

BUYING LEGAL SERVICES

Insights from the Round-Table

LEGAL IS DIFFERENT

Take time to learn

The legal category is complex, confusing and not always welcoming of out-siders, but don't let that put you off asking questions and learning about the challenges, issues and frustrations. Whilst a small number of legal matters might be "bet the company" where fees aren't an issue, the majority are not and Procurement can add a lot of value.

ISSUES WITH MANAGING LEGAL

Processes & systems lacking

The legal industry still operates predominantly with hourly billing rates. Poorly managed matter engagements and scope creep result in wastage. It is common for costs to escalate due to: poor instructions, no formal cost agreements, no or little scope controls, poor fee estimations, lack of data and poor communication on costs from law firms.

STRATEGIES TO MANAGE LEGAL

Reduce costs, gain oversight

These are some of the most common strategies for managing spend and procurement in legal:

- Formal legal panels - mix of top & mid tier
- Negotiated discounted rates
- Alternative fee arrangements eg fixed fees
- Sourcing solutions for high volume legal work
- Matter-based RFPs to leverage competitive tension

START WITH THE DATA

Understand the current state

The best place to start is to gather data to understand: who engages, which law firms, for what work, and at what price. Understand how those engagements are made, what processes and supporting systems are used, and importantly, where the strong relationships and expertise are. This will give an informed basis for identifying areas of opportunity.

COLLABORATION & CHANGE

Working with legal

Procurement can partner with legal to assist them get the best results from their limited resources and to prevent unnecessary waste. Take the time to get to know the team, their challenges and how they do things. Identify areas that you can help and get them on board.