

Corporation Service Company: A Key Resource For General Counsel

The Editor interviews Jennifer Mailander, Associate General Counsel and Product Manager, Corporation Service Company.

Editor: Ms. Mailander, would you tell our readers something about your professional experience?

Mailander: After several years as a paralegal in Cincinnati, first with the firm of Taft, Stettinius & Hollister and then with Procter & Gamble, I decided to go to law school. My initial area of practice was in the environmental regulatory field. I then worked for Landis & Staefa in the Chicago vicinity as corporate counsel focusing on contracts and transactional work, and then went on to work at LexisNexis as a legal consultant. I worked with large corporate clients on best practices and the implementation of a variety of technology applications. About a year and half ago, I joined Corporation Service Company to serve in a dual role as associate general counsel and product manager.

Editor: Would you give us an overview of CSC and the products and services it offers organizations to help meet their compliance and corporate governance obligations?

Mailander: CSC is a provider of legal and financial services for the world's largest companies, law firms and financial institutions. Our services are integrated with monitoring,

workflow, compliance and reporting solutions. We are a service company dedicated to mitigating risks and reducing costs in four general areas. One component of the company addresses corporate identity protection, which entails clearing and monitoring trademark and domain name portfolios and brand protection. A second service area is litigation and matter management, including e-billing. A third component is compliance and governance services, which involves tracking compliance events - annual reporting, and, for example, dealing with company records. The final component involves deal and transaction services, which extends to a variety of asset-related document searches, filings services, including secure transaction services, such as UCC filings. This last piece involves services that some companies do not wish to handle themselves in today's environment. In today's business climate - which is very competitive - many companies choose to utilize their personnel on tasks other than mundane, albeit important, transaction services.

Editor: Please tell us about CSC's Matter Management and E-Billing systems.

Mailander: CSC Matter Management allows corporate counsel, law firms, insurers and other parties to share case or matter information over a secure and encrypted electronic work environment. It is an easy to use document

management, data management, collaboration, and reporting tool. The solution can be used to manage contracts, transactions, litigation, garnishments or any other project within a legal department or organization.

CSC Matter Management enables users to define templates, custom screens and data fields for unique workflows. The CSC Matter Management platform allows users to share knowledge and information in real-time with other participants, to set alerts and create tasks, and ensure compliance with your internal procedures.

CSC E-Billing is an optional module available within CSC Matter Management. It's designed to expedite the invoicing process for the corporate legal department. CSC E-Billing enables users to receive electronic invoices and use our secure solution to route them through their organization. The routing is done by utilizing client-defined customizable workflow rules that can be easily managed and can even include the accounts payable contact for payment.

Editor: How does it work?

Mailander: The corporate law department's law firm (or vendor) simply uploads its invoices into CSC E-Billing using the LEDES 1998B or LEDES 2000 format. LEDES is the Legal Electronic Data Exchange Standard and was created to standardize billing/invoice data transmitted electronically from a law firm to a corporate client. It's important to note that the system is secure and when a law firm uploads

invoices to Matter Management, they only have access to those invoices that they upload.

Invoices can also be manually uploaded in CSC E-Billing for firms not using the electronic method. Receipts and other documents can also be uploaded and attached to the invoice, such as for meals and travel expenses.

When an invoice is uploaded into the CSC E-Billing system, custom validations are automatically checked against specific invoice attributes for accuracy. These validations check calculations, billing rates, special billing arrangements, and other billing guidelines as determined by the corporate law department. Invoices can be rejected or flagged to indicate inaccuracies or errors. Custom validations help our customers enforce their billing guidelines and reduce the number of errors reported by law firms in billing. The CSC Application Support team works with clients to establish these custom validations.

After the custom validations are checked, the invoice is automatically routed through the client's organization, based on a custom rule set. Each designated reviewer receives an automatic e-mail alert to review the invoice. Reviewers can edit, question, comment, approve or reject invoices. If reviewers make any edits, comments or questions to any line items, they are captured in the application and displayed with the invoice. A PDF summary accompanies the invoice as it passes through multiple authorization levels. After final approval, an accounts payable contact receives an e-mail alert linked

with all approved bills, printable PDF summary files, and original invoice information in a downloadable XML file.

Editor: One of the principal challenges that has accompanied the technological revolution of the past 15 years or so is dependence on a variety of IT systems that may not communicate very well with each other. Please tell us what CSC has brought to this particular discussion.

