




P E R S U I T <sup>TM</sup>

THE PERSUIT GUIDE TO

# Establishing an Outside Counsel Management Program

*How to Demonstrate  
ROI in the First 365 Days*

-  Build your outside counsel management program
-  Show its ROI
-  Save millions along the way

P E R S U I T

Legal Advisory Team

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## INTRODUCTION



**Laura Spalding** ESQ

Senior Director of Legal Advisory

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## Why Should You Start With Matter Inception?

Imagine you're a brand new legal operations manager working for a major multinational corporation. Imagine also that legal operations is a new function for your organization, and you're one of the first legal operations hires.

**Where do you start?**

### THE PERSUIT VIEW

## Matter inception is the fastest way to demonstrate ROI in legal operations

Ideally, you'd like to show a tangible return on the investment the company is making in legal ops. How can you show a measurable ROI in the first 30, 90, 180, and 365 days?

You have options, of course.

In any legal department — big or small — there are many opportunities to improve efficiency, optimize processes, and increase savings. There are so many opportunities, in fact, it's easy to get distracted with projects that seem promising — but can take years before showing a return on investment.

My team and I have worked with hundreds of in-house legal teams at some of the biggest companies in the world.

One mistake we see new legal operations teams make is working first on invoicing, e-billing, matter management, and other steps that happen later in the outside counsel management process.

Instead, we've consistently seen the best results demonstrating the value of legal operations by focusing first on the initial phase of the process: matter inception and sourcing.

## Matter inception and sourcing

When I say “inception,” I mean first steps of a matter. It’s your initial response to a situation you need to manage. It happens when a former employee files a lawsuit, a VP emails you about a possible acquisition, or the moment you become aware of a competitor infringing on a trademark.

The first step of inception is straightforward: Should the matter be managed using in-house resources? If so, this is usually the most cost effective way to manage a matter.

If you can’t manage a matter in-house, that triggers the second step of inception: sourcing outside counsel. And it’s here — sourcing — that you can show the fastest ROI for your efforts — in the steps you take to change how your in-house attorneys select outside counsel for their matters.

## The ROI of e-billing vs. matter inception

The ROI of a new e-billing system is often stated to be somewhere between 3% and 5%; in actual practice, it’s extremely difficult to measure. And full implementation of a new e-billing system often takes well over a year, making the ROI even more difficult to measure or demonstrate.

Contrast the uncertain 3% to 5% savings of a new e-billing system to what a legal operations team can achieve within months by focusing on the first part of a matter: inception and sourcing.

## The value of a competitive process

The advantage of using go-to contacts is that you know what to expect. You’ve worked with the attorney or team before. You know how the process will go.

We’re not suggesting you don’t work with your go-to firms. It’s the process you use to engage them that needs to be reconsidered.

Engaging a single firm without requesting proposals from multiple firms has the following drawbacks:

- 1 Your “go-to” attorney or team doesn’t actually propose an approach to the situation before you engage them. You don’t actually know if their strategy will be a good one.
- 2 Sending a matter to one external counsel is essentially writing them a blank check. The firm or attorney will bill you based on their hourly rates. But you have no idea up front how long the matter will take — or how to budget for the cost.

From both a legal and cost perspective, sending an RFP to between three and five firms is a much better way to engage outside counsel.

This does not mean you need to send matters to firms or attorneys you’ve never worked with. For companies with panels, the approach we’ve seen work best is to send matters to firms already on the panel — asking them for a proposal outlining their experience, cost estimates, and proposed strategy for the matter.

In this way, you can receive:

- 1 Multiple proposals detailing a legal approach for the situation
- 2 Multiple estimates for what different activities and phases of the matter may cost

Using this competitive process, your in-house attorneys will have choices about the strategy they want to use for a situation, options to lower the overall cost, and they can demonstrate they are completing due diligence with their legal spend — especially for higher-spend matters.

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## A PROCESS FLOW

Here’s the key to showing ROI quickly in legal operations:

It is what you do during inception — the steps you take at the beginning of a matter — that dictates what you pay at the end. Conversely, moving too fast at the start often results in costly attempts (both in dollars and time) to correct course later.

Think of it like a process flow.

If you want to demonstrate the ROI of your efforts and validate the investment your company has made in you and your legal operations team, inception and sourcing are by far the greatest opportunities to demonstrate tangible ROI of your efforts.

