

# Assessing the Ability to Change Culture – Complimentary Article from NACD



The National Association of Corporate Directors has published a complimentary article titled “[Assessing the Ability to Change Culture](#),” providing a quick overview of best practices set forth in the *Report of the NACD Blue Ribbon Commission on Culture as a Corporate Asset*.

Most boards recognize that management’s actions create an organization’s culture, and that leaders should “walk the talk.” But few know what’s involved in assessing and changing culture in a rigorous, comprehensive, and data-driven way, NACD says on its website.

The article describes how boards should:

- Assess the company’s commitment to change along four key dimensions
- Oversee management in identifying and implementing needed interventions
- Seek to modify specific behaviors, not just instill values or tone from the top

[Download the article.](#)

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# Benchmark Report: Learn How Your Peers Manage Third-Party Risk



NAVEX Global has published its [2017 Third-Party Risk Management Benchmark Report](#) to document how practitioners are successfully conducting third-party risk management – including screening, monitoring and auditing techniques.

“Third parties can be unpredictable,” the company says on its website. “When managing hundreds or even thousands of third parties, keeping an eye out for red flags may seem a herculean task. Use the report to improve your own program outcomes, stop bad behavior in its tracks, and ensure you know how to spot the warning signs.”

The study, which includes information from more than 400 professionals, offers guidance on the approach to third-party risk management that organizations find most effective, how they are using outside providers to assist with third-party due diligence, if automated due diligence affects ROI, and more.

[Download the benchmark report.](#)

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# What is Legal Entity Management? Beyond Corporate Secretary Functions

Legal entity management transforms the lawyer's mundane corporate secretary function into a platform to deliver better business results and improve client relations, writes Mark Little of Berkman Solutions in [an article](#) on the company's website.

He explains that, legal entity management provides three benefits to clients:

1. Ensure compliance
2. Manage legal risk at the entity level
3. Communicate value of the legal team to the business.

"To manage legal entities in an era of increasing complexity and responsiveness requires five steps: centralize all entities on a corporate registry, track ownership details for each entity, manage officers and directors, store corporate documents with the entity details, and adapt to changing corporate forms and laws," he writes.

[Read the article.](#)

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# Invitation: 2018 Chief Litigation Officer & IP Law Summits



Marcus Evans Summits [has announced](#) the schedule for the 2018 Chief Litigation Officer Summit and IP Law Summit, both scheduled for March 11-13, 2018, at the Venetian in Las Vegas.

Both summits will feature networking, presentations and panel discussions.

“With our unique in-house platform, attendees have the ability to pre-select meetings with the delegates/vendors they would like to meet with. This way your agenda is tailored exactly to your needs and maximises your time there,” the company says in its invitation.

[Get details about the summits.](#)

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# PREX17 Insights on Building a Preservation Game Plan That is Litigation-Ready



Zapproved has published “[Building Your Preservation Responsive Playbook](#),” illustrating ways to adopt, monitor and document a preservation process that is litigation-ready.

The guide can be downloaded at no charge.

Providing insights in the publication are:

- Cortney Starble, E-Discovery Specialist at CBRE, Inc.
- Leslie Kendrick, Litigation Counsel at Daimler
- Bryan Dearing, Associate General Counsel at University of Oregon

The guide is intended to provide practical tips aimed at helping legal operations teams preserve relevant data, release legal holds and manage clear preservation workflows.

[Download the guide.](#)

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# 2017 In-House Benchmarking Report Just Released



Exterro has published its 40-page [2017 In-House Legal Benchmarking Report](#) and made the report available for free downloading on its website.

This year's report shows the areas of focus that corporate legal teams are homing in on in the hopes of gaining the kind of control that will bring efficiency: control over the process, both in-house and with third-party vendors; control over project management through the use of technology; control over data volumes and data types during preservation.

Some points about the report:

- **40-page** comprehensive report, which surveyed 85 in-house legal professionals
- **Key topics** include how legal departments are allocating spend, techniques used to manage legal operations and much more...
- **Expert analysis by EDRM co-founder George Socha**, on what he sees as the key takeaways from this report

[Download the report.](#)

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# Maximizing Impact of In-House Counsel Resources with Cloud-Based Matter Management



AdvoLogix will present a complimentary webinar designed to help participants learn strategies that legal teams today can employ to streamline matter intake, triage, prioritization, and assignment.

