



REUTERS/Toru Hanai

## **RUN YOUR LEGAL DEPARTMENT LIKE A BUSINESS UNIT – HOW TO MAKE A SUCCESSFUL TRANSITION**

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ROB THOMAS, VICE PRESIDENT, MARKET DEVELOPMENT GROUP  
THOMSON REUTERS  
SAN DIEGO ACC CHAPTER  
JANUARY 21, 2013



THOMSON REUTERS

# BEST PRACTICES

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**Drew Bordages  
General Counsel**

**Specific Media**

# PRACTICING LAW THE BUSINESS OF LAW

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Venture Law Group 

**Brobeck**  
ATTORNEYS AT LAW

 **THELEN**

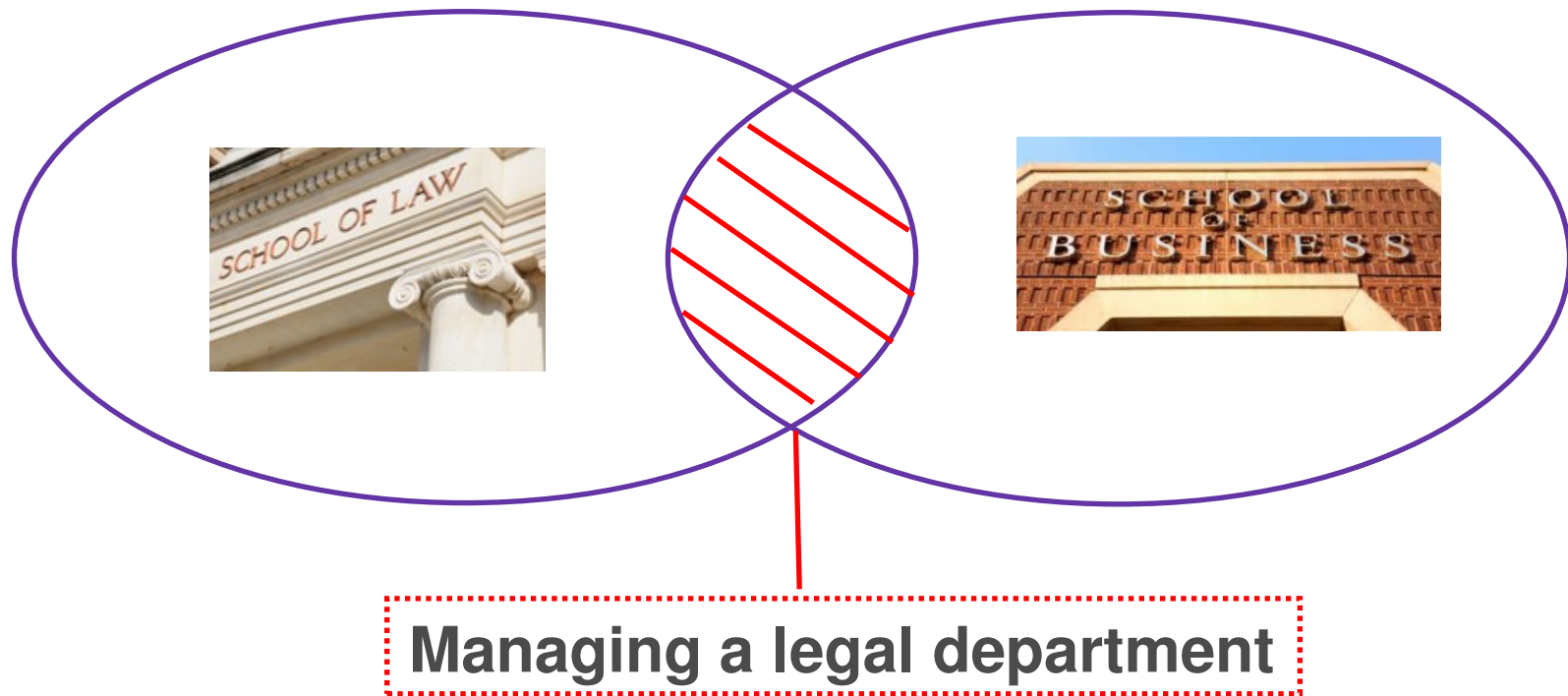
**COUDERT BROTHERS LLP**



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# CORPORATE LAW DEPARTMENTS – THE INTERSECTION OF LAW & BUSINESS

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# TODAY'S GOALS

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- Managing the work of your legal department like a business unit – with effective project management techniques
  - Define **scope**, select the best team, create a plan
  - Require **fiscal** discipline, budget
  - **Assess progress** regularly, adjust the plan/budget
  - **Assess overall performance**, capture lessons learned
  - Use metrics & benchmarks to quantify your progress & value
- Best practices to implement changes in your legal department

# IMPORTANCE OF PROJECT MANAGEMENT

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- Increases chances of success, satisfied clients, meeting the goals of your business



How the Client explained it



How the inside lawyer understood it



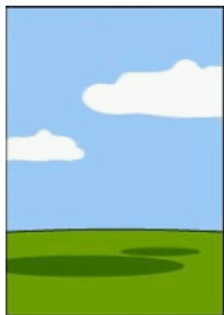
How the law firm designed it



How the all the lawyers handled it as a team



How the CFO described it



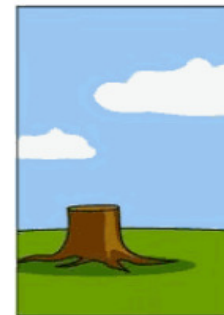
How the litigation process was documented



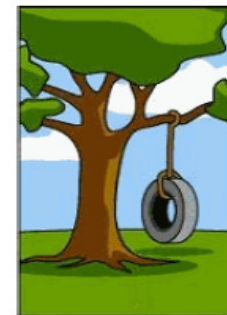
What the Client thought was done



How the Company was billed



How the dissatisfaction with the experience was addressed



What the Client really needed

## ADOPTING A PROCESS

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- Incorporate project management techniques into legal department operations.



- Early case assessments
- Establish appropriate staffing
- Establish budget

- Track spending against budget
- Receive periodic status reports

- Review outcomes
- Analyze management reports
- Apply lessons learned





# SCOPE THE PROJECT

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- ☐ This problem is important to our business because \_\_\_\_\_.
- ☐ The best possible solution is \_\_\_\_\_.
- ☐ The most likely solution is \_\_\_\_\_.
- ☐ We expect this matter to be resolved by \_\_\_\_\_ (time frame).
- ☐ In similar matter, the results were \_\_\_\_\_.
- ☐ Key stakeholders in the company: \_\_\_\_\_
- ☐ Primary phases, including tasks/deliverables:  
\_\_\_\_\_





# OPTIMIZE STAFFING ON PROJECTS

- Project success depends on assembling the right team and monitoring allocation of work.



INVOICE ANALYSIS				
TIMEKEEPERS - Name				
Approved Timekeeper Rates: None attached Timekeeper Rates: None attached				
Timekeeper	THIS INVOICE Rate(Avg)	compare to all matter invoices Hours (%)	Adjustment	Total (%)
Samuel Lawyer (AS)	\$393.30	4.2 (30.7%)	--	\$1,651.86 (34.9%)
Katy Coleridge (PT)	\$550.62	1.2 (8.8%)	--	\$660.74 (14.0%)
Sarah Keats (OC)	\$629.28	1.3 (9.5%)	--	\$818.06 (17.3%)
Joe Lee (OT)	\$235.98	7.0 (51.1%)	--	\$1,651.86 (34.9%)
Adjustments	--	--	--	(\$48.65) (-1.0%)
<b>Total:</b>	<b>\$345.54</b>	<b>13.7 (100.0%)</b>	<b>--</b>	<b>\$4,733.87 (100.0%)</b>
TIMEKEEPERS - Classification				
Classification	THIS INVOICE Rate(Avg)	compare to all matter invoices Hours (%)	Adjustment	Total (%)
Associate (AS)	\$393.30	4.2 (30.7%)	--	\$1,651.86 (34.9%)
Of Counsel (OC)	\$629.28	1.3 (9.5%)	--	\$818.06 (17.3%)
Other Timekeeper (OT)	\$235.98	7.0 (51.1%)	--	\$1,651.86 (34.9%)
Partner (PT)	\$550.62	1.2 (8.8%)	--	\$660.74 (14.0%)
Adjustments	--	--	--	(\$48.65) (-1.0%)
<b>Total:</b>	<b>\$345.54</b>	<b>13.7 (100.0%)</b>	<b>--</b>	<b>\$4,733.87 (100.0%)</b>



# ALLOCATING WORK AMONG FIRMS

- Identify top-performing firms and lawyers for the department's external matters.

