



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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Helping Your Clients Move Work In-House. ALM Legal Intelligence published a report recently that corporate clients are accelerating their efforts to bring work in-house. This report was bad news for law firms which have already seen demand for their services decline over the last several years. But before despairing about the decline in demand for your firm's services, consider whether you can turn this trend into a competitive advantage.

- Can you offer to help your clients partner with your firm more effectively and more consistently?
- Does your firm offer in-house lawyers and paralegals the opportunity to participate in training that is offered to lawyers in your firm?
- Does your firm ask clients to include firm lawyers in training that is offered in-house?
- Does your firm have a technology platform that operates smoothly with clients' platforms?
- Does the firm welcome collaboration with other outside law firms that serve the client?
- Is your firm equipped to offer clients a data analysis of the total comparative costs of matters handled by the firm versus by in-house lawyers or other law firms?
- Can you move any of your firm's personnel to the client's law department or create a captive law firm entity to help the client reduce costs?

If you know that your clients are analyzing what work they can bring in-house, you have several choices: try to talk them out of it; pretend it isn't happening and hope it goes away; or preferably, collaborate so that the client gets the best possible outcome and your firm preserves its role as trusted advisor in key areas.

Example: When the client relationship partner met with a significant litigation client right after New Year's, he hoped to discuss a modest rate increase after several years of no changes. That conversation got tabled when the general counsel shared that she had been instructed to slash the company's legal spend. She asked the partner whether the firm would be willing to reduce its rates or agree to a blended rate for all lawyers. The partner instead offered to provide the company with help from pricing and analytics consultants with whom the firm worked to do an objective analysis of its litigation costs. The partner had been monitoring the client's costs carefully for several years and was confident that the numbers would reflect well on the firm compared to its competitors. The firm asked the company to provide all its data including settlements, judgments, duration of matters, legal fees and costs, broken down by the firm or in-house personnel who handled each matter. The firm's pricing and analytics consultants then crunched the data and provided a report which demonstrated to the client that the firm had achieved the best results among all its outside lawyers in certain types of matters. The data also confirmed that in several areas, the in-house lawyers' overall value was better than any of the outside firms. The result of the firm's analysis was that the company decided to consolidate all of its work in several areas with the law firm on a negotiated basis that was reasonable for both sides and took all of its work in some other areas in-house. The company achieved overall cost containment and the law firm increased its revenue from the client.

When confronted by inevitable pressure from clients to reduce their legal spend, are you prepared to help your clients do an objective analysis of the costs they are incurring? Do you have the capacity to do pricing and cost analytics internally or do you have outside experts who can help you? Are you willing to help clients achieve cost savings by helping them decide what work belongs in-house?