



**2019**

**BUYING LEGAL<sup>®</sup> SERVICES**

**RESEARCH FINDINGS**

**Dr. Silvia Hodges Silverstein**

**BUYING LEGAL**  
COUNCIL



NOTTINGHAM  
LAW SCHOOL



Dr. Silvia Hodges Silverstein

**BUYING LEGAL**  
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**HARVARD  
BUSINESS SCHOOL**



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HEIDI K. GARDNER  
SILVIA HODGES SILVERSTEIN

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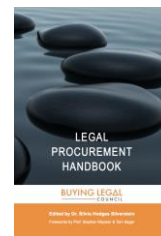
**GlaxoSmithKline: Sourcing Complex Professional Services**

**Riverview Law: Applying Business Sense to the Legal Market**



THE GEORGETOWN JOURNAL OF  
**LEGAL ETHICS**

**SOUTH CAROLINA  
LAW REVIEW**



2015 Annual Legal Procurement Study  
Annual Legal Procurement Study  
Procurement Study  
t Study

2016 2017 Annual Legal Procurement Study  
Annual Legal Procurement Study

2018 Annual Legal Procurement

STUDIES

2006 How mid-sized companies in Europe select & review legal services providers

2007 How US companies select int'l outside counsel

How mid-sized companies in the UK buy legal services

from Germany's top legal corporates on improving services & value delivery

influence of procurement on the purchasing of legal services

influence of procurement on the purchasing of legal services

2010

2012

2014

2009

Insight

The

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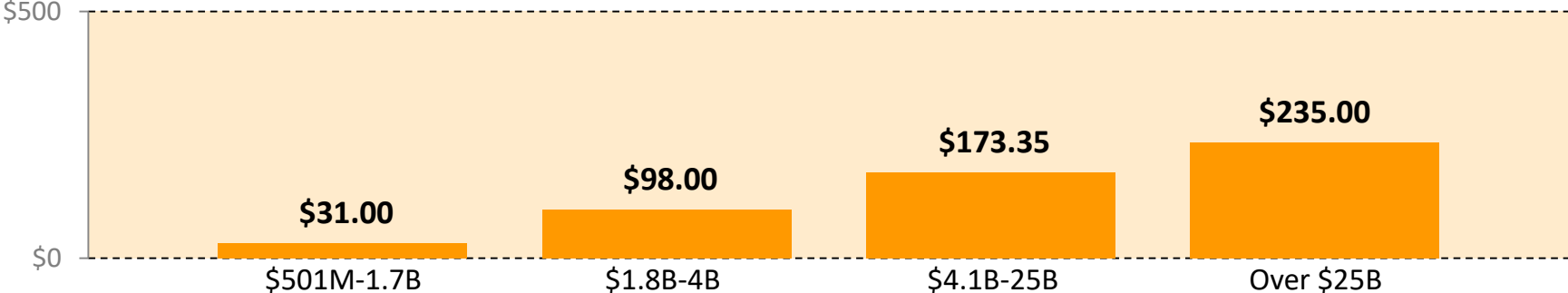


# KEY BENCHMARKS

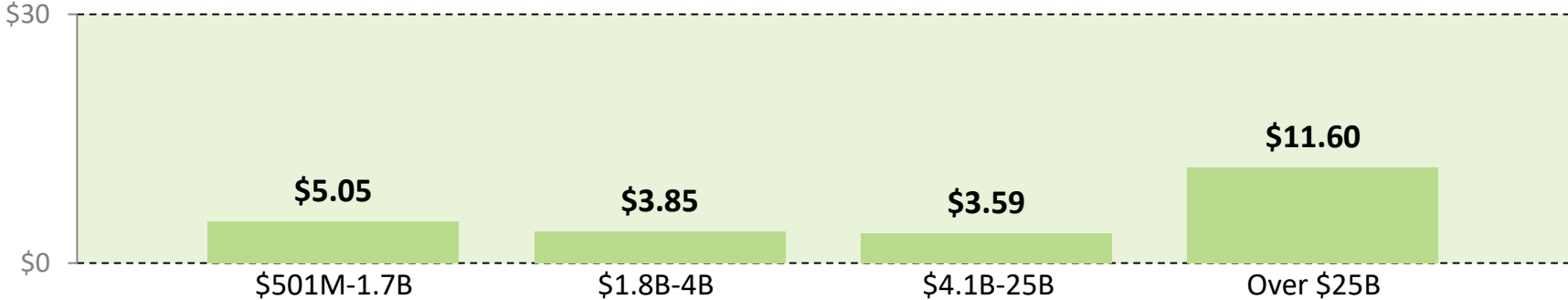
# SPENDING ON LAW FIRMS DWARFS SPENDING ON OTHER PROVIDERS: SPENDING BENCHMARKS BY COMPANY REVENUE BRACKETS

On average, how much does your organization spend annually (worldwide) on outside legal services (in USD)?

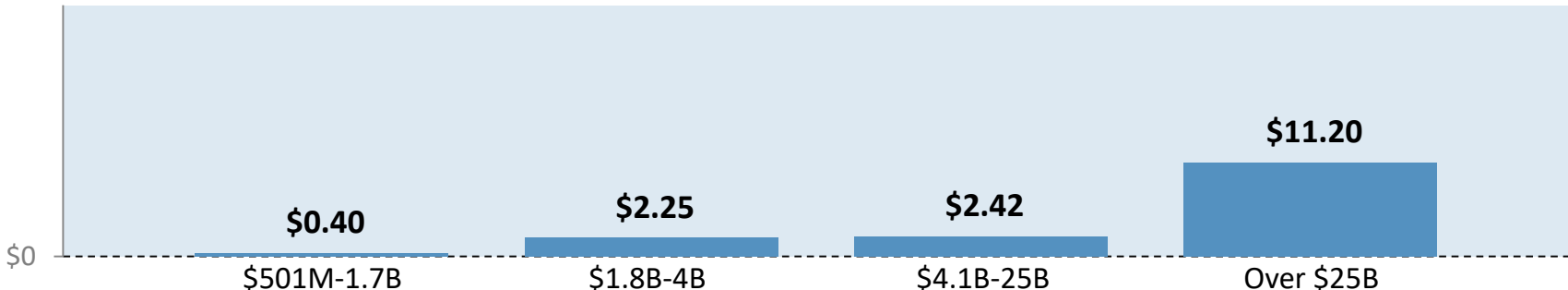
**Average Annual Spending with Traditional Law Firms (Millions), by Company Revenue**



