

The Metropolitan Corporate Counsel®

Are Secondments The Wave Of The Future?

The Editor interviews Lawrence Bowman and Josh Kantrow , Members, Cozen O'Connor.

Editor: Please give our readers a brief background regarding your practice with Cozen O'Connor.

Bowman: I chair Cozen O'Connor's general litigation department, consisting of commercial litigation, labor and employment, product liability, white-collar crime and family law. My primary practice area is construction litigation, but I also focus on securities law, intellectual property law and personal injury law. Residing in the Dallas office, I have been with Cozen since 1982.

Kantrow: A member of the firm's Chicago office, I practice with the enterprise risks practice group, concentrating on complex business litigation and rescue-counsel work - including technology, e-commerce, data theft/privacy, financial institutions, professional liability, bad faith and punitive damages. I also act as outside legal counsel for an international bedding manufacturer. I have been practicing for 17 years, the last seven of which have been with Cozen.

Editor: Please define secondments in the legal context.

Kantrow: Based on my experience, a secondment is the loan of an employee by one company to another, with the employee working for the other company for a set period of time and then returning to the original employer. In the case of a law firm, an outside lawyer is loaned to the client temporarily to work, in effect, as in-house counsel, returning after a time to his law firm. In my case, I was loaned by Cozen O'Connor for six months in 2002 to syndicates operating in the Lloyd's of London insurance market.

Editor: I would think the end result of this practice would be to cement the bond between the firm and the corporate legal department.

Bowman: Good communication separates the superior lawyer from the not-so-superior one. When you look at client satisfaction surveys, a recurring theme is that lawyers are not responsive - they don't return calls, they ignore emails or requests for status reports. The foundation of good communication is empathy for others - if you could walk in the other person's shoes and see the world from their eyes, you would have a better understanding of their needs and wants, and how to be helpful. An ideal situation from a law firm's perspective is to have a lawyer in place with the client for a period of time. The lawyer comes to see matters from the client's perspective, develops a real bond and loyalty to that company, and understands what really needs to be done, both before and upon returning to the law firm.

Kantrow: In my personal experience, it definitely gave me a huge dose of the client's perspective. I was in the 11th year of my practice when I went to Lloyd's. Every day, I saw the mass of data coming in mostly by e-mails to Lloyd's claims handlers and underwriters. And, I saw many reports written by other law firms.

I got an enhanced sense of what clients want from their attorneys. They do not want 20-page legal treatises with numerous case citations, except when requested. Rather, they want the lawyer to tell them, in a specific and succinct reporting format, what is going on in the case or account and provide a strategy for reaching a successful resolution.

Editor: Do these arrangements represent a growing trend?

Bowman: I don't know if it is a trend, but it certainly serves as a useful solution in some cases. As attorneys in legal departments go on leaves for medical reasons, it provides an opportunity for a law firm representative to jump into those positions for a while.

For a Fortune 100 company with employment matters in 50 states, for example, it would be very helpful to have your outside counsel well versed in your processes, rules and management handbook. This increases awareness of the types of matters you face and helps ensure uniform treatment across the board - unless a different state legal prerequisite requires different treatment. So, it enhances the ability of the lawyer to handle matters more expertly upon returning to the outside counsel position. And, as representation of clients becomes more global, there are differences in culture, language, politics, and the perception of the lawyer is enhanced by spending time with the client in an overseas location.

These arrangements make sense for large institutions, like Lloyd's. By having the outside attorney on staff, the company ultimately gains a first-rate attorney who can seamlessly handle its work, and who, with knowledge of the organization's needs, is later available to serve on the outside.

Editor: What factors should be evaluated by both the company that is requesting the outside lawyer and the law firm to whom the request is made?

Kantrow: The first factor: What specific position is the company seeking to fill on a temporary basis? And, then, how do you find the appropriate match within the law firm? Another factor from the law firm's perspective is whether the secondment is worth the short-term financial sacrifices resulting from loaning the employee, i.e., whether the client is one with whom the law firm wants to establish a long-term relationship upon completion of the secondment.

Bowman: Time parameters should be considered. If it's an open-ended commitment and there's no limit to the engagement, you run into issues with the law firm - in terms of the lawyer's progression within the firm, of how that attorney is given credit for the time spent with the company, and so on.

Editor: How should secondment arrangements be structured? What is the appropriate length of time? And, how should the outside lawyer's payment be handled?

Kantrow: The arrangement's structure really depends on the particular needs of the requesting client and the law firm, and that goes for length of time as well. Often, the requesting company wants the attorney for a lot longer than the law firm is willing. I have seen the time period structured anywhere from three-to-nine months, with six months being the standard, as was true with my Lloyd's secondment.

In terms of compensation, I've seen situations where both companies split a portion of the attorney's salary, with the company paying for living arrangements while the attorney is based in another city.

Bowman: During secondment, the law firm may also agree to supplement income of their seconded attorney, but decisions vary as to who pays and for what. Some companies may also be willing to fund the lawyer's full salary during this time. Regardless of how this is structured, in the end, the arrangement is a substantive gain for both the client and law firm.

Editor: What makes a good secondment from the company's, the law firm's and the individual attorney's standpoint?

Kantrow: From the client's standpoint, a good secondment is getting an attorney from a top-notch firm who can bring expertise to that company's book of business and help with legal matters during the secondment. The ultimate goal: for the attorney to really understand the client's business, such that the attorney can help the organization on significant legal matters post-secondment.

From the law firm's perspective, a secondment offers opportunity to solidify a relationship with a significant client, gain additional business and make other contacts. For the attorney, it is a great opportunity to develop client relationships and a book of business, learn about how clients view their situation and help the company in a valuable way for its U.S. legal work.

Bowman: Also, seeing an attorney on a trial basis is a way for the company to review potential candidates and their performance/suitability for advanced, executive positions within the legal department. On the other side, the secondment period enhances the law firm's ability to service client needs. From the lawyer's perspective, after returning to the law firm, he or she becomes the client's point of contact. That empowers that individual to become a significant player in the corporate culture of the law firm.

Editor: What are the elements of a successful post-secondment period?

Kantrow: First of all, a secondment doesn't end the day an attorney returns to the law firm. The post-secondment period is every bit as important as the secondment. And, it's critical to continue maintaining relationships with the client by telephone, e-mails and occasional follow-up visits - eventually with the goal of obtaining work.

In my case, within a relatively brief period, I was fortunate to receive some major assignments from the London insurance market. Having an understanding of the client's business needs has been key to some of these engagements.

In addition, the secondment has helped me to develop other business. After the secondment, I was engaged to act as outside legal counsel for an international bedding manufacturer. That experience came about because the manufacturer knew I had been, in effect, inside counsel for other clients via my secondment experience and could understand the client's perspective, even though they are obviously two, completely different businesses.

Bowman: Taken from the individual lawyer's perspective, the lawyer returns to the law firm and now has in-depth knowledge of the client. If issues arise as to what the client needs and wants, that lawyer is perfectly positioned. He or she has become more valuable to the law firm - knowing the client, the client knowing him or her, and having developed relationships with key people in the corporation. This enhances the stature of the lawyer within the law firm.

From the company perspective, there is a person on the outside who really knows the organization and exactly what it needs. And, that entity doesn't have to spend time translating its institutional knowledge.

The secondment and post-secondment periods offer a more efficient, broader-based experience. It's simply a win-win for both parties.

Please email the interviewees at lbowman@cozen.com or jkantrow@cozen.com with questions about this interview.

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