

## When a General Counsel Is Your Client

**A GENERAL COUNSEL'S PRIMARY OBJECTIVE** is to ensure that the company for which the counsel works receives legal services that are reasonable, valuable, and necessary. Outside lawyers hired by the company can maintain good relations with a general counsel by pursuing the same goal. The way this goal is accomplished will depend upon the client's industry, management, and business objectives. However, some particular issues tend to affect most California businesses with general and outside counsel.

For example, outside counsel should be careful about billing, because an in-house attorney is going to recognize the difference between billing for its own sake and billing for work that is going to advance the client's position. In-house attorneys are sophisticated clients and know that a letter should not cost \$10,000 in billable hours, regardless of its content or how prominent the law firm. They also know that because discovery summaries and constant updates do not bring much value to the litigation, their use should be limited. Alternatively, general counsel understand the need and cost of depositions, motions for summary judgment, and thorough legal research. The bottom line is that attorneys must bring added value—not just billing. Outside attorneys should also remember that while general counsel may not always complain when they receive the bill, they will remember it when deciding whom to retain on the next case.

Next, outside counsel should make sure they understand the role that insurance plays in the client's industry. If the client is in a high-liability industry (e.g., construction or transportation), then how an insurance portfolio is utilized will be a key aspect of business operations. What role insurance plays in the client's industry will affect when matters are tendered, to which carriers they are tendered, and how the defense should be handled.

Even when insurance policies provide coverage for litigation, general counsel should not be ignored, even when the general counsel is not involved. If the client business has a low deductible policy, its loss runs are not important to it, and there is little possibility of any claim exceeding the policy limits, the general counsel will not want to be involved with the matter. On the other hand, if the client has a high deductible, loss runs are important, or the claim could exceed the policy limits, the general counsel will probably take a more hands-on approach.

General counsel will also expect the company's insurance defense counsel to be mindful of in-house opinions and not simply obey the insurance adjuster without consideration of the client's wishes. This may seem obvious to some, but it is unfortunate how many insurance defense lawyers show little or no respect for the insured even when the insured has six-figure deductibles and foots the entire defense cost. The outside lawyer may not face the consequences immediately, but

the next time a claim is made and the claims adjuster suggests hiring that lawyer's firm, it is unlikely that the general counsel will support an attorney who did not improve the company's bottom line. Insurance costs can make or break a client, and this should directly affect how an attorney advises a client.

In addition, outside litigators should not forget that in-house legal departments are assets to a litigation. A good in-house lawyer is going to be familiar with the company's operations, the job duties of various types of employees, and the political climate within the company. Usually, in-house counsel is also familiar with and understands

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the personalities involved. This knowledge can be a huge advantage to a litigator, while saving time and money for the client. However, if outside attorneys ignore this asset, they may spend substantial time searching for the answer to a question that the general counsel could have answered in seconds.

Finally, outside counsel should not fear losing the client by bringing in specialists when necessary. The reality is that if an attorney has a decent relationship with the client, this fear is misplaced. By the time the outside attorney sees a need for a specialist, the general counsel probably has seen it too. If the general counsel has to mention it first, this may cause damage to the attorney-client relationship, because the general counsel will question the judgment of the outside attorneys and lose faith in their ability to set their egos aside and admit to having limitations. No attorney is proficient in all areas of law, and failure to acknowledge that fact may lead to serious problems.

There is no secret to impressing the general counsel—and expensive suits, fancy meals, or the gift of gab are not it. Providing methodical, efficient, and practical legal services that improve the company's bottom line will garner far more respect in the eyes of a general counsel and will go much farther to ensure a regular stream of future work. ■

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