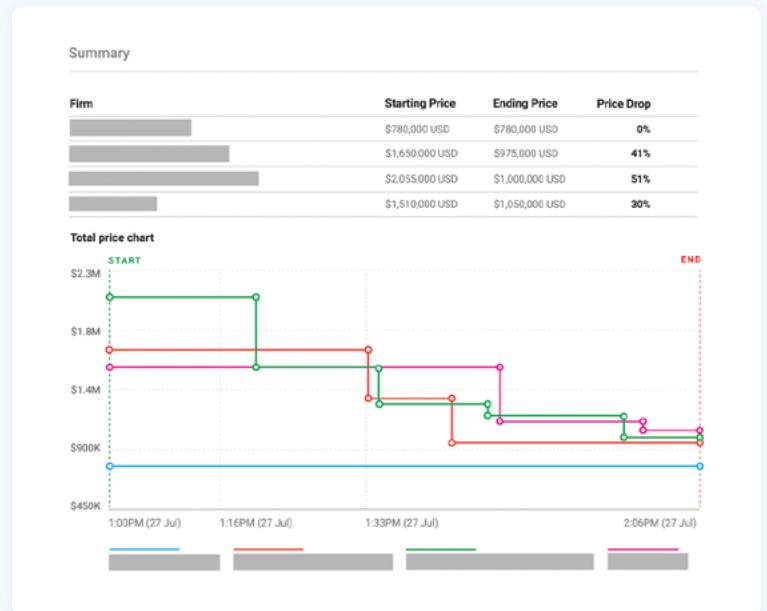
## EXAMPLE

### A real matter from PERSUIT

In this real example of a matter sourced on PERSUIT, an in-house team at a major Fortune 500 company showed significant costs reductions — while still engaging one of their preferred firms.

At the end of the process, the team demonstrated an average 30% reduction in proposed cost from the firms they were considering — an average decrease of over \$500,000.

And that's just for a single matter.



## Top legal teams focus on outside counsel management

Many of the companies using PERSUIT were early in their legal operations journey when we began working with them. Like you, many were seeking to show the impact of their work as quickly as possible.

In this guide, we'll show you how to design a robust process for inception, sourcing, and reporting the ROI of your outside counsel management program — including success metrics to track in your first 90, 180, and 365 days.

This is the process for establishing an outside counsel program that we've seen be successful at many of the major multinational companies we work with. It's proven. And when implemented well, it creates significant savings while also improving the overall workflow and relationships between in-house teams and their law firm partners.

To be clear, the process we describe in this guide can be done with or without PERSUIT. Our tools, data, templates, and best practices simply make the process significantly easier to manage.

You'll also find quotes and perspectives from members of PERSUIT's Legal Advisory Team throughout this paper. They are some of the world's top minds regarding legal sourcing and the wider legal market, and I'm privileged to get to work with them every day.

## We've broken the process into four phases:

### PHASE 1

Define your goals (Before you start)

### PHASE 2

Understand the current (The first 30 days)

### PHASE 3

Pilot the new process (The next 150 days)

### PHASE 4

Expand and improve (From 180 days to 365 days)

Let's get into it...

## PHASE 1

# Define Your Goals *(Before You Start)*

### *Why it matters*

Understanding “what success looks like” and knowing what you will measure will guide the rest of your plan for outside counsel management.

In most cases, in-house teams choose to redesign their outside counsel management program for one of two reasons (often both):

- A desire to control legal spend. A change in leadership, pressure from the CEO or CFO to reduce costs, or a large unexpected legal bill are common catalysts for change for an in-house legal team.
- A need for better oversight and governance. When in-house lawyers hire whomever they want without considering alternative firms or options, the company might engage a firm that isn't the best choice for the situation — or with a fee structure that isn't in the best interest of the company.

For all these reasons, the three primary goals we recommend for a new outside counsel management program are:

- 1 GOVERNANCE AND OVERSIGHT**  
Implement a consistent process for engaging outside counsel.
- 2 SPEND MANAGEMENT**  
Control external legal spend.
- 3 REPORTING AND DATA**  
Demonstrate the impact of the program.

The most impactful way to show concrete ROI for each of these goals is to focus first on matter inception: The way your legal team decides when and how to engage outside counsel.

Once you know what you're trying to achieve with your outside counsel management program, you can move forward to the second phase of the process: Running a proof of concept to show the potential of a new way of sourcing outside counsel management.



