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**IADC Surveys Outside and In-House Counsel:
Continued Disconnect in Communication and Understanding,
Consolidation and Alternative Billing Among Critical Trends**

Chicago, IL (July 22, 2015) Seeking a better understanding of the relationship between lawyers in law firms and lawyers in corporate legal departments, the International Association of Defense Counsel (IADC) recently conducted its *2015 IADC Inside/Outside Counsel Relationship Survey*. The report revealed there are several key areas where inside and outside counsel still are not always on the same page.

With regard to trends, responses largely focused on costs and rates, with outside counsel seeing rate pressure and alternate fee arrangements being of great importance going forward, and inside counsel noting that reducing and managing costs would be critical. Alternative fee arrangements are not a new discussion point, but survey responses showed it is still a point of disconnect for many outside and inside counsel relationships.

“The old billable hour model is not working for companies,” said one inside counsel respondent. “We need lawyers who are part of our team, who understand our needs, and who are proactive in reducing costs, getting early resolutions to cases.”

“Alternative billing proposals will be an opportunity and a challenge for [our] firm as clients seek to have more predictability regarding their litigation costs, and the firm seeks to be compensated fairly for its representation,” noted one outside counsel respondent.

Approximately half the inside counsel surveyed said the amount of legal work they were contracting out to law firms had increased in the past 12 months. Only 27 percent of outside counsel reported that the amount of work sent to their firm had increased in that same period. The survey showed similar results when both groups were asked to forecast outsourced legal support in the next year. This consolidation of work will affect both existing and potential relationships between outside and inside counsel.

“Rate pressures, alternative fee arrangements and consolidation of our work in fewer law firms is exactly what we are doing, and it is clearly the trend in our industry,” said Fred Paliani, IADC Vice President of Corporate, and General Counsel, Quality King Distributors, Inc./QK Healthcare, Inc.

Also among the results were differences in expectations with regard to communication. Corporate counsel respondents noted the appointment of the right principal contacts for each matter with active one-on-one communication between the two was the priority whereas outside counsel thought that regularly scheduled and written status reports were key.

For both inside and outside counsel, the reasons noted for hiring outside counsel were to utilize certain types of expertise not available within the corporation’s legal department. For inside counsel, that specialized expertise as well as the law firm’s reputation, experience, and rates were primary factors when deciding whether to establish a relationship. For outside counsel, the volume of work and rates were critical factors in a potential relationship with a corporate client.

The survey was administered by a third party and included responses from 386 attorneys currently working in a corporate legal department and 303 lawyers currently working for a law firm. The majority of both groups were in leadership positions within their legal departments or firms. For a PDF copy of the *2015 IADC Inside/Outside Counsel Relationship Survey* report, visit www.iadclaw.org.

About the International Association of Defense Counsel (IADC)

The International Association of Defense Counsel (IADC) is the preeminent invitation-only global legal organization for attorneys who represent corporate and insurance interests. Founded in 1920, the IADC’s members hail from five continents, 40 countries, and all 50 U.S. states. The core purposes of the IADC are to enhance the development of skills, promote professionalism, and facilitate camaraderie among its members, their clients, as well as the broader civil justice community.

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