

Inside

2...Counseling Around Corners
 5...Get Connected!
 5...Top Ten Tips for Job Applicants
 5...Welcome New Members

FOCUS

President's Message

Teresa Johnson

Dear Members:

I hope this letter finds you happy and well, getting ready for another holiday season. I am so thrilled with the recent accomplishments of our MNACCA Chapter and our future prospects that I hardly know where to begin. We have topped 560 members in the chapter, an incredible milestone. But there is much, much more. Read on.

This will be the last printed newsletter you will receive from the chapter, since we will be "going green." Our next issue will be distributed to you electronically. Be sure to look for it. If you don't receive emails from us on a regular basis, please check with Betsy Handlson, chapter administrator, to make sure you're on the list to receive the newsletter and other mailings. She can be reached at mnacca@msn.com (note, this is a new email address for the chapter). Please also check to make sure that we have your up-to-date email address and that your spam filters won't block our communications.

Let me say a few words about the great people who make this

chapter run. We have just added two new members to the board, **Jeanette Pfothauer**, United Health Group and **Violet Struss**, Target Corporation. Both Jeanette and Violet have been very active committee members and are now taking over responsibilities as chairs of the Career Management and Program Committees respectively. In addition, **Libby Lincoln**, a two year veteran of the board has just taken over responsibility for the Sponsorship Committee. Congratulations and many thanks to Jeannette, Violet, and Libby. I would also like to thank **Catherine Janik** and **Lisa Riedesel** who have chaired these committees for the past several years, and done a bang-up job!

Our **Communications Committee** has been working overtime, with help from Sue Ginsburg, our dynamic new consultant, to develop the ability to webcast our CLE programs. We conducted a test of this capability at our



October 7 Lunch and Learn, and we will be rolling it out soon. Of course, we would prefer to see all of our members at the events, but we understand that sometimes it's just not possible to leave

the office, or that you are faced with numerous conflicting priorities, so in those situations attending a webcast may be the answer. Hopefully the webcasts will also be accessed by some of our outstate members who can't get to the Twin Cities in the middle of the day.

The **Community Service Committee** has also been very active in putting together opportunities for all of us to volunteer and give back to our communities. Our September 21 Community Service Day drew 18 chapter members who spent the day painting, pruning, and transforming a house for a disabled resident. Check out the pictures on our website. I think we can really be proud of our members who participated in this

continued on page 4

Counseling Around Corners

Susan Hackett

Senior Vice President and General Counsel, Association of Corporate Counsel (ACC)

Contact: hackett@acc.com

The economic downturn is more evident everywhere I go. The impact can be seen and felt all around us: closing businesses, laid off workers, less abundance, less “consumerism,” and an increased focus on family time.

My mother recently reminded me of some things I had since pushed aside. Mom, born in the Depression years, grew up in a very large family that barely made ends meet from day to day. They lived without a lot of frills, and only because all of the kids pitched in at home or to earn money. They focused on frugality, getting good value from everything they purchased, doing everything they could with less. I saw the enduring imprint of the Depression on my mom every time she rolled up and “re-gifted” the paper and the ribbon off her birthday package, or made us carry recycled lunch bags, or carefully washed and stored the empty mayonnaise jars for future use. We teased her mercilessly about this kind of frugal behavior.

In the last few months, those of us who grew up with plenty and who have been living large have seen a glimpse of what was bred in many of our elder parents’ bones: a healthy respect for prudence, a less ostentatious lifestyle. We are stepping back from excess and more carefully shepherding our resources because we are worried about what might come. Those of us fortunate enough to enjoy relative security in our jobs, our homes, and our daily routines cannot escape the unfortunate comparison to some of our neighbors and colleagues who have been harder hit.

By reflecting on the past, we can learn prudence relevant to corporate counseling in today’s volatile environment. As you examine your budgets and look at what can or must be trimmed, or what you can do to drive greater value, outside counsel costs often rise to the top of the pile. Empirically, we know that outside counsel costs constitutes more than 50 percent of the budget for more than half of in-house

departments. While many outside counsel are worth every penny they are paid, we all know there are many more who could be managed to spend a bit less for the work they perform, relative to the value of the services provided. Unless we manage toward those efficiencies, we are going to be caught spending our precious time in unproductive arguments over bills.

ACC has resources readily available to you for your consideration as you hone in on costs and increased value:

Hours, Rates, and Budgets

Don’t ask for a discounted rate or a freeze on fees. Many members have indicated that their approach to their firms this year is to ask for a 10 to 20 percent rate decrease. In part, this plan is fueled by the perception (and reality) that rates charged are out of proportion, and that they have grown exponentially for several years without any corresponding increase or change in the value of the services those counsel provide. Services have gotten more expensive and AmLaw and others continue to report that firms and leading partners are sometimes profiting in an almost unseemly manner. While everyone likes a profit, you have to start to wonder, “Who is in control here?”