**Average Annual Spending with Ancillary Legal Services Providers (Millions), by Company Revenue**



**Average Annual Spending with Alternative/New Law Firms (Millions), by Company Revenue**

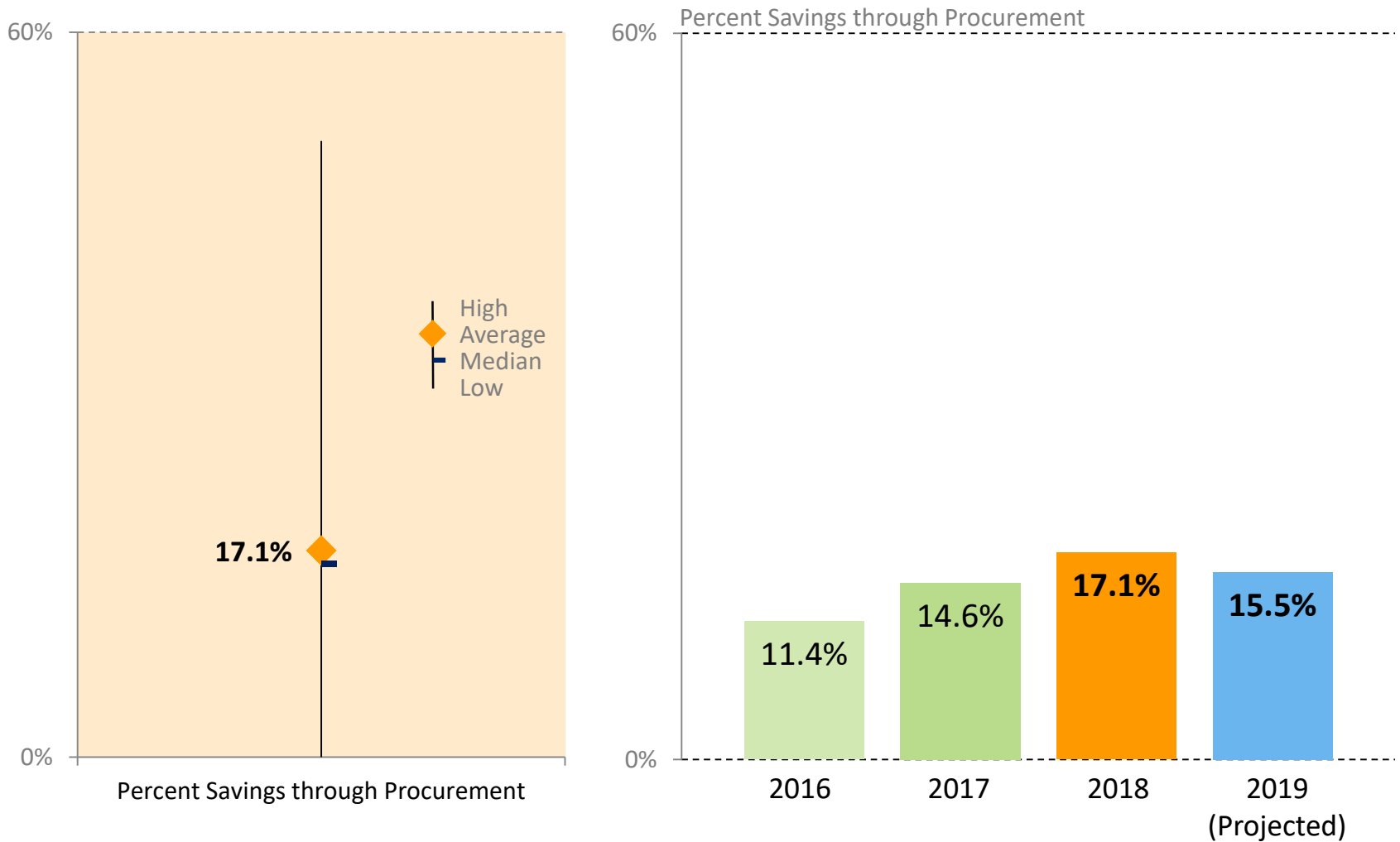


Note: Companies with less than \$500M in annual revenue did not provide spending data



