2020 Top 10 30-Something: Vincent Montalto

Interviews and Profiles

SENIOR LITIGATION COUNSEL

BASF CORPORATION

Vincent Montalto appreciates the cerebral, collegiate character of law, where it's possible to smile and shake hands (when pandemics permit) with an adversary. "As shocking as it's going to sound, practicing law should be fun," Vincent says. It does not have to be a daily adversarial slog. "And that thinking allows you to reach a compromise, which often is going to be the best case for all parties."

When Vincent first arrived at BASF, the 155-year-old German chemical giant, he embraced the new legal department initiatives addressing a recurrent legal problem — the billable hour. At the end of the day, it's a mindset issue, he explains. If bonuses and compensation are based off the billable hour, it's a natural human tendency to want to bill as many hours as possible. "If you take that incentive away and say the goal is to simply win the case in the most efficient way possible and make the client happy, then magically things take less time to get done — it's just a fact."

Using a data analytics approach, Vincent took commoditized litigation cases, like a toxic tort, where all the facts and allegations are similar, and compared outcomes between firms, adjusting for geography, billable rates, law firm size, and court system to find the most efficient firms. From this project, the BASF legal team created alternative fee arrangements (AFAs) with predictable, flat fees that are still in use five years later.

Getting law firms to adopt the AFAs wasn't the only hurdle; Vincent also had to demonstrate to the company's insurers that AFAs wouldn't diminish the quality of legal defense. He approached them in his typical friendly manner: "One of the best things to do is meeting them personally. Bring them in as part of the team. There's no need to be on different sides of the aisle." The improved relationship led to better protocols for timely defense and indemnification reimbursements, providing valuable money that could be reinvested in the company.

He is piloting BASF's litigation finance program, a mechanism for the company to generate revenue and remove some risk from its litigation portfolio. Big companies like BASF may refrain from taking legal action because law firm and vendor costs disincentivize pursuit of certain claims. Partnering with a litigation finance firm, Vincent developed a proprietary structure to grade the viability of each potential claim based on identified parties, relationship to the company, damages, and substantive liability points. "Mixing mid-level cases with some million-dollar anchor cases makes the portfolio work together," he explains. "If you win one anchor case, you fund a bunch of smaller cases, creating a cycle of investment where the company doesn't leave funds on the table." Savings generated from the legal department could be used to drive innovation or to increase or maintain headcount. Additionally, he could envision litigation finance becoming an integral part of the forecasting, planning, and structure of corporate legal departments in the near future.

Another pillar of Vincent's legal philosophy is advancing diversity and inclusion. As a leader of BASF's in-house legal diversity team, he helped to design a propriety scorecard that measures law firms' diversity performance. BASF analyzes the scorecard each year, communicating feedback to the firms. As part of the outside counsel diversity program, BASF demands diverse staffing for all RFPs and for all teams doing BASF legal work. Diversity is in fact a standalone evaluative factor in each RFP BASF creates. Vincent also leads BASF's Summer Legal Intern program, which hires a diverse first-year law student to split time between BASF's Florham Park campus and its outside law

firm.

From cutting costs to advancing diversity, Vincent brings an analytical approach to all he does to improve the legal function of BASF — and the in-house practice in general.

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