

How to hold a successful beauty parade



US and UK companies have honed their approach to selecting law firms through the use of “beauty parades”. Christopher STOKES, who has prepared UK law firm’s for beauty parades and evaluated different firms’ performances, provides a guide to the effective techniques and

Beauty parades have become an accepted way of hiring law firms, first in the US, then in the UK. Whilst there has been some resistance to this approach in the rest of Europe, there is a growing recognition that they represent a straightforward and manageable process of law firm selection.

The resistance has been based on two concerns. The first is that a full blown beauty parade may be regarded as discourteous. After all, lawyers are professionals and are not used to being se-

lected through a commercial invitation to tender. If you try to impose this process you may fear that some firms will not respond and others may hold it against you.

In practice, this concern is usually baseless. Legal practice the world over is becoming increasingly competitive. Lawyers everywhere are beginning to realise that the balance of power lies with the client. They are keen for the business and will comply with the selection procedure in order to win it. Besides, in every jurisdiction the top

firms are used to serving multinational companies, all of which increasingly select law firms through this process.

The second concern is that, after going through a long process, you will end up with a firm that is good on presentation but short on legal skills. That is always a risk, but one that can be alleviated by taking advantage of the lessons learnt by other companies and distilled in this article.

The reason why more companies are using beauty parades rather than sim-

When not to hold a beauty parade

It is tempting to think of holding a beauty parade whenever you encounter a problem with the firms you currently use. Here are some examples of occasions when a beauty parade may not be the best solution:

- You are happy with the quality of the service but not the cost.
- You are happy with the firm but not the individual partner you deal with.
- You are seeking advice in an addi-

tional area of practice but are unsure whether your existing external lawyers can provide it.

- You already know which firm you want to retain and are using the tender process as window dressing or to try and force a lower fee.
- You have a feeling that your current external lawyers are letting you down in a number of minor ways but you have not yet raised this with them as you are unsure how to proceed.

The above situations are best dealt with by opening a dialogue with your current lawyers and raising these issues with them.

The chances are that they, too, are aware of the problem but are worried about broaching it in case you have not noticed. In almost all situations where you have established a basis of trust with a law firm, it is better to persevere and try to put things right rather than plunge into the dark with a beauty parade.

ply meeting prospective law firms over lunch is that the beauty parades provide a process by which different firms can be assessed and compared. They may take more time to conduct but they actually save time because they dispense with the social aspects of meeting informally, while providing the prospective client with a concentrated stream of information. Lawyers are still very bad at using social gatherings to provide prospective clients with adequate information on which they can make a choice. This is partly because such occasions are not best suited to this purpose, partly because lawyers feel embarrassed to use such occasions in this way.

Internal analysis

Before embarking on any selection process, it is vital to carry out some internal analysis. This will ensure that you have fully evaluated your legal requirements and that you therefore set out to find the right legal services for your company.

Basic questions. To establish the role the external lawyers will play, you first need to ask yourself and your staff the following:

- What is the role of the legal department in this organisation?
- What is the role of external lawyers, and the relationship between them and the legal department?
- Does the legal department carry out the specialist legal work (for instance, providing the legal advice specific to the host company's industry) and put the general work outside; or does the legal department do the general work and use external lawyers for the spe-

cific, specialist advice? Decide what you wish to keep in-house and what you wish to put out to external firms.

- Is the legal function in the company centralised or decentralised? In other words, is legal advice provided at the operating subsidiary level or centrally at headquarters level? This will have an impact on how external lawyers are used at the moment and how any external firms will be retained and used in the future.

You also need to analyse how the organisation is likely to change in the short to medium term, to determine how its need for legal services will change and whether those can best be sourced internally or externally.

Why now? You then need to analyse why you are embarking on this process now. It may be for one of the following two reasons:

Revolutionary. You may have been affected by a single dislocating event, such as merger or a major acquisition or a change in the company's core business which requires a re-think of the internal and external provision of legal services. It may be that the company's long-standing external law firm has changed - it may have merged or been affected by a crisis which requires you, as a matter of due diligence, to test whether it should still be retained.

