

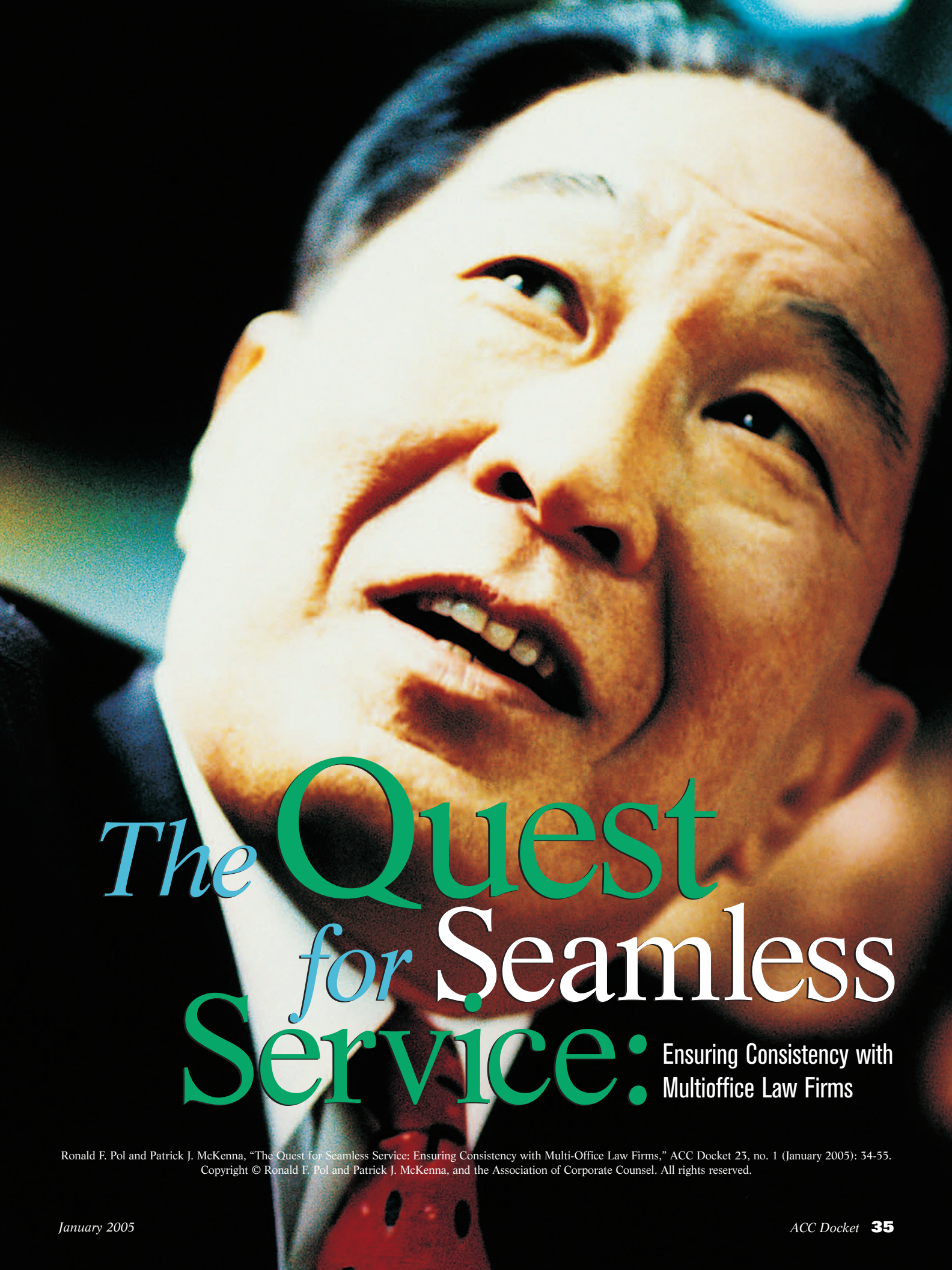
Ever had these thoughts about *your* outside counsel?

Overall, they're good lawyers. In the past I had an exclusive relationship with them. Their East Coast office is outstanding . . . the other offices, not so great.

I've used several of their offices and have found the quality to be hit-and-miss. These lawyers need to be better at coordinating litigation work.