Mailander: The foundation for all of our solutions is web-based Software as a Service (SaaS) technology where the software resides on a CSC web server. That is, the software is not on the client's network, and the applications require only a web browser, security clearance and permission access to the website for product use. That is a major service improvement because the client does not require any other server companion products to maintain the CSC application. In addition, whenever there is a product enhancement, it can be rolled out seamlessly without a need for the client to implement software updates.

When we provide a service, we provide training. CSC products are essentially intuitive - an ID and password is pretty much all anyone needs to gain access - so this does not entail a substantial commitment of time on the part of the client. In addition, training is part of the service and does not involve a separate fee.

Another component we bring to the table is integration. CSC is in the unique position of

being both a registered agent and provider of a variety of management services.

Finally, CSC is the leader in providing XML - Extensible Markup Language - to corporate law departments. The extensible piece is meant to describe the process that allows the user to define its own elements in helping information systems share data. This permits disparate IT solutions to talk to one another. Many of our clients already have a matter management system in place, and we are able to feed our service of process data, for example, into such a system via the XML stream. We also do this in feeding our e-billing data into a client's accounts payable system.

Editor: In your experience, how is an effective matter management system really managed? Who is in charge?

Mailander: There are a number of models in use, but in my experience the general counsel, who is being charged with the most wide-ranging responsibility for protecting the company, is usually the person most appropriate to manage the system. He or she may delegate that responsibility, but it should be managed within the law department with the general counsel's approval. However, integration on the part of general counsel with the IT department, data management, human resources, risk management and other areas of responsibility is crucial.

Editor: How do you go about getting the various stakeholders in the matter management

process to coordinate their activities?

Mailander: I think it is important to be sensitive to the company's culture, particularly where change is being implemented and perceptions may be at considerable variance as you move from one practice area or department to another. Very often egos are in play, and there may be very different perceptions of the contribution that a particular department or service makes to the enterprise and what tools are needed for use by that group. That said, let me add that CSC's customer support - what we refer to as our Application Support team - is very good at getting the various stakeholders to express their views and, even in very tricky situations, to listen to the views of others. In a word, we approach this particular challenge carefully.

Editor: As you know, most of our readers are general counsel and the members of corporate legal departments. What should we be saying to them about the potential problems or pitfalls with respect to the matter management process generally?

Mailander: I think it's critical that corporate counsel should take care to avoid being overwhelmed by the details. There is a lot of information on matter management and e-billing out there and it can be confusing. Even a small law department has people working in different areas, including contracts, real estate, mergers and acquisitions and technology. Depending on what the company does, there may be other specialty areas. Environmental issues and

securities come to mind. At the end of the day, it is important to understand that this process is about managing information, managing data, documents, and being able to communicate or collaborate about them - and not about any specific content. I have been in Seattle making a presentation on matter management at an ACC event, and my presentation included a picture of a desk on which rows of papers are stacked to the height of two feet. This is a form of matter management that many people still use. It's risky. What happens if that attorney is working on a contract and then suddenly gets sick or has to be away from the office? Someone has to find the contract and figure out what's been done and how to move forward. An electronic matter management system provides a uniform way to capture information (notes, contacts, tasks, etc..) and documents (e.g., contracts) all in one place. The ability of a company to easily capture data and documents in a consistent platform is increasingly important as the volume of information available expands.

Editor: And e-billing in particular?

Mailander: There are studies that are indicative of the fact that law departments that implement a matter management system on average will save approximately eight percent on fees paid to outside law firms, and that implementation of an e-billing system will result in a savings of ten percent on average. That supports my perception that the company cannot afford not to implement.

On the law firm side, there may be a misperception about e-billing. It is not something that is automatically adverse to the interest of the firm. Indeed, the process provides them with the efficiencies it offers the company. And, it is the way things are being done now and into the future. I have worked with outside counsel for many years, and I have never been reticent about asking them to participate in the company's e-billing process.

From the company's point of view, the advantages are beyond argument. The legal department of any company - being an expense rather than a source of income - is conscious of having to prove its value to the enterprise, and e-billing is one of a number of ways of demonstrating such value in a quantitative way. Reporting in the age of Sarbanes-Oxley is at the center of a company's ability to navigate a business environment that is increasingly regulated, and having a system - whether matter management or e-billing - that demonstrates value is validated through the reporting process. Finally, companies need to take advantage of technology. Taking advantage of XML, for example, results in being able to connect, coordinate and mutually support a variety of disparate systems that otherwise might embroil the company in internal conflict. All of these things usually require at least some service provider support from the outside. Given the considerable experience and the very great depth of expertise that CSC possesses in these areas, I believe it is wise and prudent for any company in today's business climate to assess our service offerings.

Please email the interviewee at jmailand@cscinfo.com with questions about this interview.