The webinar "[Maximizing Impact of In-House Counsel Resources with Cloud-Based Matter Management](#)" will be Wednesday, Nov. 15, 2017, 1-2 p.m Eastern time.

In-house legal teams today are hindered by the inability to embed unique legal workflows into commonly provided workplace tools, AdvoLogix says on its website. Highly paid individuals are spending too much time in email, phone calls, unproductive organizational meetings and manual document manipulation with lack of complete understanding of the impact of the work item to the business.

The webinar will cover how strategies give legal departments a clear understanding that the most critical legal issues are being worked in a priority sequence by the people with the right skills and availability. Presenters also will discuss tools that can automate workflow, informational intake, task assignment, document creation and more and also provide the metrics needed to provide insight into value delivered and effort expended by in-house counsel.

[Register for the webinar.](#)

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# Recent ITAR Case Sends Important Message For Small/Midsized Government Contractors

A recent State Department ITAR enforcement case involving a supplier of military spare parts sends a valuable message to small and mid-sized government contractors of every type, writes [Thomas B. McVey](#) of Williams Mullen.

In [an article](#) on the firm's website, he explains the case involves Bright Lights USA, Inc., a small New Jersey defense manufacturer. According to the Directorate of Defense Trade Controls Charging Letter, the company's business primarily consists of "manufacturing minor spare parts (including rubber stoppers, seals assemblies, and grommets) for both private- and public-sector customers." Many of these parts transitioned off of the U.S. Munitions list (USML) beginning October 2013 as a result of Export Control Reform.

When supplying military parts, the company periodically sought to obtain components from foreign suppliers. According to the DDTC Charging Letter, when ordering foreign-made parts the company sent drawings of export-controlled components to foreign suppliers to obtain quotations without obtaining the requisite export licenses. Similarly DDTC claimed the company posted drawings of controlled items online to solicit quotations, including posting on a manufacturing sourcing website where the drawings could be accessed by foreign



persons. DDTC also stated that the Company misclassified certain components as being subject to EAR instead of ITAR.

DDCT concluded that Bright Lights had “significant training and compliance program deficiencies” and charged the company with a number of violations.

[Read the article.](#)

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## [Billing Guideline Enforcement Vital, Says Thomson Reuters Legal Tracker LDO Index](#)

Corporate legal departments say their most effective cost controls are enforcement of billing guidelines, reductions on invoice expenses, and working with law firms that pro-actively show their value. At the same time, many legal departments are not using fixed or flat fees, matter budgets, competitive bidding through requests for proposals (RFPs) or reallocation of work to smaller firms with lower rates.

That’s according to the [Thomson Reuters Legal Tracker LDO Index](#), a new semiannual report based on anonymized data from over 1,100 legal departments. In addition, the report separately surveyed 155 legal departments on their use of cost controls.

Seventy-six percent of legal departments surveyed said that controlling outside counsel costs is a high priority, more

than any other factor. This is not surprising, considering that 65 percent said the volume of legal matters they handle increased over the last six months, while only 30 percent said their total legal department budget increased.

### **Most Effective Cost Controls**

When asked how effective various cost control methods are, nearly 80 percent of legal departments said moderate enforcement of billing guidelines and reduction of invoice expenses were effective or highly effective.

Alternative fee arrangement (AFA) use remains at low levels. While 83 percent of legal departments use AFAs, 55 percent use them for less than 20 percent of their legal spend. Seventeen percent do not use AFAs at all.

As far as other cost controls, most legal departments say they either do not use RFPs, matter budgets or limitations on the use of first-year associates, or do not find those cost control measures effective.

However, most legal departments say they prioritize working with firms that are proactive in showing their value, rather than simply reallocating work to smaller firms with lower rates.

### **Law Department Operations Roles Growing**

Fifty-six percent of legal departments now have a dedicated legal operations function, up from 51 percent from the previous LDO Tracker survey conducted in April. Similarly, legal departments are now more likely to rank their level of sophistication in managing outside legal spend as “proactive” or “optimized,” while fewer legal departments say they are “reactive.”