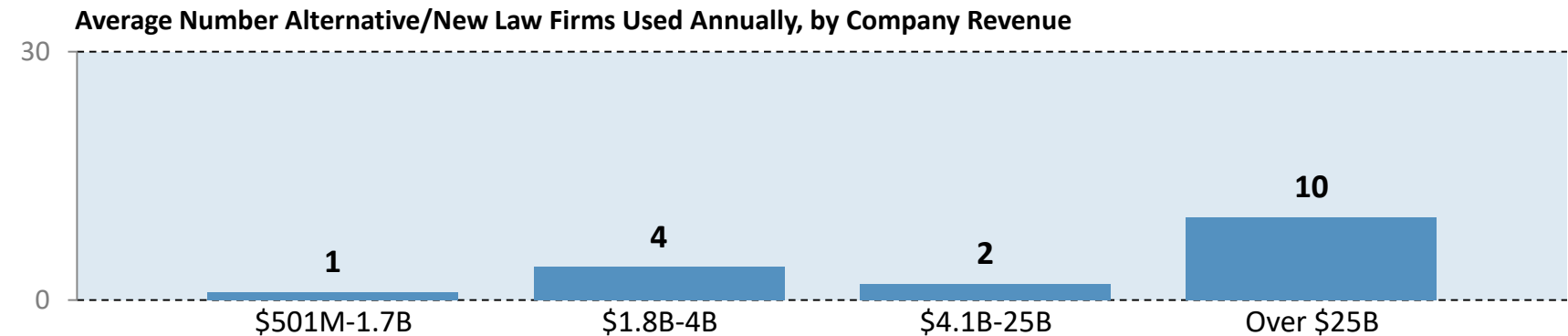
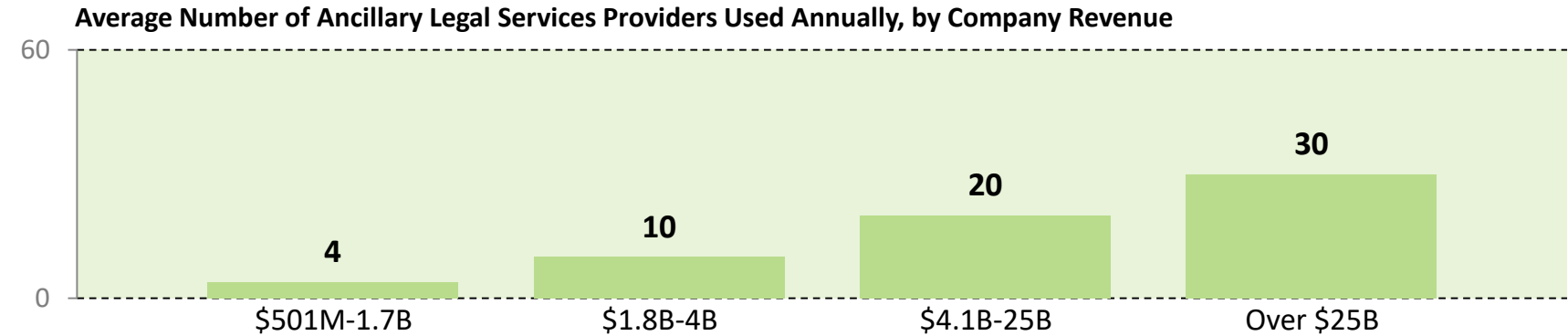
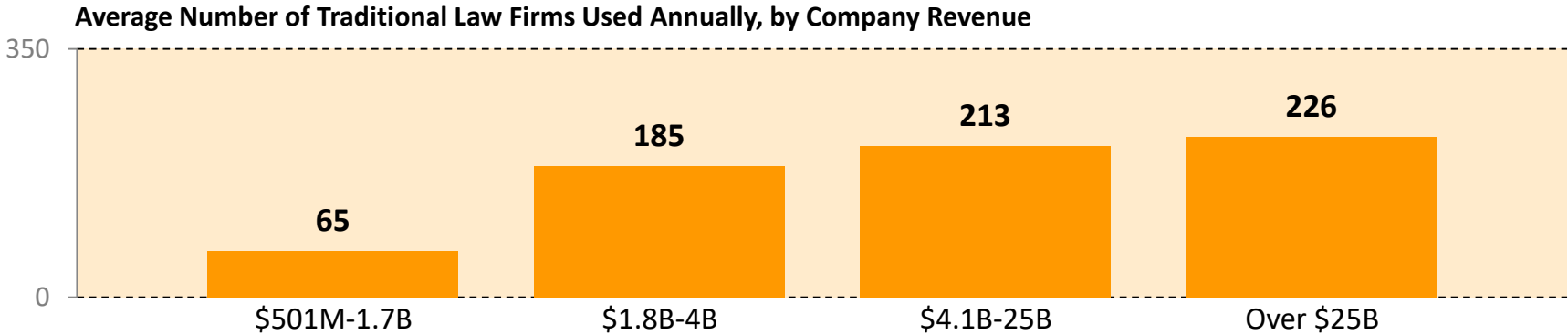
# SAVINGS REALIZED THROUGH PROCUREMENT INCREASES—FOR NOW

How much, as a percent of total spending with legal services providers, do you believe your efforts have helped save the organization in the last year? What will be your goal, in terms of cost savings as a percent of total spending with legal services providers, for next year?



