

LIVE WEBINAR

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# Navigating When to Leverage FTE, Outside Counsel, or Flexible Talent for Optimal Results



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# What is Rightsourcing?



Rightsourcing is ensuring the *right* work is getting done by the *right* people at the *right* cost.

In other words, it answers the perennial concerns of “how can we accomplish all this?” In ACC’s Chief Legal Officers Survey, rightsourcing was identified by 45% of CLOs as a top-tier strategic priority. The goal of rightsourcing is to get the work done well and most efficiently by using resources strategically.

Rightsourcing is the process of understanding the full spectrum of work your legal department handles, and finding the best resources – substantively and cost-wise – to own that work. That includes your in-house team, your outside counsel, your legal technology, and your flexible legal talent partner.

The value of rightsourcing goes far beyond cost savings.

When you get it right, you maximize the value of your existing team by leveraging their skillsets, providing development opportunities, and preventing burnout.

In the use cases that follow, we look at GCs’ thought processes on how to accomplish all that they must. You will see real-world considerations GCs used to secure the right resource in such common scenarios as:

- Product launches that create a temporary spike in demand
- Corporate transactions that push Legal beyond current capacity
- Complex, high-priority projects poised to overwhelm Legal

Recognition of these pressure points not only provide GCs with a way to prevent negative impacts on the team and business. The reasoning behind the solutions form a new way to think about talent gaps that is applicable in a variety of scenarios.

# Maximizing the Value of Your Legal Spend



## Legal Talent Options and Considerations:

- FTE In-House (FTE): Best for perpetual needs and tasks requiring deep business knowledge. Dependent on headcount availability and internal justification.
- Outside Counsel (OC): Ideal for fast-moving and highly complex areas of law, such as major litigation. Valuable for strategy and expertise but expensive, making it unsuitable for routine overflow tasks.
- Interim Flexible Talent: Excellent for work where additional hands or expertise is needed, whether high-volume, specialized work, or unpredictable workflow. Cost-effective compared to outside counsel and requires minimal supervision when properly selected.

## Strengths and Weaknesses of Each Option:

- FTE: Deep understanding of the company and its history, but limited by headcount constraints, budgets, and changing priorities.
- OC: Provides specialized expertise but can be costly and inefficient for routine tasks. Lacks the long-term familiarity and in-house experience to identify which provisions truly matter in contracts or speak the language of the business.
- Interim Talent: Combines practical experience with cost efficiency. Suitable for high-volume or seasonal work, training, and handling overflow tasks, allowing in-house team flexibility to focus on high-value projects.

## Strategic Use Cases for Each Option:

- FTEs: High-value work requiring institutional knowledge or professional development opportunities, such as diligence in M&A transactions and integration, litigation management, or major strategic initiatives.
- OC: High-stakes strategy and appearances in litigation, deal negotiations in M&A, or fast-moving areas requiring immediate expertise.
- Interim Talent: Overflow work, backfill for leaves or hiring gaps, day-to-day commercial support, special projects where an embedded resource is ideal, or handling cyclical/seasonal needs.

## Unique Benefits of Interim Talent:

- Provides cost-effective coverage for tasks beyond the capacity or expertise of the internal team.
- Can leverage perspectives from multiple companies and industries to serve as trainers for in-house teams, supporting professional development.
- Bridges gaps in headcount or temporary expertise needs without the long-term commitment of FTEs.
- Provides flexibility to ramp up or ramp down based on the ebbs and flows of the work

## Examples of Blended Use:

- Commercial: Divide and conquer strategy. Interim support covers projects or volume beyond the scope of FTEs.
- Product: FTE handles legacy or ongoing products; interim talent supports new product launches (where ongoing support or longevity is TBD) or product sunsets.
- Compliance: Interim talent sets up compliance framework and trains FTE for maintenance and business-as-usual.
- Litigation: Outside counsel handles strategy and appearances; interim talent manages OC liaison and witness prep; FTE supports discovery.
- M&A: FTE and OC collaborate on due diligence; OC leads deal strategy; interim talent assists with deal support and integration.

