



Thomson Reuters Institute

Secrets to successful matters

The importance of preparation,
project management & partnership

Executive summary

Both clients and their outside legal counsel tend to give high marks to the strength of their relationships and their ability to arrive at successful matter outcomes in general. However, there undoubtedly remains room for improvement. Research conducted with corporate general counsel (GCs) indicates that the same set of frustrations with outside counsel relationships arise time and time again — namely cost control, responsiveness, the quality of outcomes, and how well the work of outside counsel aligns to the client’s business.

It’s time for new approaches to solve old problems. To that end, the Thomson Reuters Institute launched a new survey in an attempt to provide a different perspective. Rather than asking GCs about their frustrations, the

research sought out the perspective of the outside counsel to identify what in-house teams do that may help or hinder their external law firms from delivering the desired result. In other words, what are those things that are within a GC’s control to effect positive change to improve the chances of successfully meeting the objectives of a matter?

Beyond just a simple analysis of wins versus losses, the research looked at *how to win better* by focusing on those actions that corporate in-house legal teams can take to help their outside counsel better meet the objectives of every matter. For example, winning a litigation case after several hard-fought years may be a success by one definition, but if the matter was way over budget and increased risk to the business to a level with which the GC was not comfortable, how successful was it really?

To that end, our research also considered how well the outcomes of matters met the client’s objectives — that includes winning, but also considers expectations around cost and resources, risk tolerance, and advancing or supporting the client’s overall business objective.

Successful matters include not only winning, but other considerations such as costs, risk tolerance, and how the matter supported the client’s overall business objectives.

This report explores:

- **Overall satisfaction, but room for improvement** in outside counsel relationships. Outside counsel share both what they view as relationship best practices but also cite areas in which GCs can improve the strength of their management of outside counsel.
- **Optimizing matter success** through intentional, repeatable steps. Key areas for matter success identified by outside counsel are preparation through matter briefing, project management through effective communication, and partnership in an open and honest way.
- **The keys to matter success** that can consistently help boost the rate of successful matter outcomes. Behaviors within the GC's management of outside counsel relationships can have a profound impact on how successfully a matter outcome will meet the client's objective. Understanding those behaviors, measuring how the corporate legal department performs, and gauging the potential impact of improvement will help GCs guide their departments to consistently more successful outcomes.

Every relationship between clients and their outside law firms is a two-way street. By leveraging the insights offered by outside counsel in this report, GCs can improve certain aspects of these vital relationships and ultimately, improve upon the success of every legal matter.

Methodology

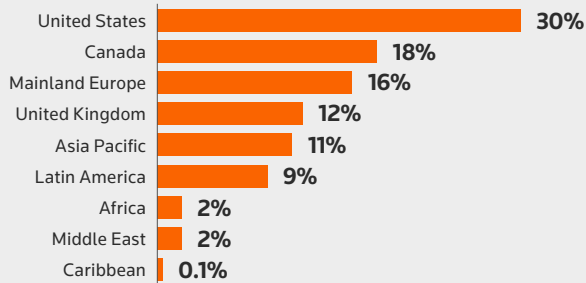
We conducted a survey of 1,122 lawyers who had been named stand-out lawyers by their clients, asking them to rate their experiences with their clients around topics such as characteristics of the broader client relationship, as well as to rate the success of their most recent client matters.

We also derived some responses from more than 2,000 interviews conducted with corporate general counsel as part of an ongoing body of research maintained by the Thomson Reuters Institute.

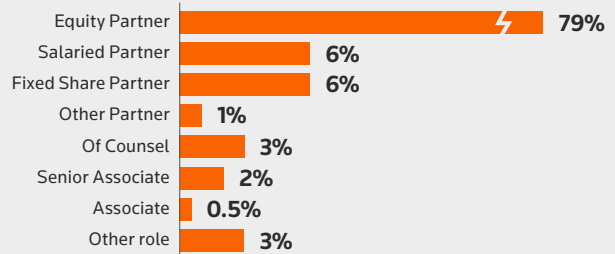
In order to obtain a diverse cross-section of feedback of in-house counsel of varying department sizes, industries, and length of relationship, stand-out lawyers were asked to consider an unnamed client with whom they most recently closed a matter, and to answer questions about that matter and about the broader relationship with that client. Respondents were also asked to rate the most recent matter upon which they worked for that client, rating the success of the matter outcome against the client's original objectives on a scale of 1-10. A rating of 10 signified completely successful and 1 was not at all successful.

