

**Panelists tackle the perennial question:
What do general counsel want?**

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The success of lawyers practicing at law firms depends largely on the choices made by general counsel inside a wide range of client companies. As a result, outside counsel devote a lot of energy to trying to read the minds of their in-house counterparts.

Who makes the decision to buy outside legal services?

What makes general counsel choose one lawyer or firm over another?

When do general counsel turn to outside counsel?

Where is the best place to meet general counsel?

Why do general counsel “fire” outside counsel?

How do you nurture a productive relationship with general counsel?

Outside counsel and marketing professionals from Denver law firms got useful answers to these and other questions from a panel of general counsel held May 11 at Primebar Restaurant. The program was hosted by the Rocky Mountain Chapter of the Legal Marketing Association (www.legalmarketing.org/rockymountain).

Panelists came from a variety of industries and included Rebecca Askew, general counsel at Circuit Media (www.circuitmedia.com), David Fine, city attorney at City of Denver (www.denvergov.org), Elliot Miller, director of legal affairs at Pendum LLC (www.pendum.com) and Lisa Scalpone, general counsel at WildBlue Communications (www.wildblue.com). The program was moderated by Jean Robertson, general counsel at Video Professor, Inc. (www.videoprofessor.com).

Who makes the decision to buy outside legal services?

“For routine matters, I generally select outside counsel myself,” said Scalpone. “For more important or complicated matters, I will discuss my selection with my CEO. But contact by outside counsel should definitely come through me.”

Most companies maintain a list of lawyers and law firms that have been vetted for particular kinds of legal work. Some lawyers get on that list because they know the CEO or some other senior executive, who has recommended them. Others get on the list because they have met and impressed the company's general counsel.

“At the City, we have a ‘stable’ of approved lawyers and law firms in various specialty areas,” said Fine. “For a routine matter, our nearly 100 lawyers can choose for themselves the outside counsel they want to work with. For a major matter, I expect to weigh in on that decision.”

What makes general counsel choose one lawyer or firm over another?

Demonstrated skill in a particular practice area and an existing relationship are important factors when general counsel select one lawyer or law firm over another. Value is also important – and a good way to “break into” an existing relationship.

“When I was general counsel at a larger company,” said Askew, “we had some fairly arcane intellectual property work. The large firm handling it charged a lot of money. When a smaller firm came to me and agreed to do the same work just as well for a lot less, I could go to my executive committee and show them how much I saved. That firm made me look good and they got all of our IP work going forward.”

Inclusion and diversity are also important differentiators, especially at Fortune 500 companies that have signed on to diversity and inclusiveness initiatives and expect compliance from their service providers.

“This is also important when dealing with the City and other government entities,” said Fine. “We prefer to deal with firms that can demonstrate diversity and inclusiveness.”

When do general counsel turn to outside counsel?

Because of budget constraints, panelists agreed that they try to avoid using outside counsel for anything other than bet-the-company work (where cost is no object), specialized work or geographically specific work.

“The worst scenario is when it's Friday and I need some specific outside legal work done by Monday,” said Scalpone. “When I've got three outside attorneys working all weekend, I really cringe when it comes time to look at the bill.”

General counsel prefer to keep routine contracts and transactions in-house, but often turn to outside counsel for financial, employment, intellectual property (including patent), admiralty and litigation. “In the current economic climate, we are trying to manage costs by keeping some aspects of litigation in-house as well,” said Miller.

“The economy motivated Video Professor to bring much of its intellectual property work in-house for the first time,” said Robertson.

“At the City, some of our unique needs cannot be met in-house – like bond counsel, aviation and environmental matters involving the airport, lawsuits alleging the use of excessive force by police officers and some ethics opinions,” said Fine.

Regulatory matters often prompt general counsel to look for representation in Washington, D.C. “We are located in Colorado but, as a high-speed Internet access provider, our assets are in the sky and regulated by the FCC,” said Scalpone. “We need outside lawyers on the ground who can navigate the regulatory system.”

