

CHINA LAW INSIDER



Choosing Outside Counsel: A Former General Counsel's Perspective

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Having spent a significant part of my career as an in-house lawyer with multinational companies—including Shell, Hershey Foods, Dole Food Company and Nissan North America—I have had the opportunity to experience the attorney-client relationship from both sides of the table. Today, as an outside lawyer advising multinational companies on cross-border matters, I often find myself thinking back to the decisions I made as an in-house counsel: When should we handle something internally? When should we bring in outside counsel? Which firm should we hire? Do we need one of the world's largest law firms, or would a smaller, more specialized firm actually serve us better? Those decisions are more consequential than they may first appear.

Selecting outside counsel is not simply about choosing a law firm. **It is about choosing the lawyer—or team of lawyers—you are willing to trust with a business problem.** That distinction matters.

When Do You Really Need Outside Counsel?

A good in-house legal department should handle much of the company's everyday legal work itself. In-house lawyers understand the company's business, personalities, risk tolerance and institutional history in ways an outside lawyer rarely can. But there are times when outside counsel becomes essential. Sometimes the issue requires specialized expertise that the internal legal team does not possess. Sometimes the transaction is unusually large or complex. Sometimes independent judgment is necessary. Litigation, investigations and regulatory matters may require resources that an in-house department simply does not maintain. And sometimes there is simply too much work and too little time. The important question is not whether outside counsel *could* handle a matter. Almost anything can be outsourced. The better question is:

Where can outside counsel add value that the in-house team cannot efficiently provide itself?

Once that question is answered, the next one becomes more difficult.

Whom should we hire?

When Big Law Is the Right Answer

There are circumstances in which hiring a major international law firm is entirely appropriate.

A multibillion-dollar acquisition involving numerous jurisdictions may require hundreds of lawyers across multiple specialties. Bet-the-company litigation may require enormous resources. A securities offering, major antitrust proceeding, highly specialized regulatory investigation or transaction requiring coordinated advice in twenty countries may justify—and sometimes demand—the infrastructure of Big Law. Large firms can bring extraordinary resources to a matter. They have deep benches, highly specialized expertise and the ability to mobilize large teams very quickly. When I was a general counsel, there were matters where that capability was exactly what the company needed. But there is a tendency in corporate legal departments to assume that the largest problem automatically requires the largest firm. That is not always true. Nor is the most prestigious firm necessarily the best firm for every assignment.

A Firm Is Only as Good as the Lawyer Handling Your Matter

One lesson I learned repeatedly as a general counsel is this:

You do not really hire a law firm. You hire lawyers.

A firm's name may open the door, but the lawyers assigned to the engagement determine the quality of the experience. A renowned firm with thousands of lawyers does little good if the senior partner who impressed you during the pitch disappears once the engagement letter is signed and the work is delegated several levels down. Conversely, an experienced partner at a smaller firm who understands your industry, knows the local regulatory environment and personally remains involved may provide considerably greater value. That is why, when selecting outside counsel, I would look beyond the firm's brochure. I wanted to know:

Who is actually going to do my work?

Who will answer my call?

Who will exercise judgment when an unexpected issue arises?

And who is ultimately accountable for getting the answer right?

Those questions often matter more than the

name above the firm's reception desk.

When a Mid-Sized or Boutique Firm May Be Better

For many assignments, particularly cross-border matters, a mid-sized or boutique firm can offer significant advantages. Smaller firms are often more specialized, more flexible and less layered. The senior lawyer you hire may actually be the senior lawyer doing the work. That can mean quicker decisions, more direct communication and less time spent moving information through multiple levels of associates. Cost matters as well, although I would never select counsel solely because of hourly rates.

The better measure is **value**.

A lawyer charging a higher hourly rate but resolving an issue in three hours may be substantially less expensive than a lower-priced lawyer who requires fifteen. Likewise, a boutique firm with deep experience in a particular jurisdiction may resolve a regulatory problem much more efficiently than a global firm that must first determine which office—or which team within that office—should handle it. The objective should never be to find the cheapest lawyer. It should be to find the **right lawyer at the right platform for the particular problem**.

Responsiveness Is Part of Legal Competence

Technical ability is obviously essential. But from the client's perspective, another quality becomes almost equally important:

Responsiveness.

When I was sitting in the general counsel's chair, I quickly learned the difference between a lawyer who responds promptly and one who responds when convenient. A client should not have to wonder whether an email was received. Even when the lawyer cannot immediately provide the substantive answer, a simple response—*"I have received this, I understand the issue, and I will get back to you by tomorrow afternoon"*—creates confidence.

Silence creates uncertainty.