# Budgeting for Rightsourcing

## Separate Budgets for FTEs, OC, and Interim Talent:

- FTE headcount often has a distinct, highly scrutinized budget as a fixed expense.
- Interim talent is typically categorized under professional services and may not need to be reported in the same way as FTEs.
- Outside counsel budgets often account for expected recurring needs, such as litigation.

## Budgeting Challenges and Decision-Making Factors:

- While interim support may be scrutinized, it offers greater flexibility in how budgets are allocated and tracked.
- Budget allocation often depends on the department driving the need for support and the specific type of resource required.
- Zero-based budgeting practices require justifying every line item, with examples highlighting how companies allocate for foundational projects in this framework.

## Accounting for Seasonal Demand and Unforeseen Projects:

- Legal budgets must consider “known unknowns” such as anticipated litigation or cyclical demand.
- Organizations need flexible forecasting to handle major initiatives or unexpected challenges.

## Strategic Use of Resources:

- Companies often balance fixed costs (FTEs) with flexible options (interim talent and OC) to address both predictable and ad-hoc needs.

# Making the Business Case for Your Talent Strategy



## **Building Trust with Leadership:**

- Long-term trust with leadership can make it easier to advocate for interim support, especially when positioned as a way to provide relief for overburdened FTEs.

## **Metrics and Data-Driven Justifications:**

- Highlight cost savings achieved through interim support.
- Use data to show how additional legal support improves outcomes, such as faster turnaround times, increased sales percentages, or improved service level agreements (SLAs).
- Align the case for interim support with broader business goals to strengthen its impact.

## **Assessing Needs Before Making a Case:**

- Avoid hiring specialists solely for narrow tasks; evaluate the scope of work and volume to determine the best resource (FTE, interim, or outside counsel).
- Decision-makers need clarity on what work needs to be done and how it aligns with strategic priorities.

## **Creating a Business Case Playbook:**

- Developing a playbook for building a business case can streamline the process and provide consistency when communicating with leadership.
- Include practical tips, talking points, and metrics for justifying flexible talent strategies.

## **Successful Examples and Talking Points:**

- Highlight past successes where flexible talent addressed pain points such as excessive workloads, slow turnaround times, or unmet expertise needs.
- Focus on how the strategy benefited the organization's efficiency, budget, or business outcomes.



# Lessons Learned and Practical Advice for Rightsourcing Success

## Common Pitfalls and How to Avoid Them:

- **Supervision and Onboarding:** Interim talent requires upfront investment in onboarding and clear direction to ensure success.
- **Clarity of Role:** Clearly define whether interim attorneys are expected to act as consultants, take the lead, or execute tasks in the background. Setting expectations upfront is crucial for success.

## Leveraging Interim Talent for Future Needs:

- Building a pool of trusted interim resources familiar with your organization can reduce onboarding time and improve efficiency for future projects.

## Critical Lessons on Balancing Talent:

- Interim talent can serve different roles, from providing specialized expertise to managing specific projects. Understanding these varied use cases is key to effectively rightsourcing.
- Bias toward FTEs or other traditional approaches may need to be re-evaluated as interim talent can offer more flexibility during transitions or periods of uncertainty.

## Advice for Legal Leaders Starting a Rightsourcing Strategy:

- **Challenge Assumptions:** Be open to learning and adapting. Interim talent can be especially useful for managing new initiatives or transitional periods when the full scope of needs is unclear.
- **Start Small:** Begin with smaller projects or test runs to ease into a rightsourcing strategy, tailoring it over time to your organization's needs.
- **Seek Support:** You don't have to navigate this process alone—external partners can guide you in implementing and scaling a rightsourcing strategy.

# Product Launch Creates Unsustainable Work Surges



## CLIENT

- A Software-as-a-Service (SaaS) company
- San Jose, CA based
- ~\$20B in annual revenue

*To manage work overflow triggered by new product rollouts, the GC of a software company must meet the demands of the business while managing the legal team's capacity and costs.*

## Facts to consider

1. Company anticipates demand rising for the next 6 months and possibly beyond.
2. Recent budget cuts increase scrutiny of new headcount and FTE hires.
3. GC has built a strong in-house team and is concerned about burnout.