Stand-Out Lawyer respondent profile

Region



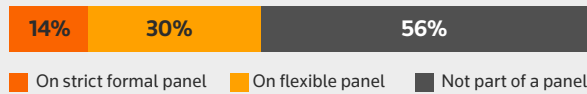
Role



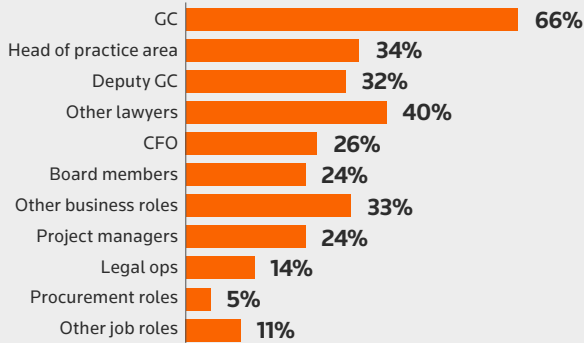
Number of responses: 1,122

Client and relationships

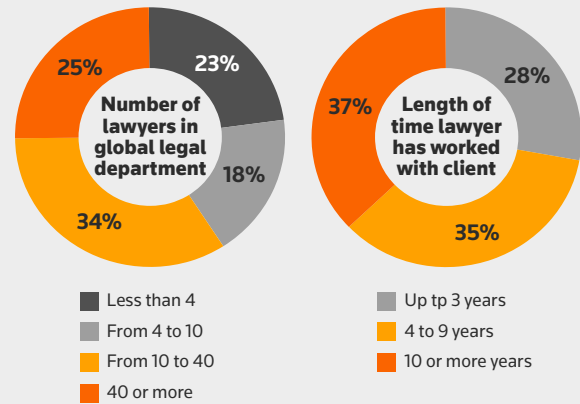
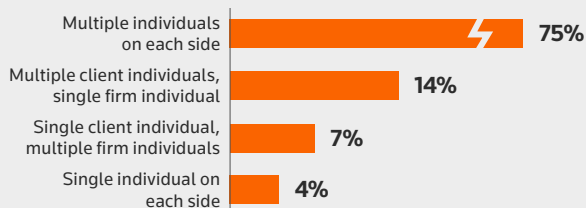
Is firm part of a panel with this client?



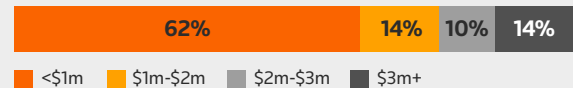
Roles personally worked with



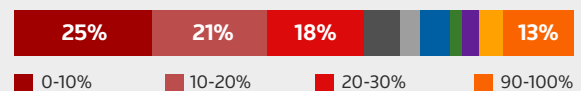
Roles personally worked with



Over the last 12 months, approximately what is the total value of work you and your team have billed to this client?



In terms of total fees billed by you and your team over the last 12 months, approximately what proportion has been billed to the client?



