

# Controlling Your Legal Spending

BY JENNIFER BERTOGLIO

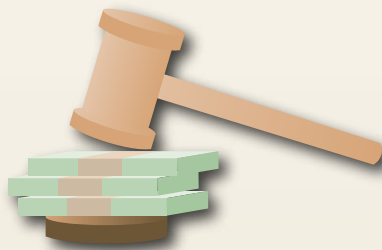
**EXPERT LEGAL ADVICE AND HIGH-quality** legal services are critical to business success, but in a time of tight budgets, how do you manage the expense without jeopardizing quality? Here are some tactics that let you rein in legal spending without increasing your company's risk.

**Vendor Relationships:** You should develop direct relationships with your service providers to maximize the benefits from the economies of scale. Such relationships could include e-discovery vendors, outsourced document-review companies and legal-research firms. By forming direct relationships, you can ensure that your supporting vendors are in strategic alignment with your company's goals.

For example, is the best strategy to have the e-discovery team process 100 percent of the potential data, or is 80 percent sufficient? Can more of your discovery process be outsourced from your law firm to lower-cost service providers? Making the right call can save you time and money.

**Proactive Investment:** Smart companies are investing in proactive legal spending because it is significantly more cost-effective to avoid lawsuits than to go to trial. Companies that take a global perspective across all lines of an enterprise may also find repeating legal issues that can be resolved at the root rather than by litigation. But, once you are in litigation, proactive investment in efficient, defensible litigation processes can drastically reduce the cost of each matter.

**Technology Solutions:** By having the right tools in place, companies can robotically harvest, filter, tag and preserve data without interrupting



their workflow. Some technologies offer the ability to search unstructured data based on relevant content, to audit the data, and to do all that consistently and automatically.

This provides a legally defensible e-discovery process, as well as the ability to abide by all records management and litigation hold-retention policies. The best-in-breed tools can give you an accurate view of the entire enterprise, while providing records management, e-discovery and storage management solutions.

Another budget-savvy technology investment is an early case-assessment tool to help your litigators determine whether it's best to pursue a case or to settle it. The tool helps find the key facts and participants, organizes the case information and assesses the case strengths. It can be used both early in the process and for ongoing, cost-effective case assessment.

Electronic billing is another tool that can save money and add accountability. By coding the electronic bill, your company can track, measure and run reports to analyze spending demands and patterns. In addition, new tools are evolving to provide dashboards and visualizations that deliver added insight on how to best manage your money.

**Alternative Pricing:** When working with outside counsel, you should

consider alternative billing arrangements. These can include fixed fees, contingency/results-based fees, blended hourly rates and reduced hourly rates. A variety of alternative pricing models are available, and new forms continue to evolve. Here are some possible fee scenarios:

- Fixed-fee arrangements are especially well-suited for work that has a known cycle and scope. In cases in which significant additions to the work are required, having detailed agreements in place can help ensure appropriate flexibility and compensation.
- Contingency/results-based fees are used when a law firm is paid based on results. This might include hourly rates with a results bonus. It also could include a time or budget cap, with a contingency arrangement for any work over the cap.
- Blended hourly rates allow for the same hourly rate to be charged, regardless of whether a partner or an associate is performing the task. This works well in long-term relationships in which your company can trust the law firm to assign the right person to handle the work—regardless of his or her title.
- Reduced hourly rates can provide for a pro rata performance bonus at the successful conclusion of the case or when concluding the matter within an agreed-upon time.

Leaner times don't have to result in leaner legal support. By carefully assessing the "what and where" of legal spending, your company can shrink legal budgets without skimping on the best support and service. ◀

*Jennifer Bertoglio, Esq., is the CEO, president and founder of LawyerLink LLC, an e-discovery, consulting and attorney review firm headquartered in Chicago.*