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2008

# CHIEF LEGAL OFFICER SURVEY

*The Opinions of Chief Legal Officers on Issues of Importance*

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Conducted by:

Altman Weil, Inc.

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# SECTION 1

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## BACKGROUND & OBJECTIVES

### **Background & Objectives**

For the ninth year in a row, Altman Weil, Inc. has surveyed Chief Legal Officers (CLOs) on issues of importance in managing their corporate law departments. The purpose of these surveys is to:

- 1) Capture current thinking of Chief Legal Officers.
- 2) Compare CLOs' year-to-year answers and changes in thinking, including three-year trend data when available.
- 3) Share the results of the tabulated surveys with the legal profession, enabling both corporate law departments and law firms to benefit from the surveys.

### **Participation**

One hundred and twenty six Chief Legal Officers provided responses for the 2008 survey, conducted in May and June 2008. The survey responses were tabulated and analyzed, including a summary of the results in Section 2 and demographic data on survey participants in Section 3.

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## SECTION 2

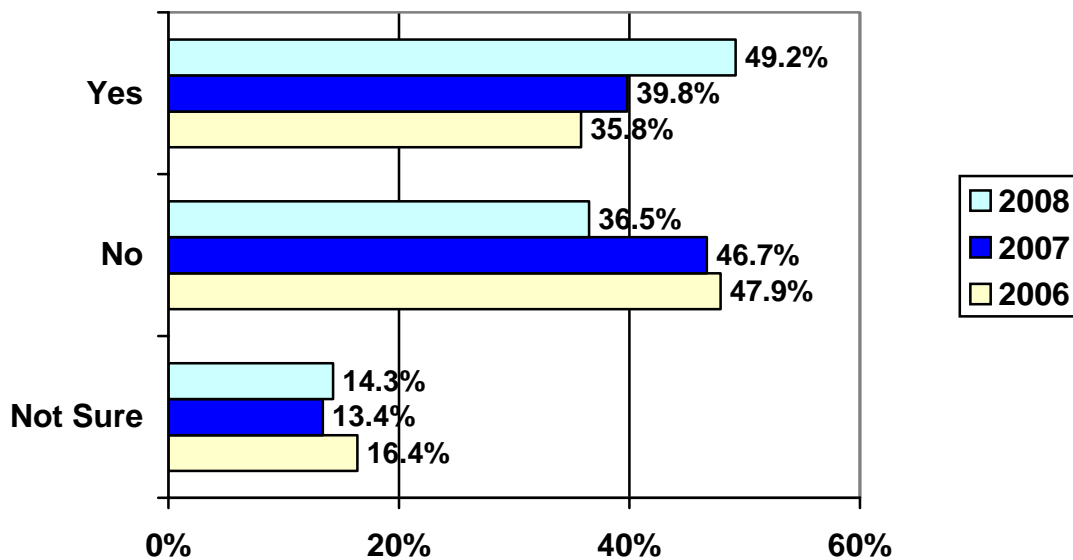
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### SUMMARY OF RESULTS

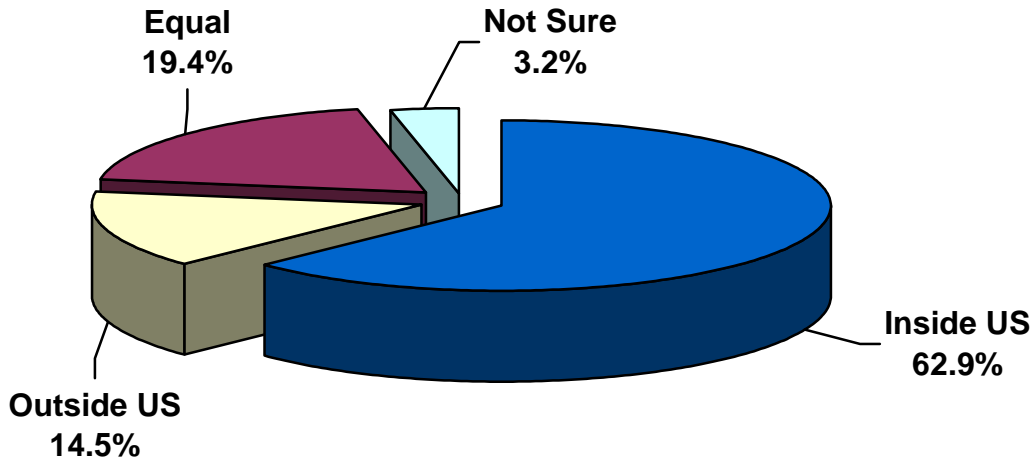
#### Summary of Results

The results of the survey follow. Each question is presented and the tabulated results of the survey follow each question. Where identical or similar questions were asked in prior CLO Surveys, a comparison and analysis is presented. Some answers are represented in charts and graphs while others are provided in text format.