Evolutionary. You may simply feel that the company has outgrown the external law firm, or the company may

be moving into a new jurisdiction and you need to instruct a local firm there.

In the case of US and UK companies which use this process regularly (but, preferably, not more frequently than at three year intervals - see below) the ongoing reasons tend to be: obtaining better quality of legal advice and service at a lower cost.

This initial analysis is crucial and will inform the process you adopt, your final selection and the success of the relationship which follows.

Key considerations. In particular you need to ask yourself at this point:

- How will we manage the relationship with the chosen firm(s)? Who will be authorised to instruct it and how will you prevent others from instructing it directly?
- How many firms are we seeking and why? Is it a panel of three or four to cover all of our external needs? Is it a single firm for a specialist area of practice? Is it for ongoing work or a single one-off event (such as a merger or acquisition)? For example, it is common for banks in New York and London to have a panel of up to six or seven firms with each piece of work being awarded to the lowest-quoting firm; and the proviso that any firm which fails to win its fair share of the work on offer is in due course removed from the panel.
- Precisely what types of work will we specify for the external firm(s) to do?



Alternative fee arrangements

Fee quotes are about risk. An hourly rate means the overall bill is open-ended and places all of the risk on the client. By contrast a fixed fee puts the risk on the firm by specifying at the outset the fee it can charge.

In general, if a firm is not prepared to provide details of its basis of charging - such as hourly rates - you should not use it. At the very least, firms should quote hourly rates for the different seniorities of lawyer who will be doing your work. Hourly rates in the tender provide you with an immediate point of comparison between bidding firms but should not be treated as decisive because they do not tell you how quickly the work will be done. For instance, it is better to have a more experienced and expensive lawyer who works quickly than a cheaper lawyer who takes so long that the overall bill is higher.

Where the work can be defined, then firms should be asked to provide estimates. They may claim that this is difficult to do. But the reason why you are asking firms to bid is because they are expert at the work you want them to do. Being expert means that they have done the type of work in question many times before. They should, therefore, have some idea of the parameters of cost. An estimate is exactly that: it does not bind the firm although you would have every right to be disappointed if the final bill bears no resemblance to the estimate.

A capped fee is an estimate with a ceiling, beyond which the firm cannot go. If asking for a capped fee, be aware that firms will tend to provide a higher figure than a pure estimate, because they are allowing for the risk of overrun.

Firms may also offer blended rates, where you are quoted one hourly rate for lawyers, regardless of seniority. This can have the effect of making a firm look cheaper than others which are quoting differentiated hourly rates, but it may not make the outcome cheaper. However, it can be useful for open-ended work - such as litigation - for which estimates are not really feasible.

For large pieces of work - such as a joint venture or acquisition - you can ask a firm to quote a fixed fee for each stage of the work as you reach it. This way, the firm is able to adjust the fee level depending on the way the transaction is developing.

Some firms are innovative in proposing bases of charging which fix the level of risk at the right point between the firm and the client, reflecting the firm's previous experience and the uncertainty of whether the piece of work, for unforeseen reasons, may become more complex part of the way through.

Some firms will build in an override of, say, 10%. Provided the overall time spent is no more than 110% of the original estimate, they will swallow the overrun. If it is more than that, they will charge from 110% on, because the work in question has probably changed fundamentally, hence the overrun. Others may quote daily rates which reward you for using them for whole days rather than for small fractions of each day.

Remember, also, that there are differences between jurisdictions. In some countries, there are fixed scales for some types of work. In others, there are local taxes to be paid as well.

• What type of lawyer do we want? Is it the cheapest or the best? Be clear about why you are undertaking this process.

Once you have thought through these questions, make a record of your conclusions and the underlying reasons. As you work your way through the selection process, check what you are doing at every point against these parameters to help ensure that you do not choose the a firm for the wrong reasons.

You should also guard against the temptation to hold a beauty parade as a cure-all. There are occasions when a beauty parade is not the optimum solution (see box "When not to hold a beauty parade").

Long list

Having completed your internal analysis, the next stage is to start putting together a "long list" of law firms to which you will send an Invitation To Tender (ITT), also known as a Request For Particulars (RFP).

