

Vol. 35 • No. 7 • July 2016

## Walk the Walk:

# Paying More than Lip Service to Client Service

Members of the legal profession operate within the context of a service business, a fact that leads to two significant implications.

First, of course, the nature of the service that lawyers perform for their clients requires them to shoulder several professional obligations, which are enforceable through ethical standards.

Second, lawyers in private practice operate business entities that must attract and retain clients in order to succeed, which suggests that those lawyers must understand and implement marketing strategies attuned to their clients' needs and interests.

Fortunately, lawyers can address both these imperatives with the same or related tools and techniques. Unfortunately, few do so now.

We don't mean to place all blame at the feet of lawyers in law firms. We do, however, suggest (change that, we *highly* recommend) that lawyers in private practice who toil on behalf of corporate clients (we do not address issues relevant to practices devoted to or focused on the needs of consumers in any substantive area of law) must review their practices and their internal and external procedures in order to remain relevant and useful for those clients in the future.

We make the suggestion in light of, and due to, the significant change that has already occurred in the practice of law for corporate clients as well as the additional change that we (and many others) believe lies right around the corner.

## **Current Status**

As stated, the practice of law is a service business. Accordingly, for professional and

other reasons, outside lawyers must serve the needs of their clients. Professionally speaking, they have ethical obligations to meet the needs of those clients for particular lawrelated services.

Traditionally, they have been obligated to honor their clients' views as to how to conduct the representation (within limits set through ethical rules, court rules, etc.). Since the client retains the law firm to handle a particular matter, the goal of the engagement, which should animate the entire representation, is up to the client.

Law firms typically say that their clients occupy the central position in their representation. Numerous firms' Web sites express the commitment with statements such as:

Our unwavering focus on client satisfaction and service has defined our purpose and propelled our growth.

[Our firm] has been identified as one of the few large law firms with a strategic focus on client satisfaction.

While these statements may be true and the firms in question (as well as others that similarly tout their client focus) may believe that they try to provide exemplary client service, the combined experience of the authors leads us to believe that the reality is quite different. In several respects, most law firms pursue initiatives, or implement or rely on policies or processes that, in fact, undercut their professed commitment to clients' needs.

The dichotomy between (a) law firms' focus on clients in their marketing and businessdevelopment efforts, and (b) other aspects of the firms' organizations and operations comes out clearly in the following ways, among others:

- 1. Time-based fees
- 2. The absence of regular, practicable client surveys and feedback
- 3. No useful definition of "quality" for purposes of delivering legal service that addresses clients' expressed needs
- 4. A short-term perspective
- 5. Intra-firm metrics, compensation, and recognition

Via these five deficiencies, most law firms exhibit behavior that at best ignores clients' needs and wants or, at worst, undermines clients' needs and desires. Let's look briefly at each of them before attempting to design an alternative approach.

1. Time-based fees. By using the amount of time that their lawyers devote to the effort to calculate the fees due them and then adding other items as expenses associated with that effort, law firms create disincentives for their professionals to represent clients efficiently.

From the perspective of the clients, though, efficiency has risen to the top (or near the top, in some instances) of the traits that they want their lawyers and the legal service provided them to exhibit. Yet a time-and-cost calculation for a law firm's fee means that the firm has no economic incentive tied to the result achieved by the client.

While such an incentive might in some extreme circumstances create some unexpected and unwanted outcomes (particularly in respect of ethical proscriptions against holding an interest in the client's affairs), such an incentive generally will lead to greater alignment between the firm and its client.

2. The absence of regular, practicable client surveys and feedback. As a rule, law firms seem to believe that the only feedback that they need (or, perhaps, want) from clients relates to the payment of invoices. If a client pays its invoices without question, a firm assumes that all is well with their relationship. If a client disputes or requests reduction from a bill, on the other hand, a firm will respond to that imperative, but rarely going any further than to examine the invoice in dispute.

