



*SCG Legal - Legal Services to  
Multinational Corporations:  
one perspective*

*Jun 2013*

*Telefonica*

**vivo**

Share a professional:

- Personal perspective (*as an out side & in house counsel*)
- Real personal example (*as an out side & in house experience*)

## PRESENTATION

I - *Brazil*

II - *Telefonica*

III - *Legal Services*

# I - Brazil



Valente\_ingles (1).wmv

# II - Telefonica Group



**More than 130 thousand employees ww**



**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
- Colaboration
- Respect
- Know the client
- New opportunities
- New strategies
- Cost reduction
- 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

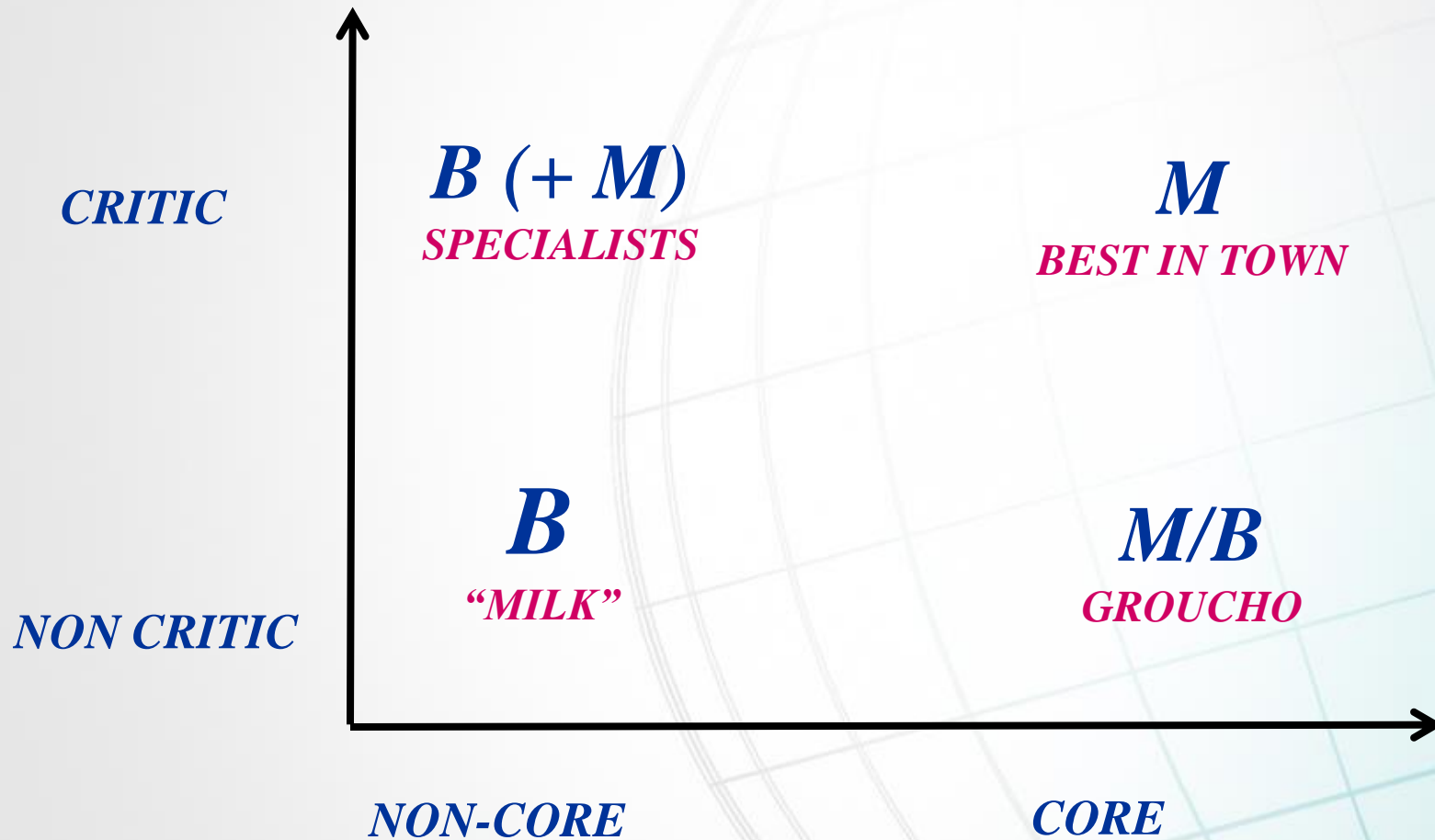
### Fortune 500 CEOs

- 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% \*

© Hildebrandt Int'l and Association of Corporate Counsel (2006)

# III - Legal Services

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



# 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!*

*frederico.tapias@corp.terra.com.br*

*55 11 99604.3887*