



Lost in
Translation?
Learn the
Language of
Your CFO

Checklist for Cross-Functional Engagement and Alignment

CFOs are emerging as key leaders in understanding and improving performance across their organizations — including the legal department. As organizations centralize their data and establish expectations for data-driven decision-making, it is critical for Legal and Finance to have a shared understanding and approach to spending and budget management.

What follows is a set of suggested tactics to help legal drive engagement and alignment with finance – and procurement too.

Authors: Peter Eilhauer, Managing Director, Legal Operations, and Catherine J. Moynihan, Senior Director, Strategic Intelligence, Epiq

Your Strategy	Cross-Functional Engagement and Alignment	Benefits
<p>Proactive Budget Management</p> <p>Implement disciplined practices to set budgets and manage spend against budgets.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Design practical budgeting strategy and align with Finance and Accounting <ul style="list-style-type: none"> • Fit approach to size and complexity • Define practical budget review cadence <input type="checkbox"/> Actively manage matters to control costs and demonstrate accountability <ul style="list-style-type: none"> • Matter level bidding and budgets • Accruals and forecasting <input type="checkbox"/> Monitor and report on forecasted matters <ul style="list-style-type: none"> • Risk-rate matters, e.g. high, medium, low <input type="checkbox"/> Provide data-driven reporting <ul style="list-style-type: none"> • Share reports with Finance that demonstrate that spend is calibrated to risk. • Hold stakeholders accountable to update spend against budget. • Hold quarterly review meetings. <input type="checkbox"/> Be proactive with Finance <ul style="list-style-type: none"> • Escalate when a large potential matter hits, or an active matter significantly expands. 	<ul style="list-style-type: none"> <input type="checkbox"/> Standardize and influence the budget management <input type="checkbox"/> Gain credibility with Finance partners <input type="checkbox"/> Prevent surprises

Your Strategy	Cross-Functional Engagement and Alignment	Benefits
<p>Effective Cost Management</p> <p>Programs to contain or, when necessary, cut costs (closely related to the above, but more general).</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Invite Finance counterparts to present to stakeholders <ul style="list-style-type: none"> • Explain Finance's priorities, processes and the why's behind their needs. • Share key definitions and calculations to align on common languages. • Calibrate on key performance indicators, including risk as well as cost. <input type="checkbox"/> Apply modern legal cost management strategies <ul style="list-style-type: none"> • Panel convergence • Per-matter bids and incumbent negotiations • Invoice review • Rate and discount management • Unbundling • Right-sourcing • Etc. <input type="checkbox"/> Approach cost cutting mandates with a list of potential cuts or expense reduction initiatives, then prioritize <ul style="list-style-type: none"> • Meet with Finance early and often. • Negotiate all aspects – target cuts, types of savings and timelines. • Distinguish “hard” cost savings from “soft” cost avoidance. • Set baselines to measure against. • Ensure clear accountability and timelines. • Demonstrate accountability for agreed plans. 	<ul style="list-style-type: none"> <input type="checkbox"/> Educate Legal on key Finance performance indicators <input type="checkbox"/> Educate Finance on Legal nuances <input type="checkbox"/> Drive cost savings <input type="checkbox"/> Measure results

Your Strategy	Cross-Functional Engagement and Alignment	Benefits
<p>Right-Sourcing</p> <p>Making informed decisions about what work to send to what type of resource (client self-service, internal resource type, external resource type).</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Review sourcing strategy with Procurement and Finance: <ul style="list-style-type: none"> • Collaborate on mechanisms to assess business value of legal matters. • Calibrate resource cost to value and risk. <input type="checkbox"/> Review baseline calculations with Finance: <ul style="list-style-type: none"> • Fully-loaded internal resource cost vs. external option • Alternative cost options (i.e. flexible talent) <input type="checkbox"/> Confirm budget impacts: <ul style="list-style-type: none"> • Cost savings or cost avoidance • Method for validating savings 	<ul style="list-style-type: none"> <input type="checkbox"/> Identify savings which can be reinvested into business <input type="checkbox"/> Ensure resourcing strategy aligns with corporate goals
<p>Centralized Outside Counsel Management</p> <p>Empower an outside counsel management (OCM) function to lead firm selection, fee negotiation, performance oversight.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Share overview of OCM function with Finance <input type="checkbox"/> Review preferred panel strategy with Procurement <input type="checkbox"/> Define Procurement's role in firm and vendor selections and negotiations <ul style="list-style-type: none"> • Operational support • "Good cop bad cop" <input type="checkbox"/> Review AFA strategy with Finance and and or Procurement <input type="checkbox"/> Include performance metrics on your forecast and budget requirements in QBRs 	<ul style="list-style-type: none"> <input type="checkbox"/> Highlight law department savings and benefits <input type="checkbox"/> Separate cost control discussions from relationship management

Epiq Legal Business Advisory

The pace of change in the legal industry has accelerated the need for legal departments to run like a business, including the need to embrace digital transformation. The Epiq Legal Business Advisory team advises legal service organizations to make intelligent, fact-based decisions about how to achieve operational excellence.

- Process Improvement
- Data-Driven Decision Making
- Service Delivery Models
- Technology Enablement

Connect with an expert to learn more.

Email: legalopsadvisory@epiqglobal.com