Unfortunately for firms, client dissatisfaction often exists even when the client pays the invoices without question. Perhaps the dissatisfaction relates to something besides the specific invoices. The invoices may be consistent with the fee arrangement agreed to long before, but the client believes that circumstances have changed significantly or that the work might be better handled under another arrangement or, for whatever reason, the client is concerned with how the relationship has evolved.

Perhaps the client's needs have changed or are changing and the client, thinking prospectively, contemplates a new arrangement (possibly including a different firm to handle its work) and does not wish yet to introduce that dynamic into the then-current representation.

Without regular surveys of clients and the use of the results of such surveys (including feedback to the clients), a firm can only hope that its service meets the clients' needs. Since clients' needs evolve continuously business operations change, and corporate structures grow or diminish with acquisitions and divestitures—client feedback represents a constant need for firms.

Firms that proceed without reaching out to clients periodically (even if not frequently), in order to assess the state of the clients' needs and the firm's service in respect of those needs, might well be viewed as committing marketing malpractice.

3. No useful definition of "quality" in respect of legal service. Lawyers tend to be risk-averse either by nature or by training.

Since law school curricula stress the need to locate precedent in order to justify a current plan of action, that aversion may be understandable. Corporate clients, however, are accustomed to taking risks in their businesses (and to reducing the uncertainty attendant to such risks through planning and research). A "no stone unturned" approach to legal representation often runs up against the client's desire for a more targeted and efficient effort.

Outside counsel often consider a "perfect" job (*e.g.*, a brief or a memo) to be the only option. In-house attorneys, who work with and answer to corporate executives, and who themselves are accustomed to "good enough may be good enough," have been criticizing their outside counsel for some time on account of such an approach, but to no or little avail. Whether in the context of litigation or transactional work, when in-house attorneys review invoices for time billed, they are often taken aback by the amount of time devoted to various tasks, particularly those assigned to more junior members of the teams working on their companies' behalf.

Unfortunately, the only recourse available to in-house attorneys in that situation is to simply refuse to pay for the time that they deem to be unnecessary or excessive.

The absence of a definition of "quality" with respect to legal service leads to divergent perspectives on the effort expended by outside counsel on companies' behalf. Without such a common definition, clients and firms often fail to come to a meeting of the minds regarding how the former expect the latter to serve those needs. In turn, they are often led to engage in billing disputes and even more serious disagreements.

4. A short-term perspective. All too often, law firms focus on an immediate task or assignment with little if any attention on the client's long-term needs. While that may sometimes be consonant with the client's intent regarding the representation, all too often it results from the firm's own interests rather than those of the client. A prime example of how a short-term perspective can undermine a client's needs over a longer horizon relates to the aforesaid time-based billing. When firms view their service in terms of the time that their attorneys devote to their client matters, it reinforces the view that immediate billings matter the most. When that is the case, longer-term goals (both the clients' and the firm's) suffer.

5. Intra-firm metrics, compensation, and recognition. Many firms continue to measure the relative contributions of their attorneys by the number of hours that they bill to client matters. The relative financial health of the firm often comes down to a comparison of one or more of the firm's metrics such as profits per partner or some other measure based on revenue. Firms even measure the relative "productivity" of their associates by the number of hours that those associates bill each year.

All of these measures bear little, if any, relevance to client needs. As such, they completely fail to contribute directly or even indirectly to any shared interest in client matters and success. In a recent post on LinkedIn entitled "What You Should Be Tracking Instead of Time," Tim Williams commented (speaking of advertising firms, but the sentiment equally applies to law firms) that "[a]gencies can't claim to be 'vested in their clients' success' if the only thing they pay attention to is their own costs and revenues."

## **A Client-centric Approach**

In-house counsel seek "value" when they retain outside counsel to represent their companies in transactions, litigation, or other contexts. Unfortunately, most lawyers give inadequate attention to that term and fail to define it in a useful fashion. They seem to apply the paradigm expressed by Justice Potter Stewart in respect of pornography: they "know it when they see it."

