

Working Smarter

In-house Counsel Turn to Technology



Law departments are increasing their technology budgets to improve processes, control costs and make decisions more analytically. That's one conclusion from nearly 250 corporate counsel readers of *InsideCounsel*, two-thirds of whom are General Counsel, Deputy GC or Associate GC, surveyed by *InsideCounsel* with DataCert, Inc. in March 2008. Respondents detailed technology spending at law departments ranging from one to more than 50 lawyers.

According to Eric M. Elfman, DataCert's President and Chief Executive Officer, the responses show that corporate law departments wanting to create business operations transparencies are turning to technology to do so. "In-house counsel are cognizant of how important it is to manage internal business operations as well as their spend," says Elfman. "The right technology gives them access to important matter information and notes from anywhere, helping them to work more efficiently." Legal departments can now easily work with outside counsel on everything from simple tasks to negotiations to matter reviews. Technology facilitates such collaboration as it supports budgeting—which all respondents indicate they use in some form.

"Corporate law departments are taking a proactive stance when it comes to understanding legal spend," Elfman adds. "It isn't enough to approve the bills and hope for the best." The right software tracks the spend in relation to budget capacity and future project trends and provides a spending history to customizable specifications.

One significant finding is that three-quarters of the respondents have brought legal work in-house to cut costs—about twice as many use that tactic as use consolidated providers or alternative fees.

"I suspect that the trend towards convergence will increase," Elfman contends, "as outside counsel spend continues to increase and more law departments adopt technology to help address the trend." Technology will play a key role by providing convergence-related research that is customized to help counsel successfully initiate, complete and reassess the consolidation process.

From budgets to matter management to law firm consolidation, Elfman sees one major theme from the results: "Technology is a valuable tool in the war to reduce legal spend."

DataCert | **Take Control.**

Streamline In-House

Bringing work in-house produces immediate savings, and technology plays an important part in the process.

▼ *What measures has the legal department taken to control costs?*

74%

BROUGHT WORK IN-HOUSE

15%

OUTSOURCED WORK TO U.S. LAW FIRMS

36%

CONSOLIDATED PROVIDERS

8%

OUTSOURCED WORK TO INTERNATIONAL FIRMS

38%

USED AFAs WITH OUTSIDE COUNSEL

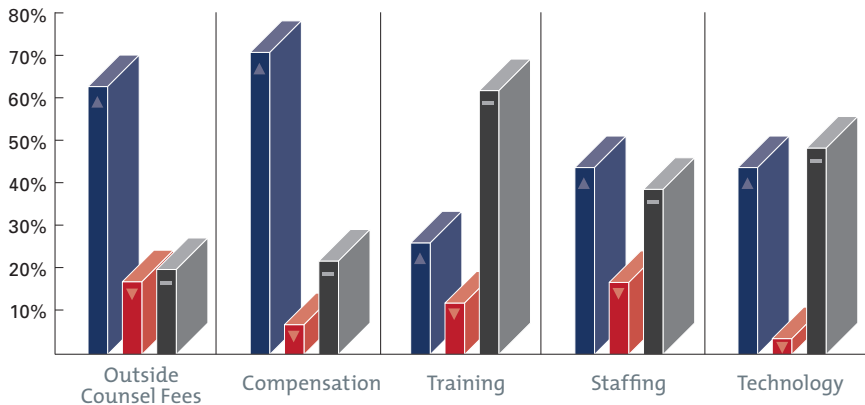
21%

USED COMPETITIVE BIDDING

Some Movement Up for Tech

Despite the increasing pressure of talent costs, law departments still plan technology purchases.

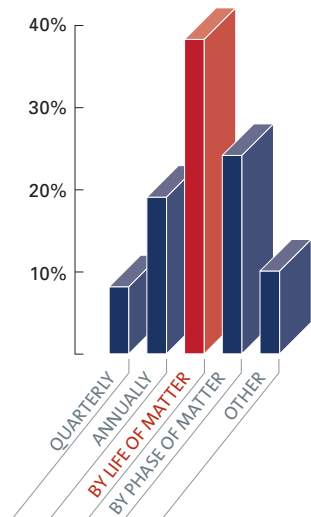
⌚ During the past three years, have the following areas of legal budget **increased**, **decreased** or stayed the same?



Budget by Matter

Each respondent indicated that they budget, most commonly by the life of the matter.

⌚ How do you budget your outside counsel?

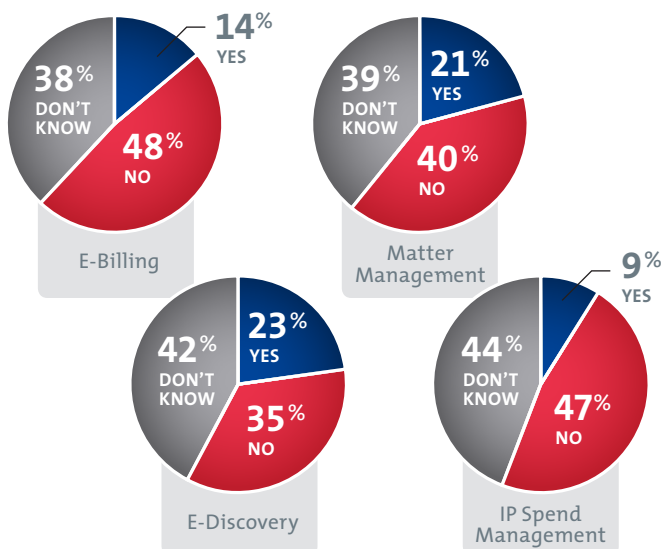


“Corporate law departments are taking a proactive stance when it comes to understanding legal spend.” —ERIC M. ELFMAN, DATACERT PRESIDENT AND CHIEF EXECUTIVE OFFICER

Few Purchases

Matter management and e-discovery are driving planned purchases.

⌚ Which technology solutions do you plan on purchasing in the next two years?



Know Where \$\$ Go

Legal spend technology allows in-house counsel to know exactly where their money is going.

⌚ How often do you use legal spend management and matter management technologies for the following tasks?