Every situation has its own unique drivers, and I believe focusing on reducing outside lawyers’ rates is the wrong way to go in establishing the groundwork for successfully controlling costs. In-house counsel are surprised to find that, despite setting lower billing rates, fee ceilings, or blended rates for their work, the overall bill submitted did not get any smaller. Law firms that overcharge for matters and that agree to freeze or reduce their rates, just bill more hours, involve more billers, or do not properly control other expenses. Bills inevitably gravitate toward a certain amount, regardless of what might have been negotiated.

Set a budget for the project and to hold the firm accountable. Talk about what that project or matter is worth. Do not attach a price to the project, nor accept a fee reduction or a request for a discount. Simply state that this is what the matter is worth to you and then ask, “Is the firm willing to take this matter on for this fee?”

You should clearly articulate that you will not allow adjustments or overruns, except in pre-determined (in writing) extreme circumstances. For the price you agree to, they must finish the project, however that is defined. If it is important to you, tell them which lawyers you want in charge of or working on your matter. Make sure you are playing fair: tell them up front that you will not seek a refund or rebate if they resolve the matter more quickly/less expensively. You want them to profit by working efficiently. While some worry that the work done could suffer as a result of this kind of arrangement, I believe this is a myth of convenience, without any empirical merit. Firms that set flat fees for services begin to value lawyers who provide services not based on hours, but on getting clients what they want quickly.

What do you get from this? Much of the time, you will get lower costs. However, even if costs are not reduced, there is something to be said for managing them predictably for your clients in such tumultuous times, since busted budgets and missed financial targets often cause even more trouble. In addition to the surety of bills inline with your expense expectations, you and the firm will not have to waste time arguing over hours or bills.

Establishing a Budget

A project budget is not something that your outside counsel should prepare. It is something you must drive. Outside counsel should be critical in the process of mining their data. Perhaps they have done 437 of these kinds of cases over the last five years and can average some costs for you as a starting point. In-house departments

continued on page 3

continued from page 2

must set—and evaluate—the budget based on the value of the work to the client. If a project is only “worth” \$50,000 to the client, what does it matter if the firm says it will cost \$100,000? You either find another firm or settle out now for \$40,000, and spend your time and effort on something that has a higher value.

While many of us are unsure of how to effectively evaluate the “worth” of some kinds of matters, we have to do this in the process of owning our own budgets and costs. If you do not know what a matter is worth, you certainly cannot expect your outside firm to live up to your cost efficiency expectations. We are developing a highly refined set of evaluation tools for our ACC Value Challenge project that will help in-house counsel determine the value of legal work by some other method than the cost of a lawyer’s hour multiplied by the time the lawyer spends working on the matter. If your goal is to set budgets based on incenting efficient performance from all players, inside and out, be sure to visit www.acc.com/valuechallenge for additional tools and insight.

A significant portion of the time you spend with your firms should be focused on evaluation and review of their services. Most of us, however, do very little to tell our firms what they do that we like and what we want them to do differently. The closest we get is paying or disputing the bill. While your outside firms are not blind, they may not focus on what your needs or concerns are unless you tell them. They are aware that companies are tightening their belts, that legal services are a cost center, and that you are under pressure to do more with less, but what do you expect them to propose without guidance from you? Further, if you work in a larger department, you must also have this “evaluation/review” conversation with your own lawyers internally. You want to incent their better management of firms by rewarding those who drive better performance at lower and predicted costs, and reproaching those that do not. Keep in mind that cost overrun by law firms is often enabled by a lack of good in-house management.

You need to consider adopting evaluation/review criteria for both the in-house staff and the outside firm. Make it clear that compensation and continued retention depends on adherence to a set of criteria that you all understand and are equipped to employ. If you are going to tell internal counsel that they must hire firms and return results and rates within set parameters, you have to allow them to select firms that will accept and abide by those terms, which may mean firing more expensive and less flexible firms that you’ve worked with for years. You have to support your staff’s decisions.

Perhaps one of the best exercises you can go through now is that of data mining to review the kinds of work done in the last year and compare it to previous years, looking at a variety of comparatives. Ask your firms to begin to mine their data for you, too. Given that many of them have long experience performing the kind of work you retain them to do, they should be able to clearly discuss specific types of work, what it costs, when it’s successful, who does it best, etc.

What if You are Unable to Hire Outside Help At All?