*“The old maxim is true, ‘If you don't know where you are going, you will probably end up somewhere else.’ By starting with a clear and measurable vision of what success will look like, everything that takes place during the project can align towards those goals.”*

**Will Holman** ESQ

Manager, Legal Advisory

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## Be specific about the goals of your outside counsel management program

Reducing cost is a common goal for an outside counsel program. But make sure that your goals are clear and that your team understands the outcomes you're trying to achieve.

For example, if your company recently experienced negative press due to a court case, this might be the right time to redesign the governance procedures you have in place for outside counsel. In this way, you can create better oversight of which law firms your team uses, especially for high-profile cases.

Common goals we see companies set for outside counsel programs include:

- Reducing costs
- Improving legal outcomes
- Improving diversity of external counsel
- Reducing the total number of firms a company works with
- Standardizing the outside counsel management process
- Better reporting of outside counsel spend

Whatever your situation, make sure you have a clear understanding of what you're trying to achieve — and how you'll measure the success of your work.

Defining your goals gives you the “definition of success” you need to design a process that demonstrates results, even in the first few matters.

## Early, demonstrable wins are the fastest way to gain buy-in for change

We've seen so many cases where the first few matters run with a new process change everything for a company because of the time, effort, and money saved.

Several years ago, our team was working with a major pharmaceutical company to design a new process for engaging outside counsel.

The company had tasked a relatively junior legal operations team member to run a proof of concept on a single matter, which was to be run across a two week timeframe.

The staffer created an RFP describing what the company needed, sent it to several of the company's panel firms, then reviewed the proposals that were returned.

Working with the company's in-house attorneys, the staffer narrowed the list of potential firms based on the information in their proposals. He then set up a simple, live auction that allowed the participating firms to see where their price ranked against other firms competing for the work.

During the auction, one of the largest, most reputable firms in the world reduced its proposal by over \$1 million.

News of the result quickly made its way to the general counsel, who tracked down the staffer several days later in the company cafeteria wanting to know much more about the test.

The GC sent a summary of the result to the CEO, who forwarded it to his entire executive team. In his note, the CEO wrote that the savings legal had created with its new process was exactly the kind of approach he wanted to see from people in every department of the company.

### Let's stop for a moment and ask this question:

How often is the legal department held up as an example of financial responsibility and prudence when dealing with external vendors?

### In our experience, the answer is: “Not often.”

In the past, legal has often been able to say “we're different” — and escape the scrutiny faced by other departments related to their budgets and spending — especially with external vendors.

But those days are rapidly coming to a close.

More than ever, CEOs and CFOs are asking GCs and CLOs to justify their spending — just like any other department. They're also asking legal to justify their decisions, especially when spending millions of dollars per year on outside counsel.

A competitive selection process for outside counsel achieves several key objectives:

- 1 COST SAVINGS
- 2 JUSTIFIABLE DECISIONS
- 3 REPORTABLE INSIGHTS
- 4 BETTER LEGAL OUTCOMES

That's why — if you want to gain early buy-in from leadership for a new process for outside counsel management — we recommend proposing using 10 to 15 matters to demonstrate what a new process looks like when focusing on:

- Proposals from at least three firms on your panel (not just the usual 'go-to' firms).
- Price transparency and the opportunity for firms to adjust their proposal before you make a selection.
- In practice, it's competition and transparency that creates the environment for firms to create their best proposals.

## WHAT TO REPORT AFTER DEFINING YOUR GOALS

Specific goals of your outside counsel management program

Governance guidelines for when and how your team will engage outside counsel

Metrics to be measured and reported leadership

## PHASE 2

# Audit the Current State & Gain Input for a New, Competitive Process *(The First 30 Days)*

### *Why it matters*

Many organizations have no formal process for how to engage outside counsel. You must know what's happening — including who is engaging counsel and how they're doing it — before you can improve the process.

After you've started gathering those early wins, the second step when implementing a new outside counsel management program is to get a thorough "lay of the land."

This means taking an inventory of what's happening:

- Who is engaging outside counsel?
- How are they sourcing and paying outside counsel?
- Are there contracts in place with firms?
- What controls are in place to govern firm relationships?
- What systems are already being used (matter management, invoicing, e-billing, vendor management, etc.)?

### Understand the current state

When you're establishing a new outside counsel management program, don't worry yet about changing the standard process or getting people to adjust how they work — not outside that initial group you're working with to test the new process.

Instead, work to understand what's happening and where spend is happening across legal — both internally and externally.

This will give you the "current state" of operations.

### Gain input for the new, competitive sourcing process

Moving to a competitive sourcing process is the key change that will allow you to demonstrate the ROI of your efforts.

