

Legal Services Management 3.0 Core Curriculum



Agenda / Topics to Cover

- Data Mining and Reporting Tools directed toward Law Departments
 - how developed/implemented
 - samples
- Data Mining and Reporting Tools directed toward Law Firms
 - how developed/implemented
 - samples
- How these tools do and don't coordinate
- Application of reports to hypothetical
- Where to start for clients just beginning to implement Value Billing



Corporate Legal Software

<p><u>Serengeti</u></p>	<ul style="list-style-type: none"> • Helps promote efficiency by collecting and categorizing all documents so that they can easily be retrieved in the future thus lowering overlapping research and drafting. • Provides a means of digitalizing all documents so they can be shared between in-house and outside counsel without the need to ship them physically thereby reducing costs. • Provides tools for fixed-fee budgeting which sets limits on spending on a matter and sets reports when the limit is exceeded • Reporting and analysis of timekeeping in order to determine averages within a law department or compare the averages to other similar cases (e.g. IP prosecution) in the region. • E-billing with automatic currency conversion to facilitate international billing.
<p><u>DataCert/ Corporate Legal Desktop</u></p>	<ul style="list-style-type: none"> • Provides one place to review and approve invoices and track matters and their associated people, events, documents, budgets, and financial data; • Provides business intelligence to deliver comprehensive reporting that addresses the unique needs of corporate legal departments; • Improves the bottom line and productivity by eliminating paper invoices, streamlining business processes, facilitating collaboration with outside counsel, and automating the enforcement of billing guidelines and the routing and approval of invoices; • Enhances communication among legal teams; and • Provides currency conversion for easy reporting and billing of international matters.
<p><u>Bridgeway eCounsel</u></p>	<ul style="list-style-type: none"> • Provides built-in reporting and analysis tools to leverage information-rich data to improve strategic planning; • streamlines communications, strengthens outside counsel relationships, and • saves time entering information; and • Provides financial management and e-billing to reduce costs and increase compliance.

Corporate Legal Software

<p><u>Perfect Practice</u></p>	<ul style="list-style-type: none"> • Case management software suite that tracks financial information and provides report generating capabilities for sharing of information.
<p><u>Mitratech</u></p>	<ul style="list-style-type: none"> • TeamConnect Legal Suite delivers everything you need to provide an unparalleled level of service to your organization. You can reduce legal costs, evaluate performance, and take decisive action on a single, secure platform. TeamConnect Legal Suite offers an Executive Dashboard, Matter Management, Collaborative Spend Management with Electronic Invoicing, Entity Management, Legal Hold, Service of Process Manager and more in a single integrated application suite. Superior to point solutions, the TeamConnect platform enables you to leverage your existing technology to adapt to changing business and regulatory requirements.
<p><u>CT Tymetrix</u></p>	<ul style="list-style-type: none"> • Combine e-billing with matter management and seamlessly capture legal spend for each matter. E-billing data is automatically aggregated into your matter management segments, allowing you to take full advantage of your integration; • Combine budgeting and forecasting with matter management to control financial risk and exposure. Estimate and track your legal spend at macro and micro levels by matter, practice area and operating unit; • Design web template forms to capture summary information as various stages in the case lifecycle. Common examples include: assessments, litigation plans, and case closing reports.



Basic Controls (AOL Example)



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Third Party Vendor Costs

E110 - Out of Town Travel	\$ 434,843
E106 Westlaw/Lexis/Nexis	\$ 147,302
FedEx charges	\$ 42,503
E111 - Meals	\$ 40,723
E105 - "Long distance"	\$ 34,656
E109 - Local Travel	\$ 23,879
E107 - Overnight & express mail	\$ 21,208
E108 - "postage"	\$ 10,853
UPS charges	\$ 1,371
	\$ 757,337

Billing Guidelines now require:

- Submission of third-party invoices as a matter of course instead of in response to an audit inquiry
- Outside counsel to book through corporate travel agency or to obtain a prior written exception
- Use of negotiated exclusive or preferred provider relationships with court reporting, document imaging, and e-discovery vendors



