



Outside Counsel Management

January 2020



Our Approach

- ◀ Consilio assists Legal Teams in developing structured outside counsel management programs. Such programs establish a foundation for:
 - ◀ strategic partnering;
 - ◀ enhanced accountability and cost-control; and
 - ◀ greater alignment with legal business objectives for work performed externally
- ◀ Our comprehensive approach to outside counsel management includes defined processes and policies throughout the entire outside counsel management lifecycle – from the point of engagement through fee negotiation terms and cyclical performance reviews
- ◀ The effect of Consilio’s overall implementation approach helps Legal Teams achieve a more advanced level of operational maturity with respect to external spend and resource management

Consilio Consulting Services - Overview

Serving as trusted advisor to hundreds of General Counsel our team help our clients accelerate the operational performance of the legal team.

Over the years, Consilio has completed over 500 engagements for corporate legal departments, including over:

- ◀ 155 Matter Management, eBilling System, and IP Management Implementations
- ◀ 100 Law Department Operations Reviews
- ◀ 75 Discovery Process Reviews
- ◀ 40 Legal Hold System Implementations
- ◀ 30 Information Governance Process Reviews
- ◀ 25 Contract Management Process Reviews

Why our clients choose us:

Expertise - Legal Technology expertise and agnostic vendor selection

Industry Awareness - Thought leaders to deliver best practice

Corporate Legal – An understanding of corporate IT environments' challenges

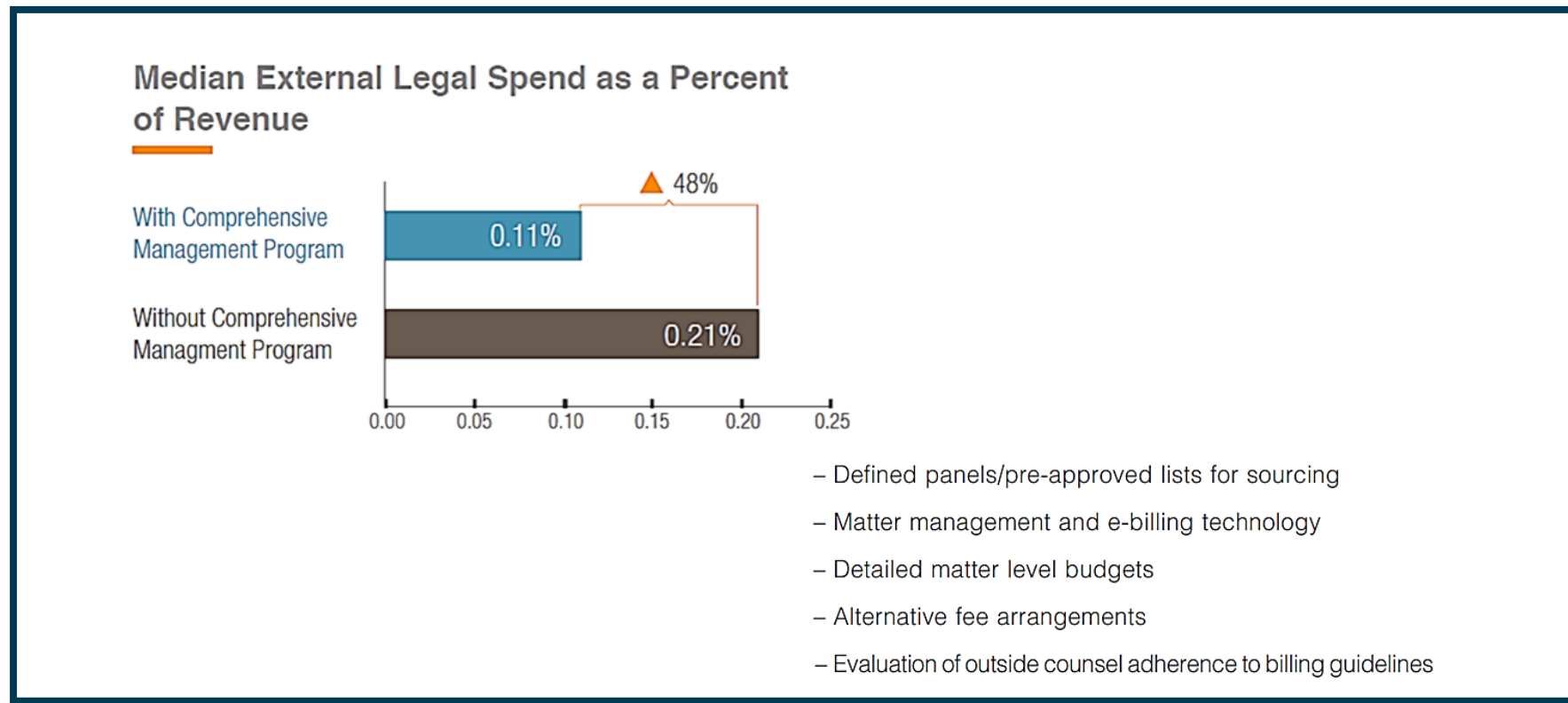
Flexibility - A scalable, flexible and diverse team to take work off the side of your desk

