

Legal Operations: How to Develop a Win/Win Relationship Between In-house Counsel and Law Firms

Nancey Watson April 16, 2019

Topics: [Business Development & Marketing Blog Posts](#), [Client Relations](#), [Collaboration](#), [Corporate Legal](#), [Law Firm Profitability](#), [Law Firms](#), [Legal Managed Services](#), [Legal Operations](#), [Legal Project Management](#), [Midsize Law Firms Blog Posts](#), [Small Law Firms](#)



One of the most significant developments going on today in the legal industry is how the rise of legal operations has pushed in-house law departments to work more closely with the legal ops professionals at law firms to get better value from their legal services providers.

During the past six months, I have led panel discussions on legal ops at the [Legal Marketing Association Eastern Canada](#) conference and [The Ark Group](#).

Corporate legal departments with legal ops professionals whose jobs include process improvement, procurement, and pricing are now interacting with law firms that are staffing their own version of legal ops — legal process managers (LPMs) and pricing specialists. Legal ops professionals are being hired to create better value for their companies and clients. The increase in discussion of this topic, both in the legal media and at conference panels demonstrates that this is not just a passing fad but rather, that legal ops is becoming woven into the fabric of client service.

But with legal ops professionals at in-house departments and law firms each focusing on improving and demonstrating their own value, how can this new relationship build trust?

Recently, I had discussions with more than 150 legal procurement professionals about what they want, need, and expect when hiring outside counsel. And while there is still a disconnect, it is getting better. The good news is that it seems as though a win/win relationship is a top priority for both sides.

But with legal ops professionals at in-house departments and law firms each focusing on improving and demonstrating their own value, how can this new relationship build trust? To get to this answer, I sought perspectives from in-house legal ops and law firm pricing and LPM managers, allowing them to shed some light on how they are working together to create value and stronger relationships based on trust and a deeper understanding of the business of law.

Pricing and AFAs

First, I asked panelists what in-house legal departments are looking for in alternative fee agreements (AFAs) and pricing from law firms, and how some law firms are rising to the challenge.

Richard Brzakala, director of Global External Legal Services at CIBC, says “most sophisticated in-house legal departments are looking to their law firms to present pricing proposals that are realistic and supported by a law firm’s historical experience” adding that “they don’t want data that is based on ‘gut’ feelings.”

“Firms have to understand that buyers of legal services are empowered with a plethora of billing data that they leverage when purchasing legal services,” Brzakala explained. “Any proposals that look unrealistic or unaffordable to the client run the risk of being declined.” “Further, clients are increasingly asking themselves if they have received value for what has been delivered and are ultimately looking for transparent value at transparent prices — not just lower rates or discounts that may not be sustainable over a long term,” he added.

Dwight Floyd, director of Pricing & Value at Eversheds Sutherland, clarified his role, stating that his job is not just about the numbers and setting rates. “It’s about working toward a value-based solution together — whether communicating with the GC’s office, legal ops, procurement, or my internal clients,” Floyd said. “Identifying, creating, and delivering value is what drives price, not how many hours it might take or what kind of discount might apply.”

Indeed, as legal ops grows in sophistication, it is important for law firms to show their clients the math that went into calculating their fee proposal. For example, some law firms are providing fee quotes with detailed scope.

Legal Project Management

In-house legal departments have certain expectations from their counterparts in a law firm’s legal project management department. In-house departments need to hear how law firms plan to add value to an engagement, how they will staff matters, and how they will determine who will work a matter. Increasingly, in-house departments also will want to see a law firm’s pricing specialist, project manager, and lead relationship partner in the meetings with them. These client-facing trends are considered a positive step by corporate legal ops in building stronger relationships.

“Firms have to understand that buyers of legal services are empowered with a plethora of billing data that they leverage when purchasing legal services.”

On the law firm side, their LPM professionals can keep the focus on costs and client expectations. For example, LPMs can see immediately if the scope of the project was correctly understood by the law firm when it was priced, avoiding uncomfortable discussions with the client about fees later.

LPMs also use historical data to their advantage when scoping projects to assign the appropriate number of lawyers and staffing levels to a matter. They track the matter through to completion, and along the way educate partners on the scope of the engagement, explain the math behind the pricing, and identify where efficiencies are integrated to make the entire process more client-centric.

“Legal project management, particularly with respect to complex matters, has become an expectation for our clients,” said panelist **Christy Bentz**, Chief Practice Services Officer at Norton Rose Fulbright. “It is one of the most effective ways to communicate with them, throughout a

matter's lifecycle, to ensure we understand their needs and to help them succeed."

Bentz explains that clients want predictability, transparency and the confidence that their law firms deliver. "They already expect the very best legal advice and service, and it has been our experience that legal project management is a critical component of building immediate and lasting trust," she observed.