You should start by listing:

- Which law firms the company uses already.
- The work which they do.
- The cost of that work.
- Views from within the company of the quality of that work.

Where it is a greenfield site, for instance, looking for a law firm in a new

jurisdiction, this does not apply.

As a matter of courtesy, where you have been using a firm and are now intending to hold a beauty parade, you should let them know what you are proposing to do and consider giving them the opportunity to participate by responding to the ITT.

The firms you already use will be the start of the long list. Others in the company - for instance the chairman and CEO - may have views on which law firms should be invited to tender, on the basis of personal contacts or knowledge.

It is important, especially where the legal department does not wield complete control over the use of external lawyers, that you build a consensus. Anyone in a position of responsibility who has views on law firms should be invited to make suggestions.

Apart from taking soundings within the company, there are two other sources of information about possible firms.



TIMETABLE		
Week	Stage	Purpose
1	Internal analysis	Analyse the purpose of the selection process
2	Long list	Develop possible list of bidders through desk, internal and external research
3	Invitation to tender	Draw up and despatch ITT
4 - 5	<ul style="list-style-type: none"> Identify interviewing panel while firms are responding Draw up tender marking sheet 	Identify panel who will participate in review of tenders and interviews, to ensure consistency
6	Firms submit tenders - review and circulate	Circulate tenders to interviewing panel; detailed review and assessment to determine short list
7 - 8	<ul style="list-style-type: none"> Short list Arrange interviews Draw up presentation marking sheet 	Allow a two week period in which to coordinate firm presentations
9	Presentations	Preferably held on same or consecutive days
10 - 11	<ul style="list-style-type: none"> Reach decision Inform firms 	Do this as quickly after the presentations as possible
12	Post-process review	Improve the process next time

The first is desk research, using the legal directories which have proliferated over the last few years. Some are designed specifically to facilitate this process by naming firms and individual lawyers in particular areas of specialisation, such as *European Counsel 3000*, a sister publication to this magazine. In some jurisdictions there are legal publications which also give details of law firms. Use these to start to build up a database. Be careful to distinguish between what firms say about themselves in directories (for instance in paid-for entries) and what the publications, in exercising their own judgement, say about those firms.

The second is external research amongst people known to the company. These include:

- The company's other advisers - auditors, bankers, management consultants, property advisers, and so on.
- Other general counsel known to you, especially through trade associations.
- General counsel of other companies in the same sector - most in-house lawyers know their counterparts in rival companies and it is worth checking with them (the Corporate Counsel 3000 section of *European Counsel 3000* may assist). Being in the same sector gives you a commonality of interest and shared goodwill. Besides, it is worth checking for conflict reasons if you do not wish to share lawyers with direct competitors.

If you are seeking lawyers in a new jurisdiction, then ask the lawyers in your home jurisdiction for recommendations. You might also consult company personnel on the ground in the relevant jurisdiction and ask them to help you conduct research.

The difficulty at this point is narrowing down the long list. It is tempting to invite a large number of firms to submit tenders so that you are not narrowing your research unduly with the risk of missing out a good candidate. But experience shows that inviting more than eight firms to pitch, even if you are seeking a panel of four or five, is a mistake. You will have to sift through each one and your grasp of the process tends to blur the more you invite. So this is the point at which to be ruthless.

Go back to your initial internal analysis. What is the purpose of the process? Making your search as wide as possible does not mean inviting more firms to tender but inviting different types of firm to tender. Out of eight you might invite two leading, full service firms, two second-tier firms with strong practices in the desired area(s), two boutiques and leave two slots open for internal nominations and recommendations from the company's other advisers. In other words, have specific reasons for putting firms on the long list and include more than one of each type to provide a benchmark.

Invitation to tender

There is no hard and fast rule for the form the ITT should take. Here are the

two extremes:

- Short letter, inviting the firm in question to tender, specifying the type of work.

Advantage: Puts the onus on the firm to adopt the appropriate format and, in so doing, its style of tender tells you a great deal about the firm.

Disadvantage: Makes comparisons between tenders difficult and more time-consuming.

- Detailed ITT with prescriptive format.

Advantage: Makes comparisons easy to make.