<u>Firm</u>	<u>Business Unit / Focus</u>	<u>2011 \$K</u>	<u>%</u>	<u>2011 Evaluation Score</u>	<u># Files (Lead</u>
Firm 1	Employment (All Vendors)	1,186	23.8%	3.4	31
Firm 2	Processing & Production/Lit & Gen	492	9.9%	3.0	12
Firm 3	IP	347	7.0%	3.6	81
Firm 4	International	304	6.1%	3.4	15
Firm 5	International - Brazil	300	6.0%	3.0	2
Firm 6	All - Annuity Payments	297	6.0%	N/A	N/A
Firm 7	International	265	5.3%	3.2	36
Firm 8	IP	202	4.1%	3.3	58
Firm 9	IP	191	3.8%	3.5	98
Firm 10	Customs Compliance	145	2.9%	3.6	1
Firm 11	Litigation	132	2.7%	4.4	13
Firm 12	IP - DDS	131	2.6%	3.6	34
Firm 13	IP	117	2.4%	3.6	15
Firm 14	Corporate	115	2.3%	4.1	21
Others	39 Firms	750	15.1%		
<b>TOTALS</b>		<b>4,974</b>	<b>100.0%</b>		

# SET CONSISTENT RULES OF ENGAGEMENT WITH OUTSIDE COUNSEL

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- Use of billing guidelines to create uniform relationships

	Current
Require discounts from standard rates	74.7%
Project budgets required	64.6%
No change of assigned attorneys without client consent	63.5%
Travel expense rules	60.1%
Early case assessments	59.6%
Client ownership of work product	46.6%
Policies encouraging alternative dispute resolution	29.8%
Technology requirements	24.7%
Policies regarding diversity of service providers	18.5%

# E-BILLING CAN TURN LEGAL BILLS INTO POWERFUL TOOLS & REPORTS

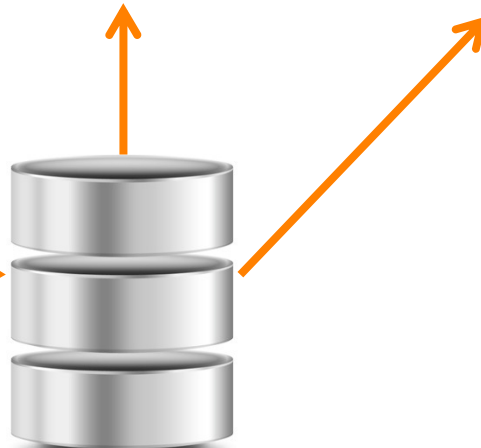
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## Reports



## Tools

- **Cost control**
- **Benchmarking and analytics**
- **Attorney hourly rate management**
- **Budget management**
- **Workload management**
- **Allocation of work to outside firms**
- **Billing guideline management**
- **Metrics proving savings and efficiency**



# MONITOR COMPLIANCE

NEW TIMEKEEPERS

TIMEKEEPER RATE CHANGES

Action	Name	New Rate	Effective Rate	Hours	Firm Adj.	Fees
Hold	Michelle Honeychurch	\$350.00	\$325.00	4.8	--	\$1,680.00
Action taken by Jeff Casemanager on 12/12/2012						
Hold	Tim Emerson	\$350.00	\$325.00	0.8	--	\$280.00
Hold	Jen Smith	\$150.00	\$125.00	0.6	--	\$90.00
Hold	Lucy Lawyer	\$250.00	\$200.00	8.8	--	\$2,200.00
Action taken by Jeff Casemanager on 12/13/2012						

accept all Exp. rates for this invoice only

EXPENSE RATE VIOLATIONS

Action	Expense Item	Net Rate (inc.Taxes)	Guideline	Units	Expense
Hold	Copying	\$0.15	\$0.10	87.0	\$13.05
Action taken by Jeff Casemanager on 12/13/2012					

EXPENSE TOTAL VIOLATIONS

Action	Expense Item	Billed Amount	Guideline
Hold	Meals	\$187.00	\$100.00
Action taken by Jeff Casemanager on 12/13/2012			

BUDGET ALERTS

AUDITED BUDGET: Submitted: 7/15/2012 Approved: 10/15/2012 Approver: Jeff Casemanager [\[view audited budget & invoices\]](#)

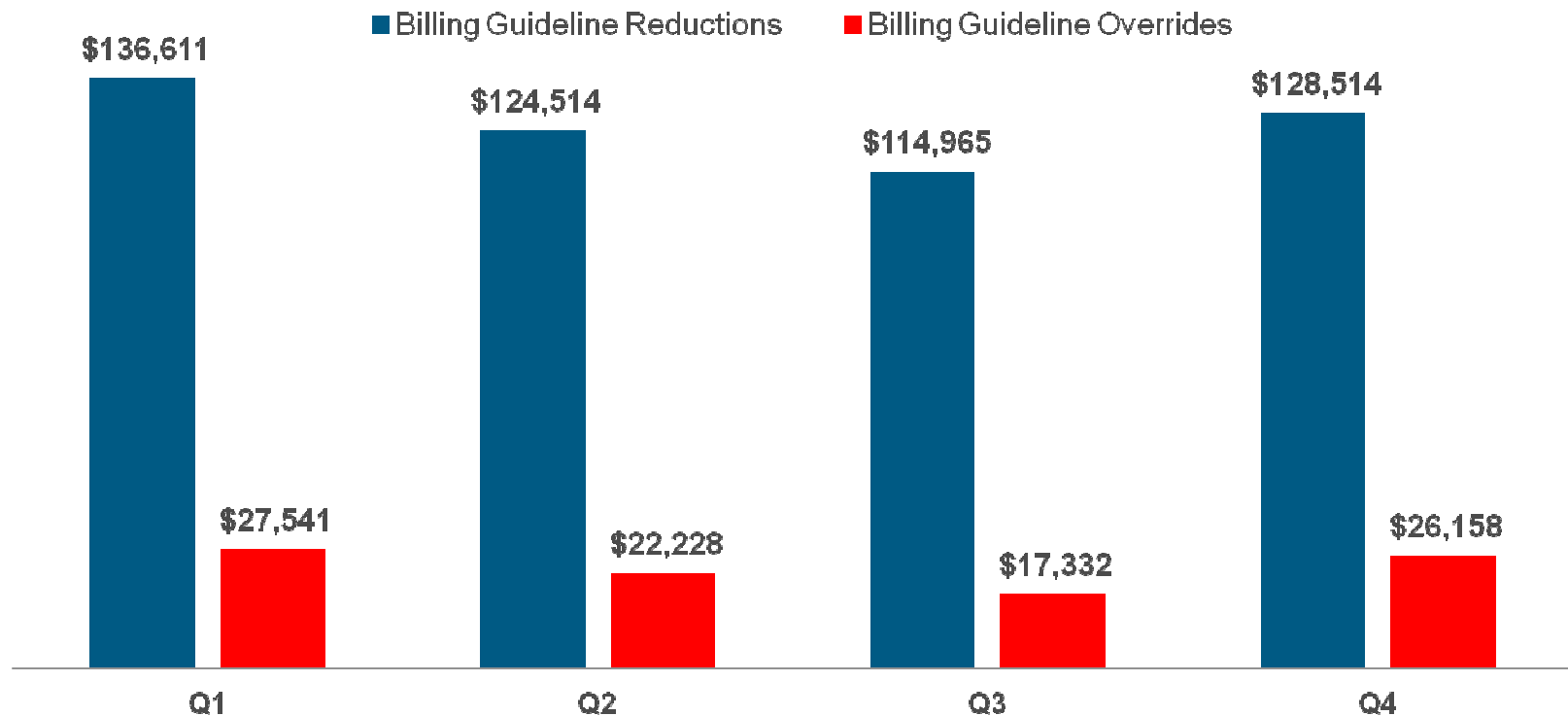
Action	Time Period/Phase	Budget Amt	Spending Amt	Variance (as posted)
Hold	7/1/2012 to 9/30/2012	\$3,600.00	\$4,450.05	(\$850.05)



## TRACK IMPACTS

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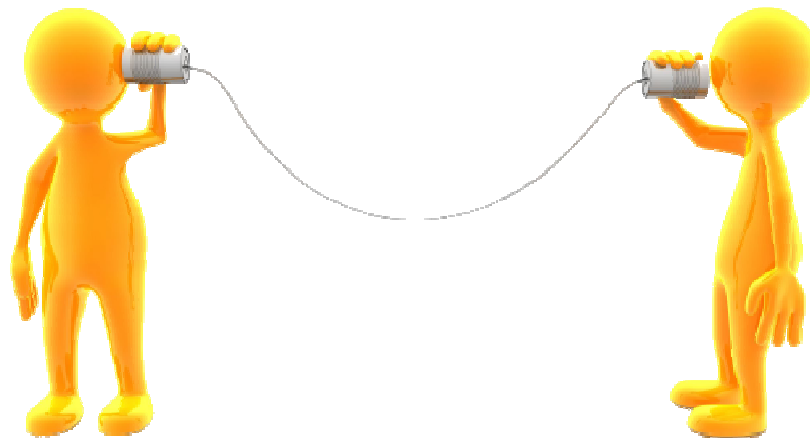
- What savings is the law department generating?
- Are you leaving money on the table by ignoring violations?



# ELIMINATE SURPRISES: PERIODIC STATUS UPDATES & CALENDARS

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- Foundation of legal project management: more communication, not less
- Require periodic status reports
- Use shared calendaring tool; automatically sends reminders to in-house/outside counsel legal team
- Adjust the plan as necessary





# CREATING THE BUDGET WITH OUTSIDE COUNSEL



- ☐ Value of project to the client:\_\_\_\_\_.
- ☐ Estimated cost: \_\_\_\_\_.
- ☐ Key budget assumptions: \_\_\_\_\_.
- ☐ Areas where “scope creep” is most likely:\_\_\_\_\_.
- ☐ What are the unknowns? Does a “phase” approach make more sense?
- ☐ How this will be managed with our internal budgets: \_\_\_\_\_.