Number of responses: 691-1,119

Source: Thomson Reuters 2024

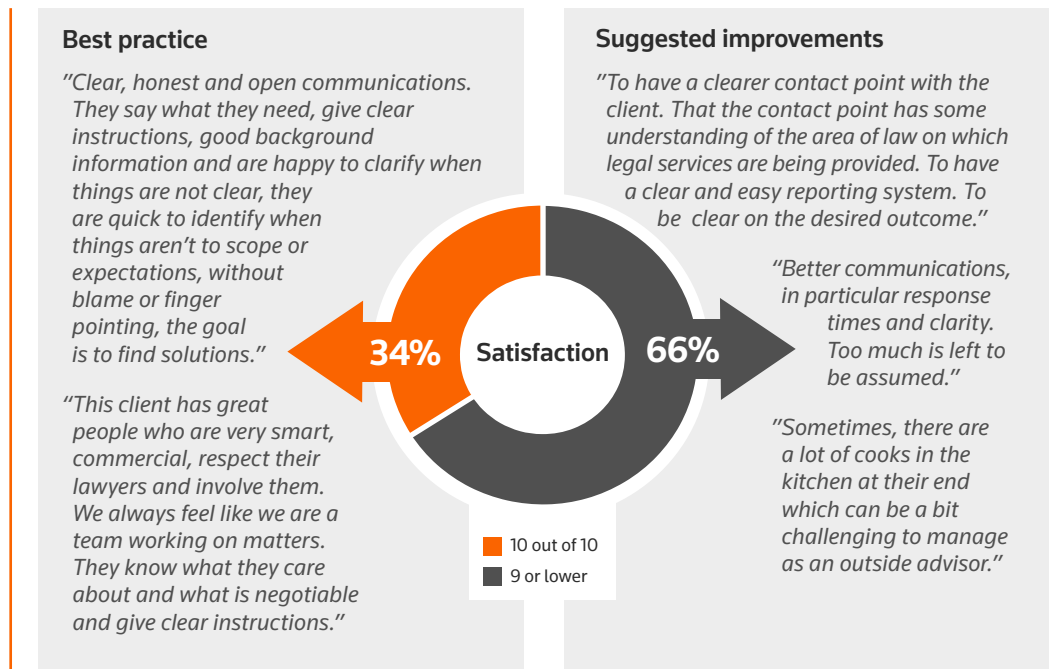
Highly satisfied, but knowing there's more

Generally, outside counsel said they are reasonably happy with how they are managed by their corporate clients, with an average lawyer satisfaction rating of 8.5. On the other side of the table, client satisfaction with law firm service was rated 8.4 on average, showing that both groups are evenly matched in how they rate the experience of working together.



Even with such a high overall satisfaction rating, two-thirds of outside counsel said they see at least some room for improvement in their relationship with their clients. A small minority of law firm lawyers (about 10%) said they are *dissatisfied* with how they are being managed, meaning they gave their relationship a rating of 6 or lower out of a possible 10. With a similar overall satisfaction rating coming from GCs, this likely means that while both sides have high levels of satisfaction with the overall relationship, both still see some room for improvement.

Best Practices and areas for improvement



Best practices

When asked in an open-ended question about their clients' best practices — essentially, what clients do well in managing relationships — many outside lawyers cited *quality and clarity of communication* above all, with more than one-third (36%) of respondents identifying this as the best practice that led to the highest satisfaction scores. In fact, communication was cited almost twice as often as the next factor, *collaboration*, as 17% of lawyers said that being treated as an equal partner and working collaboratively as a team made the difference in their satisfaction levels.

Other factors identified as additional areas of client best practices, included:

- setting clear expectations
- fostering trust
- providing information in a timely manner
- listening to the expert and accepting the advice
- taking the time to provide a comprehensive briefing at the outset

Improvements

When asked in an open-ended question how clients could do better, respondents didn't galvanize around a dominant theme as they did when asked about best practices. Instead, respondents cited several factors that clients might work to improve when managing their outside counsel, including:

- being clear on the objective
- being well organized and coordinated internally
- bringing in external counsel at an early stage
- providing information in a timely manner
- being realistic around fees

Among outside counsel who said they were dissatisfied with their client relationships (those who rated their satisfaction at a 6 or lower out of 10), the main areas they cited were similar, but also included making sure to provide all relevant background information to the outside legal team, giving them access to clients' decision-makers when needed, and not engaging in gatekeeping.

Optimizing matter success

Of course, a key goal for GCs trying to get the most of their outside legal counsel is optimizing matter outcome in terms of the client's original objectives. GCs spend a significant amount of budget and time on external law firms so it's in their interest to explore what role they themselves can play in increasing the effectiveness and efficiency of these working relationships.

Increasing the effectiveness of the relationship with outside counsel is doubtless a worthwhile goal, and such improvement could reduce the regular frustrations we hear about from GCs who are working with their outside law firms around challenging issues such as cost, waiting for answers and updates, and crucially, missing the business objective.

To that end, we asked our lawyer respondents how well they thought clients were performing on a number of the activities involved in matter success and how often clients are doing the right things. We also gauged the *impact* of what clients are doing right and how it affects the matter success ratings from their outside counsel.