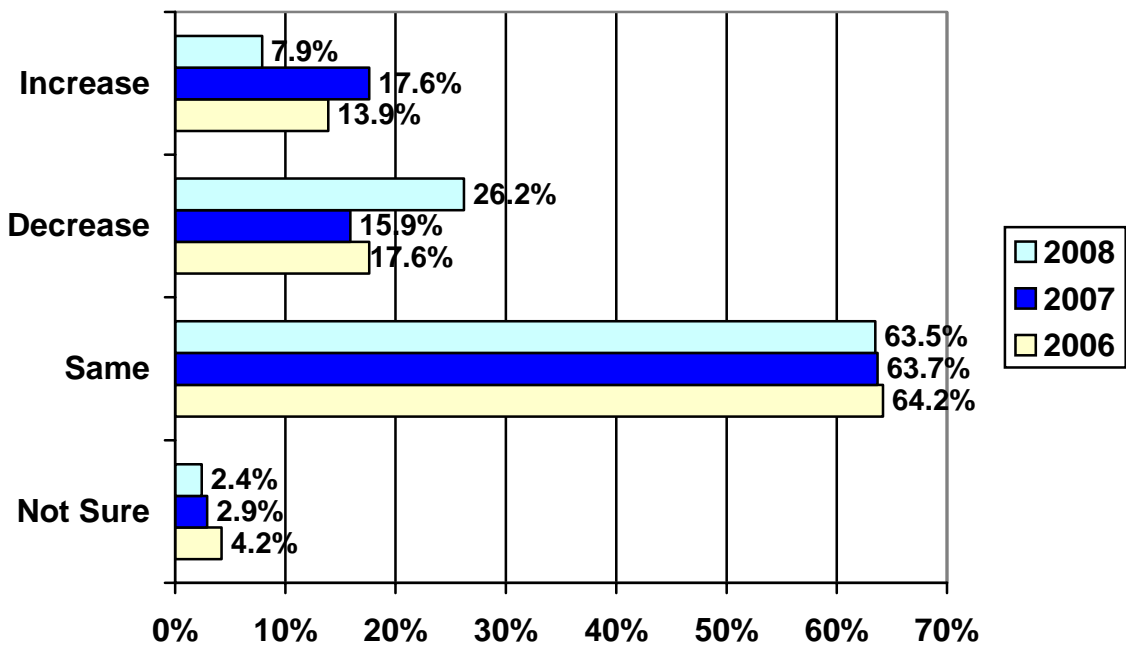
- 1. Within the next 12 months, do you plan to extend your in-house legal capabilities by hiring additional lawyers?*



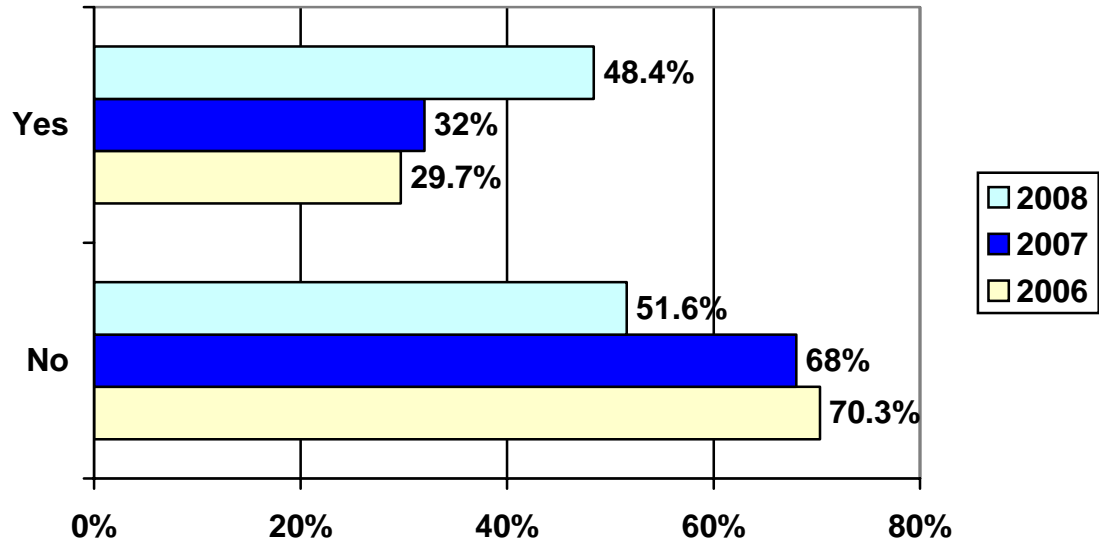
1a. If yes, will you see greater hiring within the U.S. or outside the U.S.?



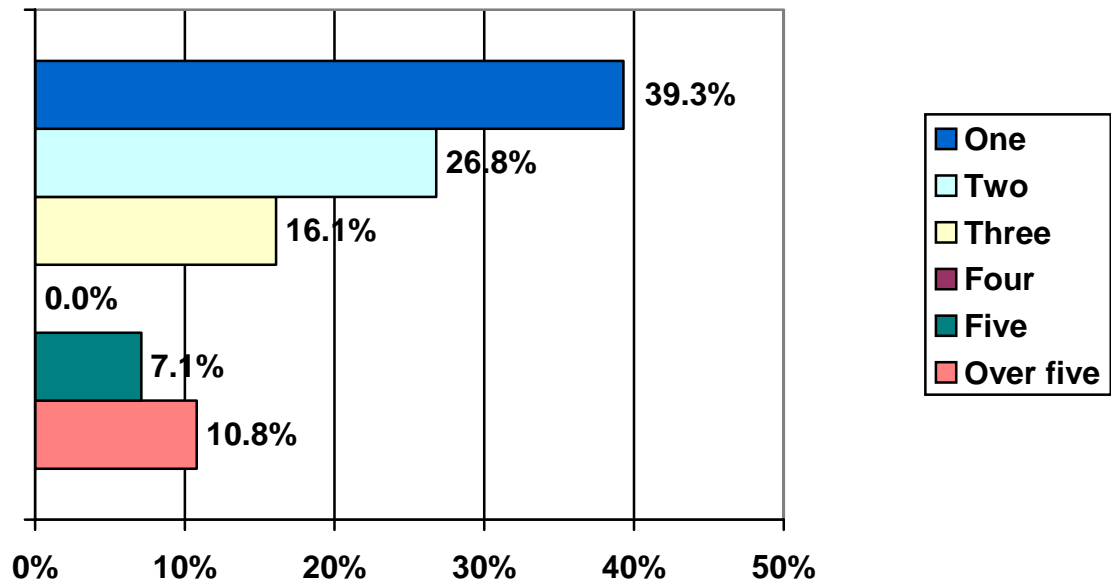
2. Within the next 12 months, do you plan to increase or decrease your use of outside counsel?