Delayed Invoice Submission

15% Discount - 150+ days old	\$ 271,892
8% Discount - 90 days old	\$ 246,046
Adjust for > 12 hrs/day	\$ 160,155
10% Discount - 120 days old	\$ 75,867
4% Discount - 60 days old	\$ 63,034
Duplicate Line Entries	\$ 21,969
5% Discount - Non-Itemized Print Jobs	\$ 1,612
Office supplies	\$ 230
File Opening Charges	\$ 50
	\$ 840,855

- **In 2008 we paid:**

- >\$3.4MM for work performed >60 days outside of our invoice submission cycle (Billing Guidelines require submission by the 25th day of the month after month in which work was performed)
- >\$2.2MM for work performed >90 days outside of our invoice submission cycle
- >\$792K for work performed >120 days outside of our invoice submission cycle
- >\$900K for work performed >150 days outside of our invoice submission cycle

- **Why does this matter?**

- The older the time entry, the less meaningful the invoice review.
- Prior year work hitting current year creates a budget hole.
- Huge accrual misses.

- **What are we doing about it?**

- Re-message and enforce Guideline requirements
- Best Practice Adoption: Discount aged invoices to 120 days and cut-off payment >120days and for prior year work. Based on 2008 spend, this would have yielded
 - \$170,000 for work ≥60 days (@5%)
 - \$220,000 for work 60-90 days (@10%)
 - \$158,400 for work 90-120 days (@20%)
 - \$360,000 for work ≥120 days (@40%)

Time Entry > 12 Hours in a Day

- Billing Platform now prohibits time entry >12 hours/day absent prior exception

Hours >12 Per Timekeeper		
	Data	
Category	Amount	% of Total
12 - 14 Hours	\$30,589	19.10%
14 - 16 Hours	\$67,682	42.26%
> 16 Hours	\$61,883	38.64%
Grand Total	\$160,155	100.00%



Resource Optimization: Non-Variable Spend Concentration Reveals In-Sourcing

Customize Phase/Task Metrics Report-Phases

Cancel Finish

DateType:
InvoiceDate

Date Range:
From:
 Jan 1, 2008 Earliest date
To:
 Dec 31, 2008 Latest date

Workgroup:
 Litigation

Other:
Invoice Status
InvoiceStatus
Code Set
LITIGATION
Phase
L300-Discovery
Task
TaskCode
Activities
Activity Code Name

Vendor Search:
Search By Geography Refresh
Country
Primary Address Country Code Filter State

Matter:
No
Name
Country
Matter Country
Active
MatterActive
Litigation
Litigation
MatterType
 Abandoned Property
 Access
 Acquisition Marketing
 Acquisitions
 Acquisitions - Non Enforcement
 Administrative Records
 Advertising.com - International
 Advertising.com - U.S.
[Select all](#) [Deselect all](#)
Professional In Charge
PIC Name

Ability to Identify Spend Concentrations by Phase...

ises

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Phase/Task Metrics Report-Phases

Currency: USD Filters: DateType- InvoiceDate; CustomDateRange- Between Jan 1, 2008 and Dec 31, 2008; Workgroup- Litigation; CodeSet- LITIGATION; Phase- L300-Discovery;

Phase Code Name	Hours or Units	Avg Rate	Invoiced	Discounts	Adjustments	Taxes	Total	% Invoiced
L300 - Discovery	1,622.70	332.82	540,063.96	0.00	-9,371.10	0.00	530,692.86	98.26%
Summary	1,622.70	332.82	540,063.96	0.00	-9,371.10	0.00	530,692.86	98.26%

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by Task ...

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Phase/Task Metrics Report-Tasks

Currency: USD Filters: DateType- InvoiceDate; CustomDateRange- Between Jan 1, 2008 and Dec 31, 2008; Workgroup- Litigation; CodeSet- LITIGATION; Phase- L300;

Task Code Name	Hours or Units	Avg Rate	Invoiced	Discounts	Adjustments	Taxes	Total	% Invoiced
L300 - Discovery	5.25	353.74	1,857.13	0.00	0.00	0.00	1,857.13	100.00%
L310 - Written Discovery	278.50	399.37	111,224.64	0.00	-1,200.00	0.00	110,024.64	98.92%
L320 - Document Production	907.40	296.83	269,342.12	0.00	-3,163.50	0.00	266,178.62	98.83%
L330 - Depositions	116.45	427.46	49,777.50	0.00	-1,170.00	0.00	48,607.50	97.65%
L350 - Discovery Motions	147.60	396.87	58,577.48	0.00	-1,337.60	0.00	57,239.88	97.72%
L390 - Other Discovery	167.50	294.24	49,285.09	0.00	-2,500.00	0.00	46,785.09	94.93%
Summary	1,622.70	332.82	540,063.96	0.00	-9,371.10	0.00	530,692.86	98.26%



...and by Activity.

