

# EFFICIENCY DRIVE

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**Toyota Mexico's general counsel Luis F. Lozano Olivares wants external lawyers to continuously work at becoming more efficient and he gets frustrated when they lie about their expertise**



The legal team at Toyota Mexico is a big believer in the value of using external legal advisers. The company's philosophy involves outsourcing pretty much all of its legal work. This is, of course, good news for law firms – however, Toyota demands that all the external lawyers it uses continually innovate to ensure the services they provide are as efficient as possible. It's a strategy that seems to be working, with the Toyota Mexico legal department widely considered to be one of the most sophisticated in-house legal teams in the country. The

team works with 12 external law firms. Toyota Mexico's legal government and industry affairs senior director and general counsel and compliance Luis F. Lozano Olivares says that it is vital that the members of the in-house team have an in-depth understanding of the business – in order to facilitate such an understanding, members of the team are sent to the company's factories to discover how the manufacturing processes work. He also expects his team to work to improve their communication skills so they can have better relationships with the other parts of the company. Iberian Lawyer spoke to Lozano Olivares, who was formerly an associate at Baker McKenzie, to find out what the company wants from its external legal advisers, how the legal department has changed since he first joined Toyota, and what his biggest frustrations are when dealing with legal advisers.

### **What do you expect from the external law firms you use?**

Toyota's legal team is focused on serving the business, which is where innovation is needed. We expect the law firms that provide us with a service to ensure they keep modernising and making their service more efficient. How are you using technology to improve your legal team? In North America we are systematising processes and modernising the systems to make the service more efficient. Toyota also uses technology for product innovation in order to better meet the needs of our customers worldwide.

### **What was the legal team like when you joined Toyota? How has it changed?**

There was no legal department at Toyota Mexico. I was rendering my legal services to Toyota from an external firm. However, 15 years ago I founded the legal team and structured the practice. How big is your legal team? Now we have four people, but we have a dozen law firms working for us. Toyota has very light structures and relies heavily on strategic partners, including law firms.

### **When choosing a law firm, what factors do you take into consideration?**

Everything depends on the matter in question. We do not believe in 'one-stop-shopping', we select the firms depending on the project and the firm's expertise. We have sometimes used up to five firms for a single project, with each firm having expertise in a particular area.

### **What is your biggest frustration with outside attorneys?**

When they lie about their experience or area of specialism. Some firms that offer services in several practice areas are guilty of this.

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