Companies with multi-state or international operations also cast a wider net. “As the nation’s largest independent service provider to ATMs and other cash automation equipment, we have operations in 47 states,” said Miller. “We always need good local counsel – someone who knows the legal system in a small town in New Jersey.”

Where is the best place to meet general counsel?

Existing relationships between in-house and outside counsel are often forged over time and difficult – but not impossible – to disrupt.

“One very important way to get my attention is to come to me and offer to do a small piece of work for a very good price,” said Scalpone. “If I like what you do, I will be more willing to work with you in the future.”

Industry knowledge on the part of outside counsel is extremely important to general counsel, and they are favorably disposed towards lawyers who join and participate in their business and trade groups. They also create relationships with lawyers who join and participate in their civic and community groups. Information about which groups general counsel belong to is easily discovered with a Google search.

“At the City, we have a positive attitude to those who contribute their time and talents to public and non-profit boards and commissions,” said Fine. “It is certainly not the only factor when we choose outside counsel, but it does raise you in our esteem.”

When in need of outside counsel, general counsel often ask peers in organizations like ACC for referrals. At one time, a referral alone was sufficient.

Today, however, general counsel will Google the name of a referred lawyer before they make that phone call. “It really irritates me when a lawyer’s bio or profile is cursory or lacking in detail – and doesn’t indicate industry experience and include links to work samples,” said Scalpone.

All five general counsel agreed that Google searches and a robust online presence have essentially replaced legal guides and directories when it comes time to look for outside counsel in a particular area -- or validate a referral.

Why do general counsel “fire” outside counsel?

“One of my pet peeves is when outside counsel do not keep up with developments in my industry,” said Robertson. “They should be as on top of these changes as I am. I should not have to waste my time bringing outside counsel up to speed on new developments.

“Also, we are in a pretty geeky line of business,” said Robertson. “If you are going to charge me \$400 an hour, you better have a handle on current technology.”

“If you don’t know the difference between a fax and a PDF,” said Miller, “I will not be happy. We will choose to work with a talented associate who has better tech skills over mature partner who doesn’t know how to communicate with us.”

Each panelist mentioned dissatisfaction with outside law firms that roll out the red carpet to get their work, and then lose enthusiasm after they have been working with the client for a while. “When they want our work, we have their complete attention,” said Miller. “Once they have our work, they tend to rest on their laurels. Don’t take advantage.”

Lack of responsiveness was also mentioned as a negative trait in outside law firms. “When I contact you, I want to hear from you as soon as possible,” said Robertson. “Immediate is perfect. Two hours is great. Longer than 24 hours is not acceptable.”

How do you nurture a productive relationship with general counsel?

“We expect that outside counsel will know our business and industry as well as we do,” said Scalpone. “We want to work with a firm where even the associates read *The Wall Street Journal* every day to keep up with developments in our industry.”

Liking outside counsel is not as important for one-time, bet-the-company work as it is for long-term relationships. “When you are the only one who can help us, we don’t have to like you all that much as long as you solve our problem,” said Robertson. “But for a productive long-term relationship, a positive personal relationship is very important.”

“I don’t need to have a close *personal* relationship with my outside counsel,” said Fine. “I really don’t want to play golf with them or see them outside the office. But I do want to have a good *professional* relationship with them.

“Because of budget cuts, the City has reduced money for training,” said Fine. “Show that you value our professional relationship by presenting a free seminar to the lawyers in my department. Help us do our jobs better. Never take the relationship for granted.”

“We work with an outside law firm for employment matters,” said Miller. “From time to time, those lawyers provide an onsite employment law update – and also provide a very nice lunch! That kind of service is truly appreciated by my company.”

What do general counsel want from outside counsel? “It is very simple,” said Askew. Legal expertise is the bare minimum. We want outside counsel who also respect our budgets, deadlines and communication styles. We want outside counsel who know our businesses. We want outside counsel, in short, who define *their* success as *our* success.”