Phase/Task Metrics Report-Activities

Currency: USD Filters: DateType- InvoiceDate; CustomDateRange- Between Jan 1, 2008 and Dec 31, 2008; Workgroup- Litigation; CodeSet- LITIGATION; Phase- L300; TaskCode- L320;

Activity Code Name	Hours or Units	Avg Rate	Invoiced	Discounts	Adjustments	Taxes	Total	% Invoiced
	280.05	370.54	103,770.17	0.00	0.00	0.00	103,770.17	100.00%
104 - 104	0.50	410.00	205.00	0.00	0.00	0.00	205.00	100.00%
A101 - Plan and prepare for	3.55	388.31	1,378.50	0.00	0.00	0.00	1,378.50	100.00%
A102 - Research	1.60	286.00	457.60	0.00	0.00	0.00	457.60	100.00%
A103 - Draft/revise	4.20	297.14	1,248.00	0.00	0.00	0.00	1,248.00	100.00%
A104 - Review/analyze	135.75	373.14	50,654.25	0.00	-3,163.50	0.00	47,490.75	93.75%
A105 - Communicate (in firm)	3.50	354.71	1,241.50	0.00	0.00	0.00	1,241.50	100.00%
A106 - Communicate (with Client)	3.20	447.19	1,431.00	0.00	0.00	0.00	1,431.00	100.00%
A107 - Communicate (other outside counsel)	1.60	340.00	544.00	0.00	0.00	0.00	544.00	100.00%
A108 - Communicate (other external)	2.30	528.04	1,214.50	0.00	0.00	0.00	1,214.50	100.00%
A110 - Manage data/files	2.00	240.00	480.00	0.00	0.00	0.00	480.00	100.00%
A111 - Other	469.15	227.47	106,717.60	0.00	0.00	0.00	106,717.60	100.00%
Summary	907.40	296.83	269,342.12	0.00	-3,163.50	0.00	266,178.62	98.83%



Business Intelligence Software

<u>Redwood</u>	<ul style="list-style-type: none"> • Accommodates alternative-billing arrangements; • Provides planning tools to manage a project in its early stages to determine likely profitability in advance; • Tools for determining profitability of clients, attorneys, departments, etc.; • Billing and collections software that increases collections and identifies additional collection opportunities based on deviations from historic client behavior patterns;
<u>Business Intelligence by Thompson Reuters</u>	<ul style="list-style-type: none"> • Allows firms to analyze the emerging litigation trends and activity of key clients, industries, geographies and other firms to support business development and client retention; • Supports business development needs for M&A and Securities practices by mapping relationships between attorneys, underwriters, issuers, buyers and acquisition targets; and • Enables firms to reveal actionable opportunities in high value practice areas such as litigation, IP, and Deal; • Allows firms to benchmark their own performance against the performance of other peer firms based upon different user-specified criteria.
<u>Amicus Attorney</u>	<ul style="list-style-type: none"> • Provides the standard practice management tools for billing and accounting and keeping track of other financial information and • It provides for creating profitability reports so a firm can determine who its most productive staff and clients are.
<u>Rainmaker</u>	<ul style="list-style-type: none"> • Provides business intelligence above and beyond the standard practice management and accounting systems; • Provides software for preparation of reports and analysis of profitability; • Provides the ability to analyze not only client or project profitability but also attorney profitability; and • Assist in identifying emerging markets in order to make strategic growth decisions.
<u>Engage</u>	<ul style="list-style-type: none"> • Forthcoming budgeting/profitability tool from Hildebrandt Baker Robbins • Provides task-code level budgeting and ability to share budgets/progress with clients on secure extranet