<b>Sophistication in managing outside legal spending</b>	April 2017	September 2017
Chaotic	2%	2%
Reactive	21%	14%
Proactive	58%	64%
Optimized	12%	15%
Predictive	7%	5%

And these law department operations professionals are making these improvements despite continued budget pressure. The percentage of law departments who have increased their technology budgets has only risen to 22 percent compared to 18 percent in June.

“Efficiency is increasingly the watchword as corporate legal departments strive to streamline operations and manage challenging budgets,” said Mark Haddad, head of the Corporate segment for Thomson Reuters. “More legal departments are taking an operationally focused approach to optimize processes, rather than relying solely on blanket approaches such as fixed fees or matter budgets. This is helping legal departments more effectively manage their outside counsel spend. And this approach will benefit those firms that adopt a proactive strategy in delivering and demonstrating their value.”

See the full report of the [Thomson Reuters Legal Tracker LDO Index](#).

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# Invitation: 2017 Ethics and Compliance Virtual Conference



NAVEX Global will stage a unique, once-a-year virtual conference to help participants learn about current best practices and new emerging compliance issues.

The free webinar will be on Thursday, Nov. 9, 2017.

More than 4,000 legal, audit and compliance professionals are expected for the [2017 Ethics & Compliance Virtual Conference](#) to hear speakers like:

- Shankar Vedantam, Host of the Hidden Brain Podcast and NPR's Science Correspondent
- Kristy Grant-Hart, CEO, Spark Compliance Consulting
- Richard Bistrong, CEO, Front-Line Anti-Bribery LLC

This year's conference will have 23 sessions throughout the day with three specialty tracks on Aligning Corporate Risk & Culture, Leading for the Future and Investing in Corporate Culture.

Participants are free to come and go as they please. Anyone unable to access the live webinar may register to obtain access to the sessions later.

[Register for the webinar.](#)

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# Webinar: Focus on Higher Value Work – How GC Can Improve Their Contracting Process



ContractWorks will host a complimentary live webinar titled “[Focus on Higher Value Works: How General Counsel Can Improve Their Contracting Process](#)” on Wednesday, Nov. 1, at 11 a.m. Pacific time.

Managing contracts manually can be extremely time-consuming for general counsel and their teams, taking focus away from higher value work, ContractWorks says on its website. During this webinar, participants will hear about ways legal counsel can spend more hours on legal matters and less on contract management.

Participants will learn:

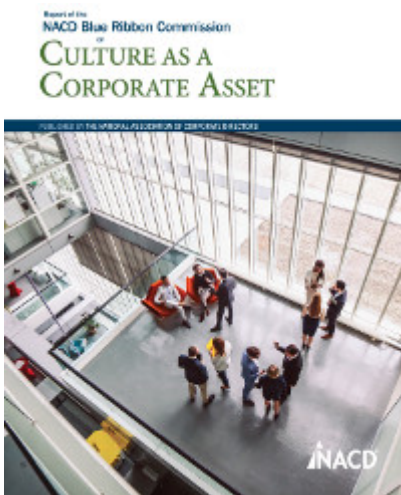
- How to obtain better contract visibility and avoid missed or lost contracts.
- How to automate contract approval and signing.
- How to mitigate contract risk and compliance issues.

Anyone unable to watch the webinar at the time of presentation may register and receive the recording after the webinar.

[Register for the webinar.](#)

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# [Download: Complimentary Copy of NACD's New Culture Report](#)



The National Association of Corporate Directors (NACD) has published a report titled "[Culture as a Corporate Asset: Translate Values into Value](#)," the topic of this year's NACD Blue Ribbon Commission Report.

Just released at the 2017 NACD Global Board Leaders' Summit, the report provides directors with the following information:

- A definition and key characteristics of organizational culture
- Priorities for action for the entire board and committees
- 10 strategic recommendations for overseeing culture

Organizations with strong, positive cultures have been shown to outperform their peers in customer satisfaction, quality, productivity, and profitability, the NACD says on its website. The absence of a healthy culture can create or increase many types of risks.

Yet, in a recent NACD survey, less than half of directors

reported that their boards assess alignment between their company's purpose, values, and strategy. And only 50 percent say they understand the "buzz at the bottom" – how culture actually translates into norms and behavior among rank-and-file employees.

[Download the complimentary report.](#)

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## [Webinar: Step-Up Your Third-Party Risk Management Program](#)



NAVEX Global will present a free webinar, "[Using Metrics to Improve Your Third-Party Risk Management Program](#)," on how to set up a third-party risk management program for success.