They're an international firm. I use them occasionally. One of our people used them in London. The company had a bad experience, so we limit where and when we use them.

By Ronald F. Pol and Patrick J. McKenna



The **Quest**
for **Seamless**
Service: Ensuring Consistency with
Multioffice Law Firms

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Over the past decade, as many companies (Fortune 1000 and smaller) have merged, consolidated, and rationalized their business operations, they have come under increasing pressure to deliver higher returns from these activities. Similar pressures arise from other market conditions and competitive changes that have forced companies like yours to reexamine their structures, margins, and full range of organizational processes, costs, and outcomes.

Within the legal departments of these companies, many general counsel continue to rely on an ever-smaller core group of external firms, in an effort to achieve higher levels of business performance, while enhancing issue recognition and risk mitigation.¹ Often termed “convergence,” these and related strategies allow you to achieve greater accountability for results and greater efficiency by dealing with fewer outside firms, particularly as each panel firm comes to know your organization better.

As this trend continues, however, one of the hidden problems of convergence is gradually beginning to emerge. With fewer approved law firms to use, it follows that your legal department increasingly relies on multiple offices of a few core firms on the company’s primary panel. Yet some companies are beginning to find that even their preferred law firms’ “other” offices may fail to measure up to the high standards of the main office with whom you had been used to dealing—and on which, in truth, your original selection process might mostly have concentrated.

As a result, for convergence efforts to realize more of their anticipated benefits, you need to work closely with your selected law firms to help ensure that the quality of their outlying offices meets that of their “head office”—and of the firms’ promises of seamless service.

CONSISTENTLY INCONSISTENT?

Although there are early signs of change, a long-standing and widespread strategy of convergence by many leading legal departments—large and small—in relation to their use of outside counsel continues to result in fewer law firms performing the outsourced legal work of leading companies in a wide range of industries. The usual theory is that, in addition to volume-pricing benefits, convergence strategies result in greater efficiency because the company reduces the complexities of managing large numbers of outside contractors, and because having fewer firms means having firms that better understand and are able more to effectively meet the company’s legal needs.

Ironically, then, one of the recurring complaints from sophisticated corporate counsel in recent times is the apparent lack of consistency in the service they receive between and among geographically dispersed offices of the same law firm—suggesting that some of the efficiencies of convergence strategies are not being fully realized. Comments from corporate counsel in relation to their outside law firms are instructive:

I found myself working with lawyers from three offices of this firm, where some of these lawyers had clearly never met before and had strikingly different approaches.

There are mixed results there—I liked the San Francisco office and hated the Los Angeles office. There was absolutely no consistency. I would not use them again in L.A.

In essence, what we hear many corporate counsel say is that the quality and expertise among various offices of the same firm are unacceptably inconsistent. This tells us two things.

First, while your law firms may be hoping to extend their home-base client relationships to other

geographic locations, you should not assume that firms' assertions that they provide seamless service can be taken at face value. To get consistent service, it is important that you test such assertions by asking the right questions and by giving the firm the opportunity to demonstrate that it really can deliver seamless service.

Second, especially as convergence strategies seemingly reduce the ability of in-house counsel to seek out the best individual outside counsel from a wide range of law firms, there is often a need for your legal departments to add a complementary strategy—to help ensure that the quality of the outlying offices of the fewer law firms remaining on your client panel is consistent with your experience and expectations of those firms. Such a strategy may help close the gap between the anticipated and realized benefits and efficiencies of convergence.

MANY FIRMS INDICATED THAT THEY HAD LOOKED INTO THE ISSUE OF MULTIOFFICE CONSISTENCY, BUT HAD CONCLUDED THAT THEY DIDN'T REALLY NEED TO DO MUCH ABOUT IT.

SURVEYING FOR CONSISTENCY

Our search for ways to help close this gap (combined with a dose of enthusiastic curiosity) inspired us to informally survey many law firms across five countries: the United States, Canada, the United Kingdom, Australia, and New Zealand. We were specifically interested in firms with multiple office locations and a minimum of 200 lawyers. These firms are used by large law departments and, especially with convergence driving choice to larger firms, by many small law departments too. We contacted more than 70 law firms and spoke with or entered into (sometimes extensive) correspondence with law firm managers and partners at over 20 of these firms.