Business Intelligence Software

<p><u>Dexco/</u> <u>Acumin</u></p>	<ul style="list-style-type: none"> • Provides the standard practice management and accounting tools; • Provides business intelligence capabilities • Analyzes data and presents it in a dashboard style format for quick user comprehension; • Breaks matter or client profitability to determine which specific areas of a case are the most profitable and which need remedial action (e.g. if paralegal billing on a certain case was too high and thus hurting the profitability of an account, the software would be able to identify this so remedial action could be taken) • Provides tools to analyze hypothetical situations in order to facilitate strategic growth.
<p><u>Prolaw</u></p>	<ul style="list-style-type: none"> • Provides financial management applications to manage general ledger, accounts payable, accounts receivable, billing, trust accounts, financial reporting, budgeting, cost recovery, time tracking and more; • Provides a complete view of firm performance; permitting firms to tap into the unique competitive advantages of their business to increase overall efficiency, enhance client relationships and increase profits. • Facilitates contingency fee analysis and tracking in order to maximize profitability of contingency fee cases; • Automate and manage settlement analysis, lien tracking, mass settlements and more; • Access the financial standing of a case at any time with ease • Easily manage case costs by tracking the specifics of what has been invested in an individual case; and • Calculate settlement scenarios using intuitive worksheets and receive an instant calculation of client and firm net.
<p><u>AbacusLaw</u></p>	<ul style="list-style-type: none"> • Offers the standard billing, time keeping, case management, document compiling firm management suite; • Offers cost analysis that seems to be more geared towards advertising and determining what marketing dollars are reaping the most rewards which can be broken down by practice area (i.e. advertising budget for PI work has resulted in X% of higher revenues versus advertising dollars focused towards commercial litigation clientele)

Sample Law Firm Report

CLIENT XYZ

Data current as of May 31, 2010

	2007			2008			2009			2010-YTD		
	Hours	Utilization	Leverage	Hours	Utilization	Leverage	Hours	Utilization	Leverage	Hours	Utilization	Leverage
Hours Worked:												
Partner/SEP	2,826	93%	21%	1,020	82%	19%	2,700	110%	33%	697	103%	28%
Counsel/JEP	18	87%	0%	7	99%	0%	38	88%	0%	422	122%	17%
Associate/Contract Atty	2,126	90%	15%	1,744	81%	32%	2,911	97%	35%	779	80%	32%
Atty subtotal	4,969	92%	36%	2,772	81%	52%	5,650	103%	69%	1,899	95%	77%
Other	8,778		64%	2,597		48%	2,591		31%	574		23%
Total	13,747		100%	5,369		100%	8,241		100%	2,473		100%
Inventory:	Amount	% of Total		Amount	% of Total		Amount	% of Total		Amount	% of Total	
Unbilled Fees (WIP)	\$0	0%		\$0	0%		\$0	0%		\$210,004	37%	
Uncollected Fees (AR)	\$0	100%		(\$0)	100%		\$56,692	100%		\$357,351	63%	
Total	\$0	100%		(\$0)	100%		\$56,692	100%		\$567,354	100%	
Revenue & Losses:	Amount	Rate	%	Amount	Rate	%	Amount	Rate	%	Amount	Rate	%
Rate1 Amount	\$3,207,829	\$233	100%	\$1,719,787	\$320	100%	\$2,832,267	\$344	100%	\$873,602	\$353	100%
Negotiated (Disc.)/Premium	64,812	5	2%	(74,550)	(14)	-4%	(256,514)	(31)	-9%	(117,860)	(48)	-13%
Work Effort	3,272,640	238	102%	1,645,238	306	96%	2,575,753	313	91%	755,742	306	87%
Unbilled Write-offs (WIP)	(46,672)	(3)	-1%	(26,439)	(5)	-2%	(74,885)	(9)	-3%	(40,809)	(17)	-5%
Billed Write-offs (AR)	(1)	(0)	0%	(142)	(0)	0%	(12,941)	(2)	0%	0	0	0%
Bill Risk Adjustment	0	0	0%	0	0	0%	0	0	0%	(3,316)	(1)	0%
Collect Risk Adjustment	(0)	(0)	0%	0	0	0%	(11,193)	(1)	0%	(5,987)	(2)	-1%
Expected Amount	\$3,225,967	\$235	101%	\$1,618,657	\$302	94%	\$2,476,734	\$301	87%	\$705,630	\$285	81%
Net Contribution*:	Amount	Rate	%	Amount	Rate	%	Amount	Rate	%	Amount	Rate	%
Expected Amount	\$3,225,967	\$235	100%	\$1,618,657	\$302	100%	\$2,476,734	\$301	100%	\$705,630	\$285	100%
Direct Costs	(1,263,064)	(92)	-39%	(686,419)	(128)	-42%	(1,279,375)	(155)	-52%	(426,069)	(172)	-60%
Cost Writedowns (WIP)	(11,235)	(1)	0%	(3,397)	(1)	0%	(25,832)	(3)	-1%	(5,395)	(2)	-1%
Cost Writeoffs (AR)	0	0	0%	0	0	0%	(9)	(0)	0%	0	0	0%
Direct Margin	1,951,668	142	60%	928,841	173	57%	1,171,518	142	47%	274,167	111	39%
Indirect Costs	(862,811)	(63)	-27%	(454,748)	(85)	-28%	(688,844)	(84)	-28%	(216,800)	(88)	-31%
Net Margin	1,088,857	79	34%	474,093	88	29%	482,673	59	19%	57,367	23	8%
Bill Speed Adjustment	(26,007)	(2)	-1%	(11,103)	(2)	-1%	(17,572)	(2)	-1%	(4,519)	(2)	-1%
Collect Speed Adjustment	(25,156)	(2)	-1%	(17,285)	(3)	-1%	(23,550)	(3)	-1%	(2,691)	(1)	0%
TVM Adj. Margin	1,037,694	75	32%	445,705	83	28%	441,551	54	18%	50,157	20	7%
Partner Compensation Adj.**	(188,601)	(14)	-6%	(74,578)	(14)	-5%	(131,528)	(16)	-5%	(3,808)	(2)	-1%
Fully Loaded Margin	849,093	62	26%	371,127	69	23%	310,023	38	13%	46,349	19	7%
Capacity Adjustment	(219,040)	(16)	-7%	(220,968)	(41)	-14%	71,840	9	3%	(3,670)	(1)	-1%
Fully Loaded Margin***	\$630,054	\$46	20%	\$150,159	\$28	9%	\$381,863	\$46	15%	\$42,679	\$17	6%

