



Legal Enterprise Management: A New Level of Control for Corporate Legal Departments

As legal and IT departments face the continuing challenge of decreasing risk, reducing costs and optimizing the outcomes of their legal processes, what they need more than ever is a new level of control over the legal enterprise. This control will come through empowering the legal and

IT groups with the relevant, contextual information that will enable them to make the business decisions necessary for reducing the risk for the corporations they serve. Historically, e-discovery, matter management and legal spend management have all been separate, yet fundamental, parts of the legal organization with separate islands of information.

When corporate legal departments bridge all their disparate in-house legal and corporate governance information, they obtain the power to control in-house legal operations and achieve a cohesive legal enterprise practice. This is legal enterprise management, which unifies previously siloed information from across the corporate legal department with the purpose of allowing the in-house legal department to leverage their corporate information to work smarter, more efficiently and more cost-effectively.

ELECTRONIC DISCOVERY: CONTROLLING YOUR LITIGATION SPEND

E-discovery is generally defined as the process of identifying, preserving, collecting, processing, reviewing, analyzing, producing and presenting electronically stored information for legal review. The stages of e-discovery are depicted by the Electronic Discovery Reference Model (EDRM), which offers guidelines and standards for e-discovery consumers and providers. Recent efforts around e-discovery have focused on ways to expand electronic discovery processes into cost savings and efficiency initiatives, including early case assessment.

The current strategy of in-house management of the e-discovery process is a critical step to legal enterprise management and gives corporate legal groups control over litigation costs while also reducing risk. The in-house e-discovery strategy was adopted in response to unpredictable (and some would say runaway) costs that occur when using a service provider in an outsourced, per-gigabyte e-discovery model.

Consider the effects on just the processing phase of the e-discovery process: While the outsourced

model helps to mitigate some risk, it comes at the detriment of cost control and matter analysis, as a single processing pass of the data can take weeks to complete. With this cost- and time-intensive model, in-house legal departments can't predict the litigation costs associated with a given case. But by bringing the e-discovery process in house, many organizations have realized cost and risk reductions and gained control over the process.

The ability of in-house counsel to iteratively process information using progressive search terms in days rather than weeks offers a level of control over the case that was impossible with the outsourced model. In-house e-discovery brings an enormous cost benefit, as a company isn't paying for multiple passes over a set of data. Additionally, there is more time to analyze the output of your e-discovery efforts, allowing for better litigation decisions and therefore reduced risk.

While bringing the e-discovery process in house offers tangible cost and risk benefits to in-house legal groups, e-discovery software solutions focus primarily on litigation cost management. But there are additional costs related to adjudicating a case that fall outside the e-discovery processes, such as interaction with outside counsel. This is typically the purview of the legal spend management solution.

However, by bridging e-discovery and legal spend management information, in-house counsel gains access to all the costs associated with a matter, rather than just the outside counsel spend or just the litigation spend. This means that not only does in-house counsel now



have control over their litigation costs, but they can also make more informed decisions on the disposition of the case.

LEGAL SPEND MANAGEMENT: CONTROLLING YOUR OUTSIDE COUNSEL COSTS

Legal spend management brings together the technology and best practices needed to coordinate all of the resources, processes and procedures required to effectively manage spending on outside legal services. The specific elements of legal spend management often include processing electronically submitted invoices, managing budgets and evaluating, monitoring and measuring future legal spend.

With a legal spend management solution in place, in-house legal departments can control the entire invoicing process (including electronic submission, approval and payment), time-keeping functions and comparative analysis of budgeted versus actual costs. Rule-based auditing and approval workflows save an enormous amount of time by streamlining and simplifying their entire invoice process. Sophisticated reporting capabilities improve legal spend analysis, helping to identify key cost drivers to provide greater control over expenses.

Legal enterprise management takes the information inherent to the legal spend management solution and combines it with information from the in-house e-discovery solution, bridging both pools of

information. This is a powerful tool for controlling the costs associated with e-discovery efforts.

For example, most legal spend management solutions have the ability to automate the rate of outside firms working on a litigated matter. Through the integration of data, in-house counsel obtains the ability to automatically enforce rules governing e-discovery spend associated with that matter.