# NUMBER OF PROVIDERS BY COMPANY REVENUE BRACKETS

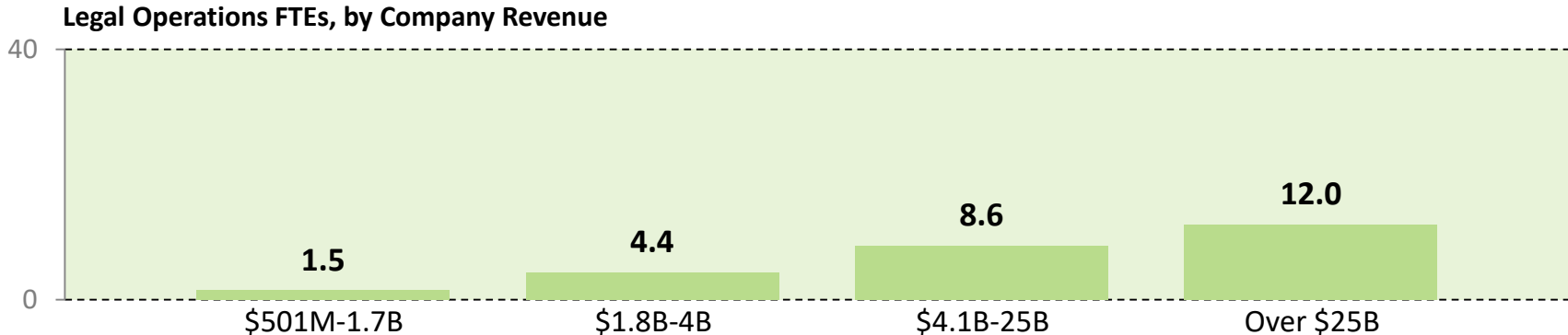
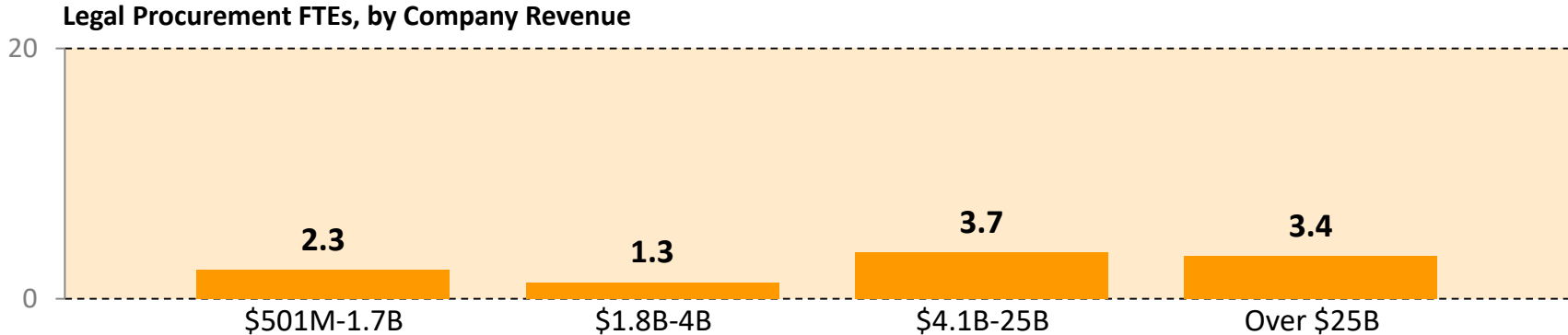
How many firms and service providers do you use in any given year?



Note: Companies with less than \$500M in annual revenue did not provide utilization data

# STAFFING BENCHMARKS BY COMPANY REVENUE BRACKETS

In your organization, how many FTEs (full-time equivalents) are tasked with legal procurement? In legal operations?



Note: Companies with less than \$500M in annual revenue did not provide staffing data