# AUTOMATE PROJECT BUDGET TRACKING

## Actual vs. Budget

Fiscal Year 2013 Budget (01/13 to 12/13)	Budget Total	Budget Fees	Budget Expenses	'13 Dept. Budget
FY 2013 Budget	\$10,000	\$10,000	\$0	--
FY 2013 Budget to Date	\$10,000	\$10,000	\$0	--
FY 2013 Actual Billings	--	--	--	--
% Actual vs. Budget (FY 2013 to Date)	0%	0%	0%	--

## Total Matter Budget

Total Matter Budget	\$109,000			--
Total Matter Budget to Date	\$109,000	\$109,000	\$0	--
Total Actual Billings	\$82,912	\$81,783	\$1,129	\$82,912
% Actual vs. Budget (Total to Date)	76%	75%	--	--

## Budget Spreadsheet

[View Budget Phases](#)

Difference between Total Matter Budget (\$109,000) and amount allocated in spreadsheet below (\$109,000): \$0

<input checked="" type="checkbox"/> Initial Case Assessment and Handling	\$18,000	\$18,000	\$0	\$17,960
Time Period	Budget Total	Budget Fees	Budget Expenses	Invoices Billing Party
Feb 2010 - Jul 2010	\$18,000	\$18,000	\$0	\$17,960 <a href="#">Show Invoices</a>
<input checked="" type="checkbox"/> Discovery and Post Discovery Motions	\$32,000	\$32,000	\$0	\$21,201
Time Period	Budget Total	Budget Fees	Budget Expenses	Invoices Billing Party
Aug 2010 - Dec 2010	\$22,000	\$22,000	\$0	\$12,677 <a href="#">Show Invoices</a>
Jan 2011	\$10,000	\$10,000	\$0	\$8,524 <a href="#">Show Invoices</a>
<input checked="" type="checkbox"/> Trial Preparation	\$20,000	\$20,000	\$0	\$18,284



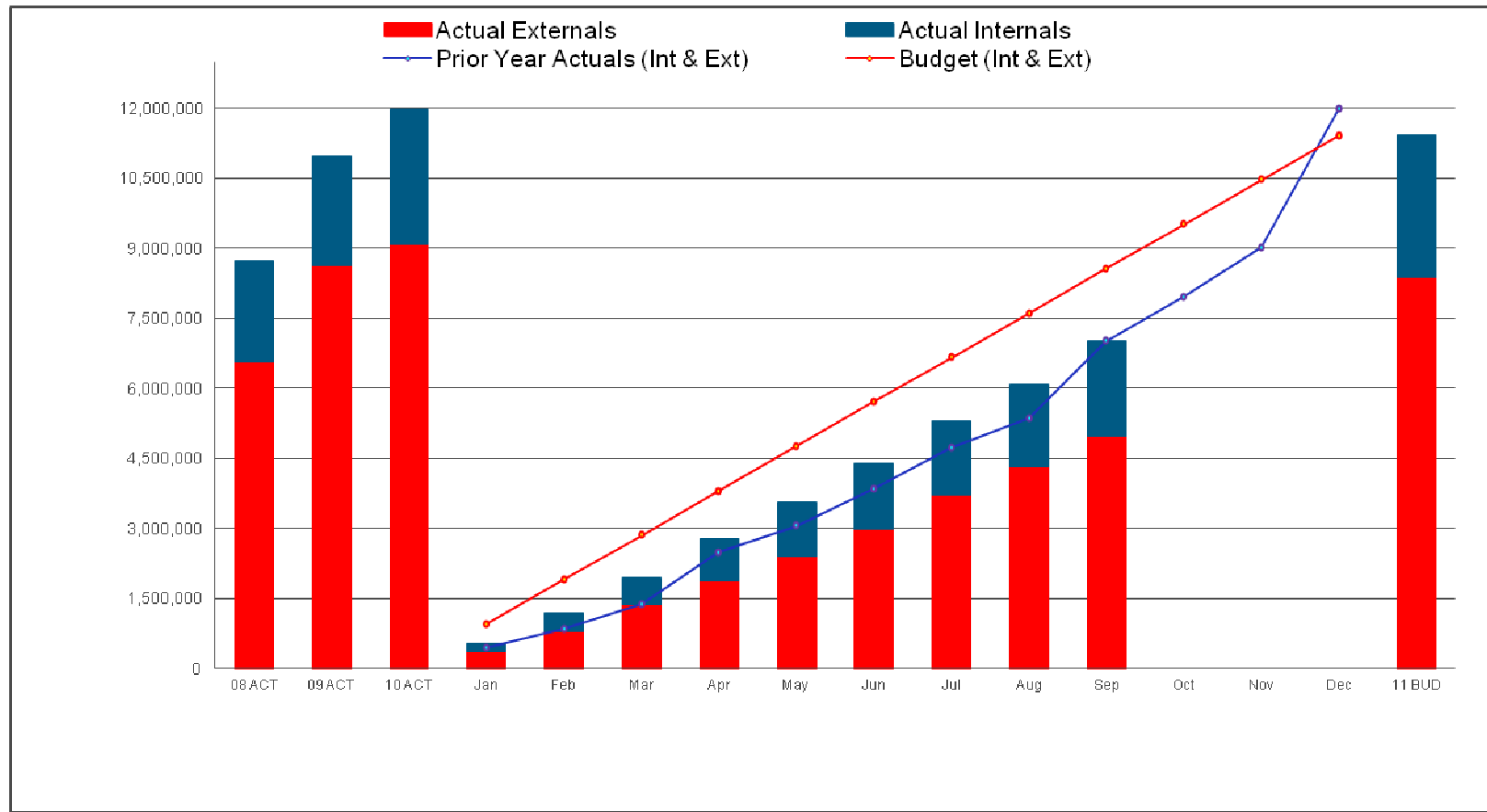
# TRIAGE MATTERS THAT NEED BUDGET ATTENTION

Matter Name ▲	Substantive Law	Actual Spending	Budget	Actual/Budget%
TOTAL ITEMS (25)		\$1,068,321.70	\$1,423,007.60	75%
<a href="#">*Thomas v. Acme</a>	Employment-Discrimination/Disabilities Law	\$82,912.25	\$109,000.00	76%
<a href="#">Airbus A380 divestiture</a>	Aviation/Aerospace	\$34,756.95	\$56,840.40	61%
<a href="#">Aircraft Seat Partition (PCT)</a>	Intellectual Property - Patent	\$38,315.00	\$36,200.00	106%
<a href="#">Aircraft Seat Partition (U.S. Pat.)</a>	Intellectual Property - Patent	\$110,138.50	\$173,000.00	64%
<a href="#">Ashley v. Pacific</a>	Torts	\$42,909.33	\$51,100.00	84%
<a href="#">Boeing Dreamliner Purchase</a>	Aviation/Aerospace	\$43,534.73	\$49,795.20	87%
<a href="#">EEOC Investigation</a>	Employment-Discrimination/Disabilities Law	\$32,196.75	\$45,100.00	71%
<a href="#">EUROLUX design mark (IC 039) (CTM)</a>	Intellectual Property - Trademark	\$36,200.00	\$36,000.00	101%
<a href="#">EUROLUX design mark (IC 039) (US)</a>	Intellectual Property - Trademark	\$19,120.00	\$20,900.00	91%
<a href="#">Flat Fee matter</a>	International Law	\$8,010.00	\$8,100.00	99%
<a href="#">FTC Investigation</a>	Antitrust/Unfair Competition	\$59,825.50	\$67,101.00	89%
<a href="#">Kira Kim - Green card application</a>	Immigration & Naturalization	\$1,940.50	\$10,000.00	19%
<a href="#">LOOK UP! word mark (IC 016) (US)</a>	Intellectual Property - Trademark	\$23,250.00	\$29,000.00	80%
<a href="#">Marcus Hanes- O2 visa application</a>	Immigration & Naturalization	--	\$5,000.00	0%



# MONITOR AGGREGATE LAW DEPARTMENT BUDGET & SPENDING

## Budget to Actual Report



# HOT WASHING: CAPTURE & APPLY LESSONS LEARNED

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- Substantive: What can we do to ensure we don't end up here again (e.g., product changes, warnings, service issues)
- Procedural: What did we learn from the process (internally or from outside counsel)? What can we do better next time? What work product can we re-use?

Hot Wash - Today's Meeting	
What Went Well ("W")	Take A Look At ("TALA")



.....

Good value; would you use this attorney/firm again?: « ☐ Yes ☒ No

# TRACK SUBJECTIVE PERFORMANCE

Outside Counsel Evaluations Detail with No Grouping

> REPORT CRITERIA

▼ REPORT

Print Report...

Export...

## Legend

1 = Unacceptable 2 = Mediocre 3 = Good 4 = Very Good 5 = Excellent

<u>Firm</u> ▲ <u>Outside Counsel</u>	<u>Reviewer</u> <u>Review Date</u>	<u>Matter Name</u> <u>Substantive Law</u>	<u>Overall</u> <u>Rating</u>	<u>Understood</u> <u>Goals</u>	<u>Expertise</u>	<u>Efficiency</u>	<u>Responsiveness</u>	<u>Predictive</u> <u>Accuracy</u>	<u>Effectiveness</u>	<u>Recommended</u>
Totals & Averages: 2 evaluation(s)			4.1	4.5	4.5	4.0	3.5	2.0	4.5	
■ Show details										
<a href="#">Shriber &amp; Handy Smith, Lesley</a>	<a href="#">Casemanager, Jeff</a> 01/10/2010	<a href="#">*Thomas v. Acme</a> Employment-Discrimination/Disabilities Law	4.6 Litigation	4.0 --	4.0 a. Domestic	5.0 Litigation	5.0	N/A	5.0	Yes
<a href="#">Shriber &amp; Handy Handy, Ryan</a>	<a href="#">Casemanager, Jeff</a> 12/10/2010	<a href="#">*Thomas v. Acme</a> Employment-Discrimination/Disabilities Law	3.5 Litigation	5.0 --	5.0 a. Domestic	3.0 Litigation	2.0	2.0	4.0	Yes



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# TRACK OBJECTIVE PERFORMANCE

REPORT RESULTS

Name:
**Spending to Budget** run by Jeff Casemanager on 01/09/2013 at 11:04 AM Pacific Time

Field Criteria:
[Actual Spending: Status: Approved - Paid In Full, Approved - Modified, Unapproved]
[Budget: Law Firm Matter Budget]
[Act

Report Filters:
[Matter: Open/Closed: Open]
[Budget Summary > Budget: Allocated by Date > Budget: Allocated Total: greater than \$0

Description/  
Print Comment:

Provides a comparison between actual spending and corresponding budget data and calculates the respective percentage

