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## How Matter Management and E-Billing Systems Facilitate Cost-Effective Legal Strategies

*The Editor interviews Ron R. Denton, Business Services Manager – Legal Department, ConocoPhillips Company.*

**Editor: What are your key responsibilities at ConocoPhillips?**

**Denton:** I am responsible for the technology and administrative support for ConocoPhillips' legal department which includes our U.S. and worldwide operations. My responsibilities include the management of software and IT solutions utilized by the legal department. I have been with the company for 29 years, having spent the first 15 years in the IT department and the last 14 in legal. During this time, I have developed a close working relationship with our IT organization.

**Editor: How is the legal department structured?**

**Denton:** Five managers, including four deputy general counsels and myself, report directly to the general counsel/senior vice president of legal. I manage all the administrative and technology functions and the four deputy general counsels manage the remainder of the legal organization worldwide. We have 18 legal offices worldwide, including London, Stavanger, Perth, Moscow, Singapore, Jakarta, and Dubai, just to name a few.

**Editor: How many law firms does the law department generally engage with?**

**Denton:** On a worldwide basis we engage 400 to 450 law firms. The number varies depending on the nature of the legal work with which we are involved.

**Editor: What originally interested ConocoPhillips about an e-billing and matter management solution?**

**Denton:** We consider e-billing and matter management two separate functionalities. When seeking a matter management solution we were interested in a system that would provide information to allow us to manage both our litigation and non-litigation matters within the department. This includes not only the external costs but also the internal time spent on a matter by our clients. This allows us to work with our client organizations to develop legal strategies and better manage legal matters.

The goal for an e-billing solution was slightly different. Our primary interest was in a system that would allow us to receive more granulated information from the law firms that we could store electronically for future analyzing and mining. This combined with the services of a matter management system allows us to better manage both our outside counsel firms and our matters.

**Editor: Which solution did you ultimately select and why?**

**Denton:** We considered several different vendors and selected Corprasoft for matter management and DataCert for e-billing. We selected Corprasoft and DataCert primarily because of their functionality and flexibility. We also selected DataCert based on its relationship in the marketplace with some of our existing outside counsel firms.

We made the selection in 2002 and since that time have undergone a successful integration of both of these systems. This approach has been taken by other

corporations and went quite smoothly in our case.

**Editor: How have you been able to mine your e-billing data?**

**Denton:** We have used information extensively to analyze and evaluate our use of outside counsel legal services, as well as to analyze various types of matters, particularly those matters that involve recurring litigation. For those cases, we can analyze how a firm is using its resources, for example, the distribution of work being performed by partners and associates. We can also look at which aspects of a matter are utilizing the greatest amount of time and resources. With this information, we can implement ways to better manage costly and time consuming areas such as discovery.

**Editor: Please explain to our readers how you've successfully used this technology to cut costs associated with matters and to reduce matter life cycles.**

**Denton:** Our focus has been on reducing litigation lifecycles because that is really the best way to manage cost. The information we have compiled through DataCert's e-billing solution has helped us focus our efforts on the true costs of litigation so that we can develop ways to resolve cases as early as possible. As a result, we have received a great benefit through our early case assessment and risk analysis processes from the use of the system.

**Editor: Do these systems assist in the management of matters being resolved through mediation or arbitration?**

**Denton:** We use our matter management

*To learn more about DataCert and Corprasoft, visit [www.datacert.com](http://www.datacert.com).*

system to help identify cases that are candidates for ADR and to remind counsel that they should consider the use of ADR when it is appropriate.

**Editor: Has the software been helpful in negotiating outside counsel agreements?**

**Denton:** It has helped in several different areas. First, we can negotiate and develop staffing strategies with the law firms. Second, we are able to work with outside counsel to come up with strategies to approach cases. For example, we analyze the discovery process through a cost management perspective. These areas allow us to better negotiate agreements with firms because we can look at what was involved in each matter from beginning to end.

**Editor: You recently implemented a solution for small law firms to bill you electronically. Could you explain this initiative?**

**Denton:** We are in the process of implementing that system for our small firms. We worked closely with DataCert to develop a solution to enable the small firms to bill us on a flat-fee basis and submit those invoices electronically through the standard DataCert billing process. This process results in moving us closer to our goal of receiving all of our outside counsel bills in electronic form. By using e-invoicing, we will be able to process invoices more efficiently. Each invoice, whether it comes from a small firm or a large firm, will include the same source data so we will be better able to mine and analyze the information with the same level of detail.

**Editor: In what other ways has the e-billing solution helped your legal department?**

**Denton:** We have also engaged in an analysis of the types of litigation the company faces in different geographic regions throughout the country. We can use that information to determine the types of matters we will face in the future and to budget for those expenses in subsequent years. The e-billing and matter management systems allow us to track new cases and the costs of those cases so we can extrapolate that information for future

budgeting purposes. It also helps us focus our preventative law measures.

**Editor: What was the best advice you received about implementing this technology and who offered it to you?**

**Denton:** DataCert provided invaluable advice during our discussions with them. They were right on target when they advised us to look at e-billing as broadly as possible in the beginning and that a quick implementation of the system would allow us to achieve our desired results more rapidly. Although the task seemed very daunting at the time, the results were very good. We also worked with a consultant who advised us to focus on direct communication with the law firms but to include the vendors in the process. This worked very effectively because the law firms knew we were actively involved in the process with the vendors as partners.

**Editor: You indicated that some of your existing law firms had been using DataCert for other clients. Did you receive any input from these firms?**

**Denton:** Yes, we did. The firms emphasized the importance of using a standardized e-billing system rather than a unique solution. It is easier to work with a system such as DataCert's that uses standard codes because it provides us with more accurate data than if we used our own coding system. The system works on the standard LEDES codes which were developed by the LEDES organization to create standards in the legal industry. The codes require law firms to use a standard billing format so that every piece of information is in the same location and includes a standard code for each item billed. With standardized billing across all law firms we can compare how each firm handles similar legal matters.

**Editor: Do you have any advice for peers that are interested in implementing e-billing, legal spend, and matter management solutions?**

**Denton:** The key for matter management is to select systems that have a broad range of functionality and flexibility. During the actual implementation you should look for ways to best meet your business needs and requirements. Partnering with the vendors will assist in scoping the

project and developing business processes that work in conjunction with the software. Internal business processes that work in conjunction with the software are important because when they work together with the technology you are able to achieve the best results.

**Editor: How much lead time do you suggest that companies give to the planning process?**

**Denton:** For matter management, six to nine months is probably appropriate. In e-billing, if you already have a matter management system in place, I think you can implement in one to three months.

**Editor: DataCert and Corprasoft merged in May of this year. Have you seen any change in the level of support or service since the merger?**

**Denton:** We have certainly not seen any degradation in service. Right now it's been more status quo than anything, which is good.

**Editor: How do you plan to evolve your department's use of the solution over the next five years?**

**Denton:** We will continue to move towards 100% of our bills coming in electronically within the U.S. We will then try to expand our e-billing system overseas as more of our law firms support that capability. We are evaluating this in the European marketplace today, as e-billing technology develops. DataCert is actively working with a small number of corporations in Europe and will be able to provide services when we expand the system into that market. The plan is to spread the system across the rest of our global operations. With respect to matter management we will continue to use Corprasoft to help manage the internal and external time spent on matters.

**Editor: Is there anything that you would like to add?**

**Denton:** An important part of the matter management and e-billing process is to have the active support of legal department management as a part of the process and to have the dedication to review, analyze and utilize the information from the system. We've done this very successfully at ConocoPhillips.