

Sharing Risk & Aligning Interests - Building Effective AFAs



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ACC Association of
Corporate Counsel
ONTARIO

OSLER

Meet the Panel



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What an AFA is, and what it is not

Seeing AFAs as “Appropriate” Fee Arrangements



Ties legal fees to your point of value and business objectives



Balances risk of cost overrun between you and your law firm



Promotes efficiency

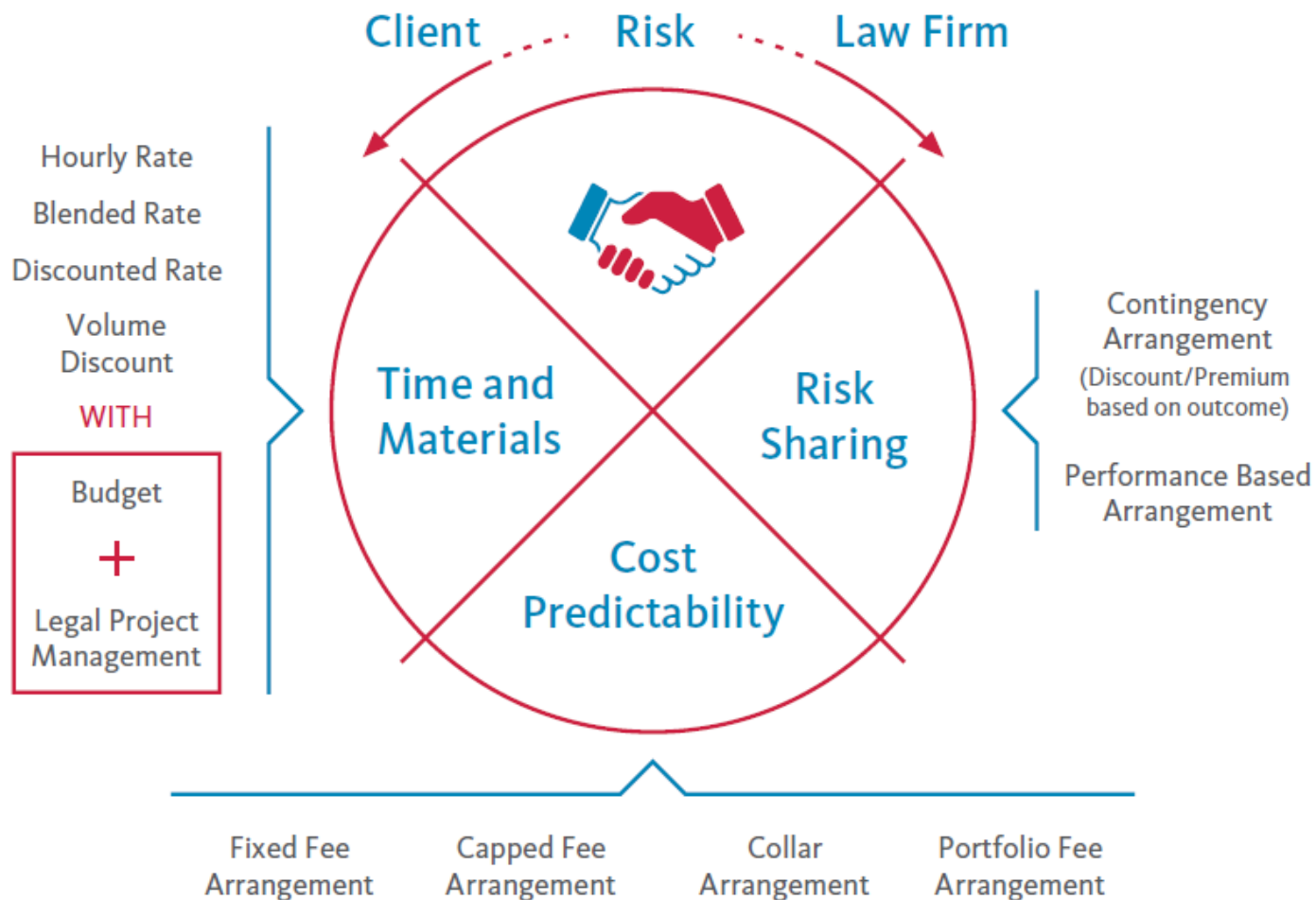


Provides cost predictability/certainty



Provides business risk sharing (based on outcome or performance)

Type of Fee Arrangement



Picking the right AFA for your business

There's no one-size-fits-all solution



Start with the 'right' matter



Hybrid approach



Explore / ask for AFA options



Have doubts about using AFAs ? Start a pilot

Rolling up your sleeves: The effort
required to develop an effective AFA

Getting the most from your “AFA partnerships”



Segment and identify matters most suitable for AFAs



Communicate value & goals
Including how success will be measured



Establish a relationship and communicate with law firm's pricing, procurement, and LPM professionals



Share your AFA experience
Both positive and negative



Engage in scope discussions/clarifications
Have them early and often (as needed)



Learn more about cost drivers for particular types of matter
This is as important as the assumptions



Require trust on both sides
It is a partnership

Questions

Thank You