

## CASE STUDY: MANAGING FOR OUTCOMES, EFFICIENTLY



Christchurch City Council's matter management system is a cornerstone of the legal team's achievement of significant time and cost efficiencies.

The largest local authority in New Zealand's South Island, Christchurch City Council has an annual group operating revenue of around \$1 billion and provides services for nearly 370,000 residents. The Council's legal team carries 800 active files and engages external lawyers for about 150 more files being 75% of its total legal spend.

### Accurate information, instantly

*"Our legal matter management system (LEX, from [www.lex.com.au](http://www.lex.com.au)) is so effective that as well as delivering 'real time' visibility across all legal issues across the entire organisation, in just a few key strokes we can also get the exact status and cost of any transaction, with any author, with any law firm, for any business unit, for any work-type. LEX has proved so accurate that we even use it to verify legal costs information in the Council's accounting system and with law firms."*

Chris Gilbert, Legal Services Manager, Christchurch City Council

#### Before LEX

1	Lots of paper	More than 4000 legal invoices and related billing material flowed annually into the legal department, clogging the approval process.
2	And more paper	The Council's invoicing and reporting systems were independent of its document management system, so lawyers often created paper files from multiple sources just to have a complete picture of each transaction.
3	"It's all in my head" management	With no overall capture of key information, when business unit managers needed status updates, it depended critically on the memories and personal files of individual lawyers, or calling the relevant law firm. This was sometimes time-consuming, added to costs, and there were often information gaps.
4	Accrual nightmare	Trying to obtain accrual information for budget purposes involved letters to all the law firms and cumbersome calculations to estimate unbilled amounts to accrue.
5	Time consuming	Bills often took months to process, and countless hours of administrative time was involved just staying on top of the Council's large number and range of legal transactions, chasing billing issues and trying to keep business unit managers abreast of issues.
6	Monthly reports	Law firms started providing monthly reports, yet these were often incomplete, and by definition late; addressing events as much as a month before.
7	Extranets considered	Four law firms offered the legal team online access to some of their records, yet the prospect of multiple access points, each with different system functions and information, and not interlinked with each other or in-house activities, was daunting. The Council's IT department was also concerned about interoperability issues and recommended against multiple systems.
8	'Better' monthly reports not the solution	The legal team rejected the seemingly cheap option of simply trying to improve the existing reporting system; even the best monthly reports could only ever provide a historical view, with a different version for each law firm and the legal team.

### Investment paid for itself many times over

*"I still can't believe I even considered the 'cheap' option of trying to fix our original system. Designed by a former in-house counsel who had also been a law firm partner, we chose LEX as a matter management system that doesn't try to be everything to everyone but does what it does do very well indeed. The investment has paid for itself many times over."*

Chris Gilbert, Legal Services Manager, Christchurch City Council

## After LEX

1	Virtually no paper, and accelerated invoice processing	Bills arrive in PDF format in an agreed form, LEX enables smart use of the data, the information required to assess invoices is immediately available, and the approval process almost instantaneous. LEX is also connected to the Council's document management system, so all documents in every transaction are identified and connected 'virtually'.
2	Better risk management processes	At one level LEX helps the Council meet 'the big red bus' theory of risk management; if the lead lawyer is out of action for a while, any colleague can easily step in. More importantly, the in-house team doesn't need to waste valuable energy on unnecessary administrative tasks; LEX handles all of it seamlessly.
3	Active visibility	Each firm can remotely access and input to LEX any matter on which they are instructed, subject to relevant protocols. The legal team have full visibility across their matters irrespective of which (if any) law firm or firms are involved, and the legal manager has a single integrated view of all legal issues across the entire organisation.
4	Co-ordinated management anywhere	The time-lag of monthly reports has vanished. Law firms and in-house lawyers simply update status 'live' from any computer anywhere in the world. If the chief executive needs an update, there are no phone calls or scrambling about to prepare a report; it's available 24/7 – by matter, size, type, business unit, law firm or whatever's required. "If it's in LEX we can report it".
5	Internal leadership	The legal team is increasingly regarded as a facilitator, helping business units achieve their objectives; whilst also improving the legal team's own effectiveness. Several business units have taken a real interest in the new management information to improve their use of legal services; one even developed systems to reduce their need for more direct involvement in some areas, improving outcomes for them and freeing up a little more of the legal team's time.
6	Budgets controlled and accruals simplified	With estimates on significant matters from the outset, LEX automatically 'counts down' against estimates as bills are rendered, keeping a sharp focus on costs. With estimates loaded from the outset and automatically adjusted as circumstances change, accurate accrual information is also easily generated.
7	Strategic management	The legal team and law firms no longer have to spend hours every month preparing detailed reports, simply noting updates as activity occurs. Most of the administrative tasks have gone, leaving more time to focus on the legal issues themselves; and on legal management strategy – helping improve outcomes, more efficiently.
8	Innovation base	With several years' data, the Council now knows the cost of thousands of transactions, and how much partner, non-partner and in-house time has been spent; on individual transactions, across multiple firms, on individual work-types and more – and is well positioned for partnering initiatives or to consider alternative pricing models.

### Powerful management tool

*"Nothing beats smart, motivated lawyers. But LEX definitely comes second; it's a powerful management tool that saves time and money – and most importantly, it frees our team of excellent lawyers to do what they do best; law and legal strategy."*

Chris Gilbert, Legal Services Manager, Christchurch City Council