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Technology: The Foundation For Successful Legal Operations Management

The Editor interviews Don Schad, general manager of corporate legal solutions at DataCert, about how technology helps law departments effectively manage their legal operations. A technology integration expert and a certified public accountant, Schad has led more than 100 complex software implementations for Fortune® 500 law departments.

Editor: What is legal operations management and why is this important to today's corporate law departments?

Schad: Legal operations management refers to the operational, administrative and financial functions related to the practice of law and the software used to achieve optimal efficiencies in these areas. Before the early 1990s, most corporate law departments concentrated on their sole function: providing legal advice and support for their clients. Legal operations management was a secondary concern. General counsel are now realizing the importance of implementing proven business disciplines and using the correct tools to achieve this. Ultimately, successful legal operations management provides a sizeable return on investment in both hard and soft dollars.

Editor: How does DataCert help corporate law departments manage their legal operations?

Schad: Our latest offering, CLD 10, unites e-invoicing, matter management and legal spend management into one unique application that helps law departments take control of their legal operations. It gives law departments the ability to simplify processes, compile and analyze data and gain a comprehensive



Don Schad

insight into their operations and spend.

Editor: Describe the components of CLD 10 and how they function within a law department.

Schad: Each of the three main components of CLD 10 improves vital processes and operations within a law department. E-invoicing eliminates paper bills and the complications surrounding their submission, evaluation and approval. It also provides an immediate return on investment through its enforcement of outside counsel guidelines. Legal spend management dynamically reduces legal spend with in-depth, reportable data. Matter management allows you to easily manage, store and track various types of information related to legal matters and projects. When combined together, these three aspects of CLD 10 arm corporate law departments with a powerful tool to refine their operations.

Editor: What are some legal operations management success stories?

Schad: AOL reported that the solutions provided by DataCert saved the global web services giant \$7.33 million within the first year of implementation. They used the savings to fund additional legal technology purchases. Another success story centers on AON. AON expects to save between three and seven percent of its annual legal spend using e-invoicing, with potential increases in savings expected each year. These significant savings resulted from these corporate law departments recognizing the need and implementing technology to improve their internal processes and drive down costs.

Editor: How does CLD 10 reduce legal spend?

Schad: Law departments realize cost savings as soon as CLD 10 is implemented. CLD 10 incorporates the ability to control invoice entry, workflow, review, approval and spend through the Advanced Invoice Management System (AIMS) developed by DataCert. AIMS includes a powerful advanced rules engine that automatically compares each invoice's line item to the law department's billing guidelines. It alerts law departments to any charges that fall outside of the guidelines – anything from excessive copying fees to billing by an unauthorized attorney. These are all charges that most personnel normally don't catch while reviewing lengthy paper invoices.

More importantly, AIMS enables you to effectively realize long-term spend reduction. Using reports generated by AIMS, corporate law departments can monitor outside counsel activity and fees, budgets,

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timekeeper rates, matter status, matter activity and overall spend on a daily, quarterly, monthly, yearly or specified time basis. This functionality gives you a robust tool to identify long-term spending trends and presents you with the information you need to make strategic spend and operations decisions.

Editor: Why is CLD 10 an effective tool for matter management?

Schad: CLD provides you with a truly matter-centric application that allows you to manage all information related to your matters in a central location. It gives you the ability to effectively access, track and share matter information and the organizations and people involved in them. This technology streamlines matter activity in a reportable, electronic format. The CLD 10 document assembly and import features support collaboration and eliminate redundant processes. CLD 10 allows for the creation of collaborative forms that outside counsel and other departments use to exchange data related to matters. Most importantly, CLD 10 includes a powerful query feature. You can search and retrieve information concerning invoices, budgets, fees and associated financials across all matters, producing a comprehensive view into legal operations.

Editor: How does CLD 10 work with different users within the law department?

Schad: The solution benefits users on varied levels within the organization.

A billing specialist may use the system to quickly check the approval process of invoices.

Paralegals use the centralized repository of information to increase productivity, eliminating the use of several disparate systems or (even worse) individual files and hard copies that are still so prevalent in many legal departments today.

In-house counsel can view a matter's progress, track budgets, review invoices or obtain updates from outside counsel.

General counsel use the robust business intelligence reporting, including executive dashboard functionality, to get an at-a-glance view of their law department operations and to apply operational excellence throughout the organization.

This includes initiatives based on CLD 10 data such as implementing best practices, mitigating corporate legal risk/expo-

sure, driving down costs through legal spend metrics and evaluating resource allocation in a timely and proactive manner.

Editor: Why is it important to centralize information?

Schad: Many law departments rely on paper, spreadsheets or multiple technology systems within the organization to store information on the matters they are handling and the expenses associated with those matters. These disparate repositories of information make it difficult to quickly access and evaluate information. It also often requires unnecessary or excessive administrative work such as copying or re-keying data. Most importantly, it limits the ability to get a full overview of law department activities and spend and ultimately hinders the effective management of legal operations. CLD 10 provides you with a focal point for all of your matter and spend management needs. You'll no longer have to sustain different solutions for different practice groups. Because of CLD 10's architecture, you can integrate it with existing systems and avoid redundancies that might occur with separate solutions. Instead of accessing five different systems to get five pieces of information, you login to one program and navigate from there.

Editor: Why is integration important for effective operations?

Schad: Integration with existing technologies is a basic foundation for a truly efficient and cost-cutting solution. You have to have your solutions communicating with each other, instead of existing as separate, unrelated silos of information. DataCert has completed more than 130 custom integrations and has the experience to easily configure CLD 10 to integrate with in-house solutions or enterprise systems such as document management and accounts payable. This allows for comprehensive interaction between information repositories both within the law department and throughout the corporation.

Editor: Please discuss the security and installation options of CLD 10.

Schad: Secure data is a number one priority for DataCert. We approach security from a variety of viewpoints. First, DataCert uses complex levels of encryption and each transaction requires digital

authentication for both the corporate customer and its law firms when exchanging invoice data. Second, DataCert offers CLD 10 installation behind the corporate firewall. This allows the law department to subject its data to its own security protocols and standards. Third, DataCert provides the option for a hosted solution. This option includes hosting in a SAS-70 certified environment on a secure server dedicated to each customer's data. There is no intermingling of the data with other customers' information.

Editor: How long does it take to implement CLD 10?

Schad: A basic implementation may be completed within two to three months with more extensive, customized implementations ranging from four to six months. DataCert works with the law department to help identify business processes and what, if any, customizations those processes require for optimal operations.

Editor: How can I get a demo?

Schad: To request a demo, e-mail nasales@datacert.com. We will contact you to schedule a demo at your convenience.

Don Schad, general manager of corporate legal solutions for DataCert, leads the company's growth and development strategies within the corporate legal market. Schad joined the company in 2003 as vice president of customer services, responsible for the implementation and integration of products and services, customer support and quality assurance for DataCert corporate clients.

DataCert, Inc., founded in 1998, is the largest and fastest-growing supplier of legal operations management solutions. Corporate counsel rely on DataCert products and services to manage legal activities and provide transparency into outside legal spend. With 72 Fortune® 500 clients and customer connections in 125 countries, DataCert processes in excess of \$9 billion of electronic invoicing data on an annualized basis. Visit DataCert at www.datacert.com for more information.