Managing Change - It's not just the technology, people are key to change

- ✓ Organisational Strategy, Structure and Design
- ✓ Internal Resource Optimisation
- ✓ Outside Counsel & Vendor Management/Panel Reviews
- ✓ Process & Technology Review and Implementation
- ✓ Legal Service Delivery & Client Satisfaction
- ✓ Training, Communications & Change Management
- ✓ Guided Metrics, Data Analytics & Benchmarking
- ✓ Managed Services & Staffing
- ✓ Information Governance
- ✓ Records & Information Management
- ✓ Discovery Management

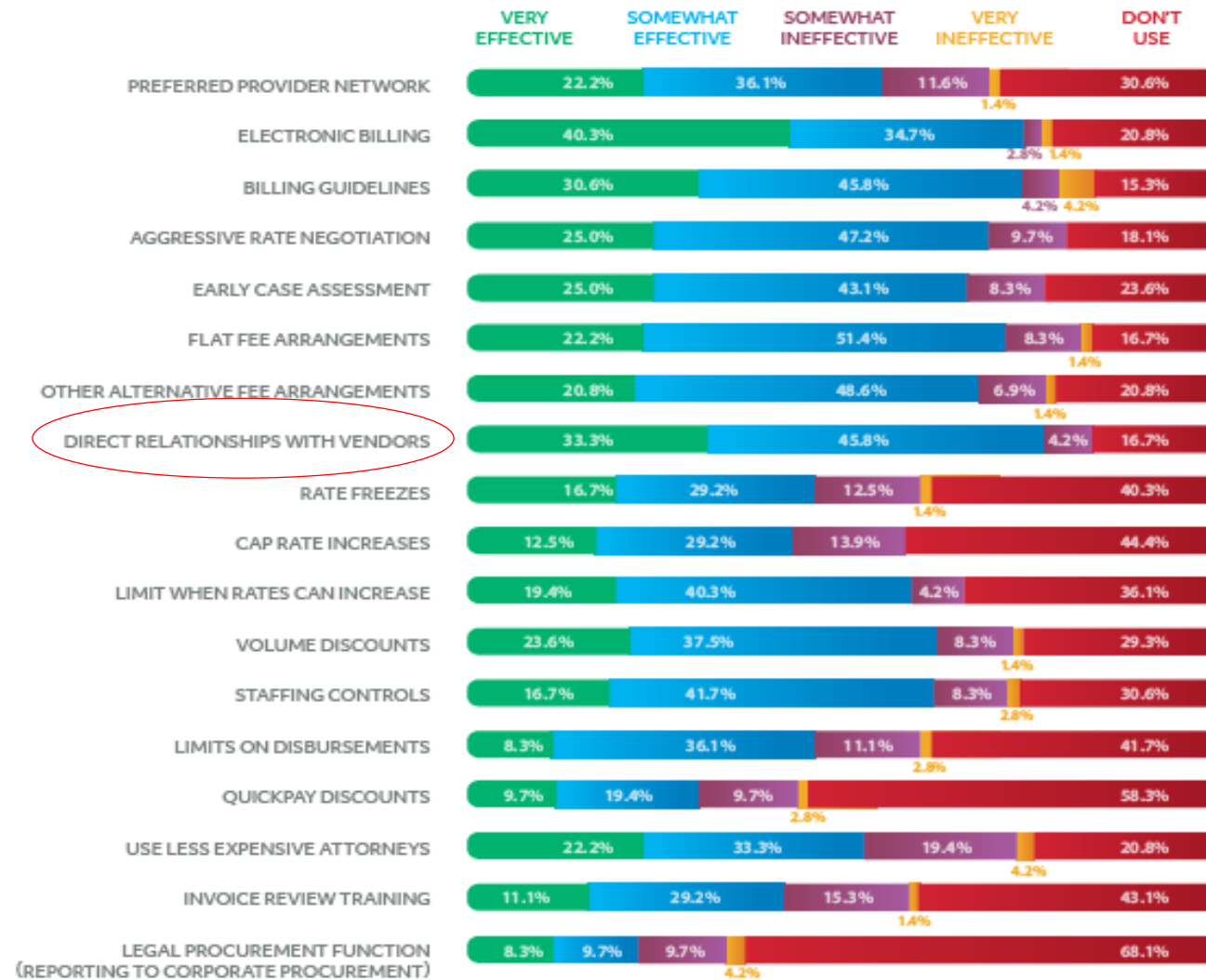
Realising Results

Based on Consilio's Legal Team Benchmark survey findings, Legal Teams with comprehensive outside counsel spend management programs on average realised 48% lower external legal spend as a percent of company revenue than those without comprehensive programs



The importance of data and dialogue

The 2019 Legal Department Operations Survey Report (by Blickstein Group in conjunction with Consilio) endorses the view that “direct relationship with vendors”, i.e. dialogue, helps control external costs



