



THE NEW ELLIS GROUP

Monday Monday

Connecting the Dots with Karen Kaplowitz



*Helping you create and reinforce the habits of successful career building,
gleaned from my work as a business development strategist, trainer and coach*

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Risk Assessment. One clear byproduct of our current economy is increased rigor—perhaps obsession is the better word—about evaluating risk. Your clients are under increased pressure from regulators and shareholders to assess the risks in every aspect of their business. That creates both opportunity and jeopardy for your firm. Ask yourself whether you are attuned to your clients' heightened sensitivity about risk:

- Did you play a role in creating your clients' formal processes for assessing risk? If not, are you at least knowledgeable about their internal risk management systems?
- Do you know which clients are charged directly with managing risk for their companies? Do the risk management personnel influence selection of legal counsel? Do you have a plan for identifying and meeting more of them?
- Do you communicate with clients about the potential risks in your matters in a direct and systematic way?
- On each matter you handle, do you know the risk level the client has assigned to the matter? Do you ask? Have you aligned your staffing, budgeting, handling and reporting on matters with the risk level the client has designated?
- Are your own personnel trained on awareness to management of high risk matters?

Example: You have successfully handled a series of routine matters for a client when you are contacted about a potential new matter accusing an employee of misconduct. Aside from the fact that the employee is a senior executive of the company, the matter appears to be routine. But given the current environment in which business is under close scrutiny by news media, as well as shareholders, business partners, and regulators, you do not handle the matter in a routine fashion. You assure your client contact that you can handle the matter even if it involves a higher profile employee. You bring in a more senior lawyer in your firm who is used to handling high profile crises for clients. You encourage the client to bring all the relevant parties together for a broad discussion of the legal and business implications of the matter at the front end. You offer to do a thorough risk assessment on the legal side even though that is not normally the company's practice for the routine matters you handle. You also counsel the client to bring in its public relations professionals from the outset in case the matter attracts media attention. Internally, you institute tight controls on access to the client files and counsel team members to be on high alert to maintain confidentiality.

When you complete the matter, without a major blowup for the company, you have interfaced with the most senior ranks within your client and you have elevated your firm from a provider of low-risk, routine matters to one which is seen as capable of handling matters of much greater sensitivity and risk.

Have you sufficiently adapted to the enhanced climate of sensitivity to risk that your clients are enduring? If not, are you putting your own client relationships in jeopardy?