Our quest was directed at determining how, and if, managing partners perceived the provision of seamless service and consistent quality as an issue

for their firms, and what, if anything, they were doing to monitor and maintain service and quality. We wanted to see if any lessons could be drawn from such activity to help legal departments work more effectively with their outside counsel to realize more of the benefits of convergence strategies.

Our findings from this undertaking, as outlined below, were in some respects surprising. Elements of the results of this survey may help your legal department avoid the hidden problems of convergence.

The Ostrich: It Ain't Broke Until Clients Tell Us It Is

With the vast majority of law firms, we were told that the responsibility for ensuring consistency across multiple offices of the same firm rested on the shoulders of the firm's practice group leaders:

I can tell you we do not have a formal auditing system. We grow fairly slowly, so we keep track of our newcomers. I visit all the offices regularly. The practice group leaders keep an eye on things as well.

We organize our firm along the lines of practice groups, not offices. Practice groups monitor their own and allocate work within the practice group, and year end numbers always tell the tale regarding who's highly regarded and who is not. Thus, quality is monitored, and weaker attorneys are weeded out through the usual review process.

The departments and practice groups operate across all geographic boundaries. This structure provides for more consistency of practice as well as support for our lawyers and clients. Our compensation plan specifies a number of value criteria that touch on this issue such as fee generation, account management, quality (including knowledge, creativity and innovation, ability to write and speak clearly and persuasively), and management of practice groups and departments. Each year we make value judgments for each lawyer and counsel accordingly.

In short, we don't audit performance on an office-by-office basis. This is deliberate. I think there are flaws in the idea of auditing quality

this way if you are serious about trying to present barrier-free/seamless service.

TO HELP IMPLEMENT THE FIRM'S GOAL, AN INTERNAL LAWYER SERVES IN THE NEWLY CREATED POSITION OF CHIEF LEARNING AND QUALITY CONTROL OFFICER, A MAJOR PART OF WHOSE ROLE INVOLVES DEVELOPING AND REFINING A QUALITY CONTROL MECHANISM ACROSS ALL OF THE FIRM'S NINE OFFICES.

Many firms indicated that they had looked into the issue of multioffice consistency, but had concluded that they didn't really need to do much about it. Some firms noted that attorneys often visited or worked from other offices, ensuring regular exchange of best practices.

Other firms warned of the dangers of adopting any sort of regular audit that risked becoming a bureaucratic checklist exercise. Some noted frankly that their quality assurance processes operated only

informally, yet within a culture that encouraged information sharing.

Some firms simply couldn't recall clients having suggested inconsistent quality between their offices or people, or indicated at least that they'd had no significant or repeated complaints. In short, the message seemed to be: "we ain't been told it's broke, so we must not need to fix it."

The Meerkat: Observant Exceptions to the Rule

In contrast to firms that wait for client complaints before taking action is the 600-lawyer firm Sonnenschein Nath & Rosenthal. "You have indeed hit on a very important subject, and ensuring that we have a seamless, consistent level of service across our offices is one of my highest management priorities," Sonnenschein chairman Duane Quaini told us. To help implement the firm's goal, an internal lawyer serves in the newly created position of chief learning and quality control officer, a major part of whose role involves developing and refining a quality control mechanism across all of the firm's nine offices. Our research indicated that firms like Sonnenschein Nath & Rosenthal are the exception.

If your firms are constantly trying to improve their service to you, that's great—keep working with them to do so. But corporate counsel whose main panel firms seem mostly to be reactive to client complaints should raise these issues with their firms early, and often, and should work with them to implement systems to help ensure seamless service across multiple offices. We learned of a range of initiatives by law firms around the world, some of which, or some combination of which, corporate counsel might use in working together with their outside counsel to help raise the bar on consistency issues and thus improve their business relationships.

External Certification

On the other side of the world from Sonnenschein Nath & Rosenthal, Derek Johnston, a partner at Russell McVeagh in Wellington, New Zealand, told us:

In considering the issue of multioffice quality, we concluded that the only way in which you could ensure that there was a consistency of legal product and client service across offices was to ensure that consistent processes were adopted in relation to each

ISO ACCREDITATION—WHAT'S IN IT FOR YOU?