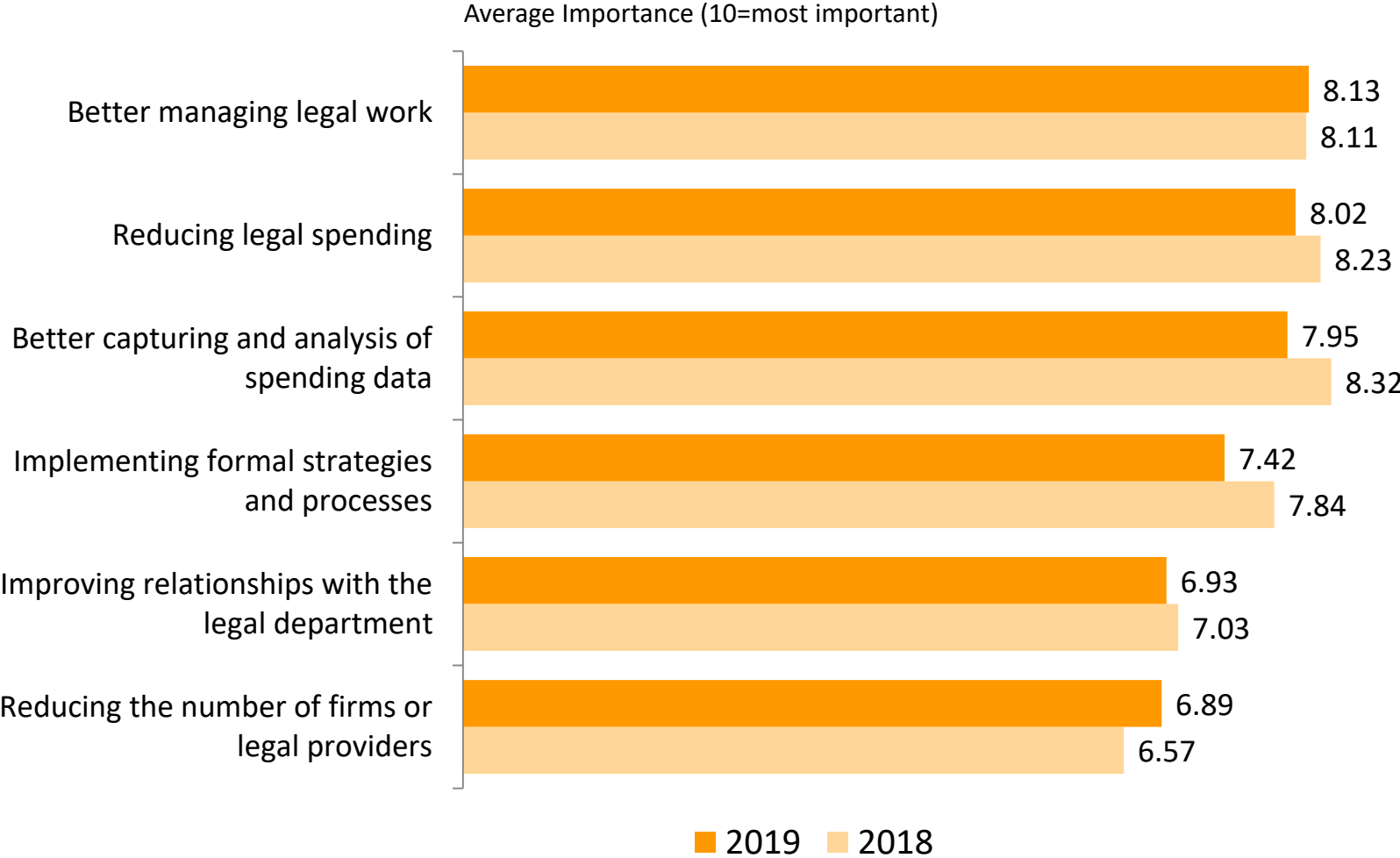




# PROCUREMENT GOALS, INFLUENCE & SUCCESS

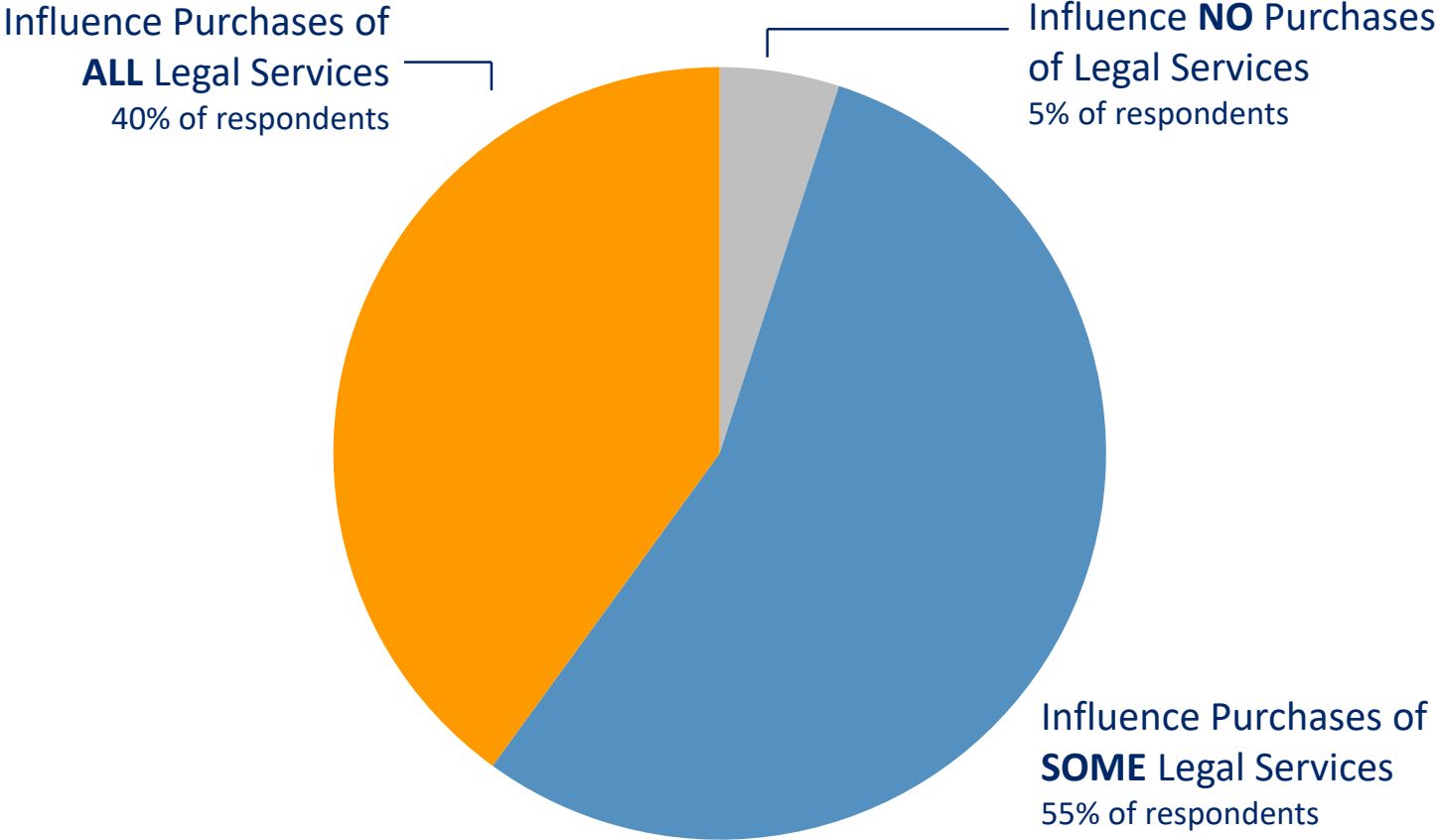
# BETTER MANAGING LEGAL WORK OVERCOMES REDUCING LEGAL SPEND AS NEW TOP GOAL

On a scale of 1 to 10, with 10 being the most important, how important are each of the following goals to you in 2019?