When you cannot afford to hire expertise, or the extra hands you need to create a solution to a thorny client problem, your friends in the ACC network can help. There is intrinsic value to what you will derive from a conversation with an experienced in-house peer over the value of analysis of a legal problem that an outside firm might offer. ACC offers several ways to leverage your membership:

- Join an ACC committee to find other practitioners interested in the same subject; (There is no additional cost and no limit on the number of committees you can join as an ACC member)
- Attend your local chapter meetings to find similarly situated peers who are confronted with many of the same issues as you;
- Post questions or requests on any of our many Listservs;
- Visit the online Membership Directory to reach out to a company that is likely to have an answer you want, or has the established best practice you would like to emulate;

- Search ACC’s online database of research, which includes thousands of documents such as articles (including back issues of the *ACC Docket*), how-to’s, ACC InfoPAKS, program materials/outlines, collected member forms, and policies, and links to other useful sites or resources;
- Look through ACC’s Leading Practices Profiles for added insight to member and department practices. These practical benchmarking tools capture how members have tackled tough topics through in-depth interviews that address their experience in getting started, key resources they developed, staffing and expense and lessons learned;
- Contact vendors who support ACC for discounts, ideas and access to their research. Especially helpful may be those vendors in the ACC Alliance program that co-market specialized products and services made for corporate counsel and available to ACC members at a reduced cost.

For those of you who have already been hit by the downturn and have lost, or may be in jeopardy of losing your job, know that ACC is standing right beside you. We offer in-transition membership at no cost (so long as you were a member prior to losing your position), and we also offer a variety of services and the best job postings in the business on ACC’s In-House Jobline.

Please share your thoughts on what you are doing to focus on more prudent management of your client’s time and spend. You can reach me at hackett@acc.com.

continued from page 1

event. In addition, the Community Service Committee participated in a project called Election Protection. On Election Day, November 4, volunteer lawyers staffed a hotline call center and participated in a legal field deployment to polling sites to ensure the election process was running properly.

In October and November we had meetings of the **Corporate Generalist Practice Group** and the **Employment Law Practice Group**. These gatherings are growing so fast we had to find a new venue to offer our programs. Watch for another round of luncheon meetings in early 2009.

Our **Career Management Committee** is always looking for new ways to enhance the careers of all of our members, and particularly lawyers in transition. Just a reminder, for lawyers in transition, membership dues are waived by ACC and all of our chapter events are free. We also just introduced a free networking lunch for members in transition, who can meet with each other and share tips and trials from the search process. And we will be adding "In Transition Resources" to our website, including member company job postings. So, take advantage of these great opportunities to network and experience the support of your colleagues. If you know of fellow in-house lawyers in transition, whether or not they are current members, please tell them about these great resources that they can access at no cost.

The **Career Management Committee** also sponsored a wine

tasting at International Market Square in November. There was great wine, food, and lots of lively conversation. This Committee's kick-off event for 2009, "Get Connected," will be held on January 29 at Windows on Minnesota, a wonderful venue with panoramic views of the city. We will have SagePresence leading a program on effective networking. You won't want to miss it.

The **Program Committee** also never sleeps. This committee is already working on programs for 2009, enhancements to the Legal Sampler event, and is planning the General Counsel Forum for May of 2009. Our next Lunch and Learn is on December 9 with Thomson Reuters sponsoring a program entitled "Living with Victor Stanley and the New FRE Rule 502." Watch for it!

I also want to thank the **Membership Committee** under the leadership of **Ronda Bayer** for the fine work they've done to bring in new members. This year we've had a 9.3 percent increase in membership.

In September we started handling all of our event registrations online which allows our members to charge their registration fees to their corporate or personal credit card. We hope you enjoy this new convenience.

Just a word about the ACC national organization. We had a truly remarkable annual meeting this year in Seattle, with over 1,500 in-house attorneys in attendance, including 40 from our chapter. As always, there were opportunities for a variety of CLE courses.

Several of our chapter members served on panels at the meeting. **Jonathon Oviatt**, general counsel of Mayo Clinic presented on "Answers to Questions You Wish Your Outside Auditor Hadn't Asked;" **David Munn**, general counsel of Pramata Corporation spoke on "An Enterprise Approach to Contract Management;" **Jeffrey Proulx**, senior counsel at Target Corporation spoke on "International Staffing: Recruiting, Training, and Retaining Lawyers from Foreign Jurisdictions." There was also great information about the ACC Value Challenge. The Value Challenge is ACC's effort to create a platform for change in helping in-house counsel and law firms reconnect legal costs to their value. This is a long-term initiative that will provide tools to generate greater value from our outside legal services, and provide win-win opportunities for us and our law firms. In addition to the resources available already through the online portal at www.acc.com/valuechallenge, our chapter will be hosting a local event in 2009 to bring this information and program front and center to our members.