- ISO 9001² applies to all types and sizes of organizations. ISO 9001: 2000 has replaced the old ISO 9001: 1994 standard.
- The standards actively promote the importance of quality, and of meeting statutory, regulatory, and customer requirements.
- ISO 9001 can help both product- and service-oriented organizations achieve standards of quality that are recognized throughout the world.
- The most significant benefit for in-house counsel whose main panel firms have achieved full accreditation is that your law firms will have a further framework and incentive, and more tools specifically to identify and meet customer requirements, and to enhance customer satisfaction.

step in the handling of a matter—from the receipt of an instruction, checking for potential conflicts, providing fee estimates, and file management through to the stage of reporting and billing. We, accordingly, documented and implemented the required processes on a firmwide basis (with some limited degree of discretion allowed to individual work teams to reflect their particular work types) and established regular auditing of compliance with these processes. Having put these processes and auditing regime in place, we were the first firm worldwide to receive ISO 9001 certification in relation to the provision of legal services.

Today, most of the larger New Zealand firms have initiated some form of quality control process across their office networks, as have some of the United Kingdom firms we surveyed. Simpson Grierson has more than 200 lawyers and offices in Auckland, Wellington, and Christchurch. The firm, which has been ISO 9001 accredited since 1994, recently received certification to the upgraded ISO 9001:2000 standard.

THE FIRM CLAIMS THAT THE ELECTION OF EXTERNAL BOARD MEMBERS ALSO HELPS PROVIDE GREATER STRATEGIC INPUT FROM INDUSTRY, FROM WHICH THE FIRM DRAWS SOME OF ITS BOARD MEMBERS.

In order to receive this accreditation, Simpson Grierson undertook a major project that involved canvassing the entire firm to establish their work practices, including:

- client acceptance, conflicts checks, and file opening procedures,
- client instructions and billing estimates,
- file management, maintenance, and review procedures,
- file closing, and
- client feedback, complaints, and communication.

For more information, refer to the sidebar

“Simpson Grierson—ISO 9001 Requirements,” p. 44, for some ideas that you may wish to encourage your panel firms to adopt. There are many different ways to encourage your panel firms to adopt some of these ideas, from simply inviting them to do so (for those legal departments with the persuasive power of big budgets), to working through with them the mutual advantages, not just for your relationship, but also the firm’s ability to demonstrate similar value to their other corporate clients.

The purpose of Simpson Grierson’s project was to identify best practice procedures. Once they gathered that information, a large focus group and the quality committee decided what the best practices were. These best practice procedures were put into a policy and procedure manual, and all partners and staff received compulsory training on their specific responsibilities under ISO 9001. According to Julie O’Brien, Simpson Grierson’s professional development manager, internal auditors audit every practice group every six months to ensure they are following correct procedures. The auditor provides a checklist to O’Brien, who then issues a report identifying any corrective actions that must be taken or recommendations to consider. O’Brien also issues twice-yearly reports to the board on any significant trends or issues that may require a policy or procedure change. The UK-based BVQI, an external auditing body, also audits Simpson Grierson twice a year.

Australia created its own legal certification system in 1994, called Quality in Law (QIL), and its certification standard is LAW 9000. This is a rigorous process similar to ISO that requires firms to implement the principles of best practice and quality management. Independent third-party evaluators provide QIL certification.

Clayton Utz, a national Australian firm with seven offices and over 1,700 employees, including 190 partners, was the first law firm to receive QIL certification. According to David Fagan, chief executive partner, “the foundation for ensuring consistent work quality in all offices begins with the national structure, articulated strategy, and consistent national standards applicable in all offices.”

