Share a professional:

- Personal perspective (as an outside & in house counsel)
- Real personal example (as an outside & in house experience)

PRESENTATION

I - Brazil
II - Telefonica
III - Legal Services
I - Brazil
More than 130 thousand employees worldwide

Presence in more than 20 countries

More than 150 million users

Strong presence in Europe and Latin

Stock listed corporation (including in USA)
II - Telefonica Latin America

14 Countries in Latin

Local Business Operation (fixed + mobile)

More than 60,000 employees

Group revenue: 47,000 mi euros
Latin revenue: 23,500 mi euros

LATIN represents > 50% of Group revenue generated
BRAZIL represents (+ -) 20% of Group revenue generated
III - Legal Services

In House and Outside counsel relationship

- General issues – common ground
- (too obvious…..) Lessons learned
- Why having legal departments? CEOs answers
- Legal Services: Make it? or Buy it? (one view)
- Love
- Hate
- How we help each other
III - Legal Services

In House and Outside counsel relationship

General issues – common ground

- Law knowledge *
- Innovation
- Share common goals
- Long term relation *
- Trust *
- Budget
- Commitment
- Collaboration
- Respect

- Know the client
- New opportunities
- New strategies
- Cost reduction
- Cost reduction
- Cost reduction
- Cost reduction
- Cost reduction
III - Legal Services

(too obvious....) Lessons learned

- Law firms may only behave as law firms
- Law firms must:
  - Understand company culture, business & moment
  - Act as a Partner of the In House (both share one common reality)
- Law firms perform better working together with a qualified legal department
- Legal knowledge is a priceless asset
- Money/fees/costs.... important, but the most important is

CLIENT (CEO/CFO/COO/etc...) and their VALUE PERCEPTION UPON LEGAL SERVICES
III - Legal Services

Why having legal departments? CEOs answers

Fortune 500 CEOs

- Understands the company better 93%
- Participates in strategic/business planning 89%
- Best to manage outside counsel 81% *
- Better relationship with respondent 79%
- Cheaper 60%
- Provides better service 60%
- Costs are easier to control 54% *
- Trust in-house counsel more 37%
- Knows relevant law better 16% *

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III - Legal Services

Legal Services: Make it? or Buy it? (one view)

CRITIC

NON CRITIC

NON-CORE

CORE

B (+ M)
SPECIALISTS

B
“MILK”

M
BEST IN TOWN

M/B
GROUCHO
III - Legal Services

Love

- Long-run relationship (stay close to client)
- Business understanding (stay close to client business/product)
- Communication skills
- Timely reporting
- Tandem with in-house lawyers (as in VIP litigation)
- One vision for one client (account officer)
- Feedback
  - from conflict to operation
  - challenging our way
III - Legal Services

Hate

- Unnecessary complexity / overlawyering
- Poorly supervised juniors
- Lack of knowledge mgmt
- We all make mistakes, but if I had known it …
- Frivolous litigators
- Handling routine customers’ claims as litigation and not as customer service
- Re-opening of flat-fee agreements
III - Legal Services

How we help each other

- Annual survey
  - Quality of product
  - Availability / responsiveness
  - Communication / reporting
  - Administrative efficiency

- Knowledge mgmt
  - Semi-annual meetings with all law firms
  - Webex conferences for updating and sharing information
Telefonica Group

Q&A??

TKS!

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