Disadvantage: Often asks for more information than is strictly necessary and may put off good firms which are busy enough as it is.

There is an increasing realisation that a prescriptive format can be self-defeating. It puts the onus on the company to include every facet which may be relevant. The temptation is to be as comprehensive as possible. This means that the tender document can take the form of a detailed questionnaire which is time-consuming for the company to construct and the law firms complete.

A detailed ITT may be required in the case of companies (such as recently-privatised monopolies) which are subject to local and EC public procurement rules. State-owned companies and government agencies are subject to strict procurement rules which ensure a level playing field for contractors. These rules, which differ from jurisdiction to jurisdiction but are also enshrined in EC legislation, also apply to newly privatised monopolies. In order to comply, companies and agencies may adopt standard-form ITTs which have to be issued for every service and good being brought in. Many of these are unsuitable for legal services and law firms can find them difficult to complete.

For example, in the UK some privatised monopolies have been known to circulate tender documents running to 80 pages. Apart from the time it takes to mark them, these questionnaires remove an important means of differentiation between firms. They tend to act as a leveller, removing creativity and individuality and making it harder still to

TENDER MARKING SHEET

POINTS TO NOTE	EXAMPLES	PURPOSE
Firm details	<ul style="list-style-type: none"> • <i>Size</i> • <i>Location/offices</i> • <i>Practice areas</i> • <i>History</i> • <i>Management</i> • <i>Switchboard opening hours (Also ask about direct lines, voice-mail and e-mail)</i> 	<i>Is this firm sufficiently substantial and well run to be an efficient and dependent provider of legal services?</i>
Relevant specialisation(s)	<ul style="list-style-type: none"> • <i>Reference to what you are seeking</i> • <i>Size of relevant department(s) or practice group(s)</i> 	<i>Does their firm have the strength in depth and precise expertise we require?</i>
Track record	<ul style="list-style-type: none"> • <i>Relevant transactions</i> • <i>Types of relevant client</i> 	<i>Have they done the work before or will we be paying for them to re-invent the wheel?</i>
Conflict check	<p><i>Confirmation that:</i></p> <ul style="list-style-type: none"> • <i>No conflicts</i> • <i>You will be regarded as an important client</i> 	<i>Do they have more important clients to look after?</i>
Relationship management	<i>Partner(s) assigned to handle your account</i>	<i>Do we have someone who will be our representative at the firm and do everything to ensure we get the best service?</i>
Team details	<ul style="list-style-type: none"> • <i>Details of lawyers assigned to you</i> • <i>Years qualified</i> • <i>Experience</i> • <i>Education</i> • <i>Languages</i> 	<i>Is the team assigned to us made up of lawyers with the right experience and age profiles to ensure we get the best advice at the lowest cost?</i>
How assignments are handled	<p><i>Delegation - use of junior staff</i></p> <ul style="list-style-type: none"> • <i>Partner involvement/ supervision</i> • <i>Reporting</i> • <i>Meetings</i> 	<i>How do they ensure that work is delegated to the most appropriate level of lawyers in terms of experience and cost? How do they keep the client informed?</i>
Service delivery	<p><i>Information technology</i></p> <ul style="list-style-type: none"> • <i>Library, know-how, precedents</i> • <i>Use of third parties (eg advocates)</i> • <i>Quality checks</i> 	<i>How efficient, and therefore cost effective, are their systems? Are your systems compatible and can you establish any electronic links? Can you have access to their library/precedents?</i>
Post-assignment reviews	<i>Any system in place?</i>	<i>Are they committed to constant improvement?</i>
Complaints	<i>Any complaints handling system?</i>	<i>Are they upfront about mistakes?</i>
Fees	<ul style="list-style-type: none"> • <i>Basis of charging</i> • <i>Examples of innovation</i> 	<i>How flexible are they in adapting to client needs and the task in hand? Is it all just hourly rates, over which the client has no control?</i>
Professional indemnity	<i>Details of extent of cover</i>	<i>Are they insured if we need to sue?</i>
Good standing	<i>Confirmation that no lawyer has been struck off or made bankrupt</i>	<i>Due diligence</i>
References	<i>Any reference to other clients you can contact?</i>	<i>Are they confident enough to allow us to ask other clients about them?</i>
Other information	<i>Brochures, directory entries, relevant articles, newsletters</i>	<i>Background impression; "feel"</i>

distinguish between the candidates.