Most recent matter success rating (lawyer perspective)

Score out of 10. Overall average = 8.9 out of 10



Source: Thomson Reuters 2024

Starting with the anchor metric of how outside counsel rated the success of matters in terms of meeting the client's original stated objectives, the average matter success score, from the external lawyer's perspective, is 8.9 out of 10. While lawyers typically rate matter success highly (40% of lawyer respondents rated it at 10 out of 10), that means that 60% acknowledge there is at least some room for improvement.

Analysis of the relationship between matter success score and a number of different factors relating to the matter, revealed that the key factors of success fall into three main areas:

1. preparation for the matter briefing
2. project management and communication
3. an open, honest partnership

Managing external advisors: keys to optimizing matter success



Source: Thomson Reuters 2024

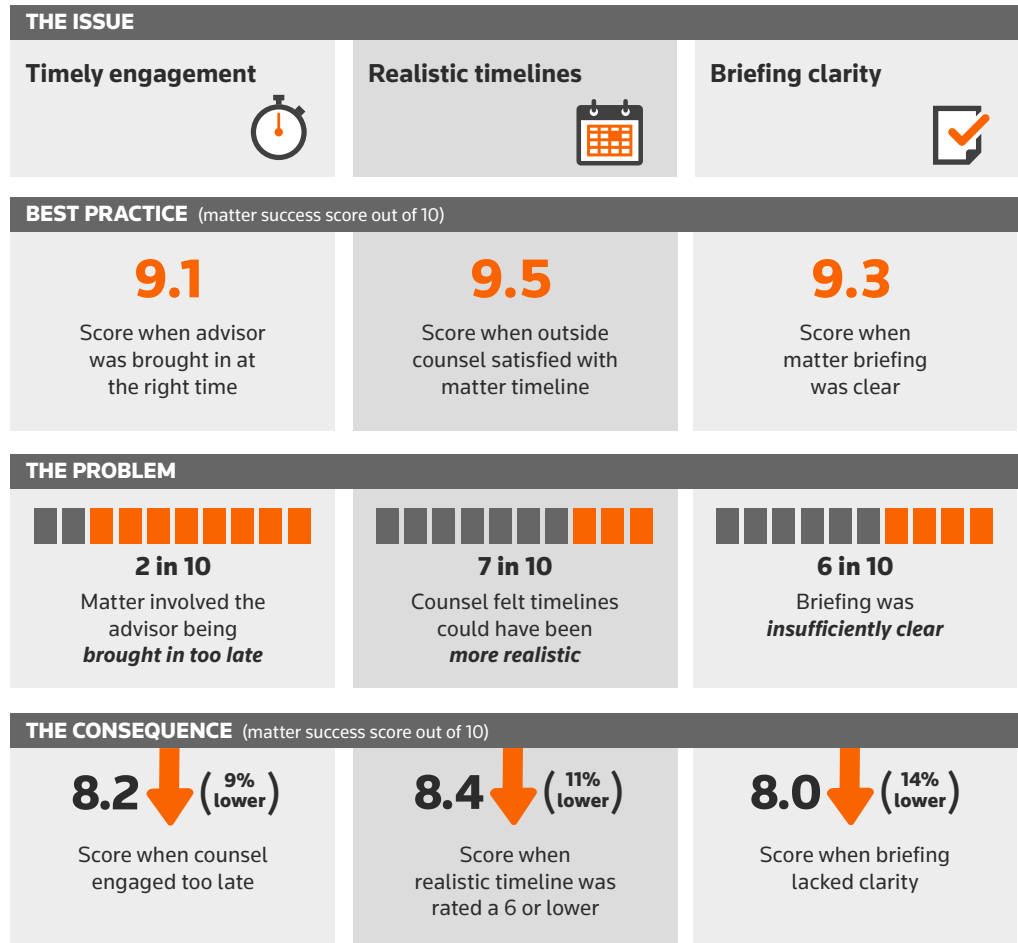
Preparation: Matter briefing

Strong, clear, timely briefing of a matter is a necessity to position the matter and the teams for success in terms of the client's objectives. Indeed, several respondents in answers to open-ended questions said the matter briefing was critically important.

