



better work, better life

Key Performance Indicators for Legal Departments
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Overview

- **About Adecco**
- **Performance Management Adecco Legal**
- **KPIs for the Legal Department**
- **Review**
- **Conclusion**

About Adecco

Adecco at a glance – *Leading the way in HR services*

Key figures in 2006

- EUR 20.4 billion of sales (+12% vs 2005)
- EUR 611 million net profit (+35% vs 2005)
- 4.0% operating income margin

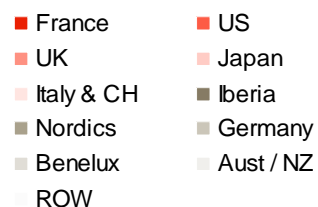
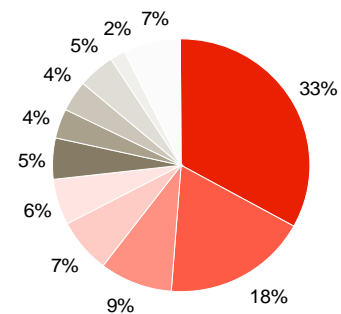
Business numbers

- 700,000 associates placed per day
- 150,000 clients served per day

Market positioning

- Over 7,000 branches in over 60 territories
- Over 36,000 FTEs
- Market leader in 7 of 10 largest economies

Revenues by geographies in 2006



Performance Management Adecco Legal

- Individual
- Function

KPI Individual



Base Salary

Bonus at target

Financial performance of the company

(i.e. economic profit growth)

Individual performance targets (*SMART*)

Specific

Measurable

Achievable

Result-oriented

Time-based

Total compensation at target

(Goals not related to bonus)