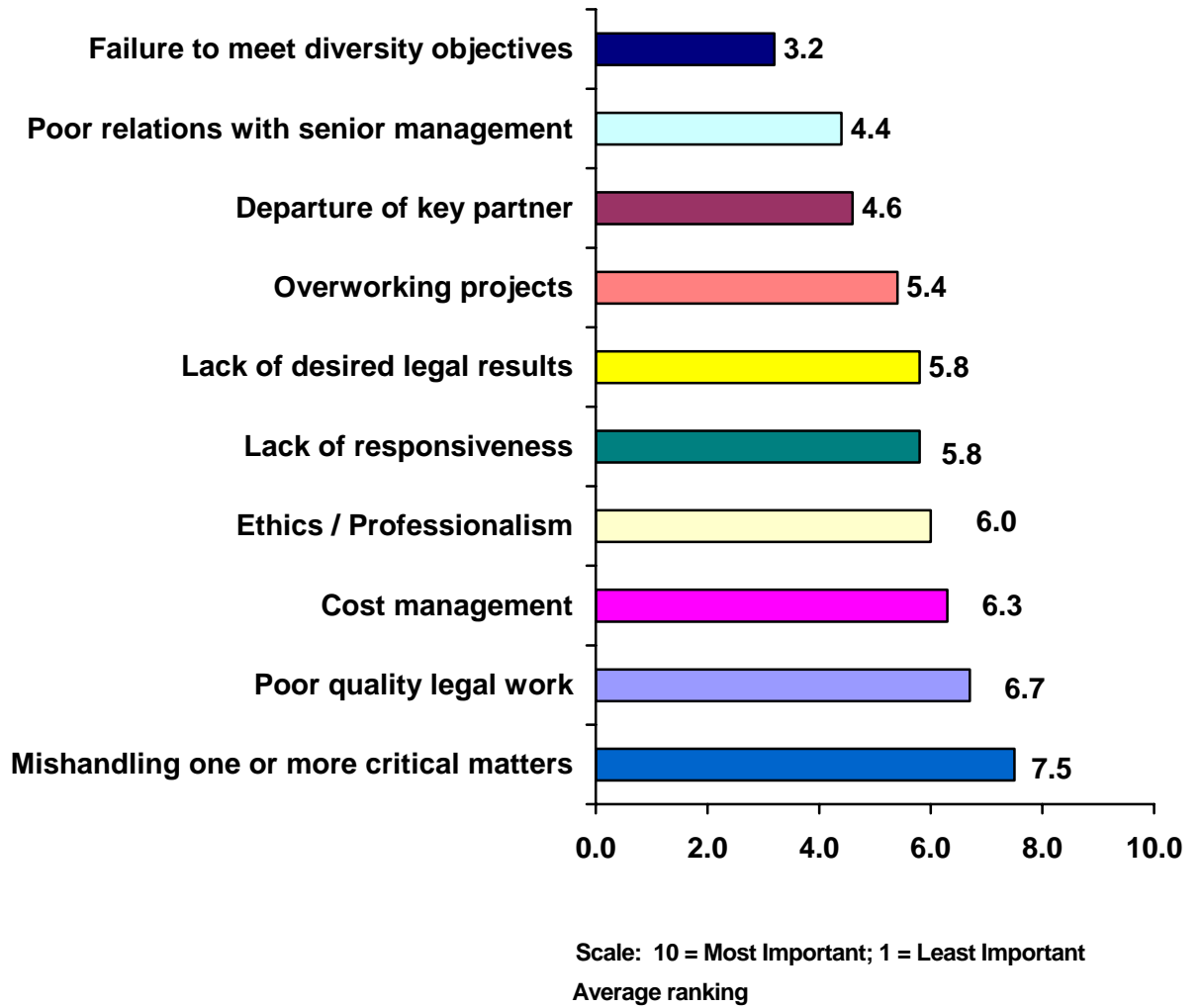
3. Have you fired or are you considering firing, one of your law firms this year?



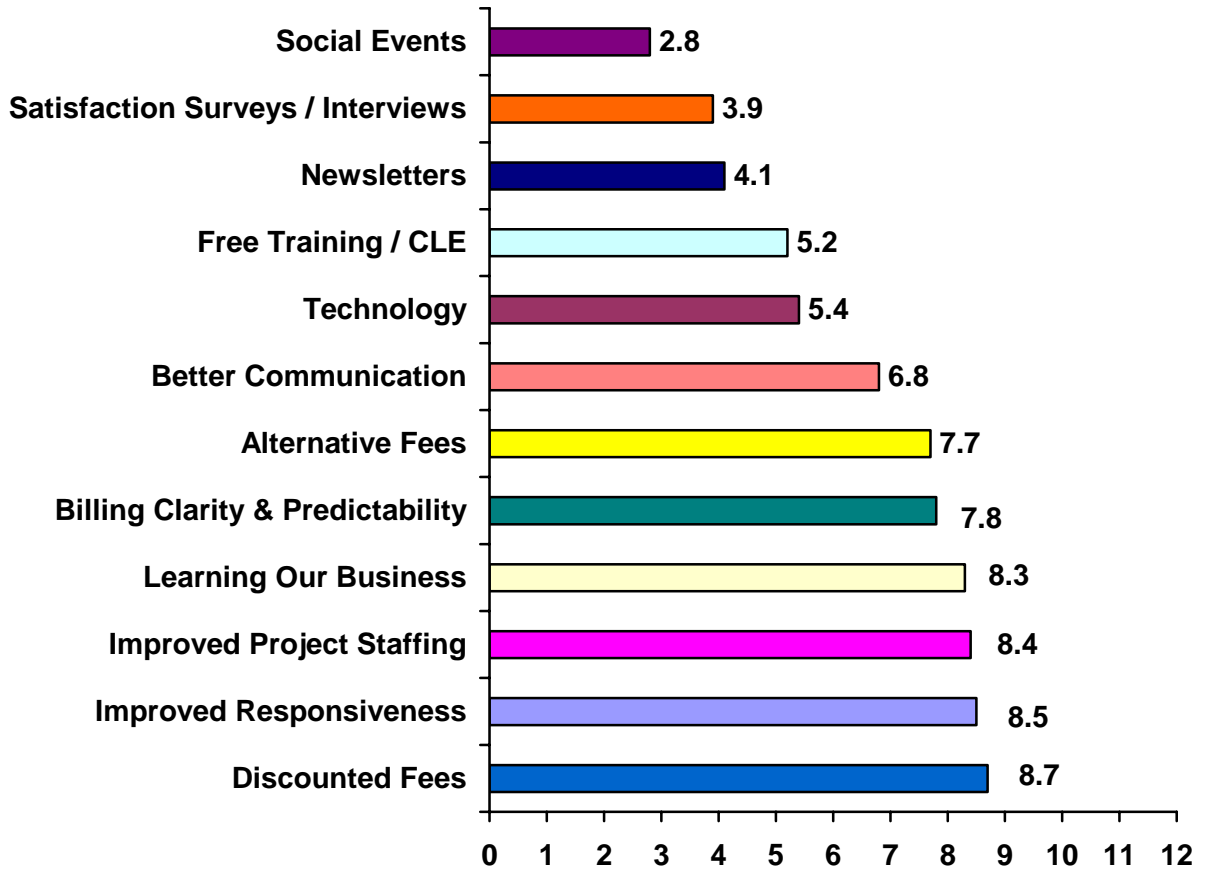
3a. If yes, how many firms?