<div> <div>+</div> <div>Lead Firm &gt; Firm: Short Name</div> </div> <div> <div>Matter Name ▲</div> <div>Substantive Law</div> <div>Actual Spending</div> <div>Budget</div> <div>Actual/Budget%</div> <div>Last Invoice Amount</div> </div>
TOTAL ITEMS (25)
<div></div> <div>\$1,068,008.30</div> <div>\$1,423,007.60</div> <div>75%</div> <div>\$110,396.61</div>
<div> <div>+</div> <div>Shriber &amp; Handy (10)</div> </div> <div> <div></div> <div>\$336,879.00</div> <div>\$465,600.00</div> <div>72%</div> <div>\$31,631.50</div> </div>
<div> <div>+</div> <div>Coleridge &amp; Keats (4)</div> </div> <div> <div></div> <div>\$172,497.77</div> <div>\$213,406.60</div> <div>81%</div> <div>\$23,030.43</div> </div>
<div> <div>+</div> <div>Honeychurch Emerson (6)</div> </div> <div> <div></div> <div>\$302,712.55</div> <div>\$390,600.00</div> <div>77%</div> <div>\$28,543.55</div> </div>
<div> <div>+</div> <div>Harper &amp; McCord (2)</div> </div> <div> <div></div> <div>\$75,106.08</div> <div>\$96,200.00</div> <div>78%</div> <div>\$2,634.33</div> </div>
<div> <div>+</div> <div>Jotto &amp; Sendak (1)</div> </div> <div> <div></div> <div>\$59,825.50</div> <div>\$67,101.00</div> <div>89%</div> <div>\$3,100.00</div> </div>
<div> <div>+</div> <div>Simpson &amp; McCrea (1)</div> </div> <div> <div></div> <div>\$41,275.00</div> <div>\$49,100.00</div> <div>84%</div> <div>\$1,800.00</div> </div>
<div> <div>+</div> <div>Baxter &amp; Phillips (1)</div> </div> <div> <div></div> <div>\$79,712.40</div> <div>\$141,000.00</div> <div>57%</div> <div>\$19,656.80</div> </div>



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# ASSESSING YOUR LEGAL LANDSCAPE: BEGIN BY GETTING IT ALL IN ONE PLACE

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# GROWING ADOPTION OF CLIENT-CENTRIC MATTER MANAGEMENT

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- Client-centric technologies are replacing the patchwork of law firm extranets.

	2000	Current	Change
Use of law firm extranets	21%	13.5%	Decreased by 36%
Adoption of Internet-based systems to manage legal work	10.8%	41.6%	Increased by 285%
Adoption of e-billing	1.1%	34.8%	Increased by 3064%



# TODAY'S GOALS

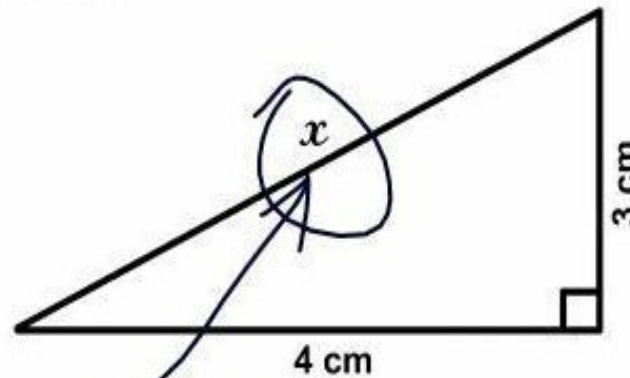
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    - Require **fiscal** discipline
    - **Assess progress** regularly, adjust the plan/budget
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  - Use metrics & benchmarks to quantify your progress & value
- Best practices to implement changes in your legal department

# NUMBERS AND LAWYERS – LEARNING THE LANGUAGE OF BUSINESS

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3. Find  $x$ .

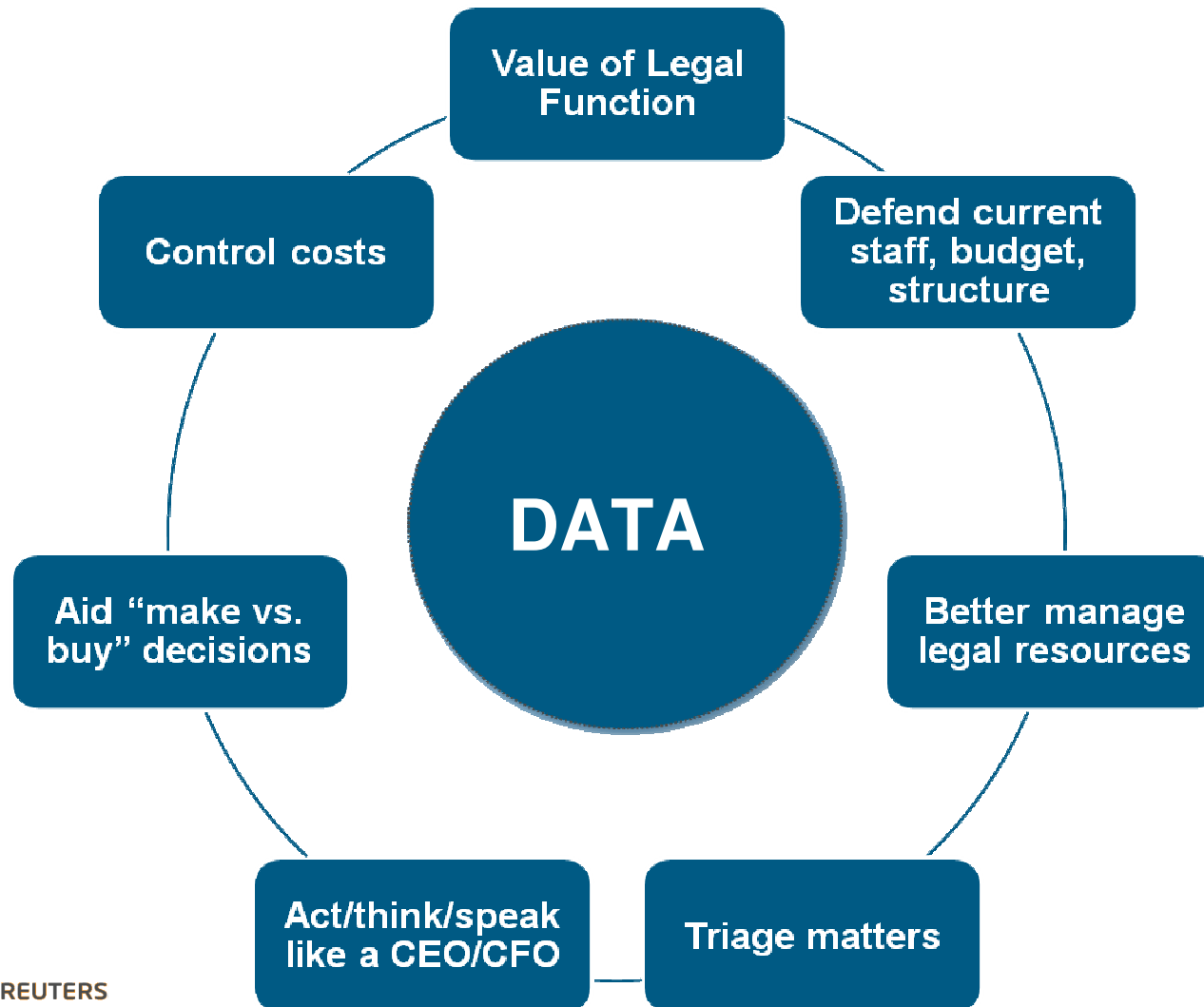


*Here it is*



# USING DATA TO QUANTIFY SUCCESS/VALUE

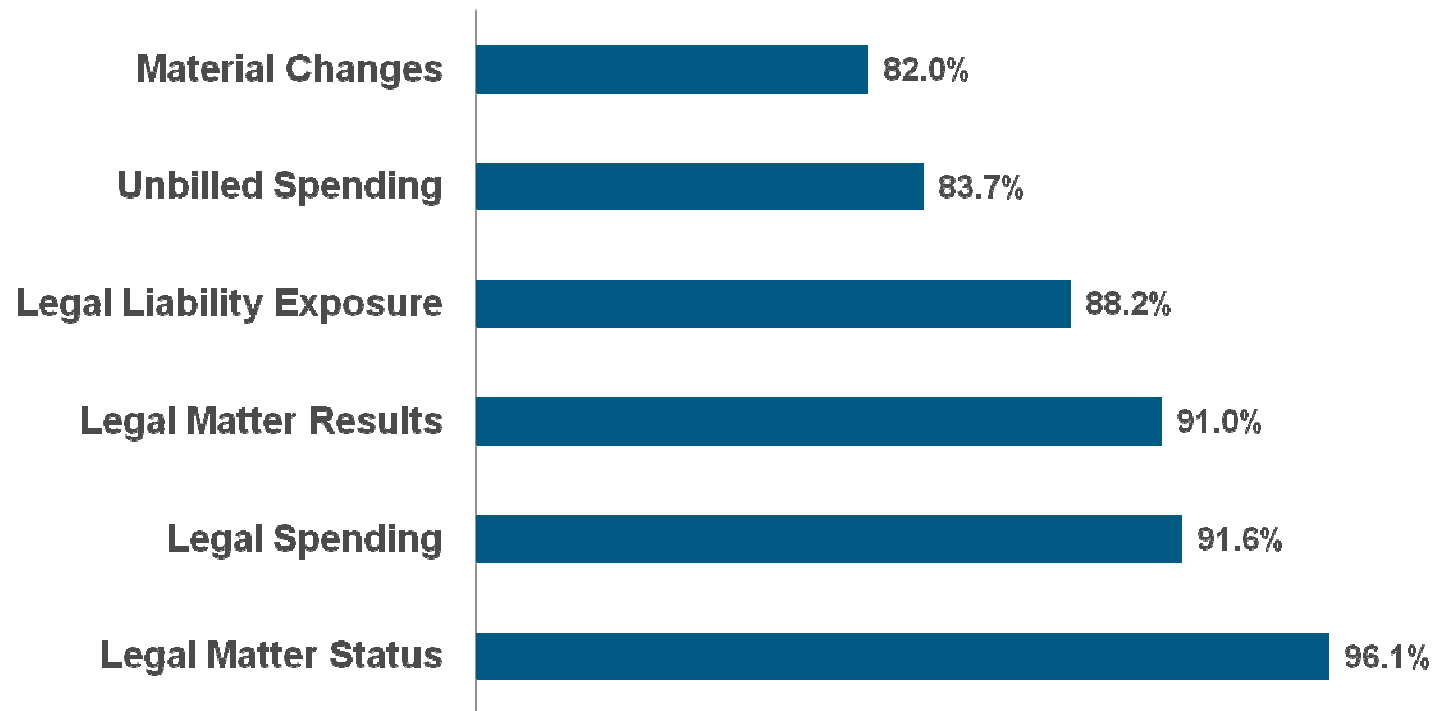
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# WHAT'S BEING MEASURED & REPORTED?