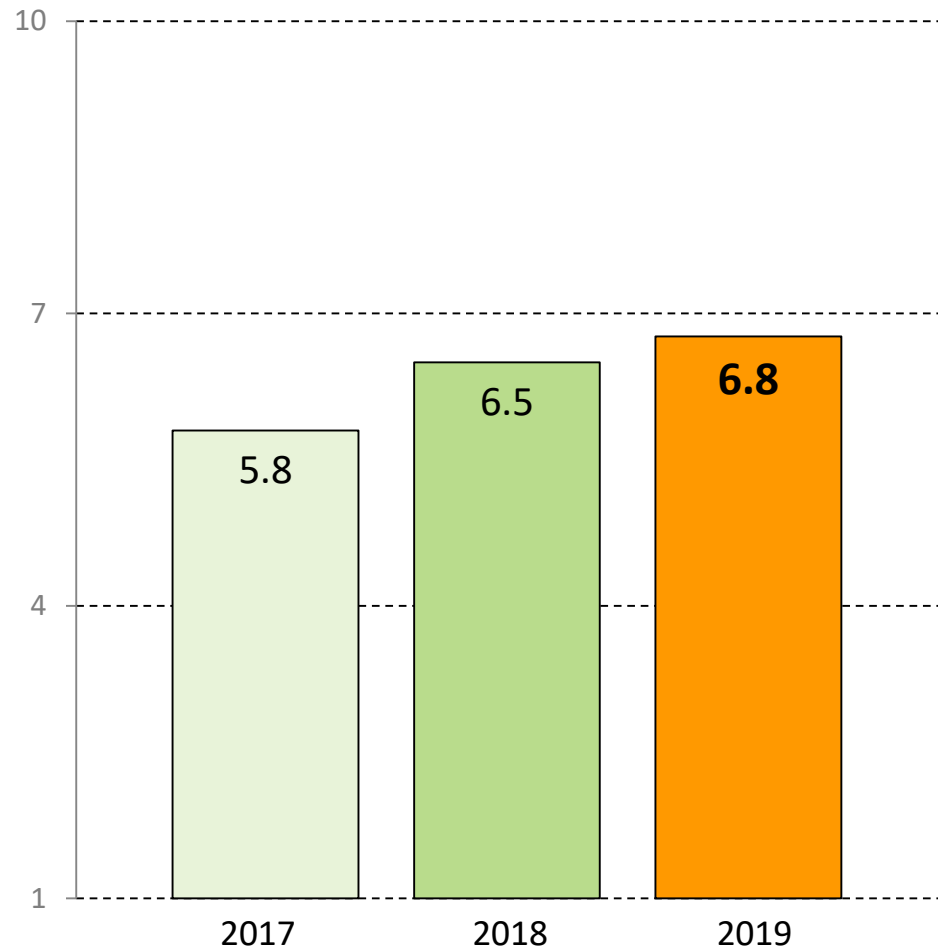
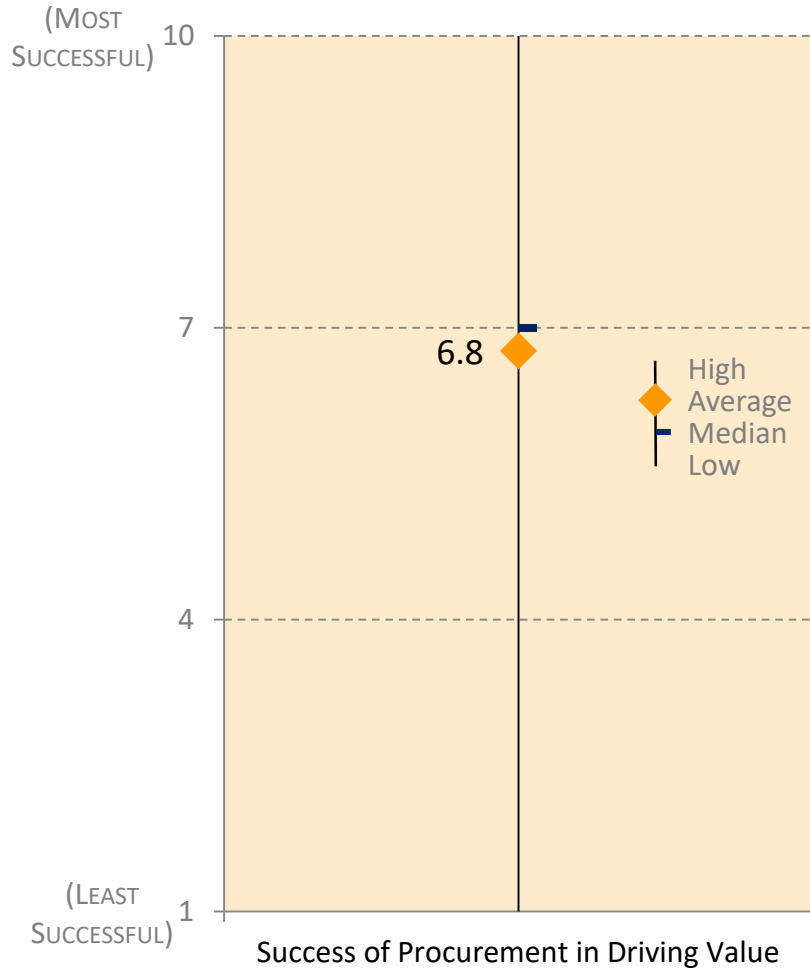
# ONE-THIRD OF PROCUREMENT DEPARTMENTS INFLUENCE **ALL** LEGAL SERVICE PURCHASES AT THEIR COMPANY

What type of legal services purchases does procurement influence in your organization?



# SUCCESS OF PROCUREMENT IN DRIVING VALUE IS ON THE RISE

How successful do you believe your company is at using legal procurement to drive and receive value from law firms and legal services suppliers?