"Involve me at an early stage including in executive, operational, and management meetings and strategy sessions which provides critical insights and places us in a good position to provide practical advice."

"Communicate expectations clearly — and have realistic timelines."

Key 1: Timeliness and clarity of briefing

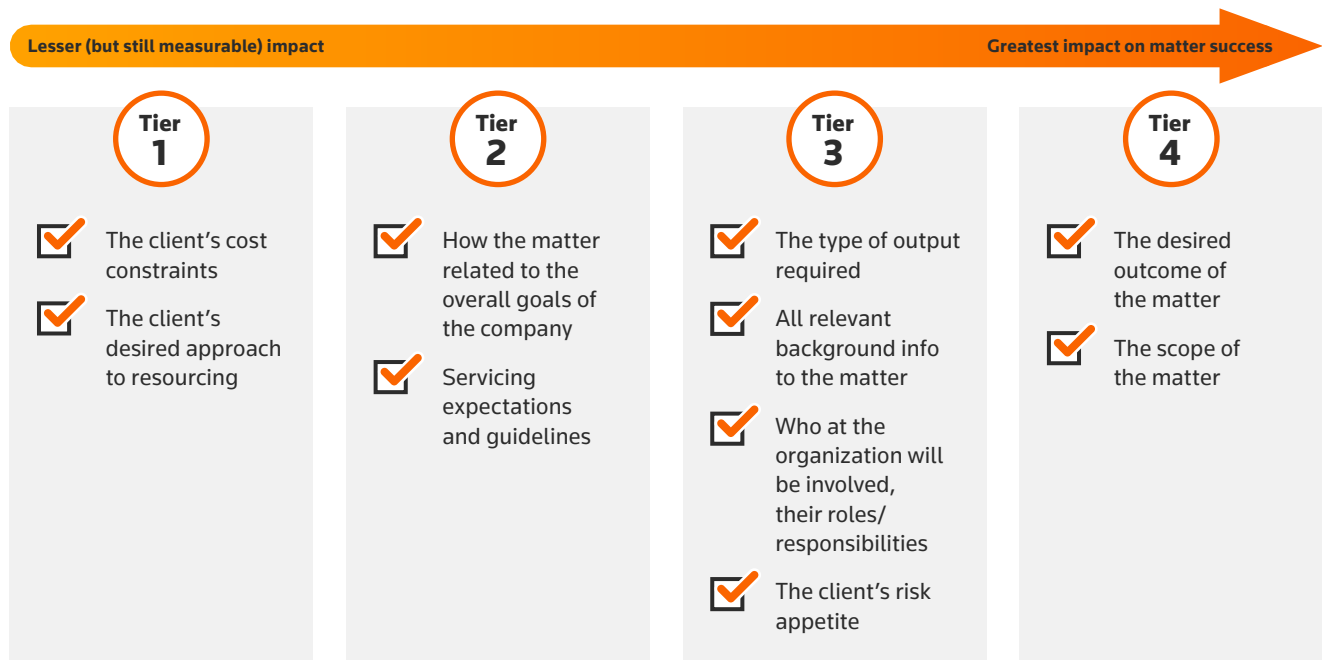


Source: Thomson Reuters 2024

Keys to an effective matter briefing

- **Bring outside counsel in at the right time** – Matters in which outside counsel were brought in too late average a 9% lower success score compared to the matters in which outside counsel was included in a timely fashion. Caution about not starting the clock too soon and overrunning on costs can ultimately lead to bigger bills if outside counsel may have missed the chance to listen and offer input during early stages of the matter strategy.
- **Set realistic timeframes** – Respondents said clients rarely set realistic timeframes, leading to an 11% drop in the matter success score compared to matters with realistic timelines. Of course, some matters are time-sensitive and need an urgent approach; however, others do not. Realistic timeframes and deadlines help outside law firms plan their resources more efficiently, deliver their best work, and avoid costly and anxiety-inducing fire drills.
- **Provide a detailed and clear briefing** – Cover everything from the desired outcome and scope of the matter to relevant background information, involved roles, servicing expectations, as well as risk appetite and cost constraints. A majority (60%) of respondents said they did not receive sufficient clarity on at least *half* of the items on the ideal matter checklist, resulting in 14% lower success score.