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## Most Common Reports



*\*ACC/Serengeti Managing Outside Counsel Survey, 10<sup>th</sup> Ed.*



# MULTIPLE DATA POINTS BUILD ACCURATE ASSESSMENTS

	<u>MONTH</u>	<u>YTD</u>	<u>2011</u>
Total Matters	595	-152	747
Total Spending	\$672,024	\$4,974,492	\$9,084,047
Total\$/\$M Sales	.19%	.16%	.21%
Active Litigation	12	-2	14
New Litigation	1	8	17
Closed Litigation	0	8	15
Cycle Time	N/A	199 Days	357 Days
Litigation Spend	\$367,960	\$2,960,967	\$3,642,612
Litigation \$/\$M Sales	.10%	.10%	.08%
Settlement \$	N/A	\$1,602,715	\$278,936
Patents	970	+31	939
Trademarks	272	-17	289
IP Spending	\$176,135	\$1,358,005	\$1,467,726
IP\$/\$M Sales	.05%	.04%	.03%
Trainings	7	32	21
Ethics Complaints	0	1	1



## DEEPER DIVE: TOTAL SPENDING

	<u>MONTH</u>	<u>YTD</u>	<u>2011</u>
<b>Total Matters</b>	<b>595</b>	<b>-152</b>	<b>747</b>
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## DEEPER DIVE: LITIGATION

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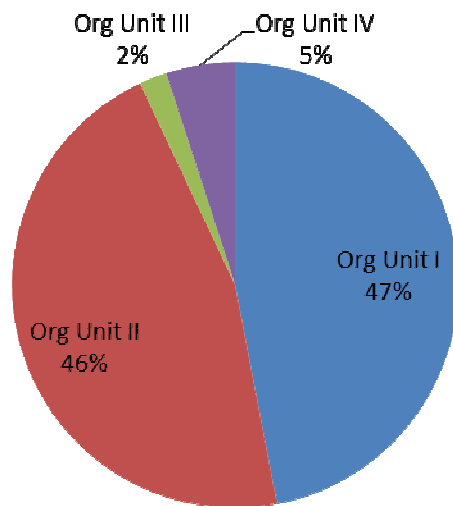
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Ethics Complaints	0	1	1



