QuisLex

Legal Spend Management

In-house counsel are challenged to manage, mitigate and control legal spend. Reviewing every line item of an invoice for conformance to billing guidelines is a daunting task requiring dedicated and trained resources. QuisLex can provide those resources and the necessary expertise to help law departments establish an effective invoice review program that is supported by accurate data collection, analysis and benchmarking.

QuisLex has expertise in designing and implementing the operational support (guideline development, bill review workflow, process rigor, and technological savvy) necessary to implement an effective legal spend management program that will:

- Review 100% of invoices with Six Sigma quality control measures in place

- Correctly and accurately identify non-compliant costs, and

- Provide the analyses needed to continually improve your external legal spend profile.

Our program will help legal departments:

- Moderate legal costs through effective billing guideline use

- Audit, track and reveal trends of legal invoice data

- Develop key performance indicators (KPIs) to measure return on investment (ROI), and

- Improve insights through predictive modeling utilizing legal spend history and associated data

We provide Legal Operations Support for Spend Management which includes:

- Maintain accurate timekeeper rates and required acknowledgment for each vendor

- Latest invoice status recorded for each matter in billing system including invoice reconciliation

- Invoices reviewed and paid on time per TAT which may include timeliness payment discounting

- SOP creation for all activities (vendor onboarding, matter creation, PO creation, invoice review) to maintain consistency

- Positive vendor experience ensured from QuisLex's help desk support (e.g., invoice submission and system processes) and quality process that avoid incorrect rejections / communications

Our customized approach is thoughtful and meaningful:

- **Pre-Assessment** QuisLex will review your current legal invoicing environment including a readiness assessment, program review, legal spend type and amount, as well as client end-state expectations. Based on this assessment, QuisLex will develop a project roadmap and execution plan including milestones, deliverables, and project timelines.

- **Review Client Billing Guidelines** Our team will review your billing guidelines and obtain feedback and clarification for the specific rules to be applied to the invoice review. We will also prepare non-compliance reduction reason codes and language for feedback and tracking.

- **Appraise Internal Processes: E-billing and Legal Platform** Existing processes will be mapped and the expectations for process improvement to overall invoice review efficiency will be identified, including:

  - An assessment of system flags and logic for relevance and accuracy.

  - Identify required system-specific rights and hierarchies necessary to fulfill process expectations.

- **Data Analysis** The total legal spend volume and associated data will be assessed for statistical validity and accuracy. This data will help to identify trends by matter, firm, and biller as well as determine supplemental data needs to support analytic capabilities.

- **Baseline Results for Improved Future State Assessment** We work with you to define strategic KPIs that are meaningful, actionable and enable performance benchmarking based on such factors as outcomes, billing variances, budget variances, expense ratios, adherence to project plans and other metrics that will support strategic planning and budgeting.

QuisLex not only measures KPIs related to legal spend, but will assess the value of the implemented legal spend program against initial expectations. Baselining and reporting on results of the legal spend management program will form the basis of continuous improvement of the program and help deliver maximum ROI and strategic business benefits over time. QuisLex will further develop visual representation of KPIs to provide scorecards and "dashboards" to highlight areas of opportunity.

