Top Ten Tips for Leveraging Cutting-Edge Legal Research Technology to
Control Legal Costs and Drive Client Value

By Lydia Flocchini

In this ever-changing and leaner economic environment, corporate legal departments expect outside
counsel to deliver more effective and efficient legal services at a lower cost. Simultaneously,
in-house counsel are investigating expense management initiatives as well as solutions for
increasing efficiency and productivity. One way both are achieving these goals is by leveraging
cutting-edge legal research technology.

This article shares tips that in-house and outside counsel can immediately and easily implement to
control legal research costs, drive significant productivity, improve internal efficiencies, and
connect legal research to value-based billing.

1. **Modern legal research technology enables you to conduct research
   significantly faster, to increase savings and reduce costs.**

Attorneys who use modern legal research technology are able to be more efficient and productive.
The increased efficiency means they bill fewer hours to the client and deliver dramatically better
work-product faster and in a cost-effective way. This offers significant savings to the corporate client
in the fees billed. While firms conducting traditional billable-hour work will bill fewer hours, firms
seeking to gain market share can differentiate their service to their clients through quality, efficiency
and cost-control. In this economic climate, firms will remain profitable. Clients can trust that they
are not being billed for inefficient research, and they will increasingly expect firms to use modern legal research technologies to drive value-based billing. Whether a law firm employs modern technology is a consideration when scoring the efficiency/process management of a law firm under the ACC Value Index.

The research quantifying the improved efficiency that technology delivers is compelling. In March of 2010, Thomson Reuters hired the Legal Research Center to define and determine legal research tasks and then assigned these tasks to 100 attorneys. Fifty of the attorneys conducted the research assignments with the previous legal research technology and the other half used modern technology. The results were significant. Attorneys using modern research technology successfully completed assignments 64% faster – almost 3 times faster – than those who used the previous generation of research. Even more compelling is that the fifty attorneys who used the previous generation of research were very familiar with it, but the fifty attorneys who used the modern research technology were unfamiliar with this research service and received only one hour of training prior to using it. In practice, these efficiencies and improved process management would benefit the client with lower bills, better research results and enhanced value.

2. Completing some research tasks in-house provides savings to the company.

Modern research technology empowers corporate law departments to answer some research questions in-house. Even shifting 1 to 5% of total outside counsel fees to the law department can provide significant savings. These savings could be applied in other areas of the business. As the outside counsel fees and their billable rates increase, so does the savings when some of the research is completed in-house.

At a recent conference, one general counsel indicated he conducts preliminary research on modern legal research technology. He then discusses the results with his outside counsel, explains what resources need to be found, and reviews the open issues that need to be researched. This efficient approach enables the company to not only catalyze greater productivity and communication, but also save legal research costs. Under these circumstances, outside counsel can better focus on high-value and complex matters, as well as specific issues the general counsel needs addressed.

3. Don’t reinvent the wheel. Sharing legal research within an organization increases productivity and internal efficiencies.

If outside counsel or someone in your organization has already conducted the research, the time and cost of the research project can be reduced by 90% or more when this research is shared. While folder sharing in other applications is common (such as in a document management system), the ability to share documents as part of the research workflow drives even more efficiencies and makes knowledge management a fluid and organic process. Folder sharing technology facilitates and encourages law departments to collaborate on research and enables all members to tap into the collective knowledge of their entire organization. This significantly increases productivity and improves efficiency.

For a law department, this means the most knowledgeable lawyers in the organization can easily share their expertise. For law departments who are considering knowledge management (KM) initiatives, folder sharing enables researchers to make KM part of their workflow while conducting their research. A law firm also realizes these same benefits, in addition to significant time savings in research projects, which equates to lower costs passed on to clients. The client is not billed for “re-inventing the wheel” or duplicative research by others on the research team. The firm provides better results to their clients by leveraging prior research and drives value in the legal research
4. **Leverage research that can be shared with your outside counsel.**

Sharing research between in-house and outside counsel provides significant benefits in connecting legal services to value. With folder sharing technology, the research and accompanying citations are automatically updated in real-time; therefore, in-house and outside counsels are able to share information in a timely and efficient manner and ensure work is being handled properly. This saves photocopying and scanning costs, as well as delays with mail or email. Most importantly, stronger partnerships and trust are created through transparency in the legal research process.

5. **Organize research folders by practice area, research projects and by issue.**

To realize the benefits of folder sharing within and outside of an organization, one recommendation is to organize research by practice area, projects or by issue. This creates a dynamic categorization system that can be used by others, even after a researcher may have left an organization. The ability to search these folders provides an additional lever for improving productivity. This is far superior to research saved in email management systems, which do not provide the same search functionality as a modern legal research tool.