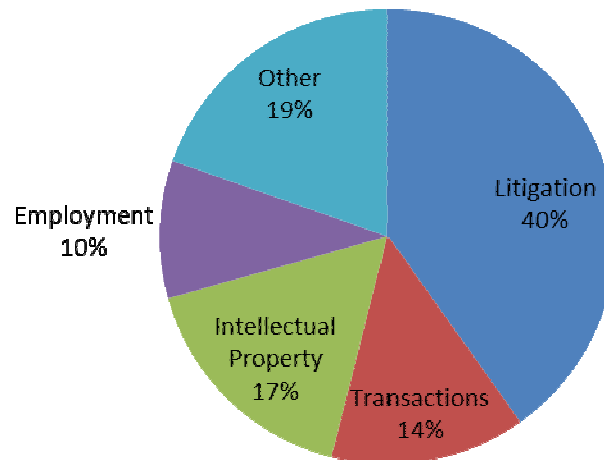
# DESCRIBING THE LEGAL PORTFOLIO

---

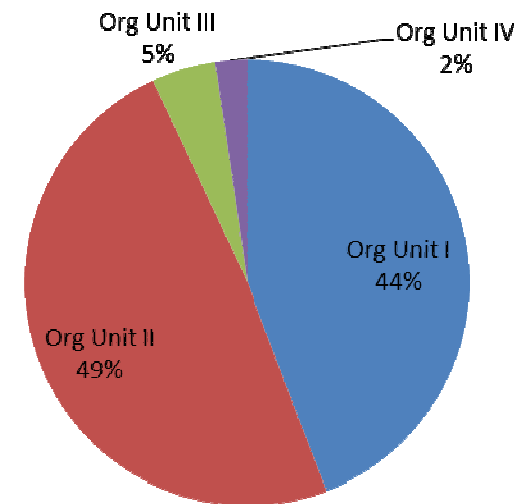
Total Portfolio  
by Org Unit



Total Portfolio by  
Matter Type

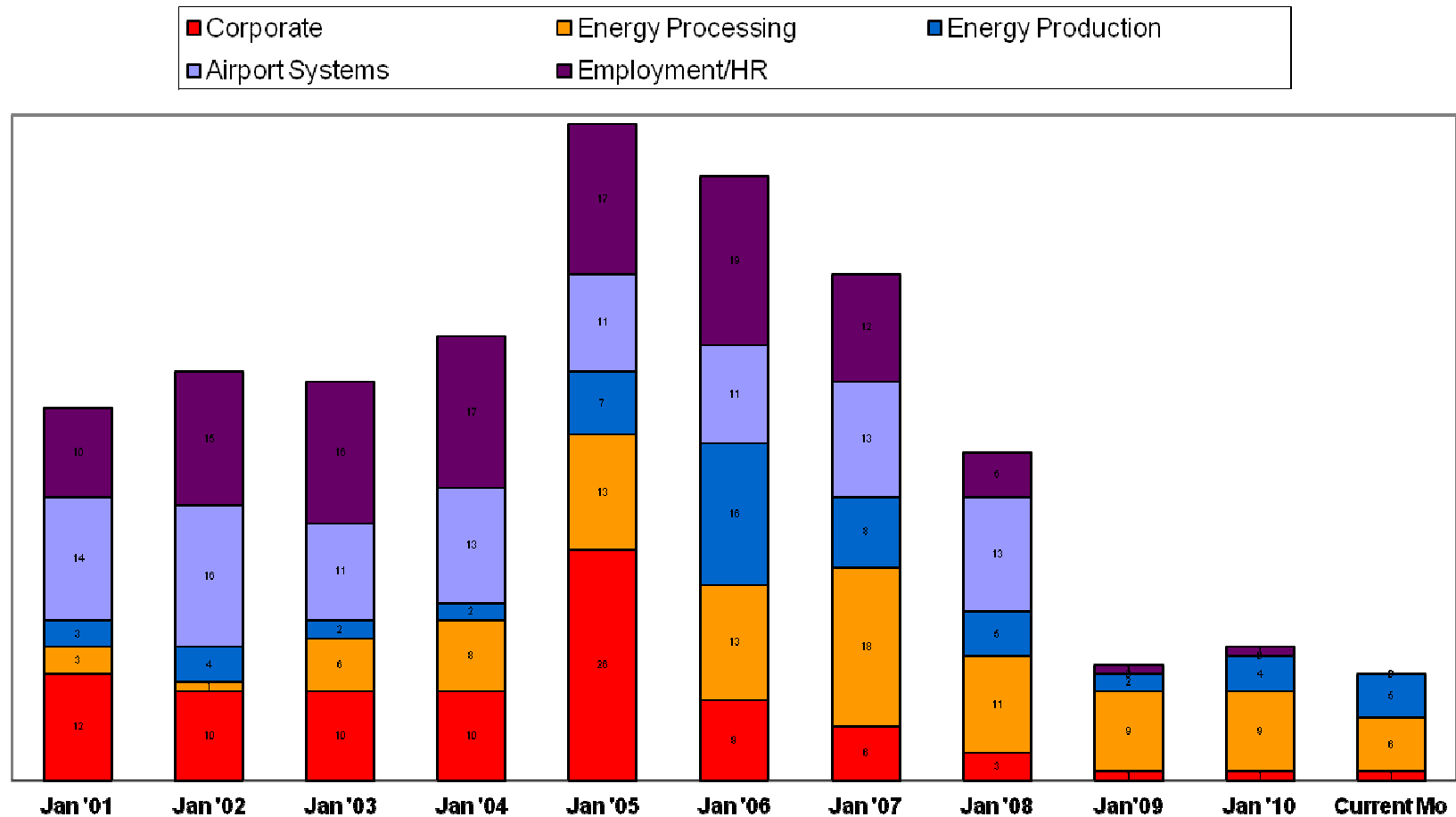


Open Litigation  
Matters by Org  
Unit



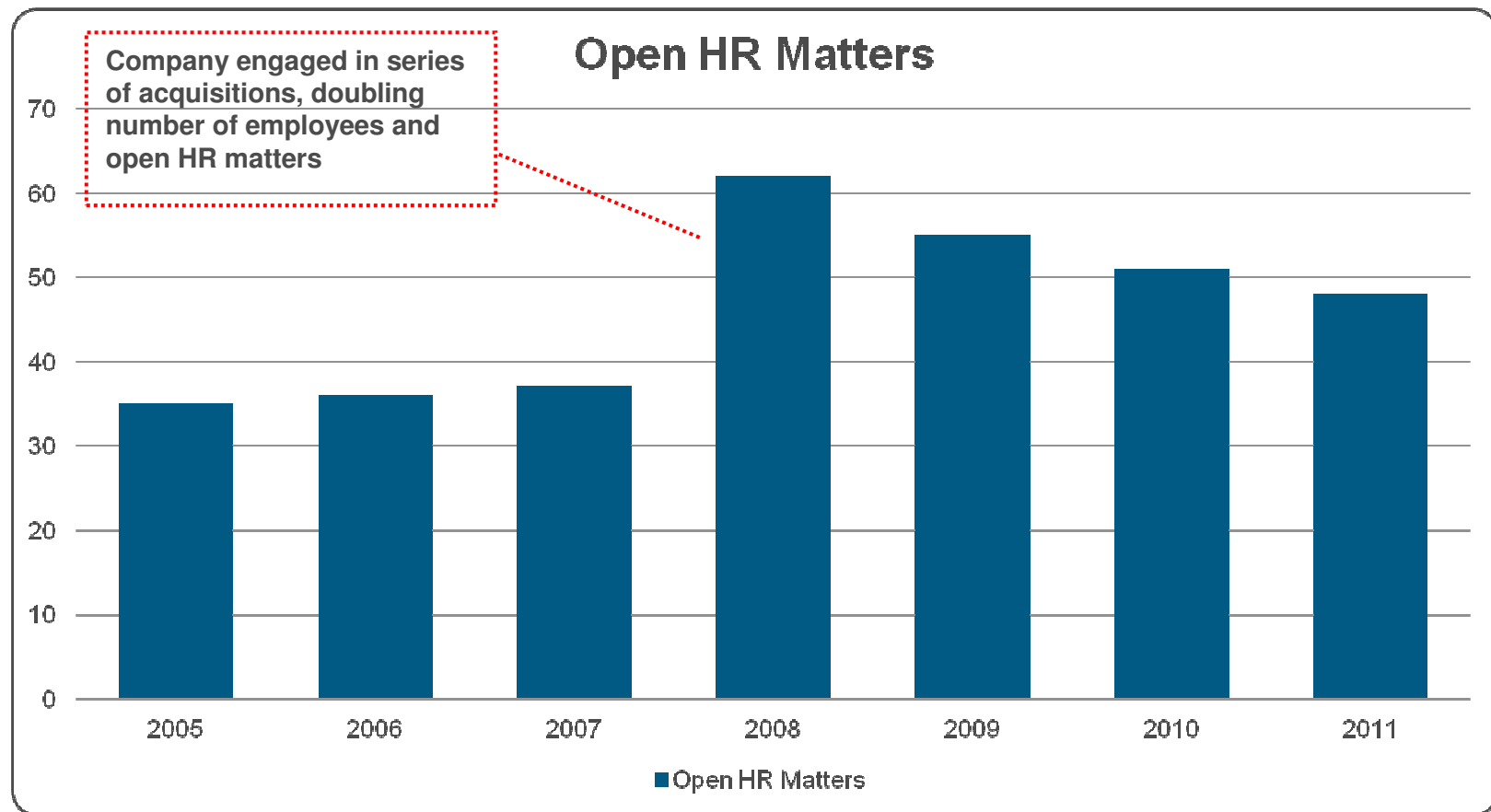
# UNCOVERING THE PRIMARY DRIVERS OF LITIGATION

## Litigation Trends



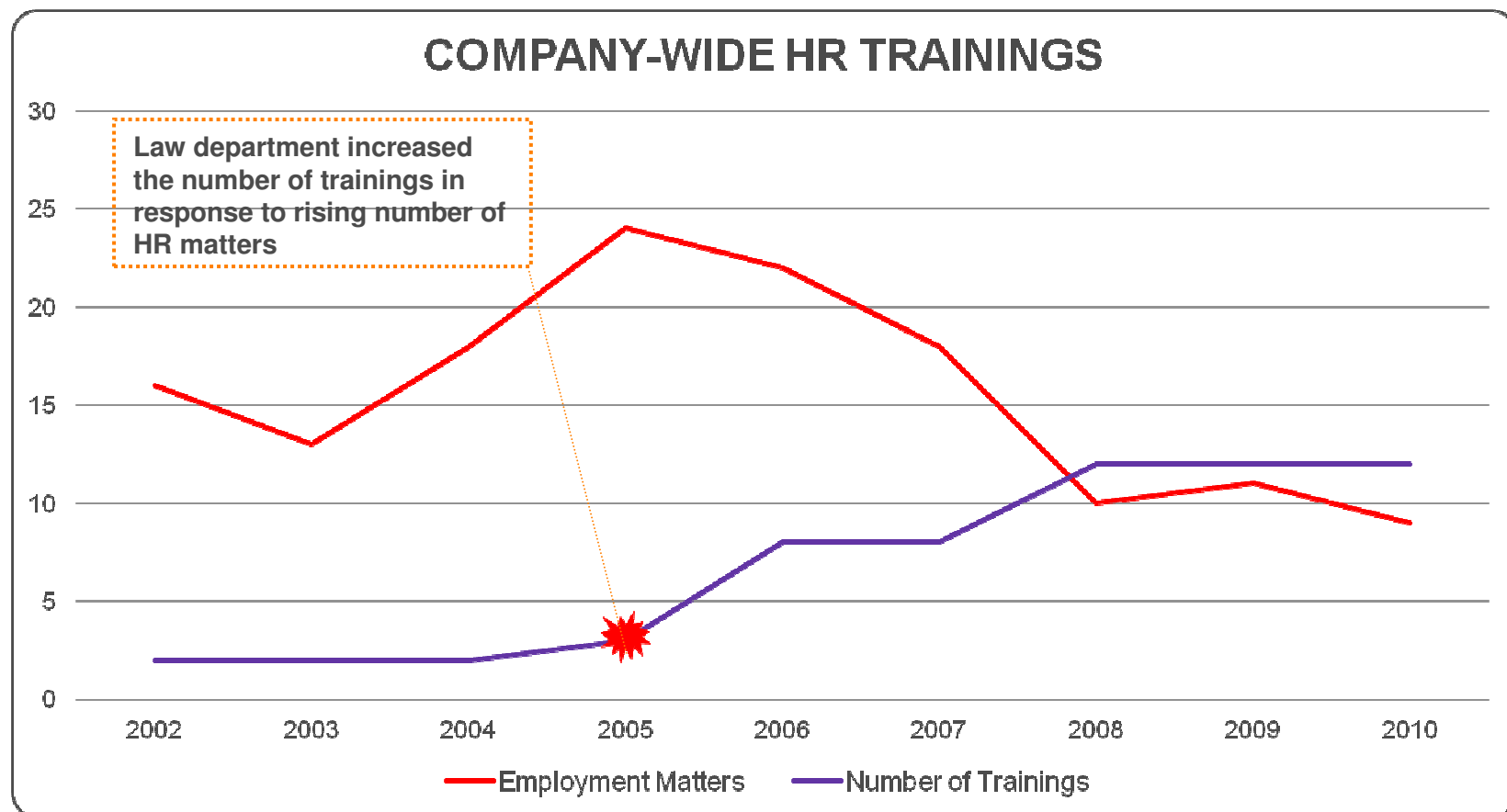
# OTHER FACTORS CAUSING SIGNIFICANT CHANGES IN LEGAL WORK

---



# SAVINGS FROM PRACTICING PREVENTIVE LAW

- Show the impact of trainings provided by legal department





# MOVE TO DATA-DRIVEN LEGAL DECISIONS

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Sales revenue: \$\$\$\$\$ =

Untouchable



Sales revenue: \$\$\$\$\$

***subtract***

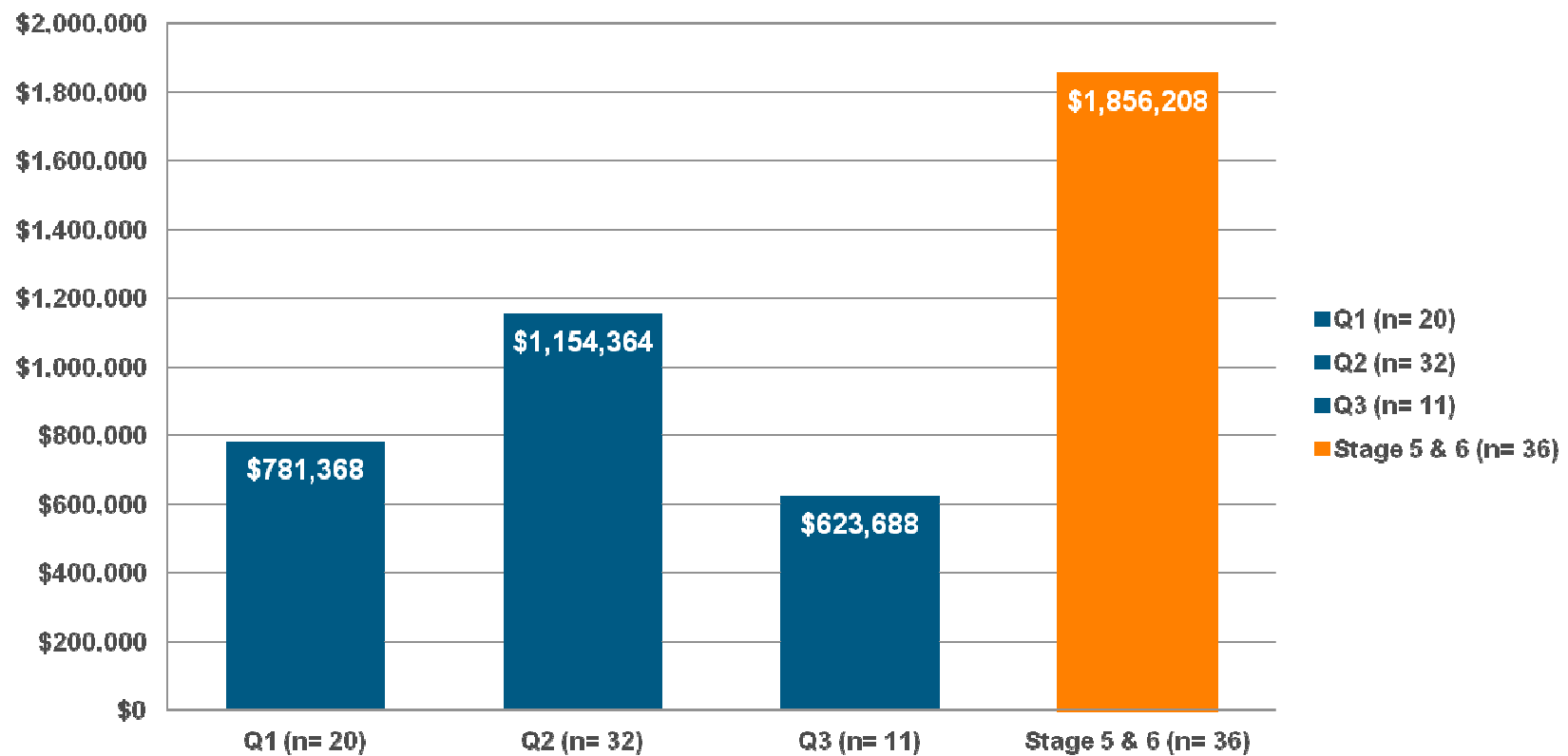
**-internal LD resources \$\$\$  
-outside counsel costs\$\$\$)=**