* All measures are Client View (based on budgeted hours) except where noted

** Partner Compensation Adj - The greater of (a) zero, or (b) the difference between actual compensation and the standard value of production (standard hours * standard rate)

*** Fully Loaded Margin is in Attorney View, which is based on actual hours

Sample Law Firm Report

Client PQR -- Phase I to III -- Budget vs. Actual Spend

6/25/2010

Phase	Date Range	Phase	Description	Task Code	Actual Hours	Actual Work Effort	Budget Work Effort	Delta			
I	11/09-11/10	Case Assessment	Develop noninfringement defenses	A1	3.50	\$1,733					
			Develop litigation strategy	A2	26.00	\$13,973					
			Answer complaint and prepare counterclaims	A3	13.00	\$6,490					
			Prepare document/file management procedures	A4	0.50	\$113					
			Draft requisite preliminary submissions(Rule 26 Initial Disc	A5	2.75	\$1,361					
			Participate in initial court conferences	A6	5.00	\$2,475					
			Explore early settlement	A7	0.25	\$140					
			Participate in joint defense group	A8	42.00	\$20,806					
			Selection and retention of experts	E1	0.00	\$0					
			Educate, consult with, and coordinate expert witness(es)	E2	0.00	\$0					
			Prepare expert report(s)	E3	0.00	\$0					
			Prepare for expert depositions (taking and defending)	E4	0.00	\$0					
			TOTAL - PHASE I					93.00	\$ 47,090	\$ 50,000	(2,910)
			II	4/10-03/12	Discovery - Experts	Selection and retention of experts	E1	4.75	\$2,105		
Educate, consult with, and coordinate expert witness(es)	E2	9.00				\$4,775					
Prepare expert report(s)	E3	14.75				\$7,125					
Prepare for expert depositions (taking and defending)	E4	11.25				\$5,619					
Take depositions of expert witnesses	E5	0.00				\$0					
Defend depositions of expert witnesses	E6	0.00				\$0					
Total - Discovery - Experts						39.75	\$21,225				
Discovery	Local Patent Rules: Review Infringement Contentions	D1				0.00	\$0				
	Local Patent Rules: Prepare Invalidity Contentions	D2			29.00	\$14,355					
	Draft and agree to search terms for document production	D3			0.00	\$0					
	Draft and serve additional and follow-up discovery requests	D4			0.00	\$0					
	Draft and serve 30(b)(6) requests	D5			0.00	\$0					
	Take and defend 30(b)(6) deposition(s)	D6			0.00	\$0					
	Review written discovery responses and Defendant documents	D7			1.75	\$980					
	Review and produce Client PQR documents	D8			0.00	\$0					
	Take depositions of fact witnesses	D9			0.00	\$0					
	Defend depositions of fact witness	D10			0.00	\$0					
Total - Discovery					30.75	\$15,335					
Discovery - Motions	Prepare and respond to discovery motions	M1			0.00	\$0					
	Oral argument(s)/conferences relating to discovery disputes	M2			0.00	\$0					
	Prepare and respond to summary judgment motions	M3			0.00	\$0					
	Total - Discovery - Motions					0.00	\$0				
Discovery - Settlement	Explore settlement opportunities and negotiations	S1			0.50	\$248					
	TOTAL - PHASE II					71.00	\$71,767	\$375,000	(\$303,234)		

