

Procurement Involvement in Outside Counsel Selection Trend or Myth?

By
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Over the past few years there has been some open discussion about the possibility of corporate sourcing departments becoming more involved in the selection and retention of outside counsel. Law firm procurement can happen either in concert with the CLO, or the sourcing department might work on its own. Recently, I met with the procurement group of major pharmaceutical company that was exploring their role in the selection of outside counsel, establishing metrics and evaluating results – providing some first-hand evidence of this.

To assess whether procurement department involvement in the selection of outside counsel is trend or myth, the **Altman Weil 2010 Chief Legal Officer Survey** asked CLOs whether procurement, purchasing or strategic sourcing professionals are involved in outside counsel selection decisions in their organizations.

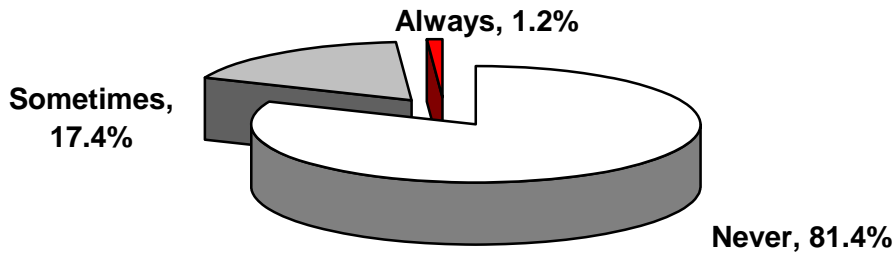
As the following chart shows, sourcing professions are involved in less than 20% of outside counsel selection decisions – either sometimes (17.4%) or always (1.2%). The second chart clarifies this picture, by asking the 18.6% of companies that responded in the affirmative how procurement professionals are involved and to what extent. According to the responses, *in no case is procurement the final authority* and in all cases procurement professionals are, in order, either available as needed, serve in an advisory role or assist with the RFP process.

Although not a myth, this idea clearly has a long way to go before it is an established practice.

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To download a complete copy of the **Altman Weil 2010 Chief Legal Officer Survey** go to www.altmanweil.com/CLO2010.

1. Are Procurement / Purchasing / Strategic Sourcing professionals in your corporation involved in outside counsel selection decisions?



2. If yes, to what extent are they involved?

