

Altman Weil's Law Department Cost Control Checklist

MATCHING LEGAL WORK WITH THE RIGHT LAW FIRMS

The level of legal work should be matched with the right firms. If you are sending commodity legal work to high priced, strategic firms, then the costs will be inappropriately high. Strategic work should go to strategic law firms, important work to important level firms and commodity work to firms positioned to provide cost effective, commodity services. Addressing this issue might require realigning work, implementation of a convergence program or establishment of an effective preferred provider program designed to manage costs.

Cost Savings Opportunity: \$\$\$\$

OUR STATUS:

- In good shape
- Take a closer look
- Needs attention now

IN-SOURCING

Are there opportunities to bring legal work inside? Traditionally it has been less expensive to provide legal services inside (wholesale) as opposed to outsourcing it to law firms (retail).

Cost Savings Opportunity: \$\$\$

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STAFFING LEVELS AND MIX

Having the right mix of lawyers and paralegals is essential to cost effective services. There may be opportunities to leverage work to paralegals, or to support staff, which is a highly cost effective use of personnel. In some cases, a review of support staff positions is required as technology and support needs have changed considerably in the past few years.

Cost Savings Opportunity: \$\$\$

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RENEGOTIATING OUTSIDE COUNSEL FEE ARRANGEMENTS

Achieving legal budget cost reductions and greater budget predictability requires moving from standard hourly rates or discounted hourly rates to fixed fees or other alternative fee arrangements. In addition, a fresh look at billing guidelines and whether they are working effectively is critical to day-to-day management.

Cost Savings Opportunity: \$\$\$

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ALIGNING THE LAW DEPARTMENT WITH THE BUSINESS

When clients know whom to call in the law department and when to call them, things go much more smoothly. When clients have a go-to lawyer, they are more likely to involve the lawyer earlier in the process, ultimately positioning lawyers to anticipate legal issues, thus keeping down costs.

Cost Savings Opportunity: \$\$\$

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COST EFFECTIVE INTERNATIONAL STAFFING

It is important to know and employ cost effective strategies for your international legal staffing. Ex pats are expensive and alternatives are available to the law department.

Cost Savings Opportunity: \$\$\$

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INTEGRATING POST-MERGER LEGAL FUNCTIONS

After a merger, prompt and effective integration of legal functions is essential. It is also necessary to manage legal costs effectively and to ensure high quality client service.

Cost Savings Opportunity: \$\$\$

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OUTSOURCING

Using cost effective and high quality alternatives to internal lawyers and external law firms, either within the U.S. or in such off-shore locations as India, is a key way to reduce costs.

Cost Savings Opportunity: \$\$

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*This Cost Control Checklist is provided by the **Altman Weil Law Department Group**. Please feel free to contact us to discuss these ideas or any of your management challenges.*

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