Interestingly, the firm claims that the election of external board members also helps provide greater strategic input from industry, from which the firm draws some of its board (continued on page 48)

SIMPSON GRIERSON—ISO 9001 REQUIREMENTS

FILE OPENING	PERSON RESPONSIBLE
Lawyers must complete an Instruction Checklist for every new matter (unless granted an exemption). All sections must be completed or crossed out if not applicable.	Lawyer
Lawyer to provide secretary necessary details to carry out conflicts check.	Lawyer
Secretary to complete conflicts check on CMS and/or e-mail, print the conflicts check results, and file or record the “history” number. If there are any “hits” for the party searched, scroll down for further information to establish if the matter is open and to determine the person who is acting.	Secretary
If a conflict is identified, you must discuss with your supervising partner.	Lawyer
Send “Terms of Engagement” pamphlet to every new client.	Lawyer
Consider providing the client a plan or strategy for meeting their instructions. Provide your client an estimate if appropriate. Creating a plan for your matter will help you provide an accurate estimate.	Lawyer
A supervising partner or senior associate must sign all instruction checklists before they are placed on the file.	Lawyer
FILE MANAGEMENT	PERSON RESPONSIBLE
Record client and other relevant contact details in the inside front cover of file.	Secretary
Record client and other contact details into “Contacts” in Outlook.	Lawyer/Secretary
All correspondence, file notes, memoranda, telephone messages, and copies of documents are to be hole-punched and placed on the file clip. All original documents, deeds, agreements, and client documents are to be placed in the flap on the inside front cover of the file.	Lawyer/Secretary
If file goes beyond a single file, any additional files must be recorded in matter maintenance in CMS, and a master index must be available on the most current correspondence file.	Secretary

SIMPSON GRIERSON—ISO 9001 REQUIREMENTS

FILE MANAGEMENT	PERSON RESPONSIBLE
If opening a “supplementary” or “dummy” file, mark it as such on the file label and record initials of the lawyer holding the original file on the inside front cover.	Secretary
If you retain draft documents, they must be marked “DRAFT” and dated.	Lawyer
Never write notes in the margin of original letters or documents.	Lawyer/Secretary
When it is necessary to give advice over the telephone, the advice must be recorded in writing by file note or subsequent letter to the client.	Lawyer
FILE REVIEW	PERSON RESPONSIBLE
All incoming correspondence (including DX, faxes, couriers) must be initialed by a partner or senior associate. All incoming e-mails to be initialed if they contain a new instruction, change of instruction, or complaint.	Lawyer
File copy or the final draft of opinions containing substantive legal advice must be initialed by Partner.	Lawyer
Monitor your unbilled time. If fees come within 20% of the estimate and you think it is likely the estimate will be exceeded, contact the client to discuss.	Lawyer
90-Day Inactivity Reports Secretary to distribute reports to lawyers and monitor their return. Lawyers to comment next to the matter advising secretary of action to be taken. Secretary to action before giving to supervising partner to initial. Secretary to file and retain reports for twelve months.	Lawyer/Secretary
Signatory Policy Law graduate and solicitor names are combined with their supervising partner’s name in the sign-off part of letters. Where the work has come from another team within the firm, but the instructing lawyer wishes to maintain contact, his or her name is combined with the lawyer receiving the work. Associates, senior associates, and legal executives sign off by themselves. The title “Senior Associate,” “Associate,” or “Legal Executive” appears underneath his or her name in the sign-off part of the letter.	Lawyer

SIMPSON GRIERSON—ISO 9001 REQUIREMENTS

FILE CLOSING	PERSON RESPONSIBLE
Ensure the outcome of the matter meets the client's original instructions.	Lawyer
Check the file for precedents to be sent to the legal products team. Any deeds, agreements, and wills are sent to records management. Return any documents or materials you are holding on behalf of the client. Ensure file is at a zero balance and close.	Lawyer/Secretary
GENERAL	PERSON RESPONSIBLE
Under no circumstances give investment advice on behalf of the firm.	All partners and staff
No undertaking should ever be given that involves the firm having to rely on the actions of a third party. If giving an undertaking on behalf of a client, it must be recorded in writing either by file note or written authority from the client prior to undertaking being given.	Lawyer
Lawyers must give their secretaries viewing access to their calendars.	Lawyer
CLIENT FEEDBACK	PERSON RESPONSIBLE
Any client complaints or suggestions are to be logged in the feedback register found on the home page of the intranet.	All partners and staff
AUDITS	PERSON RESPONSIBLE
Each work group will be audited by their secretary at least once a year. Secretaries audit two files for each lawyer in their work group (excluding summer clerks and law graduates). Files are audited against audit checklist AK031060471. Completed audits are sent to the professional development manager, who will prepare an audit summary and feedback for the work group. BVQI, the firm's external auditors, audit biannually.	All partners and staff

(continued from page 42) members. For corporate counsel, if this helps law firms better understand and meet client needs by accessing an experienced corporate/client perspective, it may help strengthen the relationship, to mutual benefit, beyond the benefits of any processes and procedures.