If your law department has been exploring how to organize research collections, folder sharing offers a solution that is integrated within the research. Many firms are supporting these types of initiatives and are leveraging their libraries to avoid billing a client for research that has been previously conducted. These folders are knowledge collections that can be leveraged to drive efficiencies for both parties, creating mutually beneficial savings through lower costs.

6. **Modern legal research technology challenges traditional billing methods.**

Many law firms are reaping the benefits of modern legal technology and folder sharing in managing alternative fee arrangements (AFA). In this area, the law firm is motivated to develop processes for categorizing, organizing and avoiding duplication of research. I’ve spoken to several c-level contacts in law firms who have shared how this technology is integral to their AFA engagements. Firms increase profit margins while saving the client money because of the research efficiency, the ability to project reduced time and billable hours, and the capacity to provide an incentive to consider value-based AFAs.

7. **Internal efficiencies within the law department can reduce operating costs and increase savings to the company.**

Legal research efficiencies can also reduce and control the operating costs of the law department. Because of the reduction in research time, the organization can realize a cost savings based on the ability to shift work to other areas. For example, a law department which has conducted 20,000 hours annually of research time may shift 12,800 hours annually (64% reduction due to improved efficiency) to other activities within the law department or to other areas of the corporation. The potential savings and reduced operating expenses are $486,400 based on the salary expenses of six employees earning $80,000 and working 2000 hours annually. This type of analysis is helpful when establishing annual budgets, managing staffing challenges or when tasked to do “more with less.”
8. **Maximize training opportunities to learn cost-effective search techniques.**

While modern legal research technology is easier to use, training provides key insights into maximizing productivity and efficiency. A little training can go a long way. Just a few tips on how to leverage modern legal research functionality and how to conduct cost-effective legal research drives significantly increased value. These training opportunities are free and are tailored to the needs of the firm and researcher. For general counsel, training improves internal efficiencies and productivity, enabling legal professionals to focus on other projects. For law firm counsel, cost-effective research skills provide value to the client in the form of fewer billable hours spent on legal research tasks, quicker response time, and the attorney keenly focused on high-value work. Both law departments and law firms are using innovative ways to ensure attorneys are trained to conduct cost-effective legal research. Training sessions such as “How to Use your Smartphone/iPad to Conduct Legal Research” offer an appealing and a creative approach.

9. **Using smaller or narrowly defined databases doesn’t mean lower research costs.**

Recently, I interviewed a law firm partner who said he used modern legal research technology to work within the budget expectations of the client. This partner’s approach is a prime example of how modern legal research technology can be used in managing the impact of costs and staffing, while leveraging resources to meet client cost objectives. This strategy is fundamental to one of the scoring factors of the ACC Value Index.

With modern legal research technology, the researcher has greater predictability of research costs. She can run one search across thousands of content types, rather than running multiple searches in different databases hoping to leave “no stone unturned”. Running a single search across content provides researchers with a much better understanding of the law, identifies sources she may not have otherwise found, and reveals the rich variety of language describing the particular legal concept or fact pattern in the jurisdiction. The cost of the single search is far less expensive than running multiple searches and the researcher presents better results faster. A timely, thorough response by outside counsel meets – and often exceeds – client expectations, drives value-based billing, and creates new and existing business for the firm.

10. **Measuring Value in the Legal Research Process**

There are many ways to measure the value of modern legal research technology. This article provides a few suggestions to increase savings by bringing work in-house and reducing operating costs. However, the greatest return will be realized when the law department and law firm are employing modern legal research technology in their partnership to bring value to the cost of legal services. The opportunity to share and collaborate on legal research, communicate on the expectations of the legal research process and build a stronger partnership in the process is well aligned with the goals of the ACC Challenge Initiative. The in-house department will have trust and confidence that their outside counsel is conducting the research efficiently and cost-effectively. In return, the law firm can leverage efficiencies in the legal research process to meet and exceed client goals while controlling overall costs.

With the launch of WestlawNext in February 2010, the legal industry saw a truly dramatic and innovative leap forward in legal research. The modern search engine in WestlawNext, called WestSearch, employs advanced proprietary search technology from the fields of artificial intelligence, data mining, and natural language processing to the 140-year collection of editorial
enhancements of the law available on Westlaw. The result is a dramatically improved search experience that focuses on meaning, instead of literal words. Innovations such as folder sharing enable research to be shared within an organization and with other organizations. This provides significant opportunity for controlling legal costs and brings substantial value to the legal research partnership between in-house and outside counsel.

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