The event will be Thursday, Oct. 26, at 10 a.m. PDT/1 p.m. EST.

Participants will learn how companies with advanced programs manage their third-party risk and due diligence processes and will get industry benchmarks to size up your program.

Expert presenters will discuss the steps that should be taken to improve a program and minimize risk – regardless of organization size or number of third parties managed.

Organization following the steps have:

- Reduced their risk of legal or regulatory action
- Appropriately defined “high risk” third parties
- Found the most powerful screening and monitoring methods
- Measured the effectiveness of their third-party due diligence programs

[Register for the webinar.](#)

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## [Introducing Yerra Clearly 2.0: Get a Grip on Legal Spend](#)



Yerra Clearly

Yerra Solutions has introduced [Clearly 2.0](#), a legal spend management system that works by combining technology and human intelligence to simplify invoice handling and derive greater savings from the eBilling and spend management process.

The solution provides 100 percent global invoice capture, configures workflows, offers advanced mobile reports and flexible solutions.

“Yerra Clearly combines human intelligence & technology,” the company says on its website. “Our spend management tool is supported by a team of legal and IP spend management experts, as well as specialized analysts trained in invoice review and spend reporting. We understand that our clients have differing priorities and offer a flexible solution that enables you to



choose and pay for only what you need to get the best results.”

[Get more information.](#)

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## [General Counsel Salary is at a 1:3 Ratio to Their CEOs](#)



A new report by Equilar finds that companies with revenue between \$1 billion and \$15 billion pay their CEOs 3.7 times what they pay their general counsel.

The report (via [Above the Law](#)) puts the ratio for companies with revenue less than \$1 billion at 3:1.

“But don’t go crying for in-house counsel just yet.” writes Above the Law’s [Elie Mystal](#). “Median GC salary at the largest companies was \$650,000, while the smaller companies Equilar tracked still posted at \$325,000 median salary for general counsels. Which is pretty decent scratch, all things considered.”

[Read the Above the Law article.](#)

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## [Onit to Unveil Contract Lifecycle Management at ACC](#)



Onit will unveil its Contract Lifecycle Management (CLM) solution at the 2017 ACC Annual Meeting in Washington, DC,, Oct. 16-18.

The company is offering 30-minute demonstrations to show how the new solution can manage the entire lifecycle of contracts – from origination to execution, storage, administration and renewal.

Some unique features include:

- A clause library with various clause-level controls to help drive workflow with the legal department
- Version control and negotiations management to allow multiple parties to manage versions during the redlining process
- Contract authoring functionality that gives users the ability to build custom contracts with clauses from a clause library

Simply fill out the form below and let us know when you can join us in our demo room on the exhibit floor.

We are also scheduling demos of our other offerings (ie. legal e-billing, matter management, legal holds, legal service requests, NDA management, etc).

▪ Name

First  Last

▪ Title

▪ Company

▪ Email

▪ Phone

▪ What day would you prefer?

Monday, Oct. 16 ▼

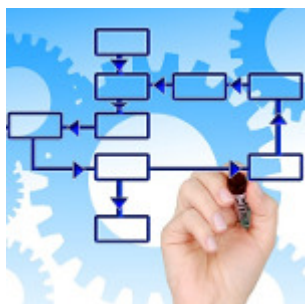
This iframe contains the logic required to handle Ajax powered Gravity Forms.

[Download](#) our whitepaper “Simple Contract Management” (direct PDF download) to learn more.

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[Company Organizational Charts: Quick Tips for](#)

# Lawyers



A corporate organizational chart is more than a pretty picture, writes [Mark Little](#) for Berkman Solutions.

In a [new article](#) on the Berkman website, Little explains the difference between company and management organizational charts, discusses the challenges of company organizational charts, and explains how to make a company organizational chart.

He also discusses the three benefits of company organizational charts:

1. Displays information density: large amounts of ownership data are available as a single graphic.
2. Reveals corporate tracking failures: each entity should be in the lawyer's legal entity management system.
3. Improves client relationships: both corporate counsel and outside business lawyers need effective ways to communicate with clients. Org charts are a rare, meaningful visualization of legal data for clients.

