

# SUNPOWER CORPORATION THOMSON REUTERS LEGAL TRACKER E-BILLING RETURN ON INVESTMENT STUDY

## EXECUTIVE SUMMARY

This is a return on investment (ROI) study covering SunPower Corporation's use of the electronic billing functionality within Thomson Reuters Legal Tracker™ (formerly Serengeti Tracker™) for the twelve-month period ending June 30, 2014.

During its second year using Legal Tracker, SunPower realized an ROI of 507% or more than five times the system cost. The system cost consisted of the monthly fees for the corresponding period.

### SAVINGS FROM LEGAL TRACKER E-BILLING

Category I: Improved Invoice Review Savings	141% of system cost
Category II: Paperless Office Savings	38% of system cost
Category III: Time Savings	329% of system cost
Total Return on Investment	507% of system cost

## DESCRIPTION OF SAVINGS CATEGORIES

**Category I: Improved Invoice Review Savings**—Legal Tracker provides invoice auditing features, which include the ability to mark down bills automatically if they exceed custom rules set by the legal department. In addition, company invoice reviewers can use Tracker to reduce individual line-item entries, to reduce timekeeper rates, or to reduce the amount of an entire invoice. Savings in this category consisted of the amount of invoice reductions that SunPower directly attributed to enhanced invoice auditing, analysis, and markdown functionality in Tracker.

**Category II: Paperless Office Savings**—This category represents the savings the company realized due to the elimination of paper invoices and attachments, including paper, printing, photocopying, and storage costs.

**Category III: Invoice Review Time Savings**—Tracker provides configurable invoice approval routes and accounts payable (AP) routes, so electronic invoices are automatically coded and routed through the approval chain. Approved invoice information is then sent in electronic format to the company's AP department for payment. To calculate savings, the fully burdened employee hourly rate was multiplied by time saved due to the automated invoice processing capabilities in Tracker.

## ADDITIONAL CATEGORIES OF SAVINGS

### Increased Visibility into Spending and Budgeting

Before implementing Legal Tracker, SunPower did not have a good idea of how much they were spending in their legal department and did not have the tools to collect budgets that would allow them to accurately forecast their spending.

SunPower now requires budgets on all matters. Tracker enforces these requirements by not allowing law firms to submit their invoices for payment unless a budget has been received and entered. Regular reports are run to assess current legal spend to budget, red-flagging any matters that are over budget. SunPower also runs reports to see which matters do not have budgets so the in-house lawyer responsible for the matter can contact those law firms to enter their budgets.

These efforts have allowed SunPower's legal department to understand where their legal spend is coming from and have more predictable spending and forecasting so there are fewer surprises when large invoices come in from their law firms.

### Accruals Collection

Before Legal Tracker, SunPower manually gathered accrual information from their law firms for year-end accruals. This was performed by sending emails or calling the law firms to get an accrual number for the entire firm. This often also required many follow-up emails and phone calls to ensure compliance. Replies were manually entered into an accrual spreadsheet and then sent to accounting.

## CONSISTENTLY RATED NUMBER ONE

Legal Tracker (formerly Serengeti Tracker) is the world's leading legal matter management, e-billing, and legal analytics system designed for corporate legal departments and law firms. Part of the Thomson Reuters Legal business unit, Legal Tracker is consistently ranked as the top-rated solution for its ease of use, international features, and quick implementation.



With Tracker, SunPower now collects all of their law firm accruals automatically through the system. Now, SunPower is able to get the accruals per matter rather than just per law firm, many of which are working on multiple matters. Tracker automatically generates an email notification to firms reminding them to submit their accruals before the due date. The accrual reporting engine allows SunPower to check on compliance and accuracy and follow up with the firms if necessary. Being able to compare actual spend per matter to the law firm accrual numbers has led to much greater accuracy in those numbers and thus much improved forecasting of legal spend. Additionally, this automated accruals process saves dozens of hours of time compared to the manual process SunPower previously used.

### **Quicker Payment to Law Firms**

SunPower reports that they have substantially improved the on-time payment of their law firms' invoices by using Legal Tracker. Before Tracker, there was no systematic way invoices were approved and paid, and they often heard from their law firms about delayed payments.

With Tracker, SunPower has configured invoice approval routes by practice group which automatically routes invoices and provides alerts to the right person for approval, speeding up and streamlining the approval process considerably. If a law firm calls regarding an invoice, a report can be run that shows exactly where the invoice is in the approval process and who in the legal department needs to approve the invoice next. SunPower then sends the approved invoices to their accounts payable departments daily, so payment of their legal invoices is executed as quickly as possible.

Now with Legal Tracker, the system automatically flags violations of billing guidelines, bringing these to the attention of invoice reviewers immediately. The flagged billing guidelines violations are now strictly enforced which has directly led to savings and fewer violations, because their law firms now know that any violations will be flagged and they will be held accountable for those violations. Now, firms are more compliant with billing guidelines, there are fewer invoicing errors, and invoice review is even more efficient.

To learn more, please contact your representative at **1-888-736-9587** or visit [legaltracker.com](http://legaltracker.com).

