

Value Practice:

ABC Value Assessments, Billing Practices and Convergence- Value Practices at Zurich North America

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Interviewed while Executive Vice President, General Counsel & Corporate Secretary, Zurich North America Commercial

Background

Zurich North America's law department implements a range of practices focused on assessing and delivering value in providing legal services to the corporate client. The company provides commercial and business insurance products, and the law department's key practice areas include litigation, mergers and acquisitions, transactions and intellectual property.

This ACC Value Practice piece highlights the law department's practices relating to performance/value assessments for outside counsel, billing and convergence.

Valuing Matters and A-B-C Value Assessments

For litigation matters that exceed a certain threshold, the law department implements practices to assess: exposure going in, chances for success and results.

In addition, after the close of a matter, in-house lawyers are asked to assess using an A-B-C grading scale: "Did outside counsel deliver value?"

Goals for assessing value system-wide include having multiple data points for each firm, and calibrating and comparing scores by viewing: (1) how individual in-house counsel rate experiences across firms (e.g., are some in-house counsel 'tougher' graders than others, etc.); and (2) how firms are rated by various in-house counsel that work with them (e.g., data points from multiple in-house lawyers on working with a given firm).

In designing the above approach, the law department considered whether a full report card would be helpful, and decided to start with a quick, simple ABC assessment on value to collect multiple data points across the system.

Billing practices that add value: E-billing and Billing Guidelines

Two billing-related processes described as helping to enhance efficiencies and add value include e-billing and use of uniform billing guidelines across the legal department.

E-billing in specific

The General Counsel shares that e-billing can add value for any law department that has a portfolio of outside counsel retentions. Benefits include:

- ***Ability to apply standard set of rules*** – across portfolios of legal work;
- ***Expedites in-house counsel review of legal bills-*** speeds up review by in-house counsel of legal bills in an intuitive way;

- **Expedites outside counsel billing process-** automated and systematic;
- **Expedites payment-** overall process efficiencies and automated process speed payment cycle time; and
- **Key touchstones to flag special items-**system can help flag key touchstones to speed overall review, highlight questionable entries for discussion and help manage overall billings.

Uniform Billing Guidelines

Having uniform billing guidelines that apply across the law department's practice groups helps enhance consistencies in managing the mechanics and structure of outside counsel relationships. Firms working with the law department across practice groups have a single set of guidelines to work within and in-house lawyers apply a single set of guidelines across the firms they work with.

Convergence- Global Counsel in Discipline Areas, National Counsel & Local Counsel

The law department underwent a convergence process that included formal RFPs for selecting partner firms. The result is a three-tier approach, with global counsel in certain discipline areas, national counsel and local counsel. The law department has a list of 'approved' counsel and in-house lawyers select go-to firms from the list. The General Counsel shares that the process enabled the law department to negotiate fee structures and leverage portfolios of work and services up front.

Contact Information

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