On the assumption that you will leave the detailed format to the tendering

firms, the box "Tender Marking Sheet" provides a check-list for points you would expect to see included and which you might include in the ITT as

a short-form guide to content.

In general, the more background information you provide, the better. Ten-

PRESENTATION MARKING SHEET

POINT TO NOTE	MARK (1 - 5)/NOTES	COMMENT
Clarity of introduction	<i>Note names, titles and specialisations</i> 1 2 3 4 5	<i>Did they explain the role of the different team members - why they were there?</i>
Team make-up	<i>Ask if these are the people who will actually do the work</i> 1 2 3 4 5	<i>Good spread of age and experience, or just senior partners?</i>
Structure of presentation	<i>Note the principal points made and who made them</i> 1 2 3 4 5	<i>How does this reflect the tender?</i>
Smooth delivery and handovers between team members?	1 2 3 4 5	<i>Did everyone speak? Is everyone integral to the team</i>
Did they have any questions for us?	<i>Note the questions asked</i> 1 2 3 4 5	<i>Shows they are really thinking about what the work will involve</i>
Did they stick to the time limit?	1 2 3 4 5	<i>Show control of the process and acknowledgement of your instructions</i>
Discussion of fees	<i>Who initiated it?</i> 1 2 3 4 5	<i>See separate box</i>
Overall impression Any plus points? Any minus points?	1 2 3 4 5	<i>Make a note of this immediately after the interview is over</i>
Any questions to be followed up afterwards?		

ders are very time-consuming for firms to complete. Even very basic information (educational background and experience of relevant lawyers) is often not maintained in a central location in all except the largest firms. Details of relevant work can also be difficult to collate in a way that is directly relevant to the ITT in question. So those firms which do pitch will tend to go to a great deal of effort and you should acknowledge that. By providing a full briefing note you will make their job easier and the tenders you receive will be easier to evaluate as a result.

Informal contacts

Some firms will seek to speak to you, either face-to-face or at the very least over the telephone, before submitting

their tender. Again (unless public procurement rules forbid you from treating bidders differently), you should accede to such requests. Firms which do this are demonstrating initiative and are usually trying to find out exactly what you are looking for. Often they will help you to refine your own thinking.

Provided you have carried out the initial internal analysis (above) these discussions should be useful and not too time-consuming. They will improve the process and improve your chances of choosing a firm or firms which will deliver what you want.

Do not, however, give firms which ask for an initial discussion any particular

credit for doing so. Their tender should be better as a result and it is that which you will evaluate. Nor should you feel obliged to offer an initial discussion to those firms which do not seek one (again, provided public procurement rules do not apply).

Who should you send the ITT to?

Address it to the firm's senior partner and make a note of whether receipt is acknowledged promptly. Also, try to detect from the subsequent tender how the ITT was delegated within the firm. It may tell you something about how the firm operates (for example, how senior is the partner who ultimately leads the firm's pitching team?).

Responses

It is tempting to look at tenders as they come in. At this stage, note the date of receipt but do not study them until they are all in. Then set aside two or three periods in order to go through all of them, involving the relevant colleagues to get their opinions.

The best way to evaluate the responses is to have a checklist of points and a marking sheet for each firm, and to score on the sheet:

- Whether the point has been addressed in the tender.
- How well it was addressed (on a scale of 1 to 5) (see box "Tender marking sheet"). Obviously, the less prescriptive the ITT, the more detailed the marking sheet should be.

You should keep a note of stylistic points and the overall impression conveyed (for instance by the letterhead, the layout of the document and ease of use, nature of the language used - easy to follow or convoluted and pompous, the impression that brochures convey).

Everything a firm mentions in its tender should be relevant, and one way of evaluating this is to apply the "which means that" test - for instance, a reference to overseas offices is only relevant if it means that a request for overseas assistance would be met; if not obviously relevant, the firm should explain why it is mentioning a fact. This is an indirect indication of how to-the-point the firm's advice is likely to be.