**Employee termination/  
improvement plan**



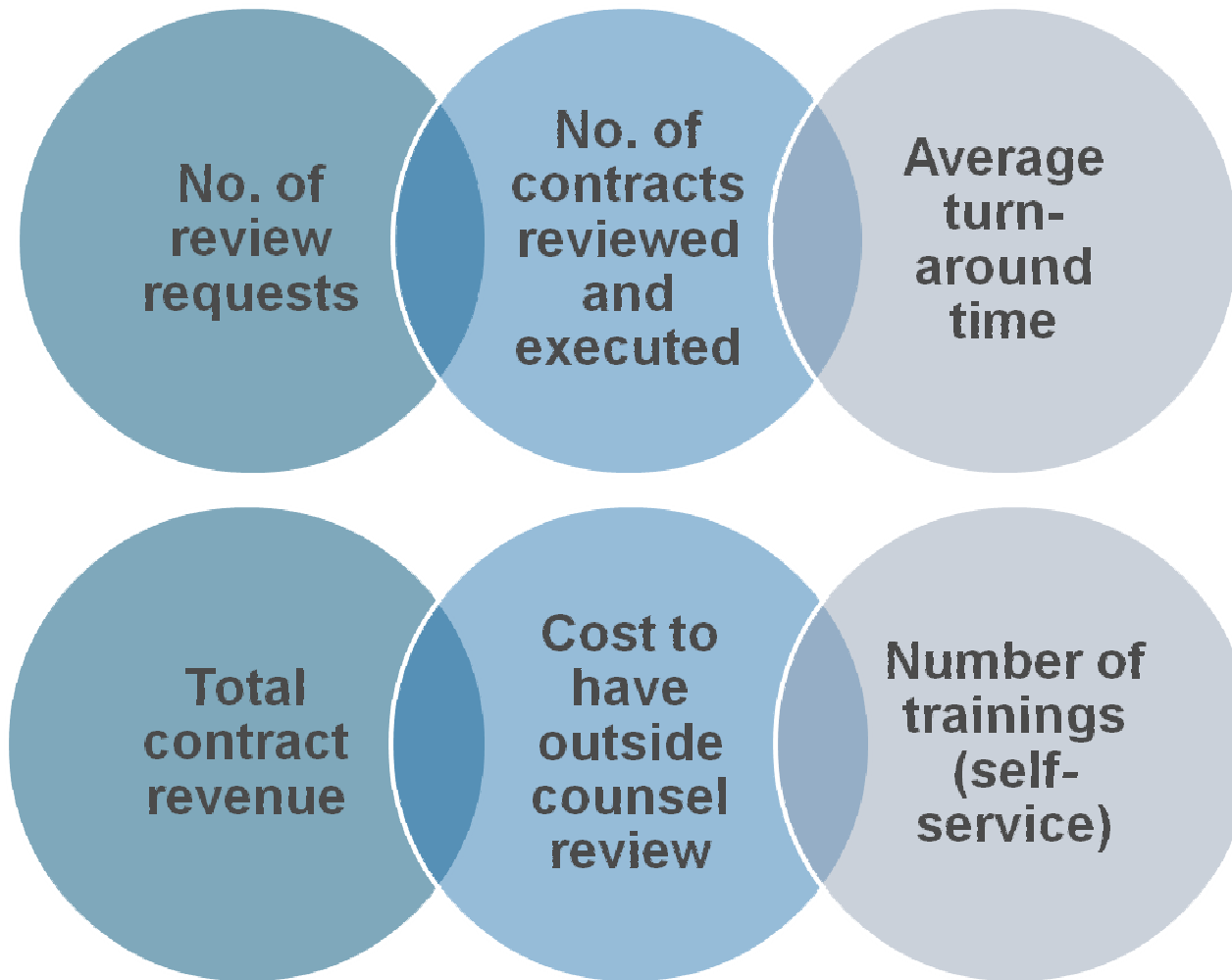
# QUANTIFY ROLE OF DEPARTMENT IN GENERATING & PROTECTING REVENUE

## 2012 Contracts Closed & Pending



# DEMONSTRATING TRANSACTIONAL EFFICIENCY

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# EFFECTIVE ASSESSMENT OF RATE REQUESTS FROM FIRMS

## Timekeeper Rate Review

### Rate Analysis

Timekeepers (with missing Timekeepers)

TIMEKEEPER DATA				PROPOSED RATE				RATE ANALYSIS				
Timekeeper	Metro Area	Matter Type - Classification - Years Of Experience	Current Rate	Base	-	Discount	=	Effective Index	%ile	% Change	Fees Next Yr	Fees Last Yr
Honeychurch Emerson Timekeeper Count: 4								\$81,465.00 (+16%) \$70,522.50				
<div>change</div>	Jen Smith	Seattle-Tacoma-Bremerton WA CMSA Legal Assistant - 3	--	\$150.00	-	0.00%	=	\$150.00	35	--	--	--
<div>save</div> <div>cancel</div>	Lucy Lawyer	Seattle-Tacoma-Bremerton WA CMSA Other Filings - Associate - 2	\$200.00	\$250.00	-	0.00%	=	\$250.00 \$ <div>250</div>	60	+25%	\$39,850.00	\$31,880.00
<div>change</div>	Michelle Honeychurch	Seattle-Tacoma-Bremerton WA CMSA Other Filings - Partner - 3	\$325.00	\$350.00	-	0.00%	=	\$350.00	55	+8%	\$36,365.00	\$33,767.50
<div>change</div>	Tim Emerson	Seattle-Tacoma-Bremerton WA CMSA Other Filings - Of Counsel - 4	\$325.00	\$350.00	-	0.00%	=	\$350.00	100	+8%	\$5,250.00	\$4,875.00



# CONSIDERING ALTERNATIVE FEE OPPORTUNITIES

<div> <div> <div></div> <div>Matter &gt; Organizational Unit &gt; Org. Unit (w/ path)</div> </div> <div> <div></div> <div>Matter &gt; Matter Type &gt; Matter Type (w/o path)</div> </div> </div> <div> <div>Matter Name ▲</div> <div>Invoice Number</div> <div>Vendor Name Lead Outside Counsel</div> <div>Date Posted Approved</div> <div>Total Billed Approved</div> <div>Fees Billed Approved</div> <div>Expenses Billed Approved</div> <div>Tax Billed Approved</div> </div>							
TOTAL ITEMS (78)							
				\$288,836.62	\$278,591.20	\$7,241.41	\$3,004.00
				\$284,528.25	\$275,741.53	\$5,809.80	\$2,976.92
<div> <div></div> <div>Acme Holdings &gt; 2. Acme Airlines &gt; a. Domestic (13)</div> </div>							
				\$32,119.75	\$31,183.00	\$936.75	--
				\$31,271.25	\$30,472.00	\$799.25	--
<div> <div></div> <div>Litigation (10)</div> </div>							
				\$22,444.75	\$21,508.00	\$936.75	--
				\$21,596.25	\$20,797.00	\$799.25	--
<div> <div></div> <div>Regulatory (3)</div> </div>							
				\$9,675.00	\$9,675.00	\$0.00	--
				\$9,675.00	\$9,675.00	\$0.00	--
<div> <div></div> <div>Acme Holdings &gt; Subsidiary: EuroLux (18)</div> </div>							
				\$79,645.47	\$75,335.20	\$1,306.26	\$3,004.00
				\$77,717.27	\$73,651.20	\$1,089.15	\$2,976.92
<div> <div></div> <div>Transaction (13)</div> </div>							
				\$57,321.47	\$53,031.20	\$1,286.26	\$3,004.00
				\$57,087.27	\$53,031.20	\$1,079.15	\$2,976.92
<div> <div></div> <div>TM Registration (5)</div> </div>							
				\$22,324.00	\$22,304.00	\$20.00	--
				\$20,630.00	\$20,620.00	\$10.00	--



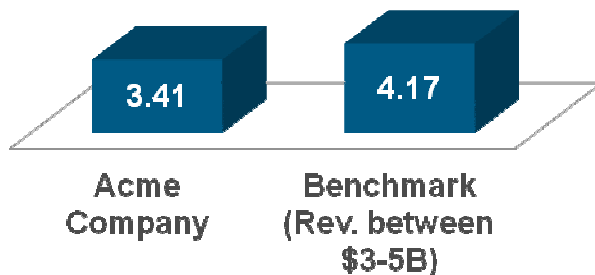
# USE BENCHMARKS TO COMPARE YOUR OPERATIONS TO PEERS

