

TIP SHEET

Risk Management Ideas From
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10 Steps To Managing Legal Costs

CONSIDERING THE HIGH COST OF LEGAL SERVICES REQUIRED BY LITIGATED CLAIMS, SUBSTANTIAL SUMS CAN BE SAVED BY EFFECTIVELY MANAGING THE COSTS OF LAWYERS' SERVICES.

ADOPT WRITTEN BILLING GUIDELINES. BY TAILORING THESE GUIDELINES TO YOUR COMPANY'S SPECIFIC REQUIREMENTS, YOU PUT LAW FIRMS ON NOTICE THAT THEY WILL BE HELD ACCOUNTABLE FOR "FAT" INVOICES.

REQUIRE BUDGETS. REQUEST A LITIGATION PLAN FOR EACH CASE WITH AN ESTIMATE OF THE BILLABLE HOURS AND TOTAL COSTS THAT WILL BE REQUIRED TO CONCLUDE EACH CASE.

NEGOTIATE HOURLY BILLING RATES. DISCOUNTS ARE ESPECIALLY ACHIEVABLE IF A LAW FIRM HANDLES A SUBSTANTIAL AMOUNT OF WORK FOR YOUR COMPANY.

NEGOTIATE FLAT FEE'S PER CASE. DON'T LET "THE METER RUN" UNNECESSARILY.

CREATE A "BILLING ALERT" THRESHOLD. CREATE "A TRIGGER POINT" ON HOURS OR DOLLARS AND SEND A SIGNAL OF CONCERN.

CONTROL REPORTS. ASK LAWYERS TO DISTILL WRITTEN DOCUMENTS AND REPORTS TO THE ESSENTIALS.

CHALLENGE TIME SPENT. OBTAIN A CLEAR UNDERSTANDING OF SERVICES FOR WHICH YOU WILL AND WILL NOT BE CHARGED.

INSIST ON CLEAR, ITEMIZED BILLING. YOUR LAWYER'S BILL SHOULD BE AS AIRTIGHT AS THE RECEIPT YOU GET FROM THE GROCERY.

PERIODICALLY AUDIT LEGAL BILLS. LEGAL BILL AUDITS ARE PERFECTLY JUSTIFIED IN PROVIDING YOU WITH AN ACCURATE PICTURE OF THE SERVICES YOU ARE RECEIVING.

CAREFULLY MONITOR EXPENSES. ANCILLARY EXPENSES ASSOCIATED WITH THE LEGAL FUNCTION CAN ADD SUBSTANTIALLY TO YOUR BILL.

Source: Litigation Management, Kevin M. Quinley.
International Risk Management Institute

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