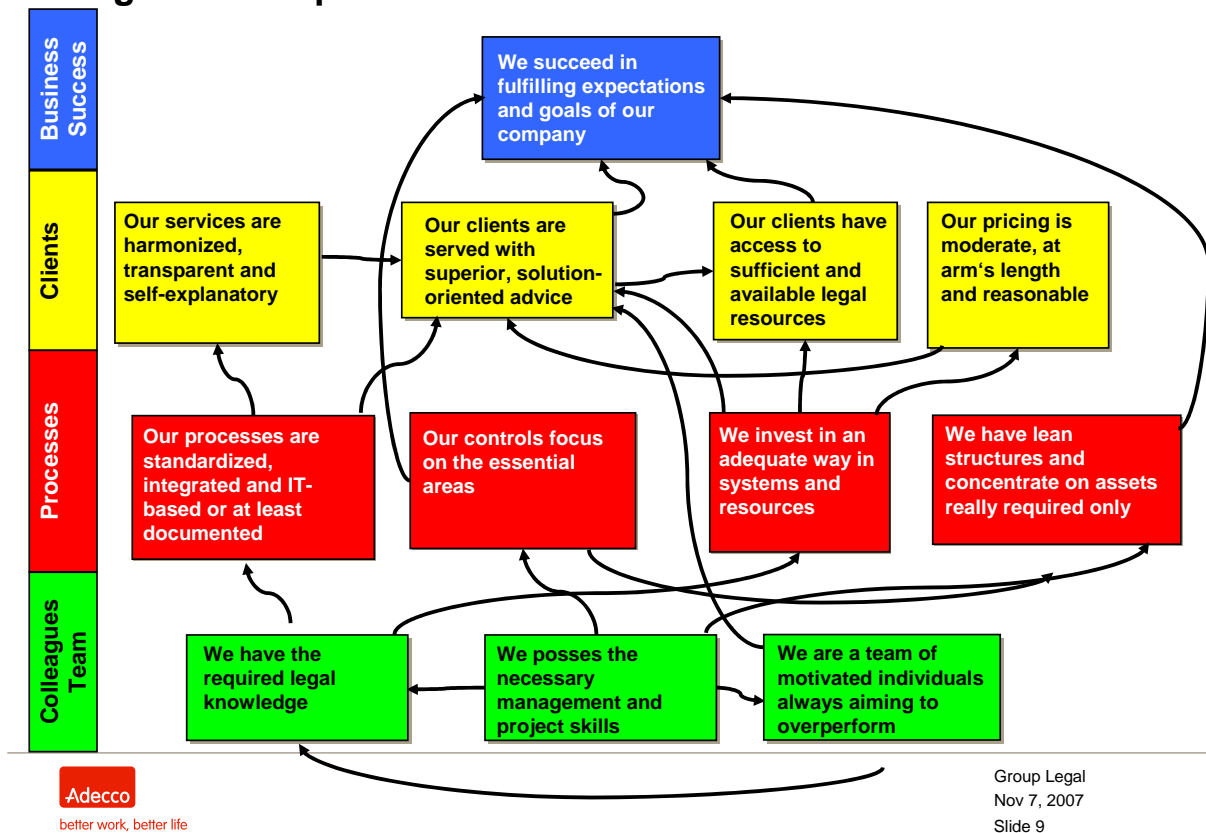
KPI Corporate Legal



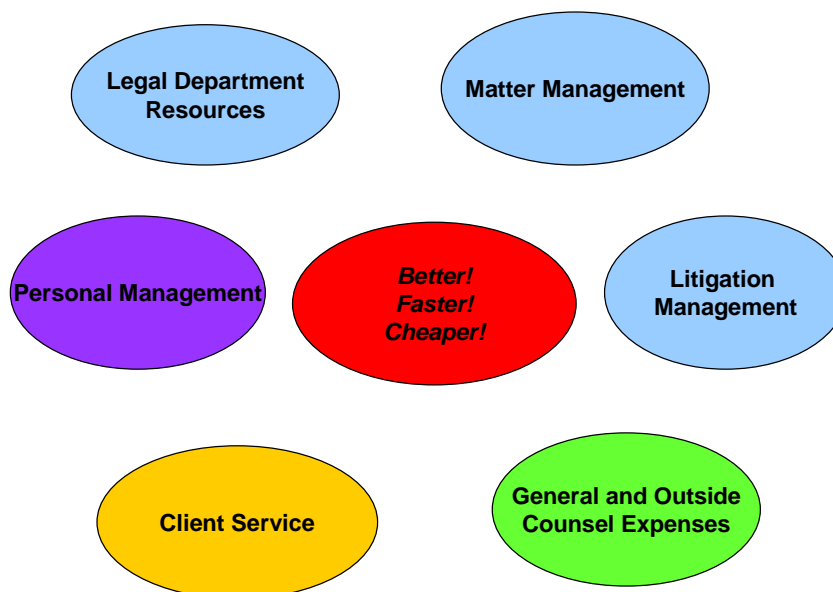
- **Processes**
 - ICOFR (SOX)
 - Group Policies
 - Legal Reporting (QLR)
- **Corporate Housekeeping / Reduction legal entities worldwide**
- **Reaction & execution time in contract and comparable matters**
 - 1st answer / 1st comment
- **Client satisfaction (Legal Questionnaire)**
- **Total spend**
 - Make
 - Buy
- **Question marks “measurability”**
 - Leadership M&A / Large litigation?
 - Mitigated claims & litigation / settlement rate?
 - Over-all value add?

KPIs for the „21st century Legal Department“

Legal landscape – where we come from



Change the perception „Corporate Department of Business Prevention“ – talk business language



Identify and align your KPIs

- Choose integrated approach within company
- Base on internal and external views, check benchmarks
- Coordinate with other corporate functions
- Align with company's strategy and overall goals
- Look for continuity, strive for comparable data over the years
- Keep it simple!

Identify and align your KPIs



Example: Quick win on availability

Defining metrics – it should be simple, fast and practical.

KPI Reaction Time

- ***„In-going e-mail/request - time to first reaction and time to first substantial answer“***
- **Can be easily monitored and measured by an assistant/paralegal.**

Preventive measures

- **Customer-friendly autoresponse e.g. in case of holidays**
- **Illness – contingency planning**
- **Availability – mobile numbers in e-mails**
- **Deadlines – take it serious, reject/negotiate unrealistic ones, time management courses for legal department**
- **Do not over-engineer your legal advice – business-oriented rather than professorial approach**

Review

The divide

- Legal consulting is normal service business.
- Talk the language of your colleagues.
- You can only manage what you can measure!
- Management by Objectives

vs.

- If you manage only what you can measure you miss the big picture.
- Metrics fall short of illuminating the core functions of inhouse-lawyers.
- Trust-driven culture

Limitations

You cannot measure some core services such as

- Making judgement calls
- Negotiating fair positions
- Selecting knowledgeable firms and effectively managing the work of those firms
- Disseminating legal knowledge throughout the company
- Solving, settling or mitigating law-suits and claims
- Strengthening Corporate Governance and Compliance

An alternative approach?

The *High Performance Team* as an alternative, guided by

- **simplicity**
- **decentralization**
- **customer orientation**
- **empowerment and leading by trust**
- **learning culture and feedback driven environment**
- **walk the talk!**

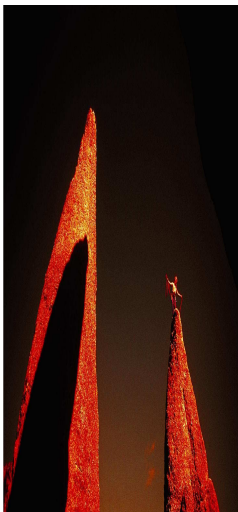
Conclusion

Conclusion

If you really want to improve, you need ...

- ... a yardstick
 - are we doing better than last year?
 - are we doing better than the competition?
- ... objective evidence of problems solved and improvement reached
 - assures you address the right challenges
 - helps you to target more improvements
- ... communication to the management

Conclusion



The Legal Mission

- *to provide top quality and fit-for-purpose legal services (i.e., providing sound legal judgment translated into practical, business-oriented solutions);*
- *although framework includes more and more processes, the quality and substance of our advice and services remains the paramount objective.*

In order to succeed you may have to show or prove exactly this to your Board / CEO / Boss – *can you measure it?*



Many thanks for your attention!