[Read the article.](#)

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# Thomson Reuters Report Highlights Legal Departments' View of Tech, AI

Two-thirds of in-house attorneys are confident and ready to try new technology, according to a new Thomson Reuters report, ["Ready or Not: Artificial Intelligence and Corporate Legal Departments."](#) The report measures the perceptions of more than 200 in-house attorneys regarding their use of artificial intelligence (AI) and the perceived benefits and concerns once adopted.

"There is this lingering fear among some of our survey participants that AI will possibly replace lawyers," said Mark Haddad, head of the Corporate segment for Thomson Reuters. "But technological advances in the legal industry have always focused on evolving the business and practice of law and improving how legal professionals work and process information. While tasks may be managed by a new technology, the work that lawyers perform – the work that only a lawyer can do – will not be outsourced to machines. And new timesaving or data-crunching technologies will act as facilitators to corporate in-house professionals to better serve their business."

The report notes that more than half (56%) of in-house attorneys either perceive that AI technology is not used or are not yet familiar with the use of AI technology in their legal department. And for others, there is skepticism about its reliability and cost-effectiveness. Despite the unknown, some in-house attorneys surveyed envision AI as being beneficial in increasing efficiency (17%), reducing costs

(13%), minimizing risk (7%) and supporting document review (6%).

One key area where AI may be applied for legal departments is in understanding their own data better. Nearly two-thirds of those surveyed said they have access to data regarding outside counsel and legal costs, yet less than half (49%) feel they are effectively using this data. Additionally, only 14 percent believe their department is using data to more effectively deliver legal services.

The top concern among respondents in using AI was cost (19%), as the mantra of doing more with less and budget constraints were key factors to adoption. Reliability (15%) was another concern, especially in areas of ethical considerations and confidentiality. A third concern is a constant with any new technology or process: change management (9%).

According to the report, legal departments aren't the only ones wrestling with the impact and implications of AI. Technology companies are reassuring workers across all industries that AI is intended to augment employees' capabilities, not replace them.

"It's clear that corporate counsel are comfortable with technology and accustomed to incorporating new technologies into their practices," added Haddad. "In-house attorneys must ensure that the potential perceived hurdles, like cost and reliability, don't prevent them from realizing the potential of AI to transform legal departments. Besides, corporate counsel have already been using sophisticated AI tools in some of their mainstream workflows, such as legal research, for years."

[Download the report.](#)

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## [\*\*An Interview with Annamaria Porcaro, Associate GC, Contracts at Ascena Retail Group\*\*](#)

In [an interview](#), Annamaria Porcaro, associate general counsel, contracts at Ascena Retail Group and winner of the General Commercial Individual of the Year award at the 2017 Global Counsel Awards, gives her opinion on what it takes to be a successful in-house counsel, the best way to advise senior leadership and what winning the award meant to her.

In the interview published by Lexology, she describes her role in the company, what led to to a career in-house, the most challenging situation that she has faced, what challenges in-house lawyers are likely to face over the next few years, when outside counsel is used, the essential qualities for a successful in-house lawyer, and what's important for in-house counsel to consider when advising senior leadership.

[Read the article.](#)

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## Grant Thornton's Jim Fortosis Receives Rising Star award

Jim Fortosis, a member of Grant Thornton LLP's Risk, Regulatory and Legal Affairs team, has received a First Chair Award for excellence in legal counsel.

First Chair, an organization designed to bring together a community of accomplished attorneys in private practice with those that are in-house counsel, hosts the First Chair Awards annually and asks private practice attorneys to nominate their in-house peers for a variety of honors such as top general counsel, top litigation counsel and more.

Fortosis, who serves as senior counsel, is a recipient of the 2017 Rising Stars award and was recognized for his efforts in managing litigation and regulatory matters involving Grant Thornton and counseling firm professionals on legal, compliance and risk management issues.

"For a firm like Grant Thornton to succeed, we must have a legal team that can effectively navigate an increasingly complex legal and regulatory environment," said Ken Cunningham, chief legal officer of Grant Thornton LLP. "This recognition is yet another testament to his keen ability to manage and swiftly resolve legal issues while also being a consistent source of valued legal counsel for our firm."

With more than nine years of legal practice, Fortosis was an associate at Sidley Austin LLP in Chicago prior to joining Grant Thornton. He received his juris doctor degree from the University of Chicago Law School and his bachelor's degree in political science from Wheaton College.



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