And uncertainty is particularly dangerous when executives are waiting for legal guidance before making a business decision. Prompt delivery is equally important. If counsel promises an answer Friday, the client should not have to call Monday asking where it is. Reliability builds trust one assignment at a time.

Cross-Border Work Changes the Equation

These qualities become even more important in international representation. A company in New York or Washington dealing with a problem in Shanghai cannot afford to lose an entire business day every time a question crosses the Pacific. Time-zone differences can easily turn a two-hour problem into a three-day exchange. That means good cross-border counsel must think differently about communication. If I receive a question from a client twelve hours away, I should anticipate the questions that are likely to follow my answer. Providing half an answer and waiting overnight for the next question is inefficient. The better approach is to understand the client's objective, anticipate the next several issues and provide enough practical guidance that the business can continue moving while the other side of the world sleeps. In cross-border representation, **responsiveness is not simply good client service. It is part of effective lawyering.**

Global Experience, Local Expertise

International legal work presents another challenge. It requires two perspectives that do not always reside in the same lawyer. The first is **global experience**. Counsel must understand

how multinational companies operate—how headquarters thinks, how international transactions are structured, how corporate compliance systems function and what senior management expects from legal advisers. The second is **local expertise**. Counsel must understand what actually happens on the ground: local laws, regulators, courts, business customs, employment practices and cultural expectations. Having only one of those perspectives can be dangerous.

A lawyer who understands local law but not multinational business may provide technically correct advice that is difficult for headquarters to implement. A lawyer sitting thousands of miles away may understand the client's corporate objectives perfectly but fail to appreciate how local authorities or counterparties will respond. The strongest cross-border counsel combines both.

Globally experienced. Locally knowledgeable.

That combination becomes increasingly important as international business grows more complex and geopolitical, regulatory and cultural considerations become intertwined with traditional legal analysis.

Reputation Matters—but Trust Matters More

Would I consider reputation when hiring outside counsel? Of course. Reputation is earned, and it provides useful information about a firm's capabilities. But reputation gets a lawyer onto the shortlist. It does not necessarily keep the lawyer there. What builds a lasting outside-counsel relationship is something much simpler:

Trust.

Do you understand my business?

Do you tell me what I need to know rather than everything you know?

Will you tell me when I am wrong?

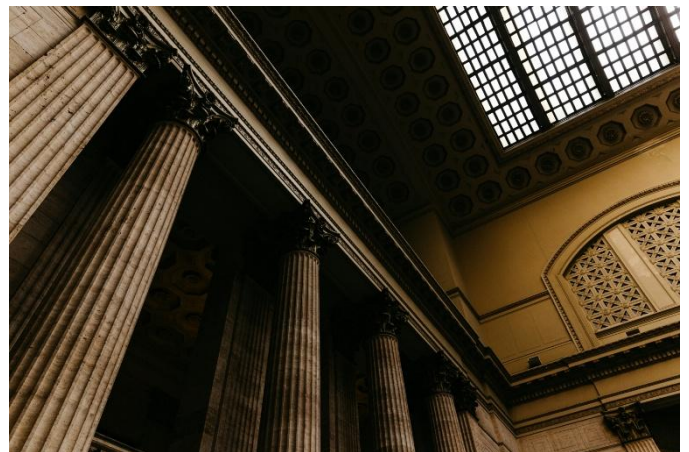
Will you answer when the problem is urgent?

Will you meet the deadline you promised?

Will the partner I hired remain involved?

And when the situation becomes difficult, will you give me a recommendation rather than simply describe my options?

Those were the questions that mattered to me as an in-house lawyer. They matter even more to me today as outside counsel.



The Client's Chair

Perhaps the greatest advantage of having served as a general counsel is that I never entirely left the client's chair. When I advise a company today, I still ask myself:

If I were receiving this advice as the general counsel, would I hire this lawyer again?

That is a remarkably useful test. Clients have many choices. They should use Big Law when Big Law is the right tool. They should use specialized firms when specialization, responsiveness and partner attention matter more than institutional size. But whatever firm they select, they should remember one fundamental principle:

The quality of legal representation ultimately depends less on the size of the firm than on the judgment, experience, responsiveness and commitment of the lawyer entrusted with the matter.

The name on the building matters. But the lawyer who answers the phone—and knows what to do next—matters more. I particularly like the final two lines because they summarize the article without sounding like a disguised advertisement:

“The name on the building matters. But the lawyer who answers the phone—and knows what to do next—matters more.”

About the Author



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Mr. Pang has over four decades of legal and business experience, including senior in-house roles with major multinational companies before entering private practice. Drawing on experience from both sides of the attorney-client relationship, he advises international businesses on cross-border transactions, corporate matters, regulatory issues, and navigating complex legal and business challenges in China.

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