Overall, the field of legal ops is growing not just in size, but in importance for the practice of law. The field has opened up whole new career paths for new entrants into the marketplace, and has sparked both in-house legal departments and law firms to utilize these professionals to improve efficiency, effectiveness and to drive and demonstrate value to their clients.

Like 10 Share

Share

Practice Management



By: [Nancey Watson](#)

President

NL Watson Consulting Inc.

Nancey Watson, B.Ed., is President of NL Watson Consulting Inc., and consults with in-house counsel on developing request for proposals (RFPs). She also works with law firms on proposal strategies and has helped professional services firms win more than \$3 billion in competitive bids. She specializes in alternative fee arrangements (AFAs) and pricing for in-house and external legal counsel.

Nancey is well-informed in the area of legal procurement and has just put out a book, "The Silver Bullet: How RFPs are Won," which was published by The Ark Group earlier this year. In addition, she facilitates the workshop "Strategic Proposal Management."

She is a contributing author and has participated in podcasts for Thomson Reuters Legal Executive Institute in addition to speaking at a number of Legal Executive Institute events and forums. She is also a speaker at The Ark Group and Legal Marketing Association conferences.

She is an accredited presenter for Continuing Professional Education courses.

[See all posts >](#)

0 Comments Legal Executive Institute

[1 Login](#)

[Recommend](#)

[Tweet](#)

[Share](#)

[Sort by Best](#)



Start the discussion...

LOG IN WITH

OR SIGN UP WITH DISQUS 

Name

Be the first to comment.

ALSO ON LEGAL EXECUTIVE INSTITUTE

Government Attorneys See Promise in AI and Technology, Says New Thomson

1 comment • a year ago



Sudhir Aggarwal — This is one segment globally possibly, surely in India, slowest on adopting emerging technology and keeping pace with reform process. Legal segment adopting technology-led reforms could certainly change the faith and belief of people in Judiciary significantly, in addition to solving sector's core problems.

The Benefits of Researching a Potential Defendant Ahead of Time (Part 1)

1 comment • a year ago



Sam the Sham — And folks wonder why lawyers [Avatar](#) have a bad reputation.

Law Firms See M&A Transactions as a Driver for 2019: A Look into the Numbers

1 comment • 3 months ago



Jeff Stoller — Thanks for sharing Useful information. Your Blog Is very Impressive and helpful . Keep Sharing!

“Ain’t Nobody Mad Enough... about the Black Attorney Pipeline!” Says Ron Jordan,

1 comment • a year ago



Stonewaller — The difference is that unlike [Avatar](#) today's Black law school graduates, Marshall, Motely [Motley] and Jordan were not so desperate for validation that they felt the need to work for firms with racist legacies, institutional racism and racist clients who would be more likely to support the Klan than Civil Rights Movement.

 [Subscribe](#)  [Add Disqus to your site](#) [Add Disqus](#) [Add Disqus](#)  [Disqus' Privacy Policy](#) [Privacy Policy](#) [Privacy Policy](#)



Click here to subscribe to our weekly
LEI Highlights email newsletter!



Featured Articles

[AALL Annual Meeting: How the Changing Legal Market Is Reshaping NextGen Library Professionals](#) July 23, 2019

[The Coming Downturn: Hope for the Best, Prepare for the Worst](#) July 22, 2019

[CURIOUS MINDS: A Talk with Mark Cohen, Founder & CEO of Legal Mosaic](#) July 22, 2019

[Improving Your Legal Operations with the SALI Legal Matter Specification Standard](#) July 19, 2019

[Deutsche Restructuring Sees Compliance, Financial Crime Teams Merged](#) July 18, 2019

eBILLINGHUB

**YOUR CLIENTS
BENEFIT FROM
E-BILLING.
SHOULDN'T
YOU?**

LEARN MORE ►

the answer company™
THOMSON REUTERS®

The graphic features a line chart with multiple data series showing an upward trend from 2007 to 2013. The chart is set against a dark blue background with a grid of dots. The Thomson Reuters logo is at the bottom.

Featured Event

October 23

The 2019 Law Firm Financial Performance Forum

Mastering the Scalability of Change

The 2019 Law Firm Financial Performance Forum is a half-day, interactive program that brings together law firm executives for a series of group-driven workshops on topics germane to law firm financial and operational management. Topics vary year-to-year, but will routinely feature both esteemed law firm executives and a select group of experienced law firm clientele.... [Read more »](#)

[See Details >](#)

Topics

[Data & Metrics](#)[Law Practice Management](#)[Legal Technology](#)[The Legal Marketplace](#)[All Topics](#)

Publications

[Books](#)[White Papers](#)

Events

[Calendar](#)[Sponsor an Event](#)

About Us

[Advisory Board](#)[Faculty Bios](#)

Follow

[Twitter](#)[LinkedIn](#)[RSS](#)[Subscribe to industry news & events](#)

Subscribe

© 2019 LEGAL EXECUTIVE INSTITUTE.

[Terms of Use](#)

[Privacy Policy](#)

[Careers](#)