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Hundred Page RFP Submissions which Clients have been Demanding of Law Firms Got you Down? Change is-a-coming.

> Jerome Kowalski Kowalski & Associates September, 2010

Many of our client law firms have expressed enormous, indeed almost unspeakable, frustration and dissatisfaction with the RFP process that so many corporate clients and potential corporate clients now require, particularly in connection with engagements that will require <u>Alternative Fee Arrangements</u>, in which such responses seem to have become a staple. The RFP typically requires completion of a 60+ page questionnaire, which frequently requires scores of hours and professional time to complete. Added to this frustration is the fact disappointment experienced by firms who have gone to such lengths to and not get to the brass ring. Many firms have simply thrown their hands up in the air and basically abandoned most or all efforts to respond to such detailed RFP's.

The good news is that there may be significant change coming down the pike with regard to the RFP process. Jeff Carr, the well respected trend setting General Counsel of FMC Technologies, who has not only been the most vocal advocate for AFA's and Value Billing, has taken note of the fact that compelling law firms to complete such cumbersome questionnaires too often results in lawyers not only pulling their hair out, but, as I mentioned, simply abandoning these cumbersome processes. One consequence is that corporate clients are getting short changed since otherwise eminently well qualified law firms have simply responded to the whole RFP process with a simple *no mas*.

<u>Inside Counsel</u> recently reported how Mr. Carr has recognized the problem, but, in addition, as part of FMC's convergence program, reduced its previous 56

page RFP questionnaire down to a one page yes or no questionnaire, publicly posted for all to see at <a href="www.legalonramp.com">www.legalonramp.com</a>, a document outlining FMC's general terms and conditions for engagement of outside counsel and FMC's pay for performance system. FMC also "published its historic litigation data and invited the participating firms to rank themselves by type of litigation or litigation competency, provide their historic data and metrics, and provide their default ACES budget for the major types of litigation FMC has."

Mr. Carr then culled through 52 responding law firms and invited 32 to provide the ultimate "elevator pitch" by providing a Tweet on Twitter, which of course is limited to 140 characters. FMC dubbed this as a "Tweet and Greet." For those of you who scoff at Twitter as kid's play and merely a social tool, the recent article in the Guardian will certainly be an eye opener in connection with its real utility for lawyers and clients. Twitter is but one of the tools that more and more in house lawyers are using to identify competent outside counsel, in the same way that they use blogs. In fact, if you or your marketing personnel have created your blog with all of the appropriate tools of this new Internet era, your blog posting should be fed automatically to Twitter. This one is, as are all of ours. Doubters or skeptics can check us out on www.twitter.com @jerrykowalski.

Of the 32 firms that responded to Mr. Carr's "Tweet and Greet" invitation, 16 were invited by Mr. Carr to meet with him and, in his words, "wow not woo." In the end, FMC selected six law firms and "decided to form a joint venture among them, wherein new cases are handled by a team the law firms form. Sometimes the team consists of one firm, several or even all of them."

"The JV is administered by one of the outside counsel on retainer with a performance-based hold back," Carr explains. "All cases have a default target budget [based on an FMC-designed pay-for-performance plan] lower than our historic data. The overall savings will be shared between FMC and all the firms, with the distribution reflecting how well they worked with the other firms."

All of FMC's various pending cases were then re-assigned to the new law firm joint venture, as are new matters coming in the front door.

Mr. Carr then went on to note, "traditional RFPs have a reputation for being complicated, mostly useless and quite painful, but it doesn't have to be that way, So, out with the 56-page RFP, little of which is used in the ultimate decision-making, and in with the three-page non-RFP."

Jeff Carr is, as is well known, an articulate and outspoken advocate for change in the relationship between client and counsel. He is the ultimate trend setter for corporate counsel. Watch for other companies to follow suit.

But, when you get home tonight, spend some time with your kids and have them explain to you what Twitter is all about and how to make best use of it.

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