Matter briefing checklist – Boosting matter success by putting in the work early



Source: Thomson Reuters 2024

Project management: It's all about communication

Once a matter is up and running, a lot of its success depends on how well it is managed and the quality of communication that occurs during the matter. These factors have a large impact on whether the matter runs smoothly and is ultimately successful in the eyes of the client.

Key 2: Project management and communication on matters

THE ISSUE

Communication with outside counsel



Communication internally with the business



Project Management



Listening to outside counsel



BEST PRACTICE (matter success score out of 10)

9.5

Score when communication with outside counsel rated 10/10

9.6

Score when internal communication rated 10/10

9.5

Score when project management rated 10/10

9.3

Score when listening to outside counsel rated 10/10

THE PROBLEM



7 in 10

Clients could improve **communication with external advisor** on matters



7 in 10

Clients could improve communication with **internal business people**



8 in 10

Clients could improve **project management** skills



6 in 10

Clients could **listen better** to external expert opinion

THE CONSEQUENCE (matter success score out of 10)

8.3 ↓ (13% lower)

Score when communication with outside counsel rated 6 or lower

8.3 ↓ (13% lower)

Score when internal communication rated a 6 or lower

8.4 ↓ (12% lower)

Score when project management rated a 6 or lower

8.1 ↓ (13% lower)

Score when listening to outside counsel rated a 6 or lower

Source: Thomson Reuters 2024

Not surprisingly, communication with external advisors on matters in general is important for matter success. Perhaps less obvious, however, is the importance of the legal department's communication with other internal business leaders who often have an equally critical role to play. Just as the law firm is serving the GC and the business they represent as a client, so too is the GC representing other leaders within the business as a client. As such, it's vital that those other business leaders be kept in communication. Failure to adequately communicate internally lowered the average matter success score by 13%.