Internally Audited Standards

Of the firms we surveyed, some had responded quickly to early client criticism. "We resented the charge that we had inconsistent quality in our offices in the 1980s, but I think we were also concerned that there was a little too much truth to the allegation," says Stewart Saxe, Toronto-based managing

partner of Baker & McKenzie's Canadian offices, "so we set out to correct the situation. Today we can assure our clients that we invest significant time and effort to ensure a consistent high-quality service in all 65 offices."

Baker & McKenzie's program to achieve this goal was multi-faceted. Its primary components included:

- The development and publication of a quality manual, including core rules on practice procedures. The manual, now on an intranet, runs over 600 pages. For an extract from this manual, which corporate counsel may wish to share with their law firms when discussing ways to ensure or enhance multioffice quality, see "Extract from

EXTRACT FROM BAKER & MCKENZIE QUALITY MANUAL

1-3 BEHAVIOR STANDARDS

Practice Statements, Partner Principles and Sanctions

• Reasons for Practice Statements

One of the Executive Committee's top priorities is to enhance the image of the Firm as a provider of first class legal services and to ensure, as far as possible, that the Firm's attorneys actually deliver that uniform high quality service. As part of the effort to achieve those objectives, certain work quality guidelines, in the form of practice statements, have been issued and other measures taken by the Executive Committee (EC), the Professional Responsibility & Practice Committee (PRPC) and the Professional Development Committee (PDC). These guidelines and other measures are designed not only to alert offices to the procedures which have been developed within the Firm for avoiding activities or methods of proceeding which could give rise to client dissatisfaction but also to assist in raising and maintaining high standards of quality in the practices of the Firm's various offices and thus to help ensure client and our own professional satisfaction.

• The Practice Statements

There are ten practice statements at present. They are:

1. **PDC & PRPC** New Business and New Client Procedures
2. **PRPC** Procedures for Checking Conflicts of Interest
3. **PDC** Delegation and Supervision of Work
4. **EC** Acceptance and Coordination of Substantial Multi-jurisdictional Assignments
5. **PDC** Prompt Discharge of Work and Closing Files
6. **EC** Acceptance and Performance of International Securities Transactions
7. **PRPC** Responses to Auditors' Letters
8. **PDC** Partner Practice Plans
9. **PRPC** Billing Policies
10. **EC** Project Transactions

• Statement of Partner Principles

In addition, the Policy Committee has approved a Statement of Partner Principles to which every partner and, as appropriate, every attorney and other employee should comply. These principles represent statements of personal and professional behavior, the breach of which is likely to damage the Firm's clients, its good name, its partners, or all three. Breaches of these principles are treated in the same way as breaches of the practice statements.

- Baker & McKenzie Quality Manual,” p. 48.
- The appointment of quality management partners in each office reporting to global firm management, and compensated by the global firm, to ensure that the provisions of the manual were embedded in each office’s culture and procedures;
 - The implementation of an intensive two-week training session at the Kellogg School of Busi-

ness for all partners of the firm. The program is now combined into the firm’s new partner program; and

- The implementation of a system of quality audits of each office by partners from other offices to ensure compliance with the firm’s standards.

Quality audit visits are made to each Baker & McKenzie office at least once every three years. The audit team is made up of three to eight long-service partners especially selected for the task. The audit visit lasts from three to five days, but advance preparation can be spread over many weeks. Before the team arrives, the office is required to self-audit, provide detailed backup showing compliance with the firm’s procedures and guidelines, and provide copies of its business plan, office manual, and other key materials to the audit team. Recently, extranets have been utilized to facilitate access and distribution.

