

New Findings from Buying Legal[®] Council Legal Procurement Survey

Potential to save 20 Percent or More on Current Spend Level

All facets of Legal Spend can be Managed

MOST COMPREHENSIVE MARKET OVERVIEW: MARKET INTELLIGENCE REPORT

June 5, 2019

New York, NY – Buying Legal[®] Council, the international trade organization for legal procurement, released its fourth annual survey of legal services procurement. The survey, conducted in Q1 2019, shows that professional procurement saves companies 17.1 percent on average.

“The impact of best practices has a sweeping improvement on the effectiveness, efficiency and overall cost of legal spending,” says Dr. Silvia Hodges Silverstein, CEO of the Buying Legal[®] Council. “Our survey respondents are in the trenches and saving money, driving improved service and changing their relationship with major law firms.” There is a new approach to buying legal services and the new way forward is the mission of the Buying Legal[®] Council.

Silverstein says it is about process control, measurement and employment of technology. “No CEO needs to see a growing trail of legal spending as inevitable,” Silverstein said. “Leaders in the field are turning the tables.”

What's in the Survey:

- KEY BENCHMARKS: Savings, Spend, Number of Providers
- PROCUREMENT TOOLS & TACTICS
- PROCUREMENT GOALS & PREFERRED VALUE-ADDS
- SUCCESS REPORT LEGAL PROCUREMENT

Many large organizations now bring in procurement professionals to introduce procurement best practices. Best practices from other professional and complex services can be adapted and adjusted to fit the peculiarities and nuances of legal services. Professional procurement takes the risk out of buying from lower cost, higher value suppliers. It is intelligent purchasing.

Here are the main developments:

- Savings potential in legal services is still substantial
- “Get it” companies have employed a state-of-the-art legal procurement tool chest
- “Don’t get it” companies remain cavalier about legal spend and lack controls
- Major changes to the legal industry as a result of technology
- Alternative providers seek to disrupt the legal industry and displace traditional providers
- A broad set of alternative fee arrangements is commonly used
- Measures of outcomes and success rates are becoming common
- Legal tech brings new tools to create effectiveness and efficiency
- The future in the legal industry holds prospect for continued rationale for consolidation, mergers, specialists

- A recession is likely to topple the apple cart. It will put additional pressure on price reductions, declines in billable hours, growth in bankruptcy practices

The Survey examined the purchasing behavior of over 100 legal procurement professionals, focusing on purchasing decisions, cost control, analyses, and trends. Legal procurement is having a profound and lasting impact on the purchase of legal services for the world's largest companies.

An executive summary of the survey can be downloaded free of charge on www.buyinglegal.com/market-intelligence

The in-depth comprehensive market overview (75 pages) is available free of charge for Members and Friends of the Buying Legal® Council and available for purchase by all others.

About the Buying Legal Council

The Buying Legal® Council is the international trade organization for professionals tasked with sourcing legal services and managing supplier relationships. Founded in September 2014, today it counts over 700 Members and Friends around the world from a wide range of industries: pharmaceuticals, banking and insurance, retailers, consumer goods, electronics, sportswear to public entities.

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