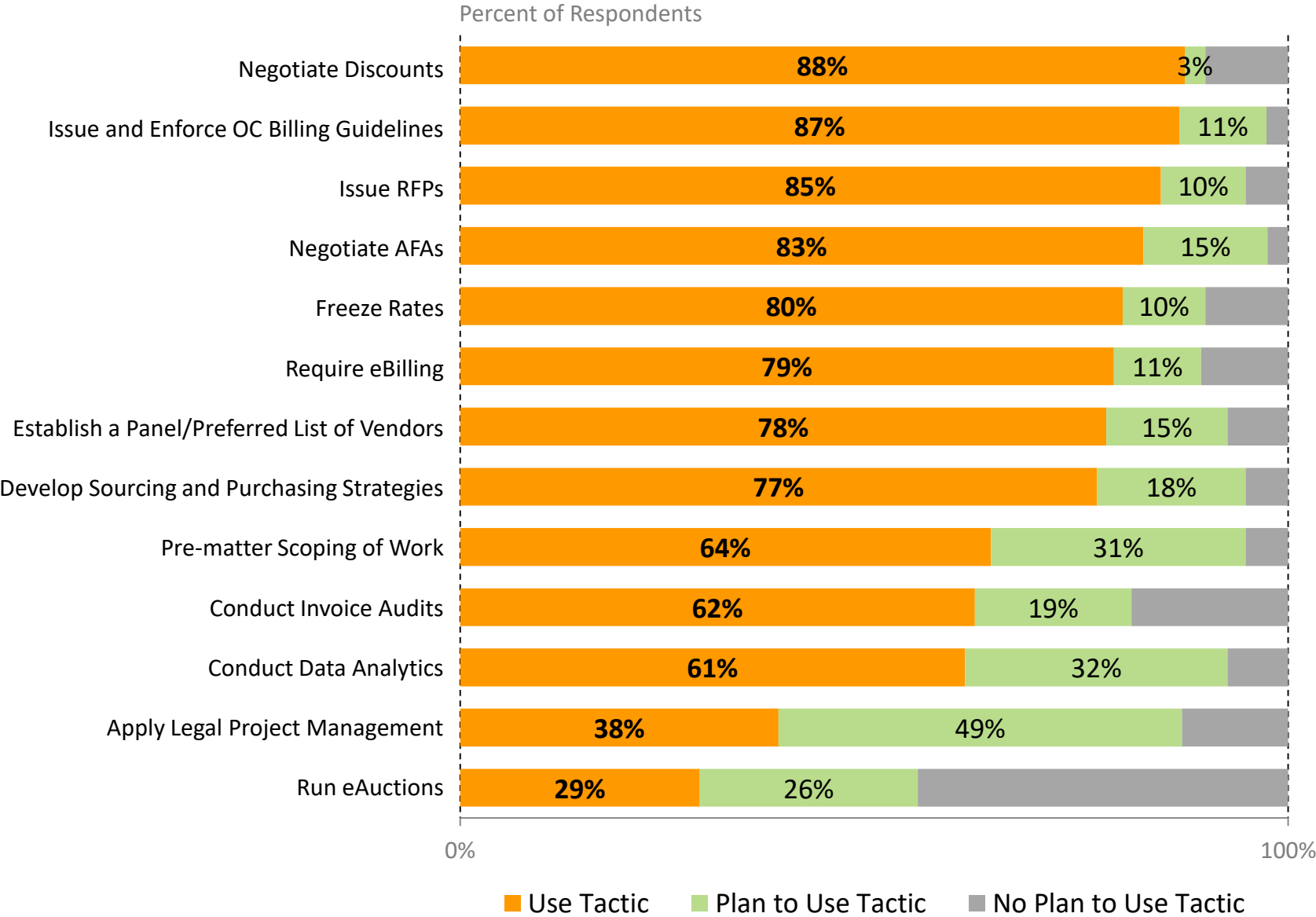




# PROCUREMENT TOOLS & TACTICS

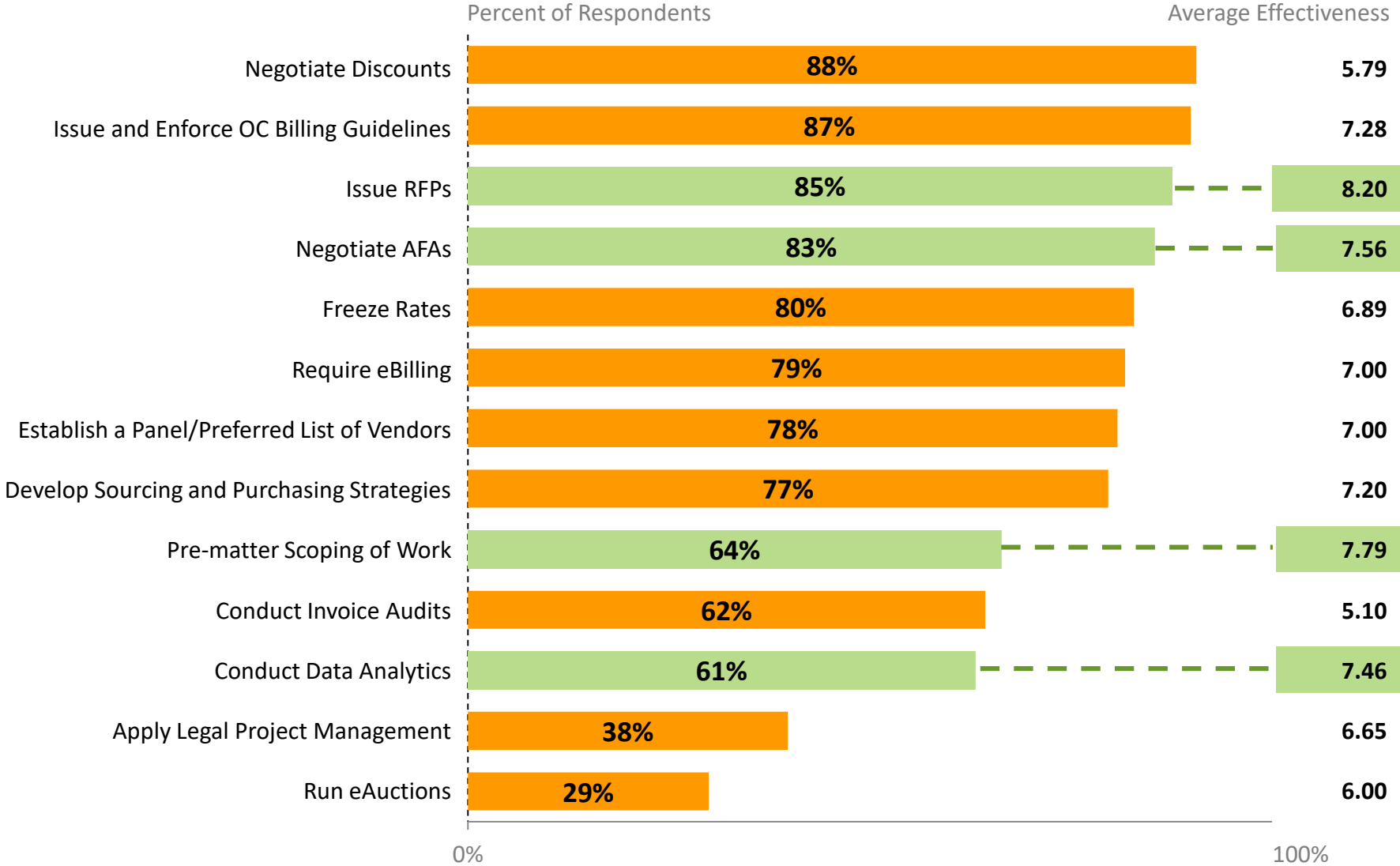
# MOST PROCUREMENT TACTICS UNIVERSALLY ADOPTED

Which of the following tactics or approaches does your organization use as a procurement tool to drive and receive value from legal services providers?