3b. Rank these reasons for firing a law firm (10= Most Important; 1 = Least Important):



4. Rank the importance of the following efforts that outside counsel may make to improve the working relationship with your Law Department?



Scale: 12 = Most Important; 1 = Least Important  
Average ranking

*4a. Aside from the factors listed above, tell us something innovative that one of your law firms has done in the past year that will cause you to give them more business in the future:*

## **FEES**

- We have several law firms that aggressively pursue alternative fee arrangements. These firms distinguish themselves and earn our business.
- [Our firm] is a flexible partner, willing to entertain new ways of representing our company, such as alternative fee arrangements.
- As a small user of outside counsel services, we appreciate the "fixed" fee for some routine matters.
- Discounted fees.
- Fixed fees per project.
- Flat fee for smaller matters.
- Froze fees in recognition of difficult business times.
- Cost effective (lower hourly rates).
- We pay a deeply discounted rate.

## **LEARNING OUR BUSINESS**

- Allowing us to bring in associates on a virtually full-time basis to enable them to learn our business and cover the bumpiness in work pressure.
- One of our firms in Europe seconds a lawyer to work with us internally on a regular basis. This helps the firm learn more about us and, by extension, their clients generally — as well as train young lawyers. It obviously helps us get work done, and builds appreciation.
- Law firms are not very innovative. They tend to be reactive. The best ones make a real effort to understand our business and excel at project management. This helps keep the costs down and provides more focused solutions tailored to our business needs.
- Bringing in relevant experts who have studied our business.
- Secondment of our staff and their staff to each other.



## **GOING THE EXTRA MILE**

- On a regular basis they provide services, e.g., immaterial contract reviews, for minimal fees to the company, and frequently go "beyond" the engagement to make sure me, and my senior executives are satisfied with their results/services.
- [One of the firms we use] was not selected for a matter but offered to work with the counsel that was selected in order to maximize our satisfaction and minimize our expense.
- One of our firm's partners came and did an e-discovery seminar and then offered to come back and do an executive summary briefing and when we failed to set up the briefing, he gently reminded us of his offer (all without cost to us) as opposed to just letting it drop. Another firm sent us a summary (and a link) of a new local smoking ordinance passed in the city where we are headquartered.

## **EFFICIENT STAFFING**

- Lean staffing and excellent associates and junior partners. No overworking.
- Lean staffing.
- Discuss an issue and provide a verbal opinion on the telephone without further work or follow-up memorandum.

## **QUALITY WORK**

- Provided great legal advice that resulted in a quick settlement rather than prolonged litigation that would have resulted in large fees for the firm.
- Getting a good result, in a cost effective and time effective manner, on one matter is always the best way to get additional business from me.
- High quality work.
- Creative and problem-solving

## **DIVERSITY**

- Provided an innovative means for supporting diversity workforce initiatives.
- In addition to expertise, diversity of attorneys/timekeepers working on matters for our company is a huge draw for us to use a particular law firm.

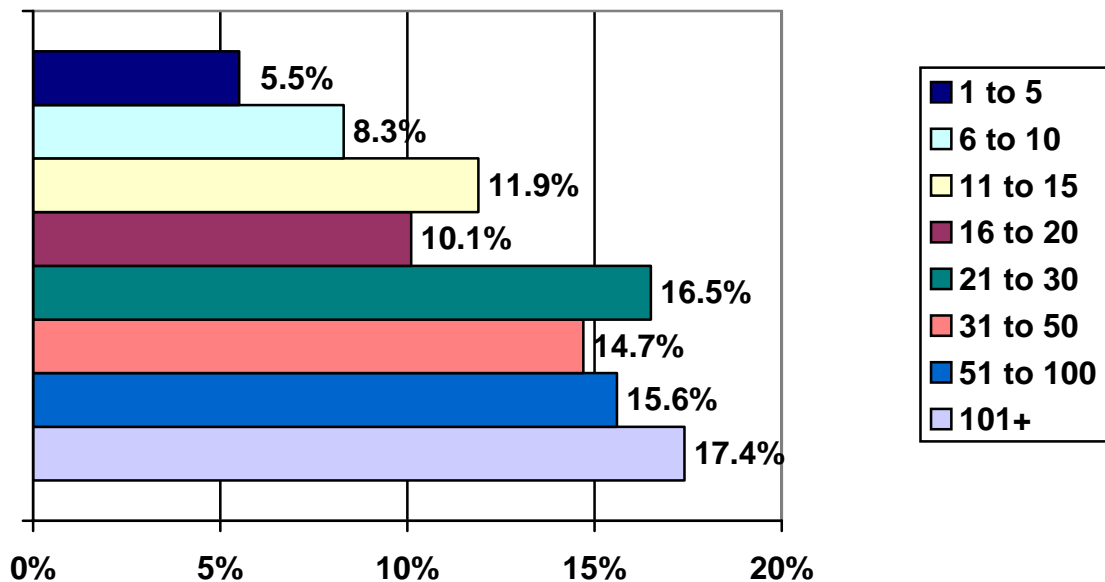
## TECHNOLOGY

- Moving to global, integrated web-based system for managing a key function so we no longer need to call lawyers to get info.