As defensible as that standard may be, it provides little assistance when dealing with

multiple individuals (*e.g.*, an in-house attorney, an in-house law department operations executive, and perhaps corporate management), since they may have very diverse ways of assessing "what they see" in that regard.

The Association of Corporate Counsel launched the ACC Value Challenge in 2008 to assist the legal profession "to reconnect the value and the cost of legal service." Even ACC did not attempt to actually define "value" for that purpose, and opted instead for a "bottoms up" approach, that is, ACC provided materials with which its in-house members could discuss "value" with the law firms they were talking to. In this way, ACC anticipated that a definition (if possible) would "bubble up" through a myriad of conversations throughout the profession.

That approach was reasonable in light of the very rudimentary understanding of "value" at that time. It was a commendable means of encouraging and triggering innovation and novel thinking. But it failed to lead to a common understanding of how "value" applies in the context of legal service and left the profession without a single tool or approach by which to address that issue prospectively.

Instead, we should conceptualize "value" as consisting of a number of subsidiary qualities, which we call "value-related qualities" or VRQs. A VRQ is an attribute of legal service to which the client attributes value; the same VRQ may represent more or less value in different contexts and for different clients, but that attribute can be recognized in many, if not all, legal representations.

What are examples of VRQs? A complete list would be difficult to compile; remember that VRQs are client-determined and different clients will identify distinct VRQs, some of which might be very specific and particular to a client or a type of legal work. Here, at least, are a few of the more significant and common ones:

- Cost control
- Responsiveness
- Reliability

- Efficient and effective process
- Clarity of communication

A brief examination of these five VRQs and their recognizable qualities will further clarify our value equation.

#### **Cost Control**

Law firms have long resisted efforts to reduce the cost of the legal service that they provide their corporate clients. Those efforts persist, though, because the financial pressures in business, which apply as much to the work performed and managed by a corporate law department as they do to other corporate units, have increased over time. Eliminating excess expense has become an industry itself and the legal profession has seen its own version of that industry arise.

Corporate clients would prefer that their service providers adopt a greater consciousness regarding cost on their own initiative, rather than having to retain the services of consultants to impose controls on their providers. In the 1990s, the industry witnessed the appearance and growth of legal fee auditors who reviewed invoices for legal service on behalf of corporate clients (especially in the insurance industry) and secondguessed the time and effort represented by those invoices. Alternatively, those auditors might have counseled their clients to raise those issues with the outside law firms themselves, but that would not have been in their interests.

Due to those budgetary pressures, cost control, as a VRQ, has become a primary element of the service that clients expect from their outside counsel. While cost may be irrelevant to those consumers of legal service in unusual and rare situations, for in-house attorneys the definition of quality legal service now includes cost and efficiency as elements when it involves business as usual.

In addition to an ability to control cost, clients also highly value the predictability

of legal costs. Clients may understand the challenges in reducing or controlling the expense associated with a process that is, by its nature, adversarial and beyond the control of any single party, but those clients still face budgetary pressures. A corporate law department must therefore provide corporate management with a forward-looking budget each year.

Wide fluctuations of expense from that expressed in the budget will lead to repercussions unwanted by the law department. For that reason, it behooves an outside firm to thoughtfully provide accurate budgets and to disclose which costs in that budget might be subject to change (perhaps within an expressed range based on articulated factors like volume, as in the case of e-discovery costs). It also behooves a firm to assign work for the particular matter using a highest-andbest-use model. Match the work being performed with the appropriate level of resource to yield the best cost/efficiency profile for the client.

### Responsiveness

Responsiveness covers a range of specific attributes and, like beauty, is in the eye of the beholder. Typically, for in-house attorneys responsiveness includes more within its scope than just answering phone calls promptly, or responding to precise questions or providing requested information, although even in these relatively simple situations firms can be inadequately responsive. All too often, for example, law departments receive abbreviated information that outside counsel happens to deem relevant rather than the particular data needed by the in-house attorneys (perhaps to respond to their own queries from senior management).

