



CASE STUDY

Leading Oil & Gas corporation reduces legal fees with Apperio

Leading British Oil and Gas corporation reduces legal fees by 16% after implementing Apperio's innovative legal transparency platform.

Key Business Challenges

As one of Britain's leading Oil & Gas corporations, a key aspect of its corporate strategy was to leverage new technology in order to maximise productivity. While this focus had been implemented in many parts of its business, the legal team had struggled to find a solution to transform its fee management and budgeting processes. The crucial challenge was a total lack of visibility into how legal fees had developed over time. Insufficient insight into real-time data on legal fees ultimately led the General Counsel to feel disconnected with the very budget and spend that he had been entrusted with.

Over time various attempts had been made to track legal spend which had led to excel-based spreadsheets being shared mutually with its law firms. However, this resulted in a constant chase to update them manually with accruals data, leading to an inadequate way to monitor the budget. The situation worsened with the unstructured process and missing data around these spreadsheets ultimately leading to unreliable numbers and conclusions. Despite these attempts to forecast, it was not uncommon for unexpected invoices and surprise fees to turn up at the time of invoicing, resulting in further frustration and conflict.

As all of these issues snowballed, the General Counsel decided that they urgently needed a new decision-making framework, in particular a solution that enabled the team to remove the guesswork and provide an accurate picture of spend and performance. The solution would need to: (1) provide a real-time update of all fees as they were incurred as opposed to information just at the time of invoicing; (2) have an intuitive user-friendly interface for the entire legal team; which (3) would be adopted and later become part of the legal team's in a timely manner; and (4) not put extra burden or stress on its partner law firms. These conditions ruled out e-billing solutions, which would just give a monthly snapshot of legal spend. The Oil & Gas corporation decided to work with Apperio in January 2016. After just 4 weeks Apperio's front-end system was fully up and running with all 8 of its partner law firms integrated into the platform.

Summary

This is a return on investment (ROI) study of how a large Oil & Gas Corporation used Apperio's spend tracking functionality to successfully reduce annual legal spend by 16% within the first year of implementation. This provided an ROI of 10.7x.

Key Challenges

- Lack of visibility into legal fees
- Insufficient insight into real-time data
- Disconnect with budget
- Lengthy manual current process
- Unexpected invoices and surprise fees
- Frustration and conflict with law firms

The Apperio Solution

Apperio is a powerful platform that gives corporate legal departments unparalleled visibility and control of their legal spend. It gives them a single interface to measure and manage all activity across their partner law firms in real-time. The real-time view of both billed fees and work in progress (WIP) fees, provides the General Counsel with a continuous, up to date view of company's financial exposure any point in time.

The Apperio platform can aggregate data up to a department, division or company level, to help with benchmarking and forecasting, while also allowing the user to rapidly drill to the matter level, and even all the way down to read the narrative on a specific time entry. The ability to effortlessly navigate quickly through the data creates new opportunities to discover deeper insights and answer more targeted questions about how the legal spend is being deployed. Importantly, because Apperio's technology is overlaid on existing processes and integrated into partner firms' existing IT infrastructure, firms do not have to change how they operate in any way. The flow of data from the law firm to the General Counsel is fully automated, reducing administrative overhead for both parties.

Business Impact

Within the first year of using Apperio the Oil & Gas corporation had transformed their fee management and budgeting process. Over the first 12 months they realised a 16% reduction in legal fees and a return of over 10.7 times the initial investment.

Optimising legal fees

The increased transparency reduced legal fees by 16% per annum, as follows:

- 15% decrease in soft cost expenses and other charges that the company did not agree to pay for, e.g. bible assembly work
- 60% fewer matters that overran their budget by more than 10%
- 10% reduction in like for like fees, through better time recording hygiene.
- Identification and removal of duplicate (1.5% of total) and incorrect time entries in line with the client' billing guidelines.

Improved Productivity

Having on-demand data and analytics through Apperio improved tracking, reporting, benchmarking and forecasting substantially. A number of matters from across the business were all rerouted to a partner at specific firm that was demonstrably more efficient at a particular type of work, and the General Counsel also identified opportunities to create several new in-house positions to save on external fees.

What previously took weeks could now be done in minutes. Numerous versions of a huge, unwieldy Excel spreadsheet, that had been used for years, and took two days per month to update, were archived off. Email chatter and noise, both internally and externally, reduced. Furthermore, the in-platform notifications system gave individual legal team members the opportunity to intervene and course correct external counsel's approach on a number of large matter where fees were being accrued rapidly.

Additional Benefits

While not directly quantifiable, improved relationships with the partner law firms proved invaluable to the company. The fact that they could discover any abnormalities in close to real-time and notify the law firms immediately, as opposed to at the time of invoicing resulted in much fewer disputes and a stronger, more transparent relationship.

Key Benefits

- Reduction in legal fees
- Return on investment
- Improved productivity
- Reduction of inefficiencies
- Improved relationships with law firm partners

"Apperio provides us with the ability to take command over the external legal spend and make informed, data backed decisions. Today the legal team demonstrates the same transparency and efficiency as the best performing business functions".

Matt H., General Counsel & Company Secretary

"We are thrilled to be working with one of the most promising legal tech startups for matter management in the market. Apperio is a product that we believe will be a game-changer in the competition for legal panel positions and we are already pilot-testing a prototype with Dentons partners and business development professionals in London"

Partner, Dentons



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