

LEGAL TRACKER CASE STUDY

SMITHS DETECTION

INCREASING EFFICIENCY AND DISCOVERING A WEALTH OF INFORMATION WITH THOMSON REUTERS LEGAL TRACKER

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Rita Murray, administrator of Thomson Reuters Legal Tracker™ (formerly Serengeti Tracker™), describes the impact Tracker has had on their legal department.

Legal spend management has been and continues to remain high on our agenda, but it's certainly safe to say that we are in a much better position today than we were a year ago when we took the necessary measures to improve the efficiency of the legal department.

It started when we began to consider technology as a serious investment in the future of the legal department. We looked at various software solutions to manage all of our legal work across a large geographical area—and to connect not only our internal legal team but also our outside counsel around the world.

MATTERS

At the time, we thought we had a good handle on spending, but once we implemented our legal spend management system, Tracker, we were very surprised at the level of savings, particularly in areas such as retention guidelines and enforcement of hourly rates. The potential for savings aside, it took a lot of persuading to adopt a matter-based system. At that time, the department was not even sure how to define a matter at a micro level: the idea of spending capital on a matter management system seemed unreasonable. After all, every legal job varies, and it's sometimes not possible to know which category to place a matter into. Additionally, every matter is different, and it could be difficult to get such systems to accommodate these variations—at least that's what we thought.

We quickly realized however, how simple it was to block smaller matters into a single matter (e.g. antitrust advice), set up a separate matter for each project, and get separate bills. This has revolutionized our way of sorting through matters. Like a revelation, this was the first time the legal department had immediate visibility into all work.

Organizations will often think that legal department management systems generally adapt better to high-volume litigation-type matters with a significant legal spend. The reality is, even with small volumes, legal departments still need to track where legal work is coming from and record changes in volume of types of legal work.

CAPTURING INFORMATION

Being able to do this using Tracker has allowed us to explore more expeditious ways to get work done, or bring it in-house. In the beginning, we didn't feel our department was big enough to warrant such a system, but since using it, we have realized that even the smallest legal departments with a solo general counsel (GC) can benefit from working more efficiently; capturing information at the source, both in-house and from law firms. Why waste time trying to see if rates have changed or retention guidelines are being met, or if a firm is adding new people to a matter, when software can bring such issues together automatically with quick resolution options? The data in the bills is delivered right from the law firms, and analyzed by software, eliminating data entry and putting useful information at the fingertips of in-house counsel.

We also discovered a wealth of information since implementing our system such as summaries of the bills that show whether work is done at a proper level—showing a summary of partner/associate/paralegal time on current bills and since the beginning of a matter. It appears that most GCs don't realize how much time is wasted just managing information: we certainly didn't.

Legal Tracker is Web-based, allowing us and our firms to work directly with each other, no matter where we are. With everything in one place, with a couple of clicks we see completed work, what is due soon, and what achieved results. A good legal department management system will also be set up for international use to include automatic conversion of foreign currencies for billing and reporting, so that each user can work in the currency in which they're most familiar.

SMITHS DETECTION

Smiths Detection is a world-leading designer and manufacturer of sensors that detect and identify explosives, weapons, chemical agents, biohazards, nuclear and radioactive material, narcotics, and contraband. The company's technology helps in global transportation, ports and borders, critical infrastructure, and military and emergency responder markets with the most comprehensive range of detection technologies in the world, including x-ray, trace detection, infrared and gamma ray spectroscopy, and millimetre-wave. The company, which installed Legal Tracker in 2013 to help its legal function of just 20 personnel, sells to over 180 countries.

We used to manage our business through our own portal, based on SharePoint, where lawyers uploaded invoices manually for viewing in complete privacy within our organization. This wasn't ideal though, since SharePoint reporting was very limited and didn't connect with outside counsel. Thus there was a lot of manual data entry and lots of wasted time. It's important to always improve systems and find ways to work better, and that's ultimately, what we did.

There was some resistance however, in that some employees thought we ran the risk of creating an additional layer that we would have to manage internally. The reality is a good e-billing and matter management system builds more efficiency into existing workflows. For example, with our system, instead of notes on paper bills and re-entry of data off each bill, to track basic spending information, all data flows electronically from the law firm time and billing system through the legal department approvals and off to the A/P department without anyone having to re-enter data (which causes delays, incomplete information, and potential errors). Such systems come with LEDES standard, which moves data automatically from law firms to legal departments, making life simpler for both us and our law firms.

For example, rather than getting emails and paper from external law firms (bills, budgets, status updates, documents, results reports, etc.) our system enables external law firms to quickly submit directly into our system, which analyzes progress and results in ways not possible with manual processes based on email and paper.

LAW FIRM ENGAGEMENT

We were also surprised and pleased that approximately 85% of our law firms were already using this system, and they smoothly transitioned with us from the old emailing invoices process to this new method of billing. Implementation was quick, and there was no cost to the firms.

The remaining firms were able to come online with no charges and quickly adapted to the new system. What's more, this allowed us to capture a richer set of data than ever before, such as the ratio of partner/associate time on a project to see if the balance is right in a given project.

Such systems also allow automated tracking to make sure that projects are staying within expected goals. Whether you have a system or not, it is important that major projects conclude with an easy evaluation process that looks at performance of both external law firms and in-house teams. In addition to improving processes, such activity helps to identify top performing external law firms, and subsequently more work can be directed to them.

COSTS

Cost of the system is of course of significant importance. We considered a number of legally dedicated systems for matter management, projects, e-billing etc., but the cost and ongoing costs can be a real barrier. However, if you do your research, costs can be clear, as can be savings. Our system's monthly cost includes unlimited users and firms, as much support and training as we need, and all upgrades at no additional cost. While the cost of the system is around 1% of spending, the savings in the first year are expected to be over 10%.

We also asked about renewal rates of such systems and chose one with a 99% renewal rate, so we're confident that we are getting good value for our money. We were surprised at how quickly the system was up and running, with everyone working from the same system within a couple of months.

LEGAL DEPARTMENT MEMORY

Relying on memory and availability of lawyers requires that everyone recall what others in the legal department have done, that you find the right person to ask, and that each lawyer remembers all key aspects of their work for years. This is not practical when we are so busy. We're also safer in the knowledge that as in-house counsel moves to other companies or retires, our system is an important part of succession planning, in that it captures important information out of people's heads into an organized system that all can share. Now, new personnel within the legal department can access predecessors' work in a central location.

To learn more about Legal Tracker, please contact your representative at **1-888-736-9587** or visit **legaltracker.com**.