Other points to mark in a firm's favour are:

- Demonstrations of industry knowledge.
- Evidence of research into your company.

Do not allow yourself to be too impressed, however. The larger the firm, the more resource it has to undertake this sort of research which can, in any case, be bought in.

Short lists and interviews

From the analysis and scoring of the tenders, you need to cut the long list down to a short list of three (more if you are seeking a panel). In doing so, you must be guided as much by your instincts as the outcome of the analysis. Ultimately you are choosing groups of people you will be working with and one of the imperfections of the process is that you can follow all the steps and still end up with a firm with which you are not comfortable. So intuition is just as important at this stage as analysis.

Once you have produced the short list, invite the firms by letter. In it, restrict them to a presentation of 20 minutes, with 20 minutes for questions. Try to see all the firms over a period of one or two days so that they are all fresh in your mind. Fix these appointments by telephone, confirmed in writing. Insist in the letter that you wish to meet the people who will be doing the work and tell them who they will be meeting.

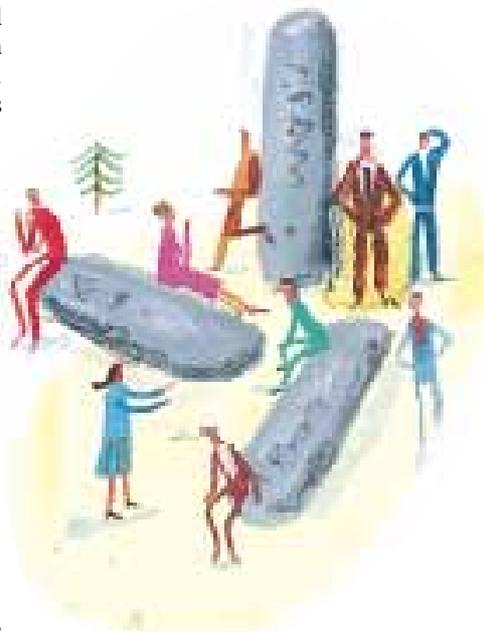
There is an important practical point here. It is tempting to want the firm's most senior partners to attend, to show how important your company would be to the firm as a client. But the greater the seniority of the team presented to you, the more you should ask whether these are the people who will actually be doing the work, the people with whom you and your colleagues will need to speak on an almost daily basis. While it is flattering to see a team of senior partners, normally - for reasons of speed and cost - in the ordinary course of business you will have direct contact with the younger lawyers directly involved with the company's files.

Your team should be no larger than four, all of whom should have been involved in the selection process from early on.

Some firms may ask if they can bring audio-visual presentations. You should

allow them to do what they want; leave it up to them. This is another potential pitfall. Face-to-face communication is principally visual, not verbal. Firms which understand this will use visual aids and use diagrams to show how they manage workflows and teams. These firms will tend to shine: they will look efficient and - especially if using a slide show like Powerpoint - technologically aware.

But the very fact that they have gone to these efforts means they are used to doing pitches. So they will be smooth and polished. Do not be taken in! You may find that the most suitable lawyers for you, the ones with whom you build a good, ongoing relation-



ship, are not terribly good at the superficialities of presentations. They may be awkward and embarrassed. Your job is to put them at ease as much as possible so they can show what they are really like.

However, this is no excuse for a poor performance. Any firm which is genuinely interested in your work will have rehearsed the presentation, often for many hours. They will have worked out the order in which they will sit around the table. They will have scripted a handover between each other and thought through the questions you are likely to ask. Those best at this process will have tailored the tender and the presentation so they fit together well, with the tender supporting the points they make in the presentation. This shows a com-

mitment of purpose; from the outset they intended to reach the interview stage.

The firms most used to the process will generally not use slide shows (you need a dark room and lose eye contact) but may use an overhead projector. However, any technology has a habit of going wrong at the worst moment, so they may not use any visual aids at all, except in hard copy form which they push across the table to you. Instead they will have refined their message to no more than five points which explain why you should choose them. They will make sure that every team member speaks and the joins between will be seamless.

