

Note to self: Print out and look at it every day!

CHECKLIST: How to Achieve a Win-Win

Adding Value & Cutting Outside Counsel Costs

Request Value

Ask your firms/providers: How can they be more effective, streamlined, efficient, and add more value?

- Focus on process and communication, no talk of rates
- Invite recommendations about how your department operates
- Limit size and response times

Identify & Avoid Self-inflicted Costs

Legal departments' own informal systems and processes can cause duplication and unnecessary work.

- Track how many people are part of the communication loop
- Find out what informal processes and procedures are causing extra work for you and your firms/providers
- Use metrics to track law firm performance

Consolidate

Outside counsel management time is one of the largest hidden legal costs. The average client uses too many firms/providers, each with their own informal management needs.

- Consolidate: Give more work to fewer firms and consider using one law firm to manage others if needed

Adopt Time-based Metrics

What gets measured gets done. Metrics drive behavior. Behavior drives time consumption. Work with your firms/providers to measure the right metrics. Time equals expense.

- Adopt an "estimate-to-complete" for large matters; allocate time needed to complete an assignment based on current facts and circumstances
- Adopt time-based metrics to drive new (desired) behaviors and lowers cost to do business (e.g. Elapsed time to complete, Time to interim deadlines)
- Use these estimates to develop standards moving forward

Ask for Fixed Fees

Fixed fees, or fixed fees by phase are the most popular fee arrangements. They offer predictability and improved strategy.

- Work with your firms/providers and provide them with the data they need to triage and properly assess your work to give you correct estimates.
- Don't ask for shadow billing. Success demands high trust. If you don't trust the firms/providers, you should not work with them in the first place.