Collaboration constitutes an important aspect of responsiveness. Genuinely collaborative partners cast a pretty broad net; there is a mutual expectation that outside counsel will work effectively and in a cooperative fashion with a wide range of other organizations on behalf of the client (without a "superior" attitude). One of the authors, working in a wellknown corporate law department, participated in a collaborative effort to address issues related to a significant imbalance between documents pulled for review during a voluminous discovery phase that were consistent with meet-and-confer terms, and the much smaller number of documents that were responsive to the discovery demands.

Outside counsel felt their direction was conservative enough to catch every possible responsive document. Some of the in-house attorneys in that law department did not push back even though there were massive costs associated with determining responsive documents from the large number pulled. The General Counsel requested a "summit meeting" to examine the process, inviting at least the in-house counsel, in-house e-discovery services counsel, outside counsel, special e-discovery counsel, a team of corporate information technology professionals, the e-discovery data processing company representatives, the Law Department Operations (LDO) executive, and the technology specialist supporting the law department.

The company set up a live testing environment for that meeting, utilizing a defined database to demonstrate the imbalance between responsive documents and "nohits." Laptops, cell phones—and egos—were checked at the door. The LDO facilitated the conversation and managed the occasional chaos. Ideas flowed freely, challenges were raised and addressed, and issues were resolved. Because of the controlled live environment, feedback regarding different strategies was immediately available.

At the conclusion of the two-day meeting, the responsive-documents pool remained exactly as identified pre-modification to search criteria, but the "no-hits" dropped by 75 percent. This led to a significant expense reduction. This result would never have been achieved without the willingness of all parties to listen, collaborate, and share in the accountability.

#### Reliability

Reliability may be the most important factor necessary to (and indispensable for) a long-term relationship. Accordingly, it ranks high in the list of VRQs for in-house attorneys. While one could argue that all VRQs contribute to and support a firm's reliability, reliability as a distinct VRQ matters in several ways.

A client would gladly sign up for what might be characterized as a "set it and forget it" relationship if it were confident that the firm would provide dependable information, honor its commitments, follow through in accordance with agreed-upon expectations and the client's goals, and work with the client even when things go south. In such a relationship, a client is confident that the law firm will take the necessary steps—whether through continuing education, specialized research, or strategic hires—to secure and retain the highest level of specialized expertise needed.

Just as important is the firm's willingness to let the client know when a project or task is not in the firm's wheelhouse. One firm simply can't be all things to a client. Business dynamics today just do not allow for the one-size-fits-all firm, whether in expertise or geographic coverage. In addition, clients like the diversity in thought leadership available from a stable of firms on their preferred provider lists.

There are many other components of a firm's total offering that contribute to its reliability, some of which depend on the specific nature of the services rendered, such as data security. The burgeoning amounts of data created by clients can be overwhelming. As recent events prove, firms need to provide ironclad security for data received from clients. It's bad enough when a company makes the headlines because of a data breach. A firm trusted with client data being hacked is inexcusable and could lead to additionally embarrassing and costly public disclosures once lawsuits are filed.

#### Efficient and Effective Process

On a daily basis, clients today are examining their operating processes to ensure the right things are happening at the right times in the right ways. Considerable investment has been made in a human capital type often referred to as Project Manager. Law firms should be looking to do the same.

Specially trained and often professionally certified (PMP/PMI), project managers have become corporate America's front-line heavy lifters. A good project manager can map out a process, assess its efficiency, and recommend changes that will shorten the road to achieving objectives. Technology is often at the core of efficient process. For example, clients use technology to review legal bills for payment and, in some cases, bills can be paid safely and confidently without human intervention.