The audit team arrives with a checklist and an open-ended mandate to report on any matters of concern. For an extract of an audit checklist, *see* “Audit Checklist,” on this page. The checklist’s main topics are a good indication of the core scope of the audit, including quality work for clients, as well as quality service, professionals, support staff, facilities, and management. A simple line on the checklist can lead to a very detailed inquiry. A check of whether the office has implemented Baker & McKenzie’s professional development standards, for example, refers the process to the firm’s 14-page standards program. If this results in greater client focus and quality improvement, this process is valuable to corporate counsel, even if they do not have direct visibility of the process itself. In some cases, however, particularly in the early stages of the process and the development of so-called client focused fixes, direct client input would often be invaluable. Good dialogue between corporate counsel and panel firms is therefore of vital importance.

During a visit, the audit team meets with office management and practice group leaders. Interviews are held with lawyers at all levels of practice, all senior staff, and a cross section of support staff. “We conducted over 70 interviews on my most recent audit,” notes Saxe. (For a list of possible questions posed to associate attorneys, *see* “Baker & McKenzie Audit Interview Guide—Associate,” p. 52.) The audit team reviews client files as well (continued on page 54)

AUDIT CHECKLIST

EXTRACT FROM BAKER & MCKENZIE’S AUDIT TEAM MATERIALS

- **Quality Service—Discharge, Delegation and Supervision of Work**

- q Is there an established policy to allocate work to the most qualified attorneys? Please explain the policy in a supplementary note.
- q Is there a procedure to ensure work is done in cost-efficient manner?
Please explain the procedure in a supplementary note.
- q Is there a procedure to ensure work is effectively supervised?
Please explain the procedure in a supplementary note.
- q Does the office have an appropriate procedure for checking the contents of and for the signature of legal opinions?
Please explain the procedure in a supplementary note.
- q Does the office ever require second partner oversight and/or signature of legal opinions?
If so, please explain the circumstances in a supplementary note.

- **Timeliness and Communications with Clients**

- q Are acknowledgements of instructions, inquiries and communications with clients dealt with appropriately and in timely fashion?
- q Are deadlines established, clarified and met?

BAKER & MCKENZIE AUDIT INTERVIEW GUIDE—ASSOCIATE

GENERAL INFORMATION

- How long with us?
- How long in practice?
- Practice area?
- Direct report?
- Works regularly with?

QUALITY CLIENTS AND NEW BUSINESS

- Thoughts about quality of clients he/she works for?
- Ever involved in new client coming to office?
- Who reviewed/approved decision?
- Any sense of what kind of clients office wants?
- Ever involved in a conflict check. If so, how done?
- Involved in NBR completion?
- Engagement letter used—are they usually/always?
- Ever a client credit claimant?
- How they got it when they should?
- Aware of Practice Statement No. 1?
- If turning away a prospective client is a letter sent?
- Aware of Practice Statements generally?

WORK DELEGATION AND SUPERVISION

- Does he/she have a practice focus or specialty?
- Does he/she get assignments in that area?
- Does he/she ever get assignments outside that area?
- Is work product being sent to a client also reviewed first? By whom? If not, when/why not?
- Has he/she ever signed an opinion?
- What would he/she do if client asked new questions while working on assigned matter?
- Does he/she ever take files out of office (home)? If so, originals or copies?

COMMUNICATION WITH CLIENTS

- Is he/she allowed to communicate directly with client? If not is that a concern?
- When given an assignment are deadlines usually set?
- Where do assignments come from? If ever from client does he/she have to tell anyone?
- When receiving information or instructions by telephone are file notes routinely made?

- Ever received complaints from clients about matter handling/not being kept up-to-date? If so, what was done with the complaints?
- Ever been part of closing a matter on its completion? Is there ever a meeting to review matter? Is there a closing form/checklist?

PROFESSIONAL LIFE

- Does he/she have a sense that the firm is addressing his/her career path and ambitions?
- Is he/she getting formal professional development opportunities?
- Internal training?
- External training?
- Have they received any training in the Practice Statement?
- Do they have a mentor, or at least feel there is a senior person that is (a) watching out for them, (b) available to talk to about relationship with the firm?
- Is there regular feedback on performance?
- Is there a formal evaluation procedure? Does he/she feel its works?
- Are they advised as to their financial data? Hours worked, billed, income received, profit position?

RESOURCES

- Does he/she feel the library is adequate to excellent?
- Does he/she feel that the electronic support and facilities are adequate to excellent?
- Does he/she feel that the staff and service support is adequate to excellent for:
 - secretarial?
 - training?
 - library?
 - research?
 - electronic?