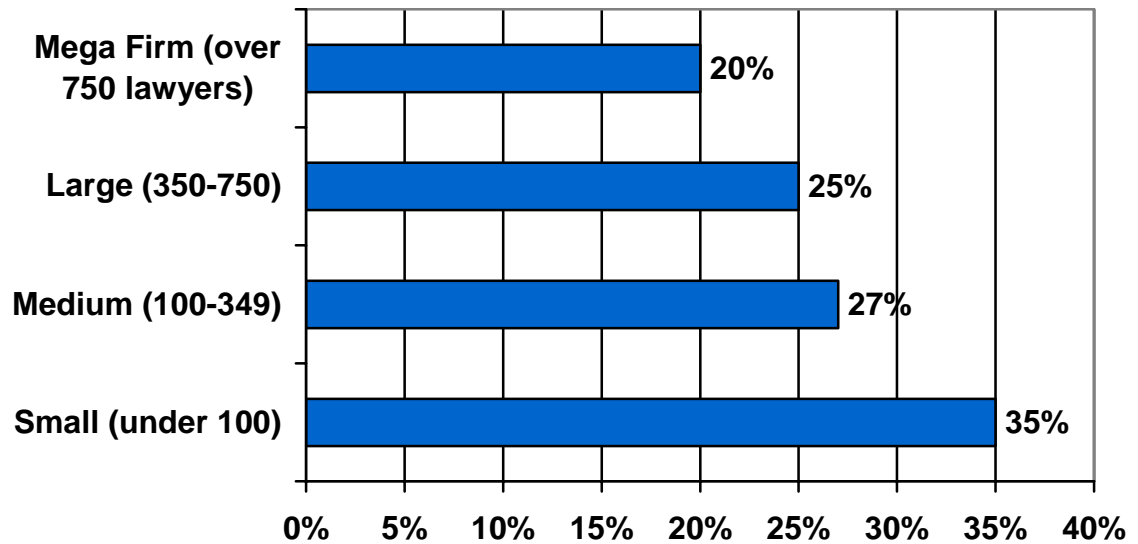
## OTHER

- Leverage relationships with non-legal service providers into ongoing matters in a matter that was both highly relevant to the matter and which had them taking responsibility for both keeping costs in line and results.

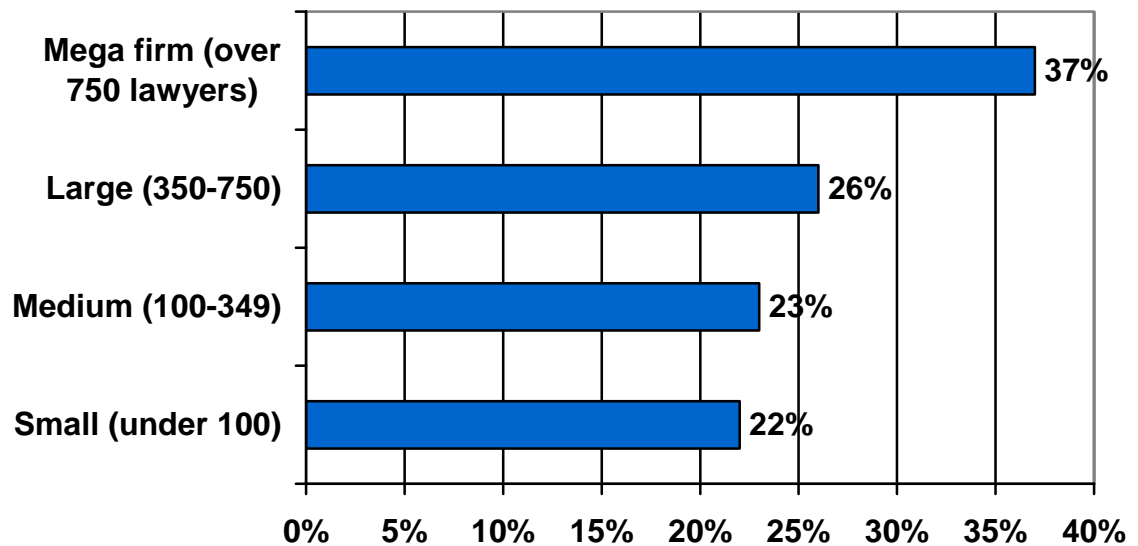
### 5. How many law firms did you employ in 2007?