But changing the culture of how your teams engage outside counsel is not easy. You'll need to convince a variety of stakeholders why a new, competitive process is better for the company and better for them as individuals.

During the first 30 days, gather input from everyone who'll be impacted by your new process, including:

- Legal leadership
- In-house lawyers
- Firms and legal service providers

Legal leaders, for example, will have a better understanding of their team's legal spend, including why firms and providers are being selected.

In-house lawyers will be empowered to make better decisions about each situation, including comparing firms that might be better qualified for a matter — and also options such as insourcing or alternative legal service providers. They'll also be empowered to defend and justify their outside counsel decisions to their superiors.

Firms and legal service providers will get a better understanding of how you make decisions — and what they can do to earn your business.



## Create standards for thresholds, scorecards, and pricing

Every company is a little different, so don't worry if your process isn't exactly the same as we describe below. That said, the most successful outside counsel management programs we've seen have all had the following elements:

### 1 GOVERNANCE

Sometimes, in-house teams lack a standard process for when an attorney should — or shouldn't — engage outside counsel. For this reason, creating a simple decision tree to guide this decision is often one of the first process steps you'll need to take when setting up a new outside counsel management program. We'll discuss this in more detail in the next section.

### 2 THRESHOLDS

Sourcing every matter using a competitive process is often unrealistic at the beginning of an outside counsel management program. That's especially true when building new guidelines for outside counsel sourcing.

In those cases, most companies set dollar thresholds that determine when in-house attorneys should use a competitive process. For example, one major financial services company we work with has a rule that every matter expected to cost above \$250,000 must be sent to at least three of the company's panel firms for proposals

### 3 WEIGHTED SCORECARDS

A weighted scorecard is a tool that lets you decide how much you want to value different factors when considering a firm. Remember that price isn't the only criteria you'll be evaluating. Sometimes, other factors will have greater weight in making the right decision for a matter. A typical scorecard used by the companies we work with looks something like this:

- Proposed strategy for success (30%)
- Experience and qualifications (30%)
- Diverse team (10%)
- Price (30%)

Your scorecard will almost certainly look different depending on what's important to you.

### 4 FEE STRUCTURE

Finally, there are a variety of pricing models you can choose from. Some companies continue to use hourly billing for all their matters, but many others are increasing their use of alternative fee arrangements, especially where cost or spend predictability is important. At present, roughly 70% of all matters on PERSUIT are sourced using an AFA of some type.

In addition, many top companies use the same dollar thresholds for AFAs that they do for competitive bidding. This might look like: "Every matter expected to cost above \$250,000 must use an AFA and be sent to at least three panel firms for proposals."

Decide with your team what guidelines you want. If your goal is to show the ROI of your work in the way we've described in this paper, the easiest way is using fixed fee arrangements whenever possible.

## Review guidelines for billing and invoicing

While we don't recommend completely replacing your current e-billing system (which could set you back by 12 months or more), as you audit the current process, have someone on your team review the guidelines you'll use for the invoicing and billing steps of the process as you begin to test your new process.

This step will lower the chances of a problem with invoicing or payment — even as you change how you engage firms at the beginning of the process.



*"Proper billing guidelines are key to any organization's profitability and efficiency. The more effective the billing system, the quicker bills are paid and the less resources are needed to re-validate what has already been agreed to, even down to how volume discounts are applied."*

### Cassioppia Snowden

Manager of Legal Advisory

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## KPIs AT THE END OF 30 DAYS:

Detailed program steps and timeline

Standards for all phases of a matter, including thresholds, scoping, scorecards, pricing models, and billing guidelines

Expected ROI for the next 90 days

### PHASE 3

## Score Early Wins *(The Next 150 Days)*

### *Why it matters*

Early, demonstrable wins are the fastest way to gain buy-in, which you can achieve with the first 10-15 matters you run with the new process. In this way, you can quickly demonstrate the real impact of your efforts.

### How to run the first 10-15 matters using a competitive sourcing process

Phase three of establishing an outside counsel management program is to pilot your new process. PERSUIT's Legal Advisory experts recommend a five-step model for designing a new process:

- 1** Matter intake and governance
- 2** Scope the matter
- 3** Request proposals and narrow the field
- 4** Allow firms to adjust their price before selection
- 5** Select a firm and engage outside counsel



Here's a look at each of the five steps:

**STEP 1**

**Matter intake and governance**

**OBJECTIVE** Decide if outside counsel is needed.

Every company is a little different, so don't worry if your process isn't exactly the same as we describe below. That said, the most successful outside counsel management programs we've seen have all had the following elements:

First, decide who can engage outside counsel and what steps you want them to take when doing so. This decision should be part of your larger governance program — ensuring only those who should be hiring outside counsel are doing so.