Your job is to use the question time to find out what they are really like and how they work together. There are two purposes to asking questions at the presentation:

- To supplement the information provided by the firm in its tender and at the presentation.
- To establish what working with these lawyers will be like - much of your professional relationship will be you asking questions to which they respond.

This is the chance to ask about aspects of the service which are difficult to put into written words, such as how they bring other specialists into the team, and in particular to discuss fees. You may feel embarrassed to raise the subject. But they will be expecting you to; if you don't, then they should raise it themselves.

Look for little details: are their business cards similar or do they look as if they come from different firms because some are out-of-date designs? Do they introduce themselves properly, so you know why they are there and their future role in relation to your work? Do they interact well or is their performance wooden with all of them dependent on their team leader for direction? Some firms will even rehearse apparent debates between the team members to show you how they would discuss issues in practice.

Those firms which are the most committed may almost behave as if this is the first meeting after winning the pitch: they are taking instructions and are asking you as many questions as you are asking them.

Again, you should have a marking sheet (see box "Presentation Marking Sheet") to keep a note of how well each firm does. But because the face-to-face presentation is inherently inefficient, do not mark down too badly those firms which do not shine unless it is because of lack of preparation.

Some companies extend the process by narrowing the field to two firms and holding further presentations. They may also visit the offices of the firms in question. If you have time to do this, then do so - and ask to inspect the back office areas such as the word processing pool, the library and the mailroom. Be warned that firms resist such visits because of the work entailed in preparing areas not usually seen by clients. However, you can learn a great deal about a firm from such visits - the atmosphere and sense of purpose; how lawyers interact with support staff; levels of apparent efficiency; and how junior and senior lawyers behave together.

The decision and after

Once the interviews are over, you must decide, and reach your decision reasonably quickly. Given the effort which some firms have put into the process, it is not fair to keep them waiting too long. You should do this by letter.

When the answer is no

One of the problems with beauty parades when they were first adopted was the degree of formality with which they were undertaken. The view was that the decision was the cut-off point: the end of the process. Many companies were disappointed by the outcome: they chose the firm and found it did not match up to the presentation.

Nowadays there is a much greater realisation that the process is the start, not the end of firm selection. There is no harm (again, subject to procurement rules) in talking to firms after the presentation, if you have unanswered questions. Indeed, in pitches for government work, it is common for firms to be asked for the "best and final" fee quote after the interview stage.

Tell the disappointed firms that you would like to remain in touch. Some will ask for a de-brief to find out where they went wrong. You should agree to talk to them over the telephone and be as frank as possible. Some will put you on their mailing lists for newsletters and invitations to seminars and receptions. There is no harm in this. It is part of maintaining your database of information about firms. Indeed, you may

wish to revisit the selection process in three years' time.

Trends

Three other final points are worth making.

Many US and UK companies have found that although they get the process right, the all important issue of chemistry is decided generally during the face-to-face interview - often highly rehearsed by the firm - and can lead to choices of firm which ultimately prove disappointing.

Increasingly, one way of overcoming this problem is to try the firm out by giving it a small piece of work and then to build from there. In other words, the beauty parade is a way of narrowing the choice of law firms down to, say, two firms. You then try each out before deciding which to use longer term. It is, in any event, increasingly common for a company to give a small piece of work to two firms, on a fee-paying basis, to see how they do it. This has the advantage of being real; the firms are paid so they do not feel put upon; and it is a pilot for a larger piece of work to be awarded to whichever firms performs best.

It is also common in the US to use standard terms of retention with firms. These documents can be lengthy and complicated. They are the outcome of a breakdown of trust between law firms and their clients, specifically because of the use of hourly charging rates.

The client, having no control over the way in which the time is being clocked up, tries to exert control through a detailed contract. In practice this may not be suitable in Europe.

It is preferable to schedule frequent post-assignment review meetings for individual files and quarterly or six-monthly general reviews between you and the firm's relationship partner at which any problems - such as fees - can be aired frankly and resolved. In this way you can build a relationship premised on transparency and trust.

To conclude, you and your colleagues should review the whole process: what worked well; what could be improved; how you reached your decisions. Document your conclusions. They will be useful next time.

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