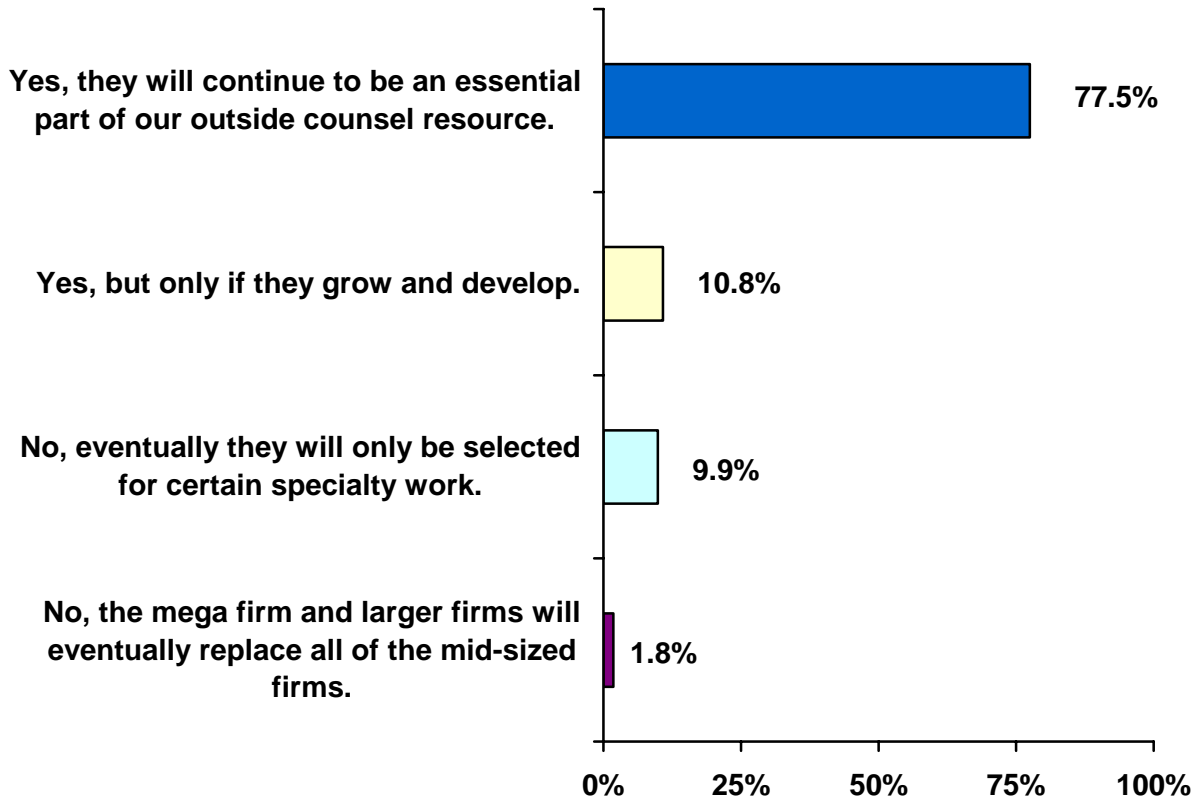
5a. Percentage-wise (considering the number of firms), how do these law firms break out in terms of size?



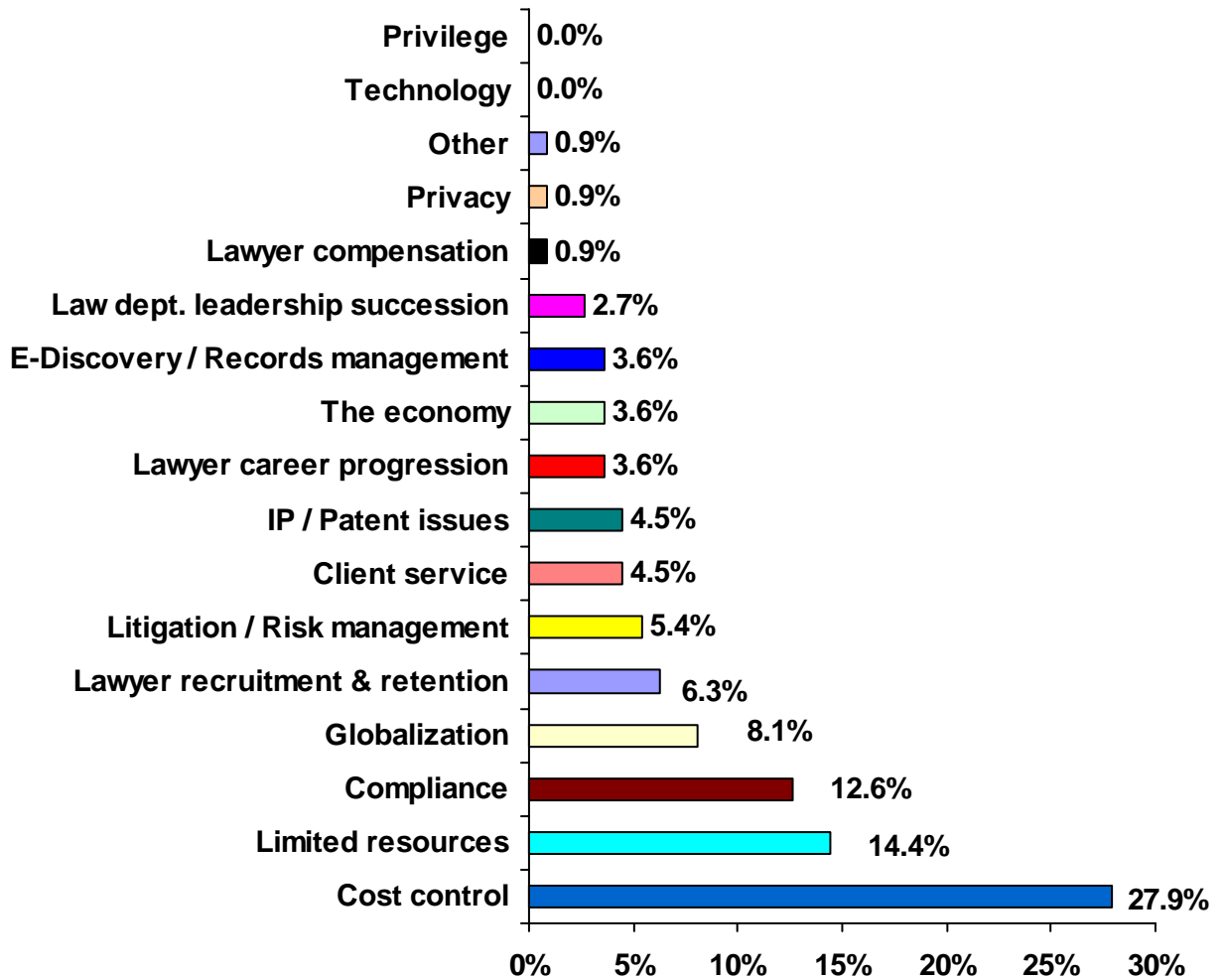
5b. Percentage-wise (considering the dollar value of the business), how do these law firms break out in terms of size?



