



Ensure Legal Invoice Compliance Without
Compromising Outside Counsel Relationships





For many companies, retaining the services of outside counsel is an efficient alternative to maintaining a large corporate legal department. The benefits from a cost-saving perspective are obvious. However, in addition to financial considerations, outside counsel frequently affords companies access to a highly specialized skill-set which may be difficult to acquire through a standard recruitment model.

However, this relationship with outside counsel requires careful management. A lack of clarity in shared objectives and the absence of a clear, overriding set of counsel guidelines can generate unwanted friction in the outside counsel relationship. These issues need to be approached proactively and systematically.

The key, as it so often is in building effective solutions across multiple teams, is solid communication. One fundamental building block for a successful communication model is the system your company has in place for handling the flow of payments: namely, legal invoice compliance and billing enforcement. Let's look at how your company can build an approach to billing communication which maximizes potential gains while minimizing the downsides.

Good Relationships Equal Business Efficiency

Just as you find with any relationship, good communication builds a shared understanding. The outside counsel relationship is no exception. Establishing and maintaining a clear dialog with outside counsel:

- Improves the transparency of legal costs
- Enhances efficiency in the flow of legal services
- Ensures that legal services remain inline with broader corporate objectives

Legal costs are an obvious and enduring friction point between a company and its outside counsel. Why? The basic, nuts-and-bolts reason often simply boils down to a lack of shared understanding. Outside counsel will inevitably invoice for a wide range of services, some of them decidedly opaque to an untrained legal eye.

It's neither surprising nor inappropriate that there'd be a mismatch in how lawyers speak about these services rendered and business managers perceive their core business. But it is a communication challenge which your company needs to overcome.

This is why it's so important that law firms and corporate clients leverage engagement letters to create a shared understanding of a relationship, agree on billing guidelines and expectations, [legal billing increments](#) and chart formats, and then monitor work performed against these criteria carefully and consistently. Will these instruments bridge the communications gap entirely? No. They do, however, offer a crucial place from which to build trust surrounding costs.

Your customers often provide you with their conditions of success, ROI objectives, and other goals. You should have these same conversations with your outside counsel, and revisit them on a regular basis to make sure you are on track.

Who is Best to Understand Outside Counsel Spend?



Which brings us to a cardinal rule for getting any specialized job done well: ***use an expert.***

Throw your HR specialist at a computer networking issue and you'll likely end up with more computer problems than you began with (and a righteously frustrated HR specialist to throw into the bargain.) It's precisely the same deal with managing invoice compliance with outside counsel.

Throw a line manager or production specialist at a legal billing issue and you'll inevitably reach the same undesirable destination. A manager speaks the language of return on investment, efficiency, key performance indicators and client expectations. These all plug in to your legal services, but they aren't the language a lawyer speaks.

Nor should they be. After all, a manager's job is to build profits, while a lawyer's is to manage risk.

Hint: A Legal Spend Expert



A dedicated legal team has the context and experience to know the difference between legitimate invoice line items from questionable ones, especially if they are assigned legal matters in question. But just as importantly, they can advise you if outside counsel has your company's best interests at heart, and if they truly understand your company's priorities. Put simply, the best person you can have on your team to understand outside counsel and its perspective on business is a legal spend management expert.

Back this solid expertise up with legal spend management software and services, and suddenly your company regains both financial control of its legal services and the confidence to know your outside legal counsel is delivering the greatest possible impact for your bottom line.

Quovant's combined software and service model provides a comprehensive extension to your in-house legal and risk team, encompassing both expert analysis and systematic reporting. The result: a solid foundation of trust between your company and outside counsel.



Transparency is Key

If relying on a team of legal professionals is the best resource you can use to stay on top of your legal services and billing enforcement, the vital ingredient linking this all back to what matters most — your company and its profits — is actionable business intelligence. Or, to boil it down to brass tacks, transparency.

Transparency isn't just about honesty, solid intentions or even trust between the company and its outside counsel. It's about a reliable system which provides a real-time window into the strategic insights you need to get your work done.

Companies like Quovant can provide invaluable insight into your legal spend. Common language activity codes show you where your outside counsel are investing their time. Clear reports draw a simple-to-understand line between where your money is going, what your outside counsel are achieving for you and how that contributes to your company's long-term objectives.

Coupled with expert legal analysis, you end up with a complete picture of the what, when and why of your company's legal spend, and it's this transparency which will let you run not just a more efficient and cost-effective legal department, but a more dynamic and effective business.

Improve Communications While Saving Money



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When businesses look to identify efficiencies and reduce costs, legal departments are frequently overlooked.

Yet to improve your relationship and communications with your outside counsel while mitigating excessive legal expenses, your business can benefit by:

- 1 Outsourcing legal spend analysis to free up the legal team to focus on more important initiatives
- 2 Implementing [law firm billing guidelines](#) that are firm, yet fair
- 3 Adopting and understanding proven billing practices like expense and activity codes
- 4 Defining budgets that everyone involved can live within
- 5 Agreeing on a billing increment chart format

Ready to discover the savings opportunities your business can realize by outsourcing legal invoice review and analysis? [Contact Quovant](#) to discuss your unique legal spend management goals and objectives.