*This use case is a hypothetical inspired by Paragon's experience. Any similarity to existing companies is purely coincidental.*

## Challenge: Meet demand surge to keep up with success

The company's new project management product gained popularity so quickly that updated versions were soon in development.

Due to the pace of the business team pushing new rollouts, the legal team found itself with a major workload spike, and they were forced into reactive, catch-up mode. Demands on Legal for product counseling, data privacy, and contract review were overwhelming. There was simply insufficient bandwidth to meet this sudden surge, and the business teams were getting impatient.

## Smart Thinking: Expert specialist fills the gap

Our client traditionally would have defaulted to hiring a full-time employee. But the GC had questions. *"Is this work surge a temporary spike or will it sustain? Is there even a budget or appetite for new hires in this climate? What exactly is the profile and skillset I would need to add to the team? How long would it take to find the right FTE fit?"*

Additionally, the option to use outside counsel would break the budget and wouldn't give her the in-house skillset she truly needed.

*"Every law department is unique and has its own set of strengths and challenges, and it's important to understand both when offering solutions."*

— Tracy Scanlan, VP of Client Development and Legal Affairs at Paragon Legal

Her solution? She turned to Paragon for a flexible and specialized attorney who offered several advantages:

- **Knowledge:** The attorney had both *product counseling and privacy expertise* gained from top-tier companies;
- **Bandwidth:** The attorney could jump in quickly to alleviate the burden on the in-house team and *help get deals done*.
- **Buying time:** The specialist attorney *immediately created new capacity* while the GC considered whether or not to hire an FTE; and

Given the immediacy and uncertainty of their needs, an interim hire became the obvious choice. The company's Legal team gained bandwidth, expertise, and a flexible, budget-friendly resource to support the company's overall revenue-generating goals—without adding permanent headcount at this time—and still meeting the needs of the internal business teams. The skillset and value of the interim attorney also helped the GC develop a strong, data-driven case for the long-term need for a FTE and helped her know exactly what she wanted the role to look like.





# Merger Pressures Retailer's Legal Team

## CLIENT

- Retailer of clothing and accessories
- New York based
- ~\$6 billion in annual revenue

*The retailer's impending merger was straining Legal's ability to effectively help close the deal, integrate the new team, and keep the business running smoothly at the same time. A unique blend of resources is needed to ensure the success of this milestone deal.*

## Facts to consider

- 1.The lean company has a small in-house legal team.
- 2.The company traditionally relies heavily on outside counsel.
- 3.Institutional knowledge of the in-house legal team is critical to successful integration of the two businesses.

*This use case is a hypothetical inspired by Paragon's experience. Any similarity to existing companies is purely coincidental.*

**Challenge: Small legal team stretched beyond capacity**  
Because it possesses unique expertise on the company's operations and business goals, the retailer's legal department needs to be at the forefront of the planning work required for a successful integration. The client has maintained a small legal department, referring much of its work to outside counsel.

In order to support the day-to-day legal work while also focusing on getting a major deal done, the legal team must significantly expand its resources.

## Smart Thinking: Customize resources to GC's immediate circumstance

In answering the question of what rightsourcing looks like during the merger, the retailer consulted with Paragon's client team to talk through several practical options. *"There isn't a one-size-fits-all solution to rightsourcing. Every law department is unique and has its own set of strengths and challenges, and it's important to understand both when offering solutions,"* says Tracy Scanlan. *"Here, the client had talented team members who were eager to lead the merger, but their time was mostly spent on all the other legal tasks required to run a business."*

*"Importantly, this strategy also allowed the GC to stretch his existing team and provide them with the development opportunity they wanted."*

— Tracy Scanlan

The issue here wasn't a skill or experience gap where they needed to bring in an M&A expert." Because of this, the GC landed on a combination strategy to maximize the value of the in-house team's company knowledge.

- The merger is a major priority for the business and would be run by several members of the internal legal team.
- Legal will call on outside counsel for niche M&A issues and higher-risk, time-sensitive support to get the deal done.
- A flexible attorney from Paragon was brought in to support the everyday needs of the business and pick up the daily responsibilities of the refocused internal team members.