If your organization is like many, however, you may find that there are individuals who are hiring legal counsel you weren't even aware of. Many organizations find they need to create a new internal policy defining who can engage outside counsel.



*“Law departments are perpetually focused on how effectively they are advising on the opportunities and shielding the business from the risks. A vital component of this balance is determining the optimal allocation of resources. Where is the best expertise, capacity, and efficiency any given need? Every law department must have a way to answer this question.”*

**Maui Gevero**

Senior Manager, Legal Advisory **P E R S U I T**™

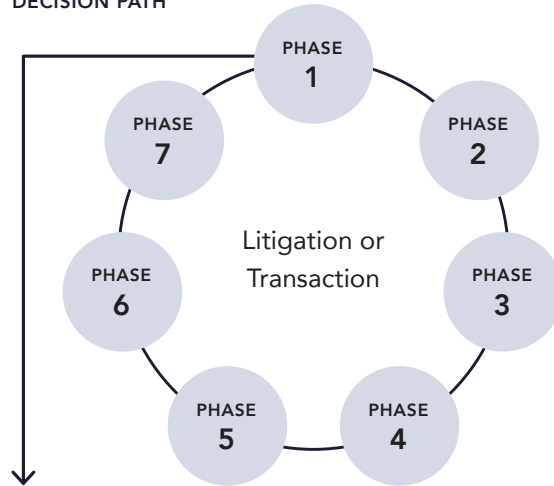
After you've defined who can engage outside counsel, the next step is to create a resourcing "decision tree" to use when a new matter is received.

As simple as this seems, many in-house teams skip an initial resourcing consideration or have few guidelines for how attorneys should resource their matters. In many organizations, in-house attorneys simply send an email or make a phone call to a law firm they've worked with before, skipping over any sort of consideration process.

The impulse to quickly engage a firm on hourly rates creates many unnecessary costs. Automatically sending work to firms with existing relationships often means engaging higher-tier, higher-priced firms. This is often the most expensive way to manage a matter. Open-ended hourly rate agreements also have no cap and no way to control spending — even if you are getting a discount.

A simple decision tree can help your team make better decisions when sourcing a new matter. Here's an example:

**DECISION PATH**



<b>DO IT OURSELVES</b>	
<b>RESOURCE FLUIDITY</b>	
<b>SECONDEE</b>	
<b>ALTERNATIVE LEGAL SERVICES PROVIDER</b>	
<b>OUTSIDE COUNSEL</b>	

For each phase of a Litigation or Transaction, a smart sourcing decision can be made.

If you need counsel, the matter can be registered in the company's matter management system. Then it can move to scoping and selection.

You may also want to introduce new guidelines about what firms can be engaged by your team. Often, large global companies will find that they have hundreds of firms being engaged by in-house team members across the organization. In many cases, part of a new outside counsel management program includes reducing this number so you have fewer relationships to manage.

## STEP 2

### Scope the matter

**OBJECTIVE** Define the phases and activities expected to manage a matter and decide what governance rules will apply.

When you need outside counsel, the second step is to scope the matter. In-house teams setting up a new outside counsel program will need to create new governance rules for this step.

For example, the new process might require an alternative fee arrangement (AFA) and at least three firm proposals for matters expected above \$100,000. If your team uses auctions, you might include guidance that matters expected to be above \$250,000 should also include an auction.

Standardizing this process with strong governance rules will create the documentation you'll use to show the results of your new process.

In-house teams often see significant price reductions from firms in their first matter run with a competitive RFP process. That's especially true if the company uses a reverse auction.

It is virtually impossible to document savings of that magnitude using the common process of engaging a single firm when a matter is received.

A competitive sourcing process — by contrast — empowers you to negotiate and document the savings generated from that process. It incentivizes your team and your firms to increase the use of AFAs. It also helps the hiring partner justify spending decisions to superiors with comparative data and a documented competitive process where appropriate.

## STEP 3

### Request proposals and narrow the field

**OBJECTIVE** For each new matter, secure multiple proposals detailing the approach, qualifications, and price for each firm competing for the work.

For the matters you're using to test the new process, instead of sending the matter directly to the firm your attorney usually works with, create a request for proposals (RFP) that summarize the situation and send the RFPs to three to seven firms.