GENERAL CONCERNS OR COMPLAINTS

- Does he/she feel that the office is committed to internal integrity and service to the client? Any examples of deviation from acceptable standards?
- Is he/she comfortable with the reputation of the office in the (a) legal and (b) client community?

(continued from page 50) as management reports and files. The team does not undertake fiscal audits, but can request assistance from the firm's forensic auditor if required.

The audit team report, typically around 50 pages, goes back to all resident partners in the office being reviewed and to the firm's executive, professional responsibility, practice, and professional development committees. Various committee members follow up with the office between audits to assist in appropriate responses to issues raised by the report. According to Nick Coward, chair of the firm's knowledge and professional development committee, "for our professional development activities, the reports provide essential information on where we need to focus both in a particular office and in the firm at large."

"WE CARRY ON OUR PRACTICE TO A HIGHEST COMMON DENOMINATOR GLOBAL STANDARD. THUS, OUR STANDARD FOR DECIDING WHAT CONSTITUTES A CONFLICT OF INTEREST IMPORTS THE HIGHEST STANDARD IN SUCH REGARD IN THE 36 COUNTRIES IN WHICH WE OPERATE."

"The firm is just starting its third round of auditing all the offices since the commencement of the program," notes Craig Courter, Baker & McKenzie's global chief operating officer. "The Partners discussed the program at their October Annual Meeting and renewed their commitment to it. The one significant change that was made is that audit teams are now officially asked to seek out best practices in each office so that we can spread the word."

When we spoke with him, Saxe (of the Toronto office) had recently returned from auditing the firm's Hong Kong office with six other partners from around the world; it was his 17th audit team. "I hope we contribute to the office with the observations we make, but I know for sure that what I learn from an audit and bring home to our Canadian practices does contribute here," observes Saxe.

In his view this cross-fertilization of best practices has turned out to be one of the strengths of the process. "Not only do you get ideas from the office you are auditing, but also from your fellow auditors. Having trouble finding library books? London has a state-of-the-art electronic tracking system. Having trouble tracking files? San Francisco has an answer," notes Saxe.


At the heart of the process, say Saxe, Courter, and other Baker & McKenzie lawyers, however, is the focus on ensuring that the clients are getting top, world-quality service. "We carry on our practice to a highest common denominator global standard," Saxe points out. "Thus, our standard for deciding what constitutes a conflict of interest imports the highest standard in such regard in the 36 countries in which we operate."

BEYOND THE CHECKLIST

We were privileged that firms chose to share with us a series of specific examples from across the world. Some of these may be useful for you to discuss with your outside counsel. Yet checklists, processes, and procedures, whether internally or externally audited, are only part of the solution, not the answer. For firms truly to deliver top-quality advice to your organization across multiple offices, the systems are merely an aid, helping alter the firm's culture to work more effectively with you. As with Clayton Utz's commitment to involving outside experts on its board, an early commitment to systems helping improve multioffice quality as organizational clients continue with convergence strategies, can help firms develop a genuinely client-oriented culture and perspective, to mutual benefit.

In practical terms, it is vital to ensure that your selected firms have robust processes for ensuring quality across their office network, and that those processes actually work to the benefit of you as the client.

As your legal department moves to the next level of securing the benefits of convergence strategies, more active partnering with your selected outside counsel firms will help ensure a more seamless fit between the various offices of the firms and your organization; for law firms facing legal department

“retain or ditch” decisions, it will also become increasingly important to be able to demonstrate such processes, and to work more closely with legal departments in doing so. 

NOTES

1. BTI Consulting’s 2005 Legal Services Industry *Strategic Review* study found that the overall number of law firms used by the Fortune 1000 declined by an average of

nearly 65 percent between 2001 and 2004. The 2004 *ACC/Serengeti Managing Outside Counsel Survey* confirmed that this was no accident, finding that over a quarter of legal departments engaged in a general strategy of “convergence” (*i.e.*, reducing the number of law firms with which they work on a regular basis). This effect was even more marked in companies with large law departments, in which 4.8 percent reported engaging a general strategy of convergence.

2. For further information on the ISO 9001-2000 process, visit <http://praxiom.com/iso-9001.htm>.
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