Sample Law Firm Report

CLIENT XYZ CONTINGENCY CASE

Contingency IP Case for Client XYZ

		Budget	Actual	Variance
L100 range	Case Assessment	\$ 557,750	\$ 233,318	\$ (324,432)
L200 range	Trial Pleadings	\$ 399,500	\$ 102,680	\$ (296,821)
L300 range	Discovery	\$ 883,250	\$ 58,980	\$ (824,270)
L400 range	Trial	\$ 1,129,500	\$ 20,636	\$ (1,108,865)
Total		\$ 2,970,000	\$ 415,612	\$ (2,554,388)

Work Effort		Title							Grand Total
L100	Description	Associate	Of Counsel	Paralegal	Partner	Resrch Lbr	Staff		
L1	Analysis/Strategy	\$ 113,322	\$ 28,045	\$ 98	\$ 56,431	\$ 939		\$ 198,834	
	Fact Invest/Dev/Inter of Witness		\$ 3,128		\$ 1,040	\$ 2,368		\$ 6,536	
	Other Case Assess, Dev & Admin.	\$ 435	\$ 2,014	\$ 354	\$ 715		\$ 76	\$ 3,593	
	Settlement/Non-Binding ADR		\$ 2,226		\$ 3,288			\$ 5,514	
	Document/File Management			\$ 1,076	\$ 685		\$ 640	\$ 2,401	
	Experts/Consultations				\$ 16,440			\$ 16,440	
L1 Total		\$ 113,757	\$ 35,412	\$ 1,527	\$ 78,599	\$ 3,307	\$ 716	\$ 233,318	
L2	Other Written Motion/Submiss.	\$ 17,439	\$ 26,411	\$ 1,901				\$ 45,751	
	Pleadings	\$ 21,817	\$ 27,219	\$ 513	\$ 2,080			\$ 51,629	
	Court Mandated Conferences		\$ 5,300					\$ 5,300	
L2 Total		\$ 39,256	\$ 58,930	\$ 2,414	\$ 2,080			\$ 102,680	
L3	Written Discovery	\$ 826	\$ 43,937					\$ 44,763	
	Document Production	\$ 6,532						\$ 6,532	
	Discovery Motions		\$ 7,685					\$ 7,685	
L3 Total		\$ 7,358	\$ 51,622					\$ 58,980	
L4	Other Trial Preparation/Support					\$ 128		\$ 128	
	Written Motions/Submissions	\$ 18,590			\$ 1,918			\$ 20,508	
L4 Total		\$ 18,590			\$ 1,918	\$ 128		\$ 20,636	
Grand Total		\$ 178,961	\$ 145,964	\$ 3,941	\$ 82,597	\$ 3,435	\$ 716	\$ 415,612	