Effective and efficient process also refers to tasking the right resource to the right activity and team management. Paralegals are a largely underutilized professional resource. Our experience suggests that paralegals make great project/process managers. Discovery immediately comes to mind as an example: paralegals can schedule depositions, maximize the effectiveness of meet-and-confer opportunities, and securely jockey massive amounts of data.

Finally, a firm devoted to providing the most efficient and effective process for the client's needs will be proactive. For the aforementioned e-discovery summit, the client drove the investigation. Why? Because costs were spiraling out of control and the client was the only party interested in calling a timeout to examine the process. And why was that? Because the client was paying the freight!

A client-centric firm, though, would have been the first at the table to suggest that there must be a way to drop the extraordinarily high "no-hit" rate.

#### **Clarity of Communication**

Much has been written about the need for clear crisp communication at all levels of an organization. Great communications allow the rank and file to rally around strategies, goals, and objectives. Great communications allow ideas to bubble up from front-line associates, and for challenges to be identified, faced, and promptly resolved. This same open effective communications style measurably benefits the client relationship.

First and foremost, there must be a clear, uncomplicated understanding of client expectations rooted in articulated roles and responsibilities. What will the strategy be and what does an outline of the cost of services look like? What is the client expected to provide and/or perform? How often should updates be provided? Under what circumstances must the firm provide the client "no surprises" communication?

Effective communication is not a one-way street. The responsibility to communicate is as much a client responsibility as it is for outside counsel. At the conclusion of the matter, feedback from outside counsel on inhouse counsel's communication effectiveness is just as important to the relationship as a review of outside counsel's communication effectiveness.

Here's an example of less-than-effective two-way communication. In today's technology environment, every corporate legal department either uses or should be using technology to screen incoming invoices for compliance with their billing guidelines. (In fact, with proper controls and support from the CFO's office, there is probably a set of criteria that allows invoices to be paid without front-end human intervention.)

One of the authors was involved with a firm known for its ability to get results. Outside Counsel Guidelines had been provided by the law department, but a routine review of invoices disclosed the firm had been charging the client for unauthorized and outrageous incidentals for reimbursement. The small group of in-house professionals managing the matter knew of the practice but approved reimbursements because of a reluctance to challenge the firm.

A crisp analysis was prepared of recent egregious incidentals reimbursed and a call placed to the relationship partner, who was horrified. While the partner was clear that the firm would not cramp the style of its attorneys, the partner was also clear the client would not have to pay for that "style" beyond the hourly rates. Satisfactory adjustments, which were significant, were promptly forwarded to the client. While it was unfortunate how the situation had evolved, the firm did not delay in recognizing the error of its past billings and, demonstrating accountability, placed the client's cost management expectations at the top of the list.

Yet this story can still serve as an example of communications gone awry on both sides, despite the speedy remediation. After all, you'd like to think the firm was aware of the client's billing guidelines. If so, the firm behaved in an insubordinate manner, or was completely ignorant regarding the intent of the guidelines, or failed to ensure internal compliance with those guidelines. None of those scenarios demonstrates client-centricity.

But, what should have been the role of in-house counsel? Should they have picked up the phone the first time their guidelines were violated? Effective communications are definitely the responsibility of both parties.

## Constructing Client-centric Practices

How can law firms resolve the inconsistency between their focus on their clients' legal needs and their internal policies and practices that dim the focus? Obviously, they cannot do so by reducing or eliminating their focus on their clients' legal interests; the professional and ethical canons won't allow it. So instead they have to incorporate their clients' views in their own policies and procedures.

How might that occur? First, law firms need to recognize that all aspects of their culture and their practice are interrelated, and that one brick of the construct affects all. Put another way, the various aspects of a firm's operation will either mutually reinforce or diminish each other's impact. Second, firms then need to "bake" the client perspective into their internal mechanisms.

Reliance on the number of hours billed for purposes of annual reviews, compensation decisions, etc. will motivate attorneys to improve their own odds of achieving recognition, higher compensation, etc. However, this metric by which status is determined within a law firm incentivizes partners to charge time even when doing so does not lead to greater client success. It sets up a dichotomy between the personal interests of those partners and their clients, insofar as greater efficiency desired by clients generally means achieving at least as much through less, or more focused, effort.