6. Do you believe that medium-sized law firms (100 to 349 lawyers) have a strong future?



7. For the next three to five years, what is your greatest long-term (over the horizon) concern?



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# SECTION 3

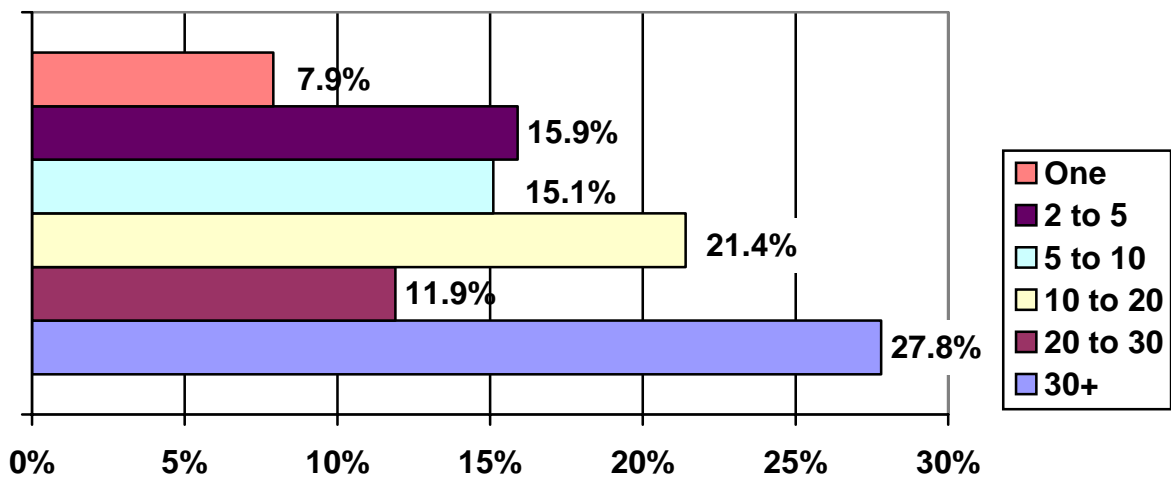
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## SURVEY DEMOGRAPHICS

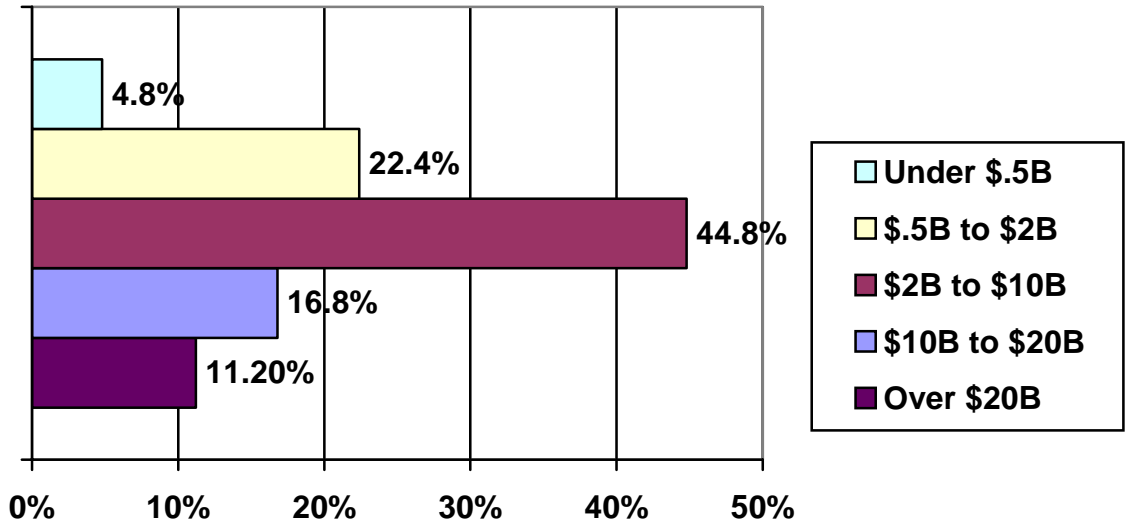
### Survey Demographics

Following are the Survey demographics, which describe the responding Chief Legal Officers and their law departments.

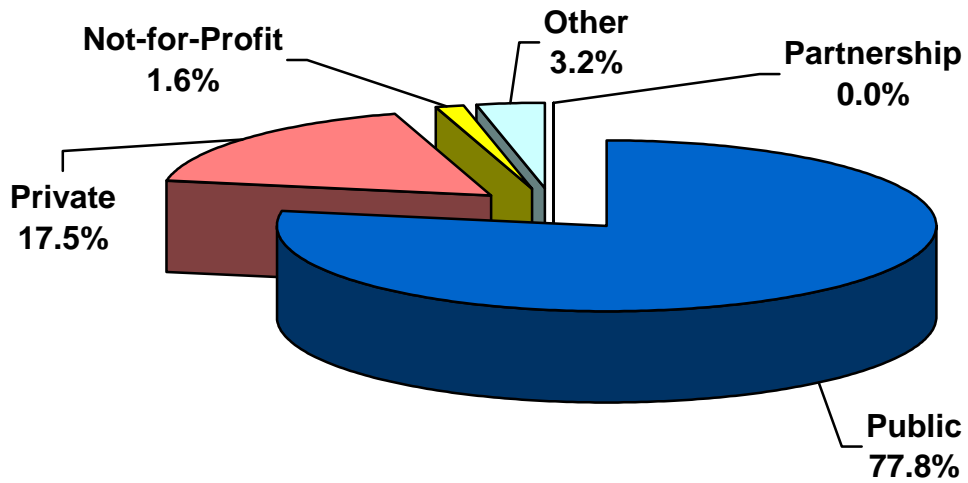
1. *How many in-house attorneys are in your department (in all locations)?*