Include the firms you'd normally work with on matters of this type, but also send the RFP to firms you know would like to expand the work they do with your company. Often these will be firms already on one of your panels.

Let your firms know that this is an important test of a new process — and that they should return their proposals within a week.



*"It's crucial to work on building open lines of communication with your law firms to ensure that goals and expectations are clearly conveyed."*

#### Kati Avina

Senior Client Success Manager P E R S U I T™

Once you've received proposals, review them with your in-house attorneys and choose the firms with the qualifications, experience, and approach you believe will create the best outcome.

Notify these firms that they are finalists to be selected for the matter, and that they'll have an opportunity to see how their proposal compares to the competition.

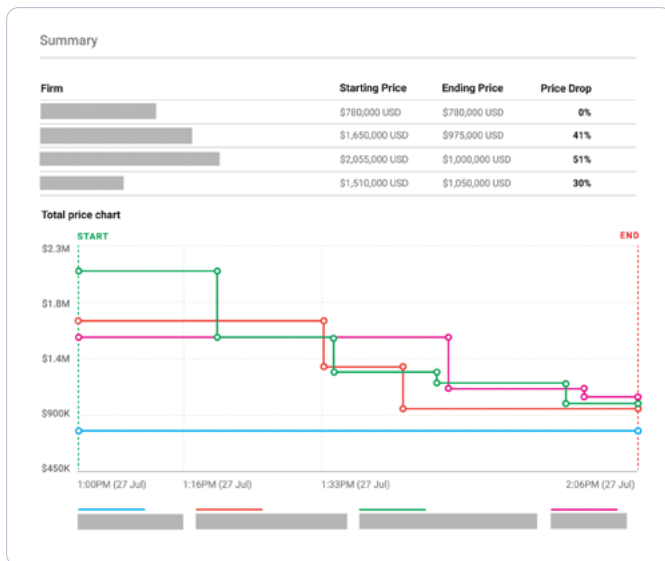
## STEP 4

### Allow firms to adjust their price before selection

**OBJECTIVE** Allow firms to adjust their price before selection

Once you've narrowed the field, we recommend holding a live session where firms can see how their proposal compares to the other firms being considered — and adjust their price if they want. If you're negotiating an alternative fee arrangement, this is critical market intelligence the firms will use to obtain confidence in their proposal.

We recommend that this session not be longer than one hour. In our experiences, almost all the adjustments happen toward the end of a live session. Here's a typical example:



## STEP 5

### Select a firm and engage outside counsel

**OBJECTIVE** Lock in the pricing and calculate the savings. Then begin work on the matter

Finally, work with your in-house attorneys to select a firm using the information you've gathered from the proposals and the price adjustments.

You need not select the lowest-priced firm.

In our experience, the lowest priced proposal is selected only about half the time — meaning companies choose their firms just as often for qualifications, proposed approach, and other factors such as diversity.

Once all approvals are secured, an in-house lawyer can officially engage outside counsel and begin work on the matter. Outside counsel engagements for low-value matters are normally covered by an existing framework or master agreement. High-value matters sometimes require an additional step of putting a statement of work (SOW) in place.

## Scoring early wins

Create your version of the above program and run 10-15 matters using the new guidelines. Ensure you document the savings generated by the competitive sourcing process at every step in the process. These early wins are key to gaining buy-in for a full rollout of the new process to your legal department.

One international finance company we worked with was able to demonstrate close to a million dollars of savings just in its initial test — strong proof they used to sell the new process as they expanded it to the wider legal team.

## KPIs AT THE END OF 180 DAYS

Number of matters that used the new process

Price reductions per matter

Total cost avoidance for all matters

## PHASE 4

# Expand and Improve *(From 180 Days to 365 Days)*

### *Why it matters*

Expanding your program is the step when you scale up your process. This is how you can document significant savings — potentially freeing up funds to re-invest in your team.

In our experience, using the first 10 to 15 matters to create early, demonstrable results is the most powerful way to show the potential ROI of redesigning your outside counsel management program. These numbers are how you can gain buy-in to run full implementation of the program — to see if you can take an early success and scale it across the team.

In the case of the junior legal operations employee at the global pharmaceutical company we described earlier, he was able to demonstrate over \$1M in savings in his very first project.

Imagine being able to take those kinds of hard ROI numbers to your GC. That's why early wins are key to gaining buy-in for larger changes moving forward.

