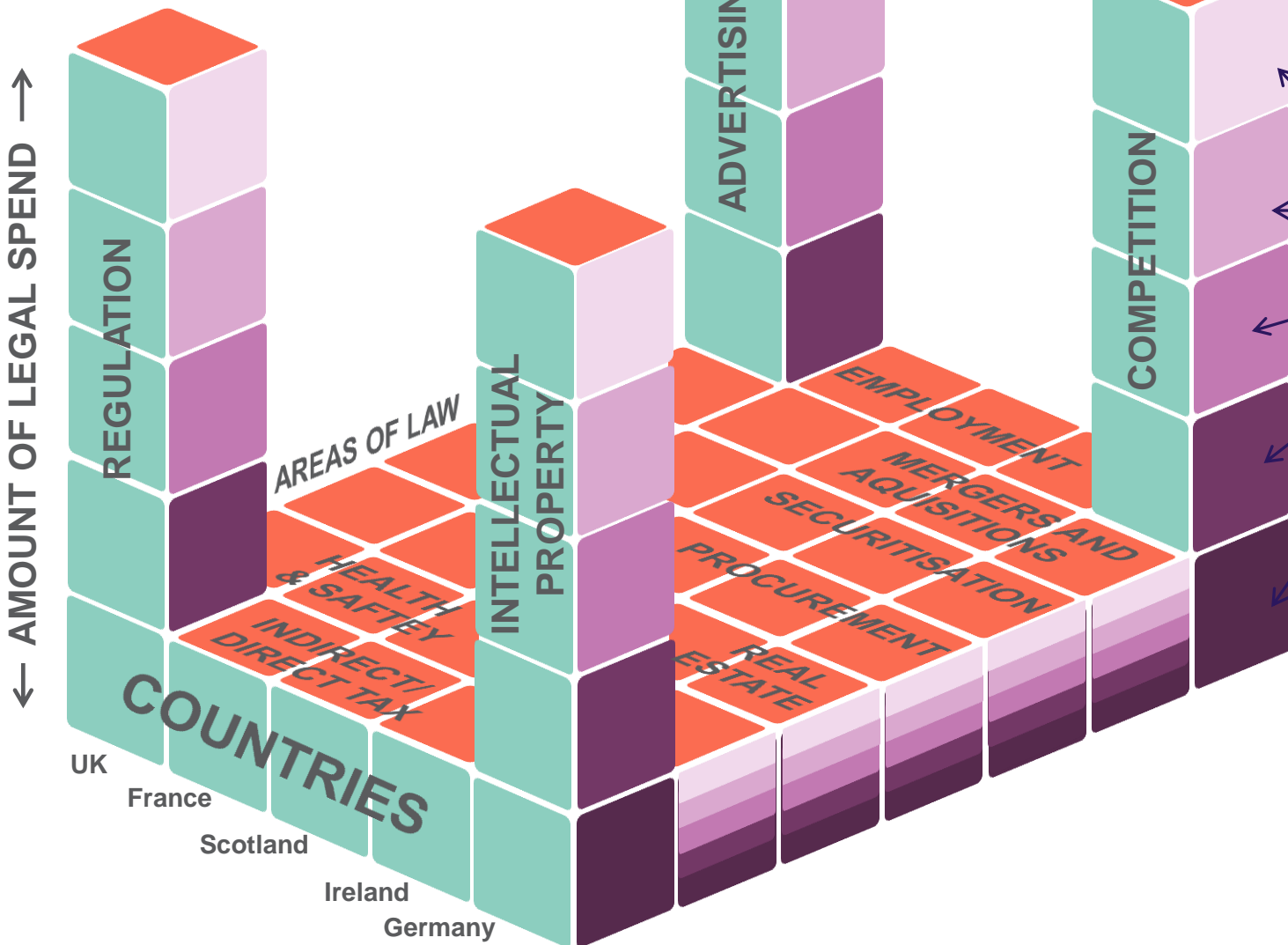


Analysing a law department's spend

“Upside down table”

- How many “legs”
- How tall are they
- How long is the table top
- How deep is each layer of the veneer on the table



5 “C” types of legal work that may get outsourced by a law department to a law firm:

Cost – cheapest way for the in house team to do the work is to outsource it

Capacity – in-house team has the skill to do the work – but there is too much of it(if this situation persists they will hire someone).

Competence – the work is not complex but the in-house team does not do it enough to make it worth having an internal lawyer with the skill

Certification – the in-house team knows the answer but needs a law firm to confirm the answer to keep someone else (e.g. a bank) happy.

Complexity – no one knows the answer but an informed “best guess” is needed from an expert to allow everyone to move on

For **cost, capacity and competence** work the law department will be looking for the cheapest competent source of legal advice (cheapest when you combine rates with good matter management to minimise the total bill size)

For **certification and complexity** where the law department is looking for a credible, authoritative, clear and actionable answer. So “per hour” cost is less important than getting the right “deliverable” but they will still want good matter management to control total cost.