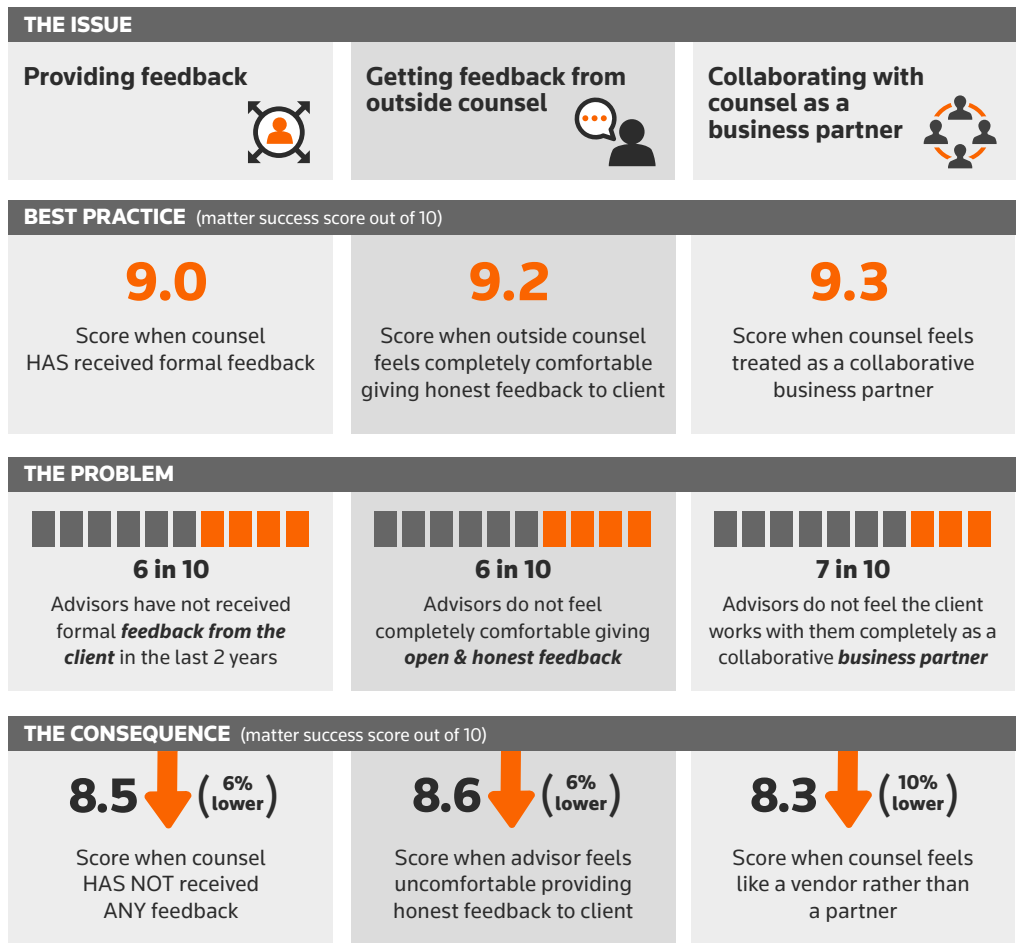
Partnership: Open and honest

Fostering an open and honest relationship among GCs, their in-house legal team, and their outside law firms is crucial to the ultimate successful resolution of a legal matter.

An open, honest relationship presents itself in various ways. For example, giving and receiving feedback was seen as a cornerstone of this relationship. If, for instance, outside counsel has not received any formal feedback from their client within the past two years, it negatively impacted the average legal matter success rating by about 6%. Similarly, if outside lawyers themselves feel uncomfortable giving their clients open and honest feedback, the success rating of matters is also lower by 6%. Notably, half of the outside counsel surveyed said they had not had an opportunity to provide feedback to the client on how they were being managed.

Most importantly, if outside legal counsel feels their clients are not working with them completely as a collaborative business partner — or worse yet, clients see them only a legal service vendor or supplier — the average matter success rating was 10% lower.

Key 3: Open, honest partnerships



Source: Thomson Reuters 2024

The risk of being perceived as merely a vendor becomes even more pronounced once law firm panels are introduced into the relationship mix. While less than half (44%) of respondents said their firms were part of a formal or informal panel with a client, a large portion of those panel members (80%) said there was room for improvement in how clients were managing those panel relationships.

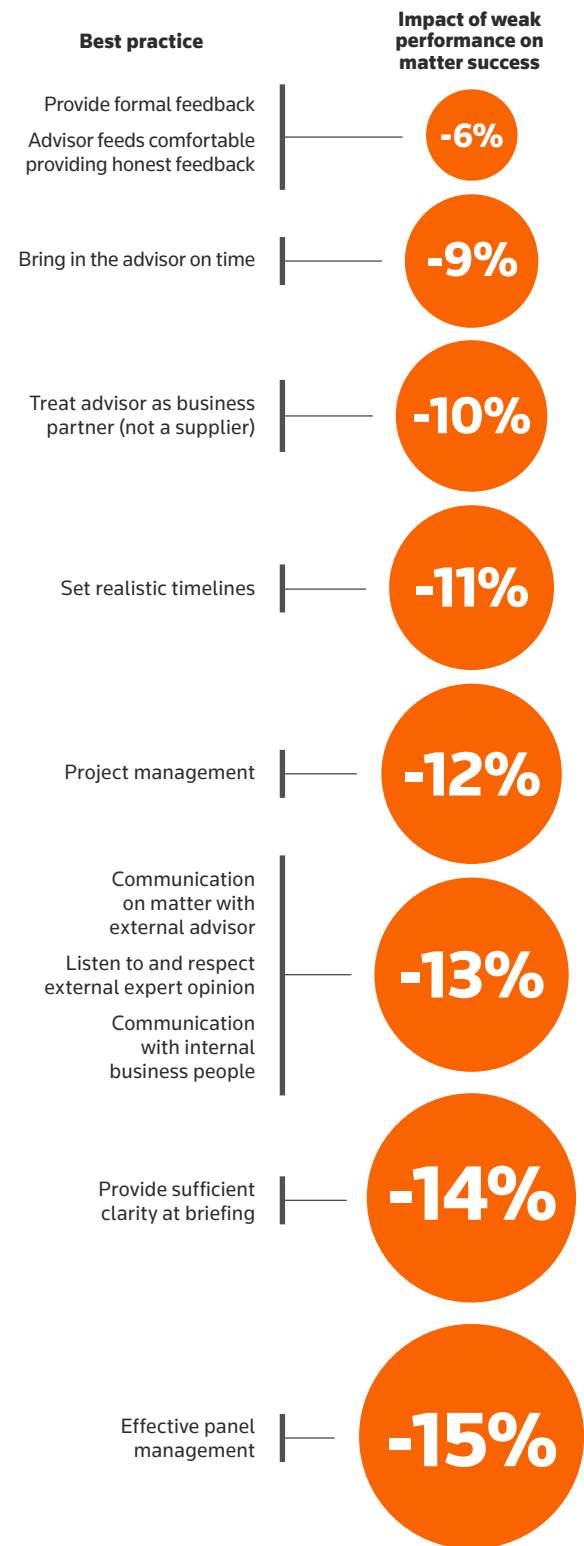
When a client's panel management was rated a 6 or lower out of 10, the average matter success score dropped from 9.6 (as rated by those giving panel management a 10 out of 10) to an average of 8.2, a drop of 15%.

