

Seeing Through Your Client's Eyes

by Patrick J. McKenna

According to *Inside-Counsel's* July 2007 issue, showing the result of their 18th Annual Survey of General Counsel, 70.5% of in-house counsel scored their outside firms a mere **B** for overall performance. Another 10.5% rated their firms **C** or worse. That means that 81% of in-house counsel are not too impressed with their law firms these days — and those percentages have eroded each year for the past three years! Concurrently, when asked for their views, 62% of law firms grade themselves a solid **A** for performance. Anybody see a disconnect here?

Now the incongruity of this situation repeats itself when we ask corporate executives to grade the performance of their internal legal departments. The individual lawyers in the department, when asked, grade themselves highly on their ability to understand the organization and deliver true value; while the executive team's perceptions are often captured in comments like these:

Corporate Legal doesn't seem to really understand the business or our business relationships. Currently, some of our key suppliers cringe whenever they have to deal with us on a contractual matter.

Our Legal Department needs to do more trend line analysis on repetitive issues that they are observing and then initiating the discussion on how these issues could be prevented or better addressed.

It would be great to have our Legal Department come out and do a presentation for us on how the work flows and how they could be most effective. No one from Legal has ever visited with us.

It would seem that the irony here is that we hold entirely different views based on whether we are the procurer or whether we are the provider of professional services. In my experience, even in-house lawyers have a huge job to do to understand and manage their client's needs. The perception seems to be that few lawyers are great at demonstrating the value they add, at least in terms directly relevant to the organization's strategic goals.

What should we do?

I believe that at least once every year you have got to make the time to get out into the various departments and divisions within your organization and talk to the key executives, (your clients) one-on-one, about what their current needs are, how they view your legal department and what recommendations they may have to offer you. My experience has been that asking the key business heads what they think the legal department should be doing and comparing their feedback to what the lawyers in your department think these executives will say, usually produces the necessary impetus for focused change.

Some of the questions that I've used in these kinds of interviews include:

1. Are there any aspects of your business, your strategic objectives or your competitive challenges that you wish our lawyers were either more sensitive to, or understood

- better?
2. What would you suggest (if anything) could be done to have our lawyers become a more integral part of your internal business team?
 3. Are there specific things that the legal department could be doing to reduce the time that you have to spend with managing your responsibilities? (put differently: what could we be doing that would make your life easier?)
 4. Is there any policy, procedure, behavior or process that you feel the legal department is trying to impose on you and you don't understand why?
 5. How would you describe what our legal department does best? What is the most valuable service the legal department performs for your area of responsibility?
 6. How could we improve the level of responsiveness, proactive counsel or general service to you, beyond that which you are receiving now? (put differently: tell us what our legal department could do that is likely to make us more useful to you?)
 7. As you think about the range of services that our lawyers provides, what could an innovative legal department be doing, that executives like you, may not yet have asked for?

Asking questions like these might seem threatening, but the answers can be extremely revealing. Here are some of the general learnings that departments report from the exercise:

- Don't assume that all of the important projects and issues in the organization are hitting your desk or that the value of your work speaks for itself.
- Focus your greatest efforts on unearthing and understanding your organization's top priorities, helping solve them (even if there are no immediate or obvious legal dimensions), and report regularly to senior management on what you've achieved.
- Include performance metrics to illustrate where your work comes from, where your time goes, and where you spend the organization's resources. (See my last column: The Metric System,; How to create your legal department's performance metrics, CCCA Magazine, March 2007)
- Structure your reports around the organization's top priorities, rather than legalistic issues.
- Describe the systems, processes and documentation that you have been putting into place in the legal department and the intended benefit to the organization.

Seeing through the eyes of your client is an opportunity that some legal departments have seized – by asking the hard questions of themselves, before others ask them. If your department seizes the opportunity, what you learn can help you position your legal team to become an integral part of the business that really can demonstrate its strategic value to the organization. Here's to getting straight A's!

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