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INTRODUCTION

There is increased pressure for legal departments to understand and track the legal work being done by outside counsel, while successfully managing legal costs and maintaining compliance. As the scope and volume of legal issues that companies have to deal with has grown, legal departments are finding it increasingly necessary to employ project management techniques and software for e-billing, matter management, and reporting to track issues and help control their legal spend.

VISIBILITY INTO LEGAL WORK

Legal departments often deal with both a wide array and high volume of legal matters. Couple this with the fact that companies with both large and small legal departments need to be able to go to one place to see and manage all open legal matters and matter activities, rather than simply putting out fires as they come up. Today's matter management software systems allow in-house lawyers to quickly see relevant information on all matters where work is being done, receive updates and documents alerts, upload documents, manage budgets, run reports on matters, and spend at the touch of a button. When the law department has all of the company's legal work in a single system, it finally becomes possible to effectively manage that work proactively, increase visibility into the entirety of the company's legal work, and decrease the chances of getting blindsided by issues they did not see coming.

IMPROVING LEGAL DEPARTMENT EFFICIENCY

Increasing efficiency is the charge of every business unit at a company. One way for the legal department to become more efficient is by automating routine tasks, which reduces cycle time and improves accuracy and performance. For example, rather than having a pile of paper invoices that must be manually reviewed, e-billing software can systematically analyze invoices and provide alerts when spending goes over budget, timekeeper rates increase, or expense guidelines are violated. Furthermore, all matter data can be stored in one place allowing all relevant parties to view that data—no more searching for documents or emails to send to outside counsel or even within your legal department. In-house counsel can simply log in and go to the appropriate legal matter to view the relevant documents. According to Bobbie Crew, paralegal and system manager at H&R Block, these software tools, "[d]efinitely saved us time on our invoicing processes. It flags guidelines violations automatically and makes the approval process faster. It also makes it much easier to track invoices in the approval process."

One of the biggest advantages of keeping matter information and spend in one place is it allows legal departments to easily run reports on that data, reports that may have been difficult or impossible to create before. Crew said that in general their software as a service ("SaaS") solution, "has been a great tool for reporting, a huge advantage, and huge timesaver. A report that once took two weeks to create, I can now generate in about 30 minutes. We've been able to get data that we didn't used to have access to and look at that data from several different perspectives."

GETTING VALUE FROM YOUR LEGAL SPEND

Once all of the legal spend for a company is in one place, a legal department can then analyze how best to get value from that spend and how to reduce legal fees and expenses. SaaS matter management and e-billing solutions can offer various tools to help a legal department receive greater value for their legal spend. For example, a company can flag expense guideline violations and unapproved hourly rate increases that otherwise might have slipped through unnoticed. Also, requiring budgets helps control spend because it makes law firms accountable for the amount of time they spend working on a matter, and it lets them know their hours are being closely monitored by their client.

Tracking and managing timekeeper hourly rates is a constant challenge for all corporate clients, but this process can now be streamlined. All the timekeeper rates from a firm can now be entered in a SaaS system at once, checked against last year's rate to see the percentage increase, and then be approved or reduced. If rates deviate from the approved rates, the legal department will get notified immediately, and these rates can then be edited as necessary in an hourly rate report. Law departments can truly manage and compare their outside counsel rates and enforce their guidelines on rates or move work to equally qualified lawyers with rates that fall in line with the company's guidelines using this process.

SARBANES-OXLEY CONTROLS

In the era of Sarbanes-Oxley, financial reporting regulations have become a primary concern for publicly traded companies. While many legal departments manage significant expenditures, a high percentage do not have systematic financial controls, document controls, or reporting capabilities in place. Oftentimes, data is kept in a variety of emails, spreadsheets and on paper that may or may not be accurate to date. Financial, contract, and matter data may not even be directly accessible by the law department; it is in the hands of the firms doing work for the company. With matter management systems that include electronic billing, contract management tools that can restrict access to sensitive documents, and auditing and powerful reporting tools, legal departments can provide the necessary financial reporting and controls to satisfy the requirements of Sarbanes-Oxley. Jamba Juice began using a SaaS solution in 2004. "For Sarbanes-Oxley and other compliance reasons, we had to find a way to organize everything, not miss renewal deadlines, and restrict people's access to only the documents they were entitled to see," said Arlene Graves, Jamba Juice manager and corporate paralegal.

CONTRACT AND DOCUMENT MANAGEMENT

Many companies have heavy document and contract work in their legal department. Finding contracts and documents quickly, getting alerts and reporting for renewal deadlines, and allowing access to documents for the appropriate parties can become a significant time burden in such a contract- and document-intensive environment. It is also vital from a risk-management perspective to have a system in place to track important contract dates such as renewal and termination dates.

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The latest legal matter management software allows for this type of document and contract management functionality. According to Michael Fox, former Jamba Juice vice president and general counsel, "[The software] lets us retain and access our contracts in a systematic, organized matter. I don't have to answer routine questions about agreements anymore because the regional franchise managers can find the documents [themselves]. That saves me a lot of time." SaaS solutions can deliver intuitive yet sophisticated contract and document management functionality that can ensure that deadlines are met, process efficiencies are increased, and these documents can be quickly found by the appropriate party at the touch of a button.

CONCLUSION

Legal departments today face unique challenges and pressures and are often tasked with doing more with less. For departments that want to proactively manage their legal work, spend, and documents, new software solutions can streamline their processes, give visibility in their workload, save money, manage risk, and help get their arms around their documents and contractual obligations. In an environment where legal departments increasingly have to justify their expenditures, these software solutions allow legal departments to gain efficiencies, demonstrate savings provided by the department, and have reports and data at their fingertips as never before.

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