

Value Practice:

**Implementing a Portfolio-Wide, “All In” Fixed Fee with a Single Law Firm . . .  
Pfizer’s Employment Law Arrangement with Jackson Lewis**

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**Interviewed while Partner, Jackson Lewis & Relationship Partner on Pfizer Account**

**Executive Summary:**

In connection with its Legal Alliance program, Pfizer has consolidated its employment litigation and counseling work from across the country, assigning it to a single law firm – Jackson Lewis – under an “all in” capped fee amount for the entire portfolio. Under the two-year arrangement, Jackson Lewis handles new matters that arise, in addition to the existing matters that were transferred to it on day one (most of them were).

Instead of receiving a multitude of invoices and reports from across the country, Pfizer receives a single set of reports in one format tracking matter developments, resource allocation and expenditures across the portfolio. The client and firm state that this arrangement enables them to work more closely together and **deliver greater value** via:

- deeper knowledge of client operations and systems,
- better use of a single technology platform across the entire portfolio, and
- ability to engage more intensively in macro strategy and training sessions on the preventive front.

According to Pfizer’s Assistant General Counsel who leads the Employment Law Group, this arrangement has enabled the company to realize higher value (in terms of quality and cost) and lower administrative burdens. These are core elements of the Pfizer Legal Alliance Program, which is committed to attaining higher quality and value via stronger relationships between the company and its select group of law firms.

Following are additional details on implementation, outline of the structure, and how client and firm monitor the engagement to ensure success.

### **Implementation Efforts**

Pfizer first assessed the nature of its employment litigation and counseling work to determine whether an alternative arrangement like this was feasible. This entailed gathering information and analyzing multi-year trends on:

- Matter flow per year (number of matters in existence, new matters, and existing matters closed)
- Types of matters, and degree of commonality among issues and geographic scope
- Spending patterns
- Administrative efforts required to manage outside counsel efforts across the portfolio

After assessing this information, Pfizer decided that the nature of the employment law matters would enable an “all in” fee construct with a single firm. It then identified a few finalist firms having the subject matter expertise and geographic coverage to support such an engagement. Pfizer contacted each, explained the new approach envisioned, and sent a streamlined RFP, along with key portfolio information as outlined above.

After reviewing the RFP responses and conducting multiple interviews of the finalists (including designated teams of lawyers who would serve the company in regions across the country) Pfizer selected Jackson Lewis.

### **Outline of Structure, Monitoring Progress**

#### **Scope: Two-Year Term**

Under the arrangement, Jackson Lewis handles **new employment law litigation and counseling matters** that arise during the two year term of the arrangement. The firm also handles the matters that were transferred to it on day one. (Most matters were, except for a few that had progressed far enough in litigation that it did not make sense to do so.) If a matter arises requiring local counsel in an area where Jackson Lewis does not have coverage, the firm is responsible for engaging local counsel – after conferring with Pfizer about the proposed choices.

#### **Fee Arrangement**

The firm is compensated according to an “**all in” capped fee arrangement per year**, calculated off prior year spending patterns as a base line. Payment is made in twelve monthly installments, without need for line-by-line scouring of monthly invoices. Also, any non-routine

matters of significant scope (e.g. purported class actions) would be carved out and addressed separately.

Other key aspects of the arrangement include:

- *Active Relationship Partner*- who serves as an informed point of contact on issues across the entire portfolio. While Pfizer attorneys deal directly with assigned teams of Jackson Lewis attorneys across the country, having one person involved on a macro level helps unify strategy, operations and reporting.
- *Coordinated Approach to Managing*- Jackson Lewis team members on the Pfizer account participate in periodic calls and meetings to share updates on protocols and matter developments in Pfizer matters across the country. The firm reports that this information sharing helps ensure consistent quality and greater efficiency (e.g. eliminating redundant efforts).
- *Technology*- the firm provides a client-specific extranet to store work product, pleadings, research, discovery, memoranda (like state surveys), templates, and other pertinent information such as budgets, litigation plans, and status reports.
- *Value-Added Services*- In addition to the foregoing, Jackson Lewis provides the following as part of the engagement fee:
  - ***Orientation.*** Core team members visit client locations and meet with members of human resources and management to familiarize themselves with the company's operations and the issues affecting the company, the industry, and specific local or regional issues.
  - ***Review and Strategy Meetings.*** The firm meets with the client periodically to gather feedback about the relationship and devise strategies for improving the partnership with the company.
  - ***National Continuing Education Programs.*** The firm provides in-house counsel, human resource managers, and other key members of management with complimentary registration to the firm's educational programs held around the country. The firm also provides on-site seminars to the company's in-house attorneys and human resource managers on new developments and partners with the company's in-house attorneys on internal programs.

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