Since law firms' operating metrics do not support client focus, how should they restructure themselves so that their clients' needs and interests more directly animate their operations? How should they then measure their success in doing so?

The critical step is to move clients' concerns into a central position at every level of functionality. In other words, the client's perspective must inform and impact all aspects of a firm's operations in order to be client-centric. It's a tall order, but here's one immodest proposal to achieve that goal.

As our abbreviated discussion of VRQs suggests, each client's conception of highvalue legal service will relate to its individual situation and to that of no other client. Even in the same or related industries, different companies will perceive or realize value from legal service differently. Whether and how the legal service needed by each company adds value to that company's business activities will depend on a multitude of factors, some of which relate to the client, some of which relate to the work itself, and some of which relate to the law firm or other interests.

All of this leads, of course, to the logical question of how a firm can incorporate VRQs into its practice and operations when those VRQs vary so much. While the substance of VRQs does change from client to client and from matter to matter (even for the same law firm), sometimes significantly, one aspect of VRQs does not change: they reflect the *client's* view of legal service and how that service assists *that client* to achieve its business goals.

Since this dimension of VRQs does not change, can it serve as a widely applicable basis for a client-centric firm and practice? We believe so.

First of all, the degree to which a firm adheres to and satisfies client-defined VRQs should be directly reflected by the satisfaction of the client. The more the firm delivers the client's VRQs, the more satisfied that client will be since those VRQs directly represent the client's own definition of value.

If a client applies multiple VRQs to a particular engagement, the firm's service should aim to satisfy as many of those VRQs to the maximum degree possible. The client will then be proportionately more satisfied.

In what ways can a law firm "bake" clientdefined VRQs into its operations?

We can identify at least four distinct areas of firm practice and operations in which VRQs can and should play a central role: fee arrangements, service standards, internal operations (metrics, compensation, promotion decisions, etc.), and client surveys and feedback. The following schematic illustrates this:



We've indicated above that specific VRQs will most likely vary by client/matter and carry differing weights in terms of importance. That said, the above graphic identifies universal subsets of firm performance that lend themselves to the use of VRQs.

Develop a format for beginning the VRQ conversation with your prospective client at the start of the relationship and *before* either developing a proposed fee arrangement or undertaking any of the other suggestions below. (How refreshing will it seem to a prospective client if you proactively begin a dialogue about issues important to them?) This dialogue will quickly provide insights into how to construct a "Value Profile" for that specific client, enabling you to develop

an appropriate fee arrangement that will serve as a yardstick for performance and value creation.

With support from the law firm's leadership, this process will go far toward developing long-term relationships with your clients. What can be a better way to achieve success in business than cracking the code for developing long-term client relationships?

#### Fee Arrangements

Fee arrangements should revolve around satisfying the clients' value profile as expressed in VRQs. In some litigated matters, cost control will be highly valued by the client because the risk associated with losing such a case is low (either in probability or in amount); this case belongs to a category of disputes with which the client associates a predictable, acceptable risk profile.

In other cases, losing is a completely unacceptable outcome so the cost associated with winning is far less important to the client. In a transactional context, the predictability of the cost of completing a deal, even if high, is more important for purposes of planning than keeping the cost down. As long as the firm satisfies each articulated VRQ in each situation, the client will be satisfied even though the VRQs will differ.

By using that level of satisfaction to calculate some or all of the fee (a higher level of satisfaction might earn the firm a higher premium, perhaps, or a full payment of a calculated amount, rather than having to suffer a "holdback"), the firm will focus on satisfying the client's VRQs.