**The GC's rightsourced strategy positions his team to play a leadership role in addressing complex, high-impact situations** as the merger and integration proceed, and the flexible option offers substantial value and savings over an FTE through the spike of deal closing and integration. *"Importantly, this strategy also allowed the GC to stretch his existing team and provide them with the development opportunity they wanted,"* says Scanlan.





# Major Tech Overhaul Triggers Hurdles

## CLIENT

- Healthcare provider network
- Harrisburg, PA based
- ~\$500M revenue

*Upgrades to technology, systems, and procedures are an operational challenge in the best of times. For heavily regulated industries like healthcare, the issues are multilevel and complex. That was the landscape for one client operating hospitals and urgent care centers.*

## Facts to consider

- 1.Evolving regulations and contract complexity have made CLM implementation necessary.
- 2.GC recognizes the enormity of the project and the critical need for user training post-implementation.
- 3.Legal already has a complex and lengthy must-do list, which includes ensuring regulatory compliance and developing templates and a contracting playbook.

*This use case is a hypothetical inspired by Paragon's experience. Any similarity to existing companies is purely coincidental.*

## Challenge: Critical projects poised to overwhelm department

A healthcare network was in the process of bringing on a new CLM system in order to streamline the contracting process and keep up with ever-changing regulations. The project involved multiple complexities including standardization of contract templates, digitization of paper records, and ensuring HIPAA compliance. The GC also knew from experience that the new technology could only be successful if the legal team was bought in and properly trained on how to use it.

As a result, Legal's biggest areas of need were in:

- 1.Creating a playbook and updated contract templates
- 2.Providing guidance on the contract systems implementation
- 3.Leading trainings for the in-house team and business.

## Smart Thinking: Know your priorities

With so much occurring concurrently, prioritizing needs and resources became critical for the GC. Paragon's Client Development team supported the process of determining the need-to-have from the nice-to-have.

The GC weighed the department's options to accomplish the implementation on top of the day-to-day work. The guiding priority was more than choosing the lowest cost option but rather securing the right, special skillsets for the optimal time needed.

- The GC's experience told him that his in-house team would need to provide critical input to the implementation, both to get it right and to have buy-in to leverage the new technology.
- Consultation with Paragon made it clear that flexible commercial counsel was the right choice for two discrete projects: template and playbook building, and project-managing the implementation and training.
- The Paragon attorney that the GC brought for the template and playbook project had direct contracting experience in the healthcare industry so was able to leverage both industry experience and an outside perspective.
- Paragon also provided an attorney that had gone through another CLM implementation and was able to project manage the implementation, gather the appropriate input from the in-house team, and set up training sessions that spoke the language of the attorneys to encourage usage.

# One solution, multiple applications

Flexible legal talent offers a cost-effective solution to get the expertise and support you need, exactly when you need it. Whether addressing workload surges, handling specialized projects, or covering gaps without the expense of an outside law firm or the commitment of a full-time hire, flex talent helps legal teams stay agile and efficient.



## Workload Management

- Overflow work
- Quarter-end crunch
- Ebb and flow management



## Specialized Expertise

- Privacy expertise (e.g. GDPR, CPRA)
- Regulatory expertise (e.g. FDA, HIPAA, FINRA)



