

5 Key Takeaways from General Counsel Outside the US

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More than 60 in-house General Counsel and Chief Legal Officers met in Sao Paulo last month to participate in the Latin American Corporate Counsel Association ([LACCA](#)) annual meeting. They hailed from companies based throughout Latin America, as well as international companies with major offices in Latin America.

A sampling of the companies included Dow Corning, MasterCard, Gafisa,

Hewlett-Packard, Oracle, Sara Lee, Unilever Brasil, Ford Credit, Sanofi-Aventis, Syngenta, and Wal-Mart Brasil.

Because cost and budget control are global issues for corporate General Counsel, LACCA asked me to present on Legal Project Management for In-House Legal Departments. We surveyed participants to better understand their current budget pressures and concerns with outside counsel. The survey results yielded five key points.

1. **For 2011, most law department budgets are negative or neutral.** 70% of legal department budgets either decreased or were required to hold to 2010 levels.
2. **Outside counsel are *still* not tuned in to client objectives.** Only 7% of outside counsel were found to fully understand all of the legal departments' priorities and goals. This means that 93% of the firms only "got it" most or some of the time.
3. **Better not blow the budget.** Interestingly, when firms exceeded matter budgets, 30% of in-house counsel said they would not use the firms again in the future, and another 40% stated they would refuse to pay the budget overrun. There were a few, 15%, (perhaps those with budget increases) who said they might pay the extra fees.
4. **Admittedly, we are not great managers.** In-house counsel also were hard on themselves; 65% said they were only "fair" at managing outside legal spend and 31% admitted that they need to improve in that area.

5. **They are mad as hell and are not taking it anymore.** And they vote with their feet when dissatisfied. A whopping 62% said that they had fired a firm or greatly reduced the amount of work sent to a firm in the last 24 months.

Do you really know what your clients need? Do you understand their fiscal pressures? Do you know how to set and manage to budget?

For savvy firms, these findings can create opportunities to better address client needs and priorities, resulting in increased business and market share. For other firms, well, just open the window and listen to ~~Howard Beale~~ General Counsel rant.

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