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- Example: number of attorneys and staff compared with similarly situated companies

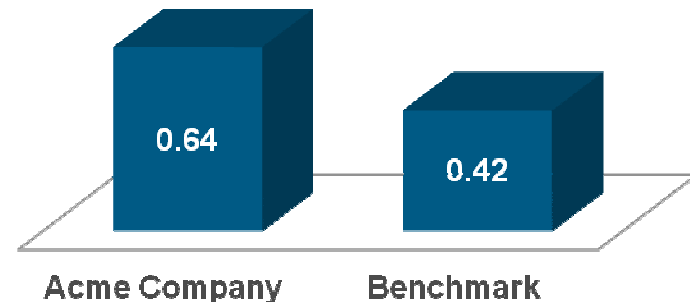
## Median Lawyers per US\$ Billion In Revenue

■ Lawyers per US\$ Billion



## Non-lawyer staff per lawyer

■ Non-lawyer staff per lawyer

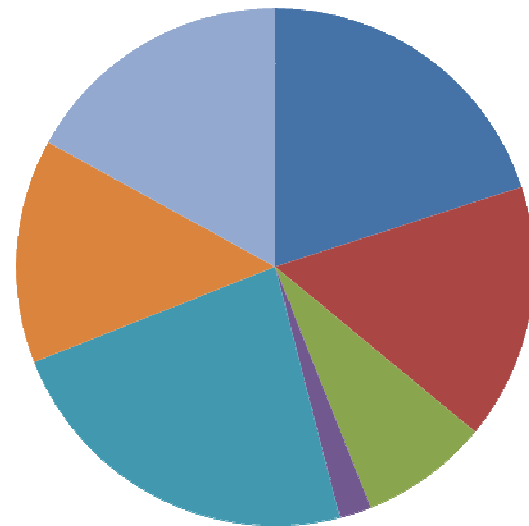


# EXAMPLE: BENCHMARKS FOR DISCRIMINATION CLAIMS

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## Our Company Claim Types

Claim Type	Company	EEOC Data
Race		21.6%
Gender		17.5%
Nat'l Origin		6.8%
Religion		2.3%
Retaliation		21.8%
Age		14.0%
Disability		15.2%



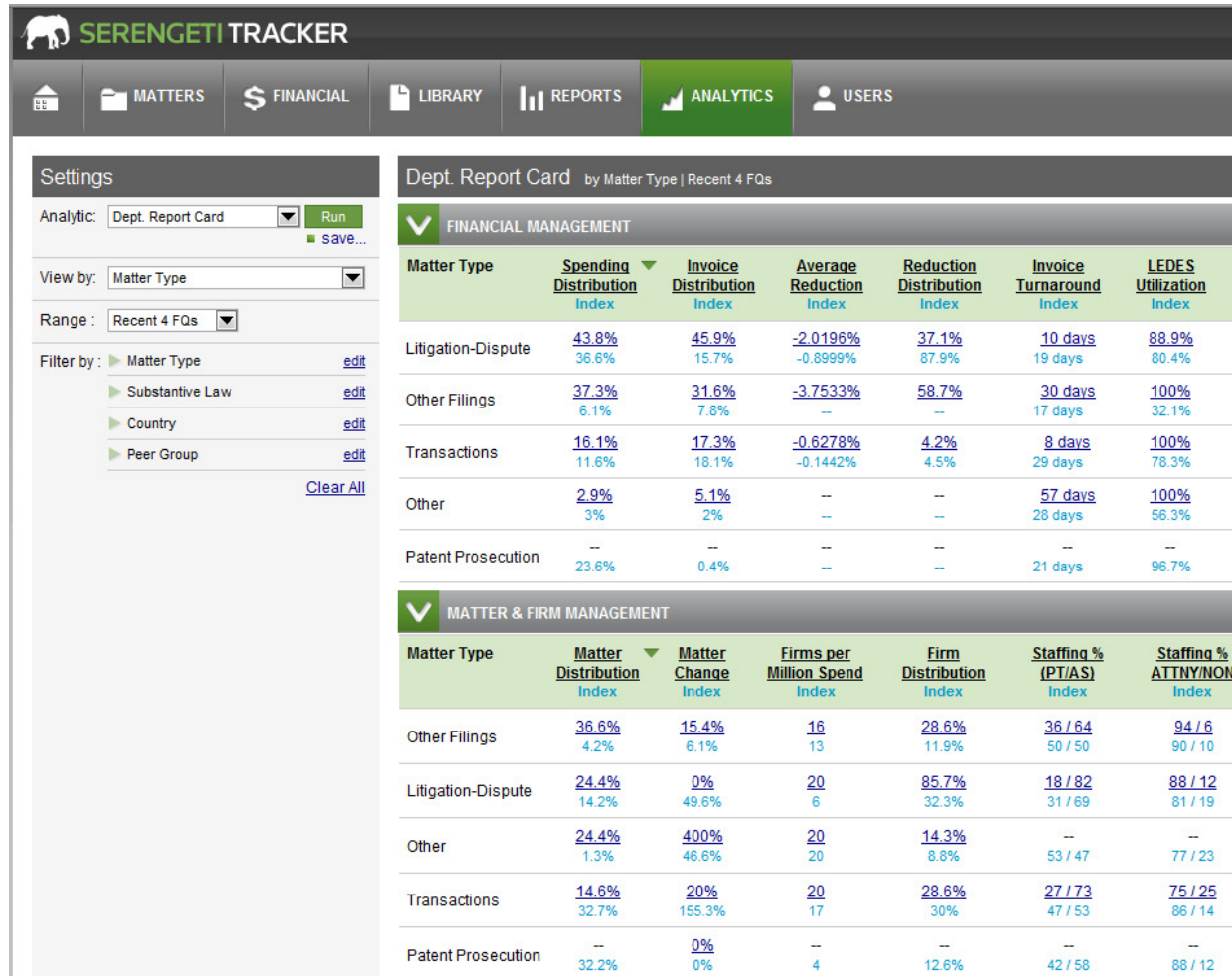
# APPLYING EXTERNAL BENCHMARKS

Benchmarks for Companies N=530	25% Quartile	Median	Mean	Trimmed Mean	75% Quartile
Total Legal Spending % of Revenue	0.19%	0.39%	1.12%	0.70%	0.83%
Revenue \$ per Total Legal Spending	\$121.12	\$261.98	\$727.48	\$457.68	\$533.33
Lawyers per \$B Revenue	2.63	5.57	26.59	11.67	13.27
Legal Staff per \$B Revenue	4.51	9.49	76.11	20.71	22.82
Lawyers per Legal Staff	0.50	0.60	0.60	0.61	0.73
Lawyers % of Legal Staff	50.00%	60.00%	60.39%	60.56%	72.97%
Lawyers per Paralegal	2.00	3.00	4.02	3.61	4.69
Lawyers per non-Paralegal	0.60	0.75	0.74	0.75	0.94
Revenue per Lawyer	\$75,357,142	\$179,500,000	\$403,700,999	\$286,331,049	\$380,000,000
Revenue per Legal Staff	\$43,824,248	\$105,371,756	\$225,947,822	\$161,985,381	\$221,576,050
Internal Spending per Lawyer	\$180,000	\$277,806	\$334,874	\$310,321	\$432,234
Internal Spending per Legal Staff	\$108,333	\$155,950	\$189,898	\$170,571	\$224,766
External Spending per Lawyer	\$138,933	\$367,105	\$1,194,369	\$553,045	\$773,993
External Spending per Legal Staff	\$77,777	\$193,308	\$625,654	\$302,245	\$414,898
Total Legal Spending per Lawyer	\$335,000	\$666,666	\$1,512,243	\$869,511	\$1,164,285
Total Legal Spending per Legal Staff	\$200,000	\$375,000	\$806,420	\$472,586	\$627,272
Internal Spending % of Total Legal Spending	29.75%	44.44%	46.50%	46.31%	62.68%
Internal to External Spending Ratio	30/70	44/56	47/53	46/54	63/37
Internal Spending % of Revenue	0.08%	0.15%	0.51%	0.28%	0.33%
Revenue \$ per Internal Spending	\$308.23	\$667.78	\$1517	\$1107	\$1333
External Spending % of Revenue	0.09%	0.20%	0.64%	0.39%	0.46%
Revenue \$ per External Spending	\$221.46	\$500.00	\$1912	\$1194	\$1203
External Spending % of Total Legal Spending	39.07%	56.71%	54.92%	55.04%	71.70%
Cost per Lawyer Hour	\$100.00	\$154.34	\$186.04	\$172.40	\$240.13
Cost per Legal Staff Hour	\$63.73	\$91.74	\$111.71	\$100.34	\$132.22





# AUTOMATED BENCHMARKING REPORT CARD



THOMSON REUTERS

# TODAY'S GOALS

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- Managing the work of your legal department like a business unit
  - Introduce effective project management techniques
    - Define **scope**, select the best team, create a plan
    - Require **fiscal** discipline
    - **Assess progress** regularly, adjust the plan/budget
    - Assess **overall performance**, capture lessons learned
  - Use metrics & benchmarks to quantify your progress & value
- Best practices to introduce and implement change to your legal department



# CHANGE MANAGEMENT

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- Assess your history, readiness and capacity to change.
- Start at the top; enlist executive advocates for support and direction.
- Generate a data-driven business case.
- Select a vendor with a proven track record; talk with other law department customers.
- Communicate the message. Communicate the message.
- Expect the unexpected.



QUESTIONS?

## CONTACT INFO

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Rob Thomas

Vice President, Market Development Group  
Corporate Legal Segment

**Thomson Reuters**

Phone: 425-732-5518

[rob.thomas@thomsonreuters.com](mailto:rob.thomas@thomsonreuters.com)