## Project-Based Support

- CLM implementations
- Regulatory updates
- M&A



## Interim and Gap Support

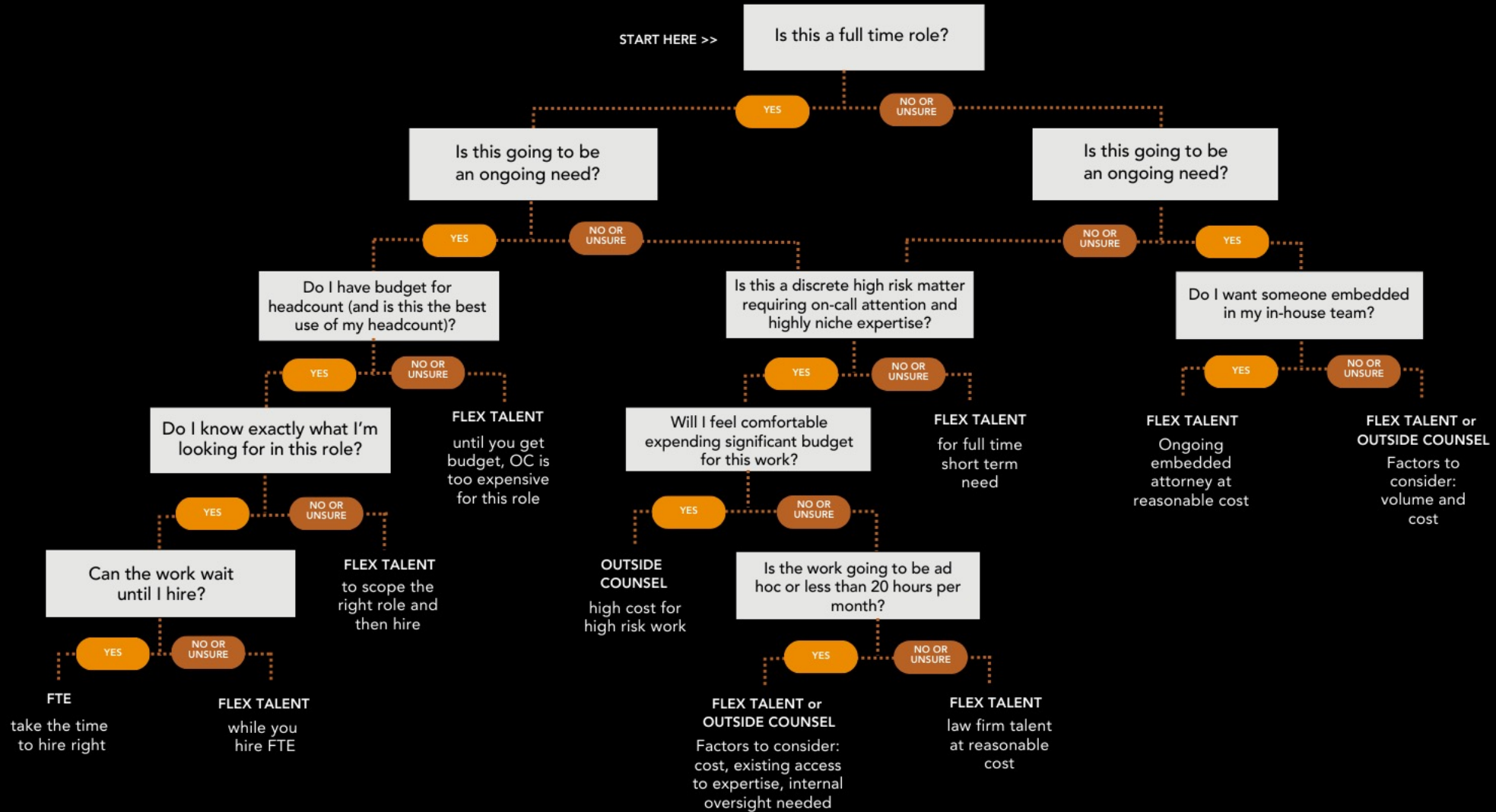
- Parental leaves
- Medical leaves
- Hiring gaps
- Hiring freezes



## Temp-to-Perm Solutions

- Try before you buy
- Scope a new role
- Build a case for headcount

# FULL-TIME HIRE, OUTSIDE COUNSEL, OR FLEXIBLE TALENT? CHOOSING THE RIGHT OPTION.



# Optimizing 3 Key Resources For Your Legal Team

An integrated approach for peak efficiency



# Resources

- [A GC's Guide to Rightsourcing: 3 Ways to Make the Business Case For FTE vs. Flex Talent vs. Outside Counsel](#)
- [How to Reduce Your In-house Team's Workload](#)
- [5 Ways to Help You Sell Your CFO on Interim Counsel Services](#)
- [Alternative Legal Service Providers: What are they and when to use them](#)



## About Paragon Legal

Paragon Legal brings you highly qualified, flexible legal talent, matched to your needs with *purpose* and *precision*. We provide legal departments at leading corporations with high quality, flexible legal talent to help them meet their changing workload demands. At the same time, we offer talented attorneys and other legal professionals a way to practice law outside the traditional career path, empowering them to achieve both their professional and personal goals.