Focus on Partnership & Value

Consilio takes a value based approach to implementation, maintaining the quality of the legal services and protecting the integrity of the relationships between the in-house team and their law firms. The disciplined process and financial components of these programs benefit both sides when implemented with a focus on partnership

Your Legal Team

- ✓ Better communication and collaboration – fewer surprises, more ability to control case strategy and outcome
- ✓ Transparency and control over spend and forecasts
- ✓ Cost derived from value, reducing wasted dollars from staffing, budgeting, or project management inefficiencies
- ✓ Openness to volume discounts or other alternative fee arrangements



Your Law Firms

- ✓ Increased client satisfaction
- ✓ Consistent revenue stream from repeat client
- ✓ Better understanding of client needs and legal strategy
- ✓ Reduced bottom line as a result of process efficiency gains
- ✓ Fewer write-offs as a result of disciplined financial management
- ✓ Referenceable client for new business opportunities

Enhance/Strengthen Outside Counsel Governance Program

Bring together outside counsel management practices into a central program to document the structure supporting the entire lifecycle including: selection, engagement, management, and performance evaluation. Key steps include:

- Aggregate refined outside counsel management processes, roles, and responsibilities into a central governing process guide
- Conduct additional workshops to refine procedures such as:
 - On-going management of preferred provider program
 - Exception firm selection procedures
 - Annual performance review model with outside counsel
 - On-going engagement of firms and matter management (e.g., budgeting, engagement letters, reporting, etc.)
- Review and finalize documented process guide with key stakeholders
- Develop roll-out communications, guides, scorecard templates, and training materials related to the new governance model

Develop an Outside Counsel Governance Program

OUTSIDE COUNSEL MANAGEMENT PROGRAM:
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Firm B Performance Scorecard Average Score: 3

Scorecard completed by: Leonardo Warhol

Firm Name	Firm B
Lead Outside Counsel	Andy Da Vinci
Firm Classification	Approved Specialty / Local Counsel
Managing Attorney	Don Whitman
Other Team Members Significantly Involved	Dick Draper

Each of the following areas on a scale of 1 - 5 as indicated in the drop down list. Commented in the comments box, but is not required.

Work the firm is engaged for	3 - Solid performance
Quality of work product in areas such as writing, arguing, and negotiating and strategic legal advice	3 - Solid performance
Average Score	3.0

Logue about matter status and other relevant issues	4 - Strong performance
Inquiries and requests	4 - Strong performance

XCMC Charter

The XCMC exists to:

- Ensure Client receives the best legal results with the lowest possible cost by providing a framework and pushing initiatives that encourage increased law firm partnership and incentivizes desired law firm behaviors
- Proactively evaluate 360° performance to reward top performers and drive performance improvements within partnering firms and at Client and systematically evaluate counsel performance on Client matters using both quality, cost and partnering measures
- Drive Client Legal's overall procurement strategy, including rate negotiations, external counsel policy, and diversity
- Oversee and execute:
 - External counsel cost efficiency initiatives / Monitoring outside counsel with an eye towards improving, staffing leverage
 - Core Counsel Program
 - External Counsel Policy & Billing Guidelines
 - External Counsel Rate Evaluation & Tracking
 - Counsel Performance Evaluation
 - Diversity Projects
 - Partnership Development Initiatives

Achieving Outside Counsel Management Operational Maturity

Consilio assists Legal Teams to develop structured outside counsel management programs to establish a foundation for strategic partnering, enhanced accountability and cost-control, and greater alignment with legal business objectives for work performed by outside counsel.

Our comprehensive approach to outside counsel management includes defined processes and policies throughout the entire outside counsel management lifecycle – from the point of engagement through fee negotiation terms and cyclical performance reviews. The effect of Consilio’s overall implementation approach helps Legal Teams achieve a more advanced level of operational maturity with respect to external spend / resource management:

	Basic	Intermediate	Advanced		
Process	Establishing Outside Counsel Guidelines	Centralized negotiating with law firms	Identifying and consolidating preferred counsel	Defining desired staffing guidelines including staff ratios and dedicated teams	Systematically evaluating firm performance using quantitative and qualitative measures
Technology	Implementing guidelines in e-Billing	Enforcing rate structure in e-Billing system	Embedding results in system and enforcing preferred counsel list	Monitoring staffing mix and new timekeepers to evaluate effectiveness	Collaborating through shared systems to increase accountability and efficiency
Typical Financial Arrangements	Hourly rates with some discounted rates	Matter level budgets to estimate hourly efforts	Fixed fees or other arrangements for individual matters	Range of AFAs for entire portfolio of work; e.g., fixed fee for category of matters	Risk and value based pricing arrangements driven by Legal Team economics
Results	Enforced rule compliance	Reduced hourly costs	Cost effectiveness based upon rates and staffing mix	Continuous improvement	Shared accountability and alignment of goals