#### Service Standards

With respect to service standards, a firm should interview each new client (even each existing client periodically) to ascertain its VRQs for various types of work involved in the engagement. Those VRQs, once agreed on by the firm and client, should be reflected in the service standards to which they also agree. If predictability of cost is the client's number one VRQ for example, developing and adhering to cost estimates should appear prominently in the firm's service standards. Or, a client that highly values responsiveness would want the firm to measure its own success by how well it responds to the client's concerns.

#### **Internal Operations and Metrics**

The more individual attorneys' work satisfies the VRQs, the more those attorneys should be valued by the firm. This higher value should be reflected in compensation and advancement decisions inasmuch as the firm itself will enjoy greater client satisfaction and success due to their efforts. Even if an attorney works for different clients that have different value definitions (as reflected in their distinct VRQ equations), satisfaction of disparate VRQs will lead to one common outcome: higher client satisfaction. The more satisfied clients are with that attorney's efforts, the more valuable that attorney is to the firm.

#### **Client Surveys and Feedback**

This discussion of value and VRQs leads naturally to the conclusion that client feedback should occupy a critical and central place in a law firm's operations. Learning how the clients feel about the firm's service and whether that service satisfies the clients' own standards for high-value legal service will become more and more essential to a firm's success.

Not only will the firm determine if it has satisfied (in prior work) each client's hopes and expectations, it will ensure that it remains in sync with the clients' value-related expectations going forward. Because business evolves so quickly due to the large number and variety of influences, clients' expectations for their lawyers (both in-house and outside) can change also. Learning about that shift earlier rather than later might prove to be decisive in some circumstances for the relationship.

Delivering high-value legal service depends on understanding what the client means by "high value." Unfortunately, the word "value" by itself provides little practicable guidance for doing so. VRQs, on the other hand, lead to a more understandable and measureable means of determining (i) what clients want and expect, and (ii) whether a firm has delivered accordingly.

However, using VRQs in this way will require that firms embrace two qualities that often seem in short supply within the profession. First, they must be much more proactive on these issues. Clients often will not readily provide their value definitions (assuming that they are even conscious of them). It may be possible to divine those definitions from the client's own communications but it's far better to directly engage them on this subject, and to do so at the start (as well as periodically) in order to be most successful and accurate.

Second, a value orientation will require that firms take a long-term view of client needs and satisfaction. Rather than billing more hours to maximize next month's revenue, a firm should focus on ensuring that its work satisfies the client's needs and wants *in the ways that the client values the work*.

Third, firms should ensure that the clients' VRQs underlie the behavior of their professionals. Discordance between commitments to clients and the service that clients experience leads to disaster.

When a firm works with multiple clients, or even with multiple in-house attorneys in one client organization, VRQs should provide a common language for all the dialogues that must occur. In that way, VRQs also lead to a consistent approach across client platforms and fee arrangements. Ultimately, VRQs might well simplify law firms' challenges in satisfying their clients.

## -Steven A. Lauer and Kenneth L. Vermilion

Steven A. Lauer assists corporate counsel in delivering maximum value to their clients. His published works include Value-Related Fee Arrangements (Ark Group 2012), The Value-Able Law Department (Ark Group 2010), Managing Your Relationship with External Counsel (Ark Group 2009) and Conditional, Contingent and Other Alternative Fee Arrangements (Monitor Press 1999). He can be reached at slauer@carolina.rr.com and through his Web site http://thevalueablelawyer.com.

Kenneth L. Vermilion helps corporate legal departments improve business performance and reduce costs through a variety of techniques including the implementation of progressive strategies, leveraging technology, and the development of effective and uncomplicated management reports and metrics. He has been recognized for leadership development strengths and recently co-authored Tips for new GCs: Preparing to Leverage Data to Reduce Spend. Ken can be reached at Ken@thevermiliongroup.com.

Copyright © 2016 CCH Incorporated. All Rights Reserved. Reprinted from *Of Counsel*, July 2016, Volume 35, Number 7, pages 5–15, with permission from Wolters Kluwer, New York, NY, 1-800-638-8437, www.wklawbusiness.com