# NOT ALL TACTICS CONSIDERED EFFECTIVE ARE HIGHLY ADOPTED

Which of the following tactics or approaches does your organization use as a procurement tool to drive and receive value from legal services providers?







# PROCUREMENT'S FAVORED VALUE-ADDS

# MORE PROVIDERS OFFERING HOTLINES AND PRE-PLANNING MEETINGS

Of the below list, which activities are your legal services providers providing to you as a value-added (and free) service?

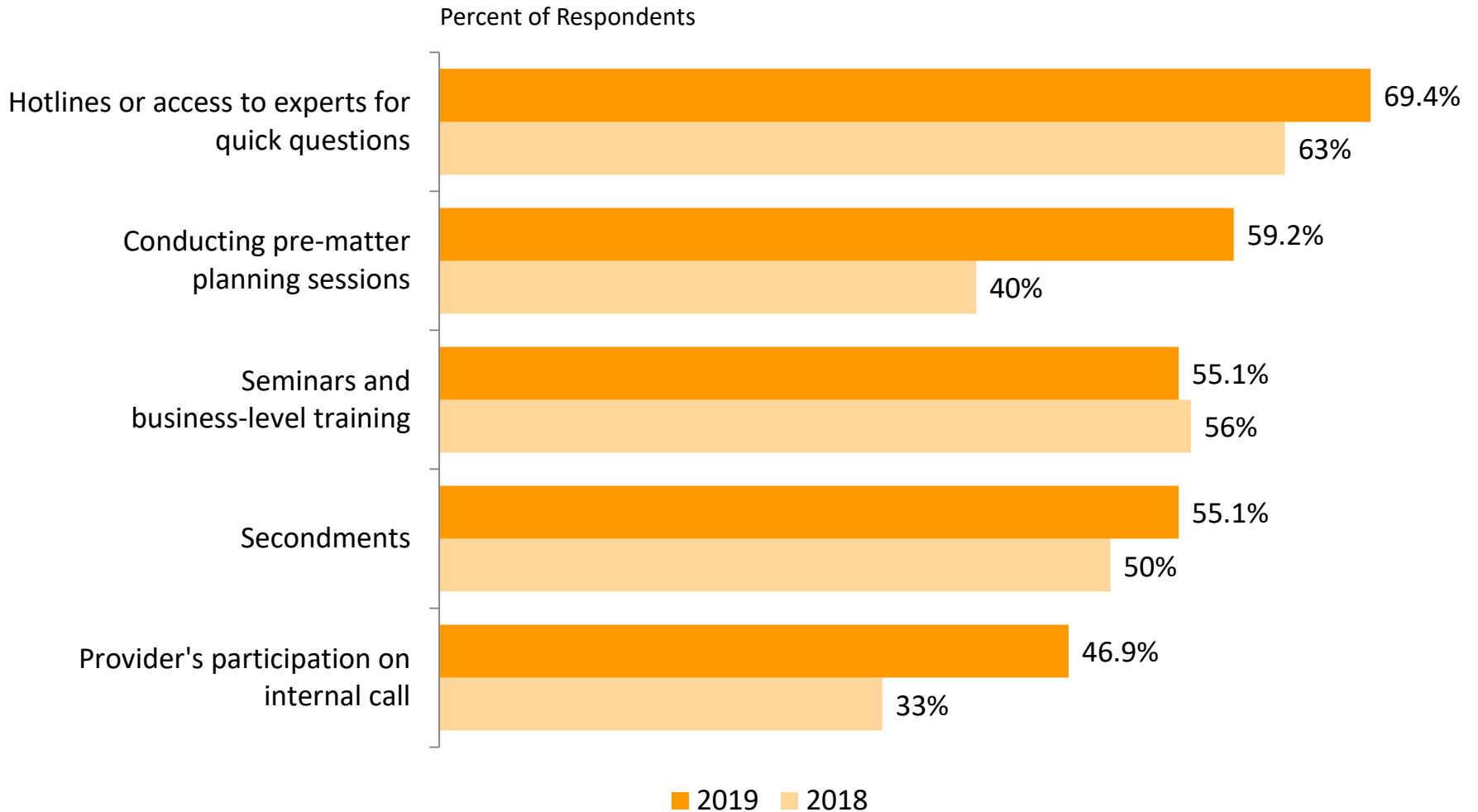


Chart adds up to more than 100%; multiple responses allowed.



IN CONCLUSION

Legal procurement continues to have **strong impact** on the legal industry.

It steadily wields **more influence** over all aspects of buying legal services.

Virtually **all procurement tools** see a rise in adoption rates.

Legal procurement has **achieved significant savings** in terms of total amount of money.

However, **legal spending is on the rise** as a result of a spike in complexity and number of legal issues.

The bulk of this new spending **is directed to law firms** as clients may tend to rely on more traditional outside legal providers under such circumstances.

This spike in legal spending has *not* caused legal procurement to move into a cost-cutting frenzy: **Controlling, not slashing, legal spending** is the core goal although procurement's success and percent of savings are higher than ever.

The key drivers of legal procurement success include:

**Tenure** and **skill** in legal procurement as well as **partnership** with the legal department and legal operations.



Legal procurement continues to be an emerging field where **the best companies innovate, ask and answer complex questions and earn a very high return** for their employers.

The story of how legal procurement brings **discipline, rigor, intelligence** to buying legal services continues.



# QUESTIONS?

Dr. Silvia Hodges Silverstein  
[silvia@buyinglegal.com](mailto:silvia@buyinglegal.com)  
[www.buyinglegal.com](http://www.buyinglegal.com)