary firms to which new matters are assigned.

Allstate's law department implements a two-way performance assessment process for its Premier Law Firm providers and in-house lawyers: in-house lawyers rate Premier Law Firms on performance, and Premier Law Firms rate Allstate's in-house lawyers. The law department developed these surveys in-house, and plans to conduct surveys annually and compare year-to-year results.

Examples can be accessed here:

- In-house Survey of Premier Law Firm Performance
- Premier Law Firm Survey of In-house Performance

This ACC Value Practice example highlights key components of these surveys, process for creating them, communicating results and key concepts to consider in developing performance assessment tools.

**In-house Survey of Premier Law Firm Performance- Key Components:**

- **Process for Creating:** Survey was created in-house by a cross functional team that included attorneys and non-attorneys involved in expense management and procurement / sourcing functions. Survey questions were developed with input from Premier Law Firm providers. This collaborative approach helped with 'buy-in' and also allowed the law department to include questions that were important from the perspective of outside counsel.
- **Process for Implementing:** Survey is sent to all in-house lawyers who have actually used services of/worked with an outside Premier Law Firm provider during the previous year. Survey is web-based; survey results are evaluated by Managing Counsel's team.
- **Process for Communicating Results:** The Managing Counsel is the law department's Premier Law Firm Relationship Manager. He, together with the law department's Expense Manager and a representative from Procurement meets annually with relationship managers at each of the firms. These meetings are separate from broader relationship negotiations. Results are

summarized on a 1-page slide, showing bar charts with year-to-year comparisons plus an 'average' line that shows how the firm compared with average results across all Premier Law Firms.

- **Survey Questions:** The survey includes 9 questions, and asks each in-house attorney to note the approximate number of matters worked on with a given Premier Law Firm. In-house lawyers rate the firm using a 1-5 satisfaction scale on:
  - Adherence to Premier Law Firm billing guidelines
  - Managing resources to staff matters appropriately
  - Responding timely to requests
  - Providing clear and effective communication
  - Providing accurate and meaningful advice
  - Cost Consciousness
  - Knowledge of relevant Allstate business and processes
  - Knowledge of laws and regulations that relate to matters
  - Fostering a sense of collaboration
  - Achieving desired outcomes
  - Anticipating, recognizing and/or communicating about issues for the Company outside of a particular assignment or task
  - Overall quality of the work provided
  - Satisfaction with the firm

An additional survey question relating to diverse staffing includes a range of responses including 'don't know'—which is aimed at providing greater emphasis and attention to knowledge of diverse staffing. The survey closes with an opportunity to provide open responses on:

- Comments on the firm
  - Comments on the Premier Law Firm Program
- **Key Things to Consider:** Two key quick tips to consider in creating surveys to assess law firm performance: (1) get input from law firms on the survey questions—they will likely have good ideas and collaborative approach will help with buy-in; and (2) put thought into the questions at the forefront of the process since you will likely wish to stick with a core set of questions going forward to allow year-to-year comparisons.

### **Premier Law Firm Survey of In-house Lawyer Performance- Key Components:**

- **Process for Creating:** Survey was created in-house by a cross functional team that included attorneys and non-attorneys involved in the expense management and procurement / sourcing functions. The in-house team started by evaluating the Survey of Premier Law Firm Performance to create symmetry and to determine which questions would also be appropriate for assessing in-house performance. Premier Law Firms provided input into the survey development process (suggestions included providing open-ended response opportunities). This collaborative approach helped with 'buy-in' and also allowed the law department to include questions that were important from the perspective of outside counsel.
- **Process for Implementing:** The survey is sent via a web-based external platform to relationship managers at all Premier Law Firms; firms have 2 weeks to respond. Relationship managers at law firms are asked to have their lawyers rate in-house performance, and to

communicate that results will only be shared in the aggregate—looking of an assessment of performance of the lawyers as a whole, and with all ratings from all Premier Law Firms aggregated. Key consideration is anonymity and a desire to help promote candor by consolidating responses to determine law department performance as a whole.

- *Law department (not individual lawyers) is rated:* Idea is to encourage the law firms to feel free to speak openly about performance. Open responses are included to provide an opportunity to include specific comments (pro or con) at the individual attorney level.
- *Survey Questions:* The survey includes 31 questions (14 are optional questions for open comments to expand upon other questions in the survey). Questions include an open call for comments generally at the end, plus ask law firms to rate Allstate matter attorneys (collectively) on a satisfaction scale of 1-5 on:

- Fostering Collaboration
- Knowledge of Allstate business and processes
- Knowledge of laws and regulations
- Being actively engaged in assigned matters
- Leading the effort to identify and collect appropriate input/information (legal and non-legal) in analyzing issues and making decisions
- Setting strategic direction
- Exhibiting good (1) judgment, (2) analytical skills and (3) legal instincts
- Communicating clearly and effectively
- Fairly reviewing/adjusting legal bills
- Communicating about questions concerning legal bills or reductions
- Working to enable diverse staffing
- Working throughout the life of the matter to ensure appropriate staffing
- Managing expenses
- Treating you with dignity and respect

*Key Things to Consider:* For law departments interested in creating performance assessment surveys that allow outside firms to rate in-house lawyers, some tips to consider: (1) involve the firms in the survey development process; (2) correlate attributes from surveys used to rate outside counsel performance where it makes sense to do so, (3) consider the audience and who may be completing the survey questions (some questions may be outside the scope of knowledge for associates or others depending upon how the firm structures its processes—may wish to add a response of ‘not applicable’), and (4) have post-survey conversations with firms to ask for their thoughts on the survey process, thoughts on how to do things better.

## Contact Information

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