Summary	Month								
Title	Apr 10	Mar 10	Feb 2010	Jan 2010	Dec 09	Nov 09	Oct 09	Grand Total	
Associate	\$ 102,726	\$ 50,720	\$ 17,439	\$ 4,641	\$ 2,730	\$ 704		\$ 178,961	
Of Counsel	\$ 57,558	\$ 39,591	\$ 25,016	\$ 11,077	\$ 5,396	\$ 2,030	\$ 5,297	\$ 145,964	
Paralegal	\$ 205	\$ 769	\$ 564	\$ 64	\$ 2,340			\$ 3,941	
Partner	\$ 37,196	\$ 19,249	\$ 2,740	\$ 7,878	\$ 9,555	\$ 5,980		\$ 82,597	
Resrch Lbr	\$	\$ 1,100	\$ 656	\$ 1,250	\$ 429			\$ 3,435	
Staff	\$ 640	\$	\$ 19	\$ 57				\$ 716	
Grand Total	\$ 198,325	\$ 111,429	\$ 46,434	\$ 24,966	\$ 20,450	\$ 8,713	\$ 5,297	\$ 415,612	

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Sample Law Firm Report

MATTER 1

AFA details: \$950k fixed; phase pricing

Work Effort	Month			
Title	Apr 10	Mar 10	Feb 10	Grand Total
Associate	\$ 9,395	\$ 27,069	\$ 14,591	\$ 51,054
Partner	\$ 14,750	\$ 25,580	\$ 44,958	\$ 85,288
Staff		\$ 2,266	\$ 413	\$ 2,679
Resrch Lbr		\$ 275		\$ 275
Grand Total	\$ 24,145	\$ 55,190	\$ 59,961	\$ 139,296

MATTER 2

AFA details: delayed billing; contingent upon closing of deal (130% if closes; 70% if doesn't)

Work Effort	Month					
Title	Apr 10	Jan 10	Feb 10	Nov 09	Dec 09	Grand Total
Of Counsel		\$ 31,919	\$ 476		\$ 34,925	\$ 67,320
Partner		\$ 58,340	\$ 3,120	\$ 6,435	\$ 44,785	\$ 112,680
Paralegal Sp	\$ 270					\$ 270
Grand Total	\$ 270	\$ 90,259	\$ 3,596	\$ 6,435	\$ 79,710	\$ 180,270



System/Information Asymmetry Between Law Firms and Clients

- **Law Firm Systems are Profitability Maximization Tools**
 - Time Entry
 - Cost Re-Capture/Ability to Transform Overhead into Profit Centers (faxes, computerized research)
 - Billing (WIP, A/R, Collections)
 - Productivity (Realization) Measurement
 - Demand Forecasting/Staffing Models
 - Alternative Fee Arrangement Underwriting Decisions (typically a multiple of hourly performance)
 - Managing the Inter-Dependency of Firm and Individual Lawyer Profitability Variables
 - Law Firm Systems are a Back-Office Proposition – Not Part of the Firm’s Client-Facing Value Proposition
- **In-House Systems are Resource Optimization (Cost Minimization) Tools**
 - Basic Controls:
 - Management of Standard Time and Materials Engagement Variables (Rates, No. of Timekeepers/Timekeeper Churn, Time Entry/Expenses/ Abusive Billing Practices)
 - Alignment of Actual Spend to Financial Accruals/Annual Dept Budget
 - Rationalization of Sourcing Decisions: Micro- and Macro-Level Comparison of Firms, Service Providers, and Service Delivery Models
 - Disaggregation of Components of Service Delivery -- Unit Costs of Discrete Phases/Tasks/Activities and ROI Measures (e.g., Total Cost of Resolution/Transaction)
 - Optimization of Internal/External Resource Allocations and Service Delivery Models:
 - Do concentrations/trends around particular business units/activities/risks align to enterprise objectives/risk profile?
 - Spot opportunities to reallocate work and incentives to capture presumptive efficiencies
 - Knowledge management around recurring issues and activities
 - Packaging/systematization of recurring tasks or activities
 - De-lawyering or in-sourcing services.
 - In-House Systems are Key to the Value Proposition of the In-House Function because its Success Metrics (E.g., Annual Spend as a % of Revenue) and Headcount Justification Depend on Demonstrable Year-Over-Year Efficiency Gains

Faculty / Presenters for ACC Value Challenge Skills Program – Data Analytics

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