- **Predictive Modeling** Advancing statistical analytics further, we can utilize historic legal outcomes data to better assess the probability or likelihood of a cost appropriate outcome.
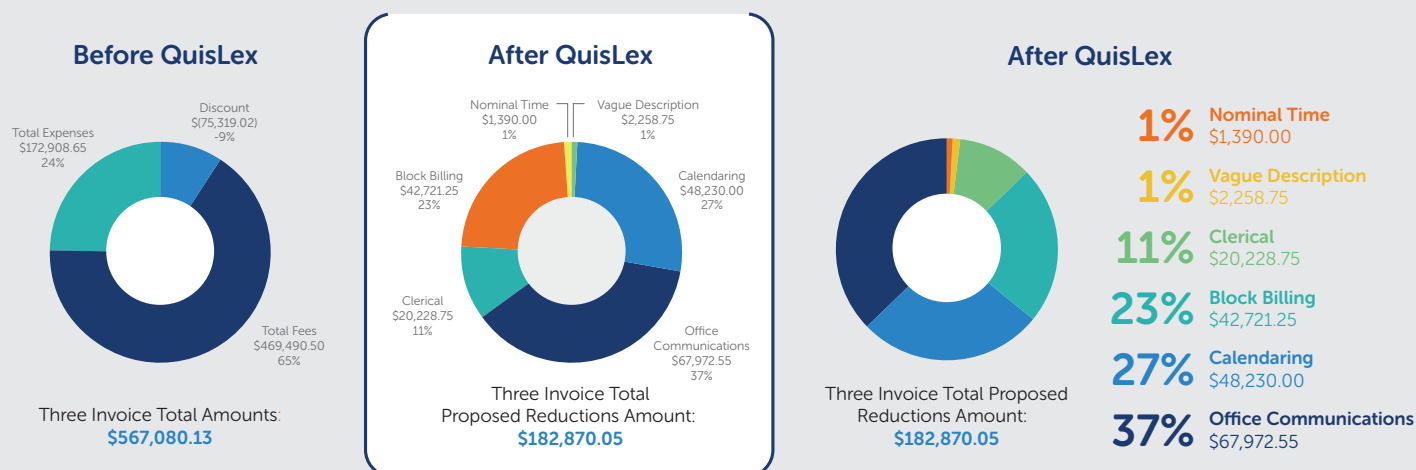
  These analytics allow clients to utilize data in a predictive fashion to better analyze such factors as success rates with specific actions (motions, etc.), budget strategy (I've spent $X on these UTBMS codes and at this point in the legal proceedings, statistical probability is telling me that legal expenses are driving the case to a costly outcome), and other factors. QuisLex can help with developing and validating predictive models and adjust them based on changing variables, legal conditions or business results.

Legal Spend Mitigation Maturity Continuum: from Accounting to Predictive Modeling

In summary, QuisLex provides the expertise, Six Sigma workflow and technology to support our clients.

1. Implement Billing Guidelines: Fundamental invoice review will center on compliance to guidelines.

2. Utilize E-Billing Platform: Data analytics benefits from compiling and aggregating data in a single repository.

3. Mandate Use of UTBMS Codes: The strict adherence to UTBMS Code usage is needed to ensure accurate and uniform data collection, without which any analysis can be misleading, even harmful.

4. Review All Legal Invoices: Review should account for UTBMS code accuracy, and compliance to guidelines.

5. Assess Data: Once a sufficient volume of data has been acquired (statistically valid), stratify by case type, phase, activity, and other factors to gain spend insight.

6. Develop Histogram/Trend Analysis

7. Establish Useful KPIs: All metrics are not created equal. Choose metrics that provide useful spend and performance information.

8. Baseline the Results: Establish a baseline to understand the impact of changes, value of operational improvements, and change in spend.

9. Create Predictive Models: Utilize current and historical information to develop predictive models (probabilities) for budgeting and continue to validate against actuals.

QuisLex Legal Spend Solution Example

Before QuisLex

Discount $(75,319.02) -9%

Total Expenses $172,908.65 24%

Total Fees $469,490.50 65%

Three Invoice Total Amounts: **$567,080.13**

After QuisLex

Nominal Time $1,390.00 1%

Vague Description $2,258.75 1%

Block Billing $42,721.25 23%

Calendaring $48,230.00 27%

Clerical $20,228.75 11%

Office Communications $67,972.55 37%

Three Invoice Total Proposed Reductions Amount: **$182,870.05**

After QuisLex

- **1%** Nominal Time $1,390.00
- **1%** Vague Description $2,258.75
- **11%** Clerical $20,228.75
- **23%** Block Billing $42,721.25
- **27%** Calendaring $48,230.00
- **37%** Office Communications $67,972.55

Three Invoice Total Proposed Reductions Amount: **$182,870.05**