### Pitch full implementation of your outside counsel management program



*“Any changes you seek to implement around outside counsel management will inevitably require the support of people and you will need to bring internal as well as external stakeholders along with you on the journey.”*

**Daryl Sweeney**

Director of Sales, EMEA

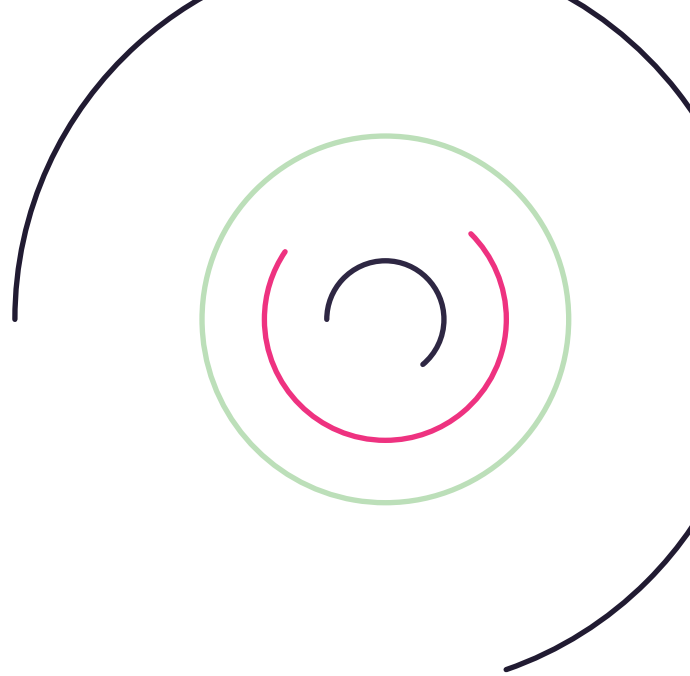
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Running 10 to 15 matters usually takes companies a few months. That's enough time to get your early adopters used to the process and start gathering data.

Once you have these early wins, take them to your leadership and ask for their buy-in to fully implement your new outside counsel management program. If you have demonstrable results, getting approval for a full rollout should be much easier.

When you have leadership buy-in, you'll need to begin winning over the rest of the legal team, which means running a full change management program.

Recruit the early adopters you worked with to run your initial 10 to 15 matters. Give them a platform to share what they learned as they ran matters using the new process. Their leadership will help the rest of the team see the value of the change.



## Full implementation of the new process

Depending on the size of your team, you may want to introduce the new process all at once or to segments of your legal team. Large teams with hundreds or thousands of in-house attorneys will likely onboard the team in groups, often department by department.

This phase is where the results you captured in your early tests will be key to gaining buy-in from the rest of your team. As you onboard new divisions, start by telling the team these stories — including how these efforts will benefit them personally.

Several of our the most successful legal teams we've worked with have demonstrated millions in avoided costs after redesigning their sourcing process. In the process, they've gotten approval to redirect some a portion of those savings to "internal" spending projects — or insourcing.

When their in-house attorneys began to see that the new process meant a greater investment in them and the internal team, it was a powerful incentive to buy into the new process personally — rather than resisting the new process in favor of doing things "the way we've always done it."

### KPIs AT THE END OF 365 DAYS

---

Number of matters that used the new process

---

Percentage of eligible matters that used the new process

---

Price reductions per matters

---

Total cost avoidance for all matters in year one

## CONCLUSION

# Improving the Start of Your Outside Counsel Management Process Leads to Measurable ROI

By focusing on matter inception and sourcing, you can demonstrate measurable ROI in a variety of ways:

### 1 Better Cost Management

In many organizations, a significant portion of the legal department budget is spent on external counsel. By addressing this major cost driver early on, you can make substantial contributions to overall cost control and financial efficiency.

Further, implementing a robust outside counsel sourcing process allows you to create more accurate and predictable budgets. This helps in financial planning and ensures that legal expenses align with the company's overall financial goals.

### 2 Improved Firm Relationships (And Better Outcomes!)

Building strong relationships with external law firms is essential for successful legal operations. Consider the 80/20 rule: 80% of your external legal spend is likely with 20% of your firms.

Therefore, 20% of your firms have the most information about you as a company. Strong relationship management allows you to harness insights from an external brain trust of firms, which is likely to produce more effective ROI than any one specific project.

In addition, by actively managing these relationships, you can negotiate better fee structures, set expectations, and ensure the selected firms align with the company's values and goals.

Better firm relationships help create better outcomes as well, a primary objective for all in-house legal teams.