The keys to matter success

There are myriad factors which can have an appreciable impact on the perceived success of a legal matter's outcome. Some, such as giving or receiving feedback with the client, were less impactful but still have a measurable effect. Others, such as how the client manages their panel firms and the clarity of the initial matter briefing, could have a much more profound impact on outside counsel's ability to successfully deliver on the client's objectives.

While poor performance on these factors can negatively impact outside counsel's ability to deliver on client matters, these keys also provide a succinct list of areas that require continued attention and monitoring by GCs.

Keys to matter success



Source: Thomson Reuters 2024

What clients can do to improve?

GCs who want to improve their level of success with the legal matters for which they hire outside counsel should reflect on these performance factors in an effort to determine which of these performance areas — all of them critically important in the eyes of their outside counsel — are strengths and which could be improved upon.

As part of the same exercise, it would be smart to evaluate the *overall relationship* with outside counsel. A few questions that need to be considered include:

- *How well do we manage our external counsel relationships?*
- *Are we getting everything we need from our outside counsel?*
- *What could we and our outside counsel do differently to make the relationship run more smoothly?*

To add another level of depth, put those same questions to outside counsel. A huge amount of insight can be gained from examining the difference between the client's responses to these questions and those that come from their outside law firms.

¹¹ Available at <https://www.thomsonreuters.com/en/campaigns/future-of-professionals.html>.

Conclusion

In the end, the secrets to successful matters lie much less in the *what* of matter management and much more in the *how*. The basic concepts of managing successful matters as discussed here are hardly revolutionary. Certainly, experienced GCs will likely be unsurprised that preparation, project management, and partnership form the pillars of a successful matter.

However, the responses from stand-out lawyers feedback on the matters they've recently completed for their clients reveal much more. The *what* of planning, project management, and partnership only become truly effective in *how* they are applied.

By utilizing the collected insights of outside counsel, GCs can improve these critical relationships.

Impactful *planning* means bringing in the right people at the right time with the right information in a comprehensive matter briefing. The guide included in this report can serve as a template or sorts to help ensure *how* a matter is briefed is optimized in every situation.

Project management cannot be successful without effective communication, involving regular updates, development of project management core competencies, and crucially, the involvement of all stakeholders including internal business leaders. Proactive consideration of *how* communication around a matter is handled will help ensure a smoother arrival at a successful outcome.

And finally, *partnership* is at its most effective when the relationship between client and outside counsel provides opportunities for meaningful two-way feedback and collaboration. Part of this is incumbent on outside counsel to be willing to offer feedback to the client and to understand the client's business well enough to meaningfully contribute to a broader discussion of business goals. It is also incumbent for the client, however, to determine *how* they provide avenues for feedback and collaboration in ways that will drive matters forward successfully.

It might be tempting for a GC to think they can save time and money by skipping an upfront briefing or limiting communications with outside counsel. The findings in this report show, that while maybe saving time or money in the short-term, these shortcuts have a detrimental long-term impact on the ability of outside counsel to work as effectively as they could and deliver success in line with the GC's objectives, leading eventually to poorer quality outcomes.

Naturally, every relationship is a two-way street, but by utilizing the collected insights of outside counsel, GCs can improve those critical relationships and ultimately, optimize the success of every legal matter that is undertaken.

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