While this example focuses on the power for controlling the costs associated with e-discovery efforts, this automated cost control can, of course, be focused on controlling all of the outside counsel costs.

MATTER MANAGEMENT: CONTROLLING YOUR OPERATIONAL COSTS

Corporate legal departments use matter management systems to manage and control all their legal matters on a day-to-day basis, including opening and closing matters, daily matter work, workload assignment, management and forecasting, outside counsel collaboration, and litigation metrics and performance measurement.

In addition to the growing cost of litigation, corporate legal departments are faced with ever-increasing case loads made even more challenging by resource constraints. To meet their growing legal matter management demands, general counsels rely on matter management solutions that provide:

- **immediate access to detailed information on any legal matter, past or present**
- **better management of staff time and resources**
- **improved control over internal and external matter management costs through business rule automation**

The matter management solution is often viewed as the hub from which the operational control of the legal department is managed. With the right solution in place, legal departments not only have the ability to automate the workload of the legal group, but also manage operational costs.

Matter management is an important tool in achieving streamlined efficiency. However, the in-house legal department also gains immense control with the addition of historical and real-time information gleaned from other legal enterprise applications. This information aids in delivering context to the matter at hand. By connecting the information from the matter management solution with the e-discovery and legal spend management solutions, corporate legal departments are developing a complete, integrated legal enterprise management environment that puts them in control like never before.

For example, take a matter for which a corporate legal group is leveraging information from across the legal enterprise. They can know exactly what their overall spend on a matter is to date in real time, and compare it to similar matters that they have worked on in the past to understand, at a given point, if they are at a higher rate or a lower expense basis. Further, they can look at how far they are in the e-discovery process and mark how much more they need to analyze to be complete.

Using knowledge of the current internal expense paired with their outside counsel expense, they can then predict how much more the case is going to cost. With this complete picture, they can start making decisions on

Top Five Benefits of Legal Enterprise Management:

- **Connect the dots:** Modular applications that each deliver high individual value can work together to produce a leveraged effect, allowing you to base your decision-making on information from your entire enterprise.
- **Control work:** Shared information and insights across your in-house legal department create the connections that drive more informed decisions.
- **Understand costs:** By tying together your e-discovery, legal spend and matter management solutions, you have the ability to see the litigation costs, the operational costs and the outside counsel costs together both in real time and against historical data. This gives you unprecedented insight and control over your legal spend.
- **Control costs:** Once you can see your costs, you have a basis for reducing them. By integrating e-discovery, legal spend and matter management, you have a unified view that empowers you to manage it more effectively, with a clear view of costs across the legal enterprise.
- **Collaborate more effectively:** Exchange information and manage workflows among both internal colleagues and external counsel with unsurpassed speed and ease. Transcend departmental boundaries with processes that promote seamless collaboration. **ILTA**

whether to settle or take the suit further. Perhaps they can negotiate an alternative fee arrangement with their primary outside firm to ensure they stay within budget while still moving forward.

This information — previously disparate — is now consolidated in a way that it can be brought to bear on the case at hand, giving a new level of control for in-house legal departments.

LEGAL ENTERPRISE MANAGEMENT: THE NEW LEVEL OF CONTROL

As more general counsel see the real-time benefits of reducing costs while decreasing risks through the bridging of disparate information, they will continue to expand their risk management and cost-saving initiatives by reviewing contextual information in new ways, leading them to effectively manage the outcomes of their legal processes.

Legal enterprise management equips corporate legal teams with integrated information that incorporates historical and real-time litigation trends, spend and e-discovery data as they execute their litigation strategies.

While each of these solutions delivers high individual value, leveraging them in unison allows general counsels and their in-house teams to base decision-making on information from the entire enterprise. General counsels will have a new level of performance that provides the power to effectively control all aspects of their legal enterprise. **ILTA**



Podcast: [click here to listen](#) as Andy Adkins, President of Adkins Consulting Group, talks with Monica Bay, Editor of Law Technology News, about case/matter management systems and a recent survey.