### 3 Better Visibility and Reporting

Developing robust reporting mechanisms for outside counsel activities provides transparency and accountability. This visibility is valuable when communicating with key stakeholders, including executives and board members.

By starting with outside counsel sourcing, you are likely to build a greater understanding of the legal department, generate buy-in from legal leadership for strategic initiatives, and build credibility for the legal operations function.

### Top Legal Ops Teams Demonstrate Their Value

The ability to demonstrate ROI is why the intake process for outside counsel management has become a key priority for top legal operations teams. It's also why more in-house teams than ever are establishing and growing their legal operations teams.

*In one recent case, a company designed a 12-week trial of a new process — which included a test of PERSUIT. The new process drove over \$1 million in savings in just the first matter.*

Contrast that tangible ROI to the onboarding process common for e-billing systems, which often take 12 to 24 months to onboard and are extremely difficult to show true, measurable return on investment.

As we said in the beginning of this paper, what you do at the beginning of the process dictates what you pay at the end.

It is the ability to generate these tangible, measurable savings that makes matter inception — the first step of outside counsel management — the fastest way to show the impact of your work in legal operations.

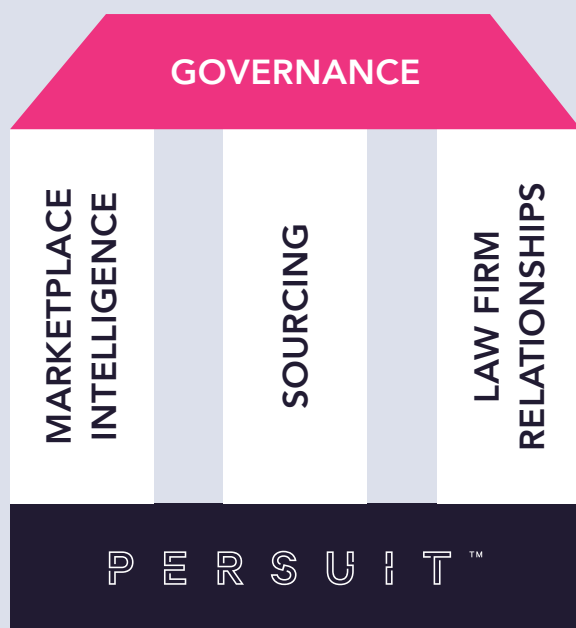


# The Business of Legal Begins With PERSUIT

In the past, legal departments could say “legal is different” and escape the scrutiny faced by other departments to justify their decisions and spending — but those days are over.

Today, companies are asking legal to act with the same rigor, metrics, and key performance indicators as any other part of the business.

That’s why data-driven GCs, CLOs, and legal operations leaders are using PERSUIT to establish their outside counsel management programs — and thrive in the modern legal marketplace.



## Marketplace Intelligence

Inform your team’s decisions with data gathered from real buying behavior from hundreds of top in-house teams and thousands of the world’s top law firms

## Sourcing

Rapidly scope simple and complex matters and make intelligent, data-driven, justifiable sourcing decisions when engaging outside counsel.

## Relationship Management

Protect your law firm relationships with a repeatable, transparent selection process that helps firms understand why they were or weren’t selected for a matter — and how they can win more often.

LEARN MORE

Want to know more about PERSUIT?

Visit [PERSUIT.COM](https://persuit.com) to learn how we can help you go from “what’s next?” to “here’s how,” wherever you are in your legal operations journey.

PERSUIT™

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Laura Spalding began her career as a lawyer practicing corporate and commercial law. She turned her dismay with the slow pace of innovation in legal into opportunity, joining PERSUIT to help build its early Client Strategy & Success team. She now leads the PERSUIT Legal Advisory team, where she advises the world's leading in-house legal teams on outside counsel management, legal pricing strategies, change management, diversity & inclusion, spend management, and legal technology.



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Kati Avina is a lawyer licensed to practice in France who is working as a Senior Client Success Manager at PERSUIT. She previously worked closely with UBS Outside Counsel Management as a legal consultant and later took on the role of Deputy Head of Personnel Services at Chain IQ, assisting with global sourcing initiatives in legal, HR, and recruitment.



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Daryl Sweeney has a Bachelor of Laws (LL.B.) and has been working in business since his legal training. He built the PERSUIT customer success team in Europe and has led more than 15 customer transformation projects.



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Nathan Collier is a writer, former journalist, and senior member of the content team at PERSUIT. Nathan oversees the editorial production, working with internal and external thought leaders, helping them share their expertise in PERSUIT's content.