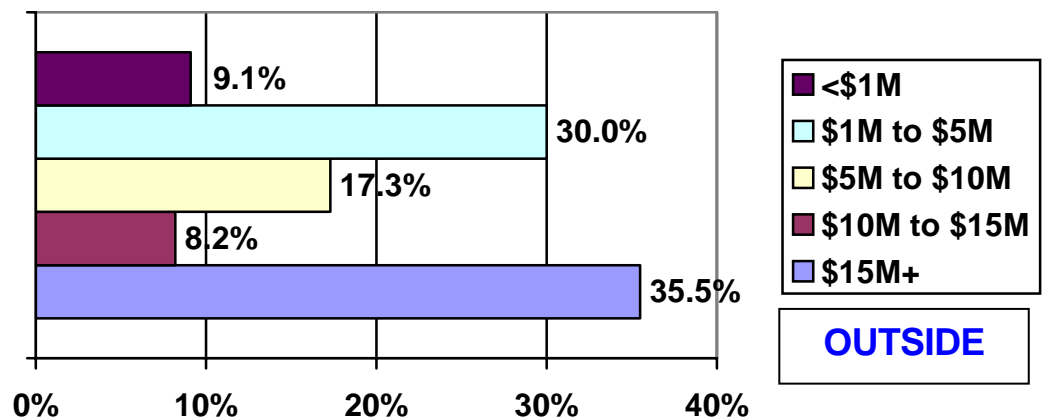
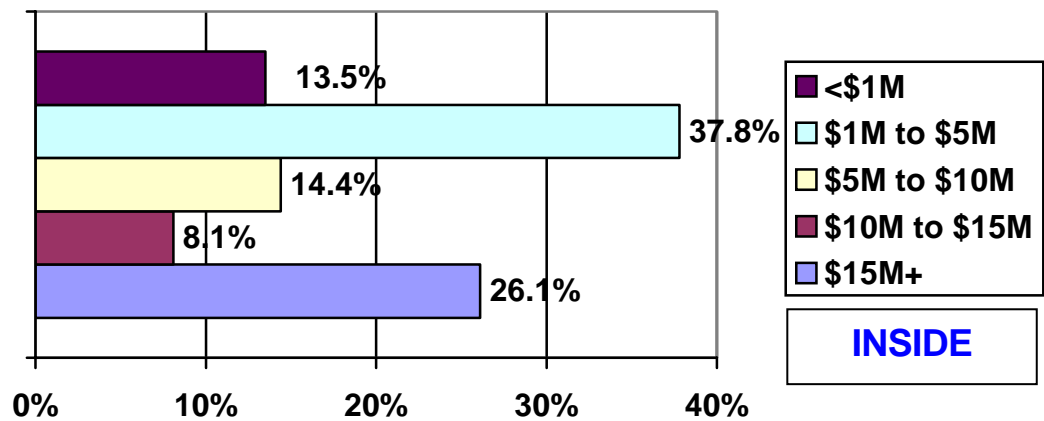
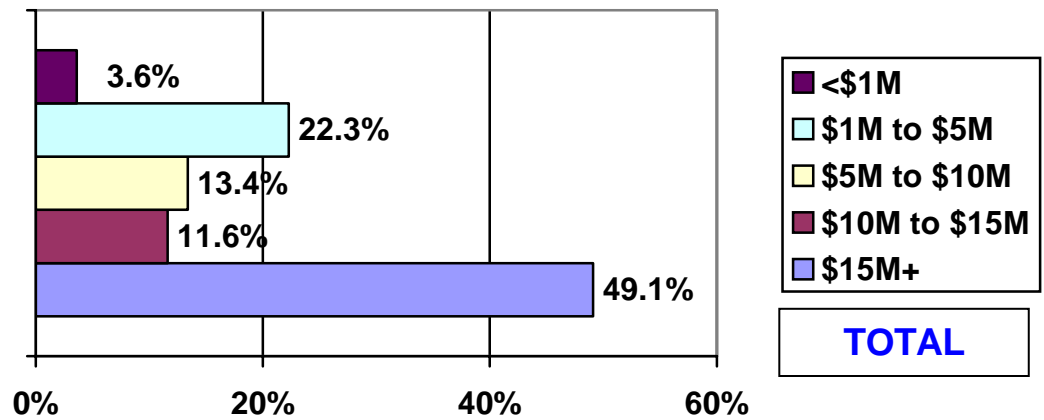
2. What are your organization's annual revenues?



3. Is your organization:



4. What is the size of your 2007 Law Department budget in U.S. dollars (Total; Inside; and, Outside)?





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# SECTION 4

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## ABOUT ALTMAN WEIL

### **About Altman Weil, Inc.**

Altman Weil provides management consulting services exclusively to legal organizations. Our clients include law firms, corporate and government law departments and legal vendors of all sizes and types throughout North America, the U.K. and abroad.

We offer a full range of consulting services, backed by over 30 years of experience in the industry.

### ***Consulting Services***

- Strategy
- Mergers and Acquisitions
- Practice Management
- Management and Governance
- Compensation
- Marketing and Business Development
- Client Surveys
- Law Firm Finance
- Law Firm Succession Planning
- Leadership Development and Performance Management
- Paralegals and Paralegal Programs
- Retreats
- Corporate Law Departments
- Key Person Coaching
- Government Law Departments
- Executive Search Services
- Market Research
- Custom Surveys and Benchmarking
- Training Programs
- Legal Vendor Advisory Services

## ***Expert Commentary***

Altman Weil consultants regularly publish articles in the legal press, including *The American Lawyer*, *National Law Journal*, *ABA Law Practice*, *ALA Legal Management*, *Law Firm Inc.*, *Corporate Counsel*, *Of Counsel*, *IBA Journal*, *European Lawyer*, *Legal Week*, and scores of other regional and local journals.

Our comments on the legal scene have appeared in major business publications including the *Wall Street Journal*, *Time*, *US News and World Report*, the *New York Times*, *USA Today*, and *The Times of London*.

Altman Weil, Inc. publishes a monthly newsletter, *Report To Legal Management*, that explores topics of current interest to law firm and law department management.

## ***Credentials***

Our principals have held directorships or board and committee positions in, to name a few:

- American Bar Association
- International Bar Association
- Association of Legal Administrators
- Legal Marketing Association
- Institute of Management Consultants
- National Association of Legal Vendors

## ***Contact Altman Weil***

Contact Altman Weil, Inc. at [info@altmanweil.com](mailto:info@altmanweil.com), visit our website at [www.altmanweil.com](http://www.altmanweil.com), or call (610) 886-2000 to learn more about our services.