What else is on the horizon? As I mentioned at the beginning of this letter, we now have over 560 members. Not all of our members attend our events or use the services of the chapter. Our board decided that this was a good time to make sure that our activities and programs are adequately serving the needs of our members. So our newest efforts are aimed at membership service enhancement. With the help of our consultant

continued on page 5

continued from page 4

and our Communications Committee, we have already identified and are well on our way to implementing webinar programs and enhancements to our website. The next step in this journey will be to

conduct some targeted interviews of our members to get your input. I hope you will participate, give us your honest feedback, and help us to make this chapter even more effective. Remember, you don't have to wait for a phone call to tell

us how we are doing, or to make requests. Just call me or any board member—we are all listed on the back page of this newsletter. We want to hear from you!

Get Connected!

January 29, 2009

5:30–8:30 PM

Windows on Minnesota

The Marquette Hotel

8th Street & Marquette Avenue

Minneapolis, MN 55402

For more information on upcoming chapter programs, go to minnesota.acc.com

Welcome New Members

We wish to welcome the following new members who have joined our chapter recently:

Dawn Bauder, Best Buy Co., Inc.

Kuai Leong, United Health Group Incorporated

Colleen Butcher, Schwan's Shared Services, LLC

Sean Mahoney, Upsher-Smith Laboratories, Inc.

Marie Feely, Target Corporation

Heidi Mason, U.S. Bank

Joel Green, Upsher-Smith Laboratories, Inc.

Benjamin Randall, United Health Group

Eric Halverson, Best Buy Co., Inc.

La-Tasha Terrell, Coloplast Corp.

Brooke Hansen, Cargill Incorporated

Christine Kalla, Travelers Insurance Company

Top Ten Tips for Job Applicants

By Deborah House, Vice President and Deputy General Counsel, ACC

In this difficult economy, ACC knows that many of its members are finding themselves "in transition," and thus in the job application process. At one time or another we have all been there and know it can be an uncomfortable and difficult place to be.

But take heart. There are many ways you can improve your chances of getting that next job. How do I know this? Over the course of my life as an attorney, by rough estimate, I have seriously pursued and been offered 10 positions and have been rejected for 3. I have also had personal responsibility for hiring in excess of 50 people. Here are the top job seeking tips that I have developed from these experiences.

Information Is Your Friend. There is a wealth of information on the web and elsewhere. Use it! Use a search engine to find out more about the people with whom you are interviewing. Read the company's latest annual report. Check out recent company press. Review the company's website in depth. Have informational interviews with other people who work for the company. Having all this knowledge will be invaluable.

Put Your Best Foot Forward. Your Mother had it right. First impressions do count. I regularly weed out applications by eliminating those that have typos, are improperly addressed, or demonstrate a lack of basic research. If an applicant can't get it right now, then I assume his/her

work will be equally unreliable. This information is available! Proof, proof, proof your application. Don't just rely on Spell Check; it can be deadly! Secure the assistance of a friend, colleague, or significant other who will proof your application for errors and substance.

Follow Directions. Most job ads have directions. Follow them. As an Interviewer, if you don't follow my directions now I have to ask myself whether I can depend on you to follow them later when you are working for me. So, if the directions tell you to include a cover letter that outlines how your experience relates to the qualifications sought — do it! If you can't write that letter because realistically you don't

continued on page 6

Board Members and Contacts

President

Teresa Johnson

Executive Vice President and General Counsel
MoneyGram International, Inc.
952.591.3850
tjohnson@moneygram.com

Vice President

Ronda Bayer

Associate General Counsel
The Valspar Corporation
612.375.7306
rbayer@valspar.com

Secretary

Daniel Goldman

Legal Counsel
Mayo Foundation
507.538.0158
goldman.daniel@mayo.edu

Treasurer

David Munn

General Counsel
Pramata Corporation
612.209.2384
david.munn@pramata.com

Immediate Past President

Catherine Janik

Vice President, Corporate Counsel
Assurant, Inc.
651.361.5050
catherine.janik@assurant.com

Board of Directors

Ronald Hunter

T. Nicole James

Libby Lincoln

Jeanette Pfothenauer

Joseph Pingatore

Lisa Riedesel

Violet Struss

Chapter Administrator

Betsy Handlson

1139 McLean Avenue
Saint Paul, MN 55106 USA
651.771.1218
mnacca@msn.com



Association of Corporate Counsel
Minnesota Chapter

1025 Connecticut Avenue, NW, Suite 200
Washington, DC 20036-5425

continued from page 5

think you meet the job requirements — consider applying elsewhere and not wasting the interviewer’s time. Or, write the letter and tell them why you meet certain job requirements and why you know you can meet others you don’t meet now (e.g., cite parallel or similar experience and how it applies). If the job ad says “No Calls,” then you may very well make them at your peril. If the job ad asks for salary requirements, then provide them. If you don’t know what the salary range should be, ask your colleagues or use ACC resources.

To read all ten tips, go to: www.acc.com/chapterleaders/upload/ACCTopTips.doc.