



Fir Tree Partners Leverages Data Insights from CounselCommand to Improve Vendor Billing Management, Optimize Spending, and Cultivate Strong Relationships with Outside Counsel

Fir Tree Partners is a New York-based hedge fund that invests worldwide in public and private sector companies, real estate and sovereign debt. Founded in 1994, Fir Tree manages approximately \$5 billion of assets on behalf of leading endowments, foundations, pension funds and sovereign wealth funds.

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Challenge

The Fir Tree Partners’ legal and compliance department is a lean team, but the company engages more than 20 outside law firms and maintains a relatively large budget for outside counsel. Roughly one-half of Fir Tree’s outside law firms are global “Big Law” firms and the other half are boutique firms with niche areas of expertise or specific geographic focus in countries of interest. Six global law firms account for approximately 80 percent of Fir Tree’s total spending on outside counsel.

In late 2017, Fir Tree decided to take a closer look at its spending on outside counsel and to objectively evaluate its legal operations practices and workflows related to vendor billing management.

Objectives

“It became clear to us that our legacy process for reviewing and processing law firm invoices was tedious, highly manual and failed to deliver any useful data that we could review in order to better manage our spending,” said Brian Meyer, general counsel of Fir Tree Partners. “We knew that we needed to leverage technology to achieve greater efficiencies in the way we processed bills and to measure our spending with greater precision with the goal of creating a best-in-class legal operations function to drive true value for the business.”

“The product has allowed us to **improve the management of our outside counsel spending** and has been an important new tool in our efforts to create a best-in-class legal operations function.”

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Fir Tree's legal group set out to identify a software product they could deploy that would help them reach their goals. They initially acquired Thomson Reuters Legal Tracker, a popular tool for matter management and e-billing.

“Legal Tracker enabled us to take a first step in our journey toward greater automation in vendor management, but we soon discovered that it wasn't capable of providing the depth of data analytics and insights on law firm spending that we were seeking,” said Meyer.

Approach

While attending the Corporate Legal Operations Consortium (CLOC) Institute in May 2018, Meyer was introduced to a software tool that immediately captured his interest: HBR Consulting's CounselCommand, an enterprise legal analytics solution.

CounselCommand was developed by a team of HBR experts with decades of experience working with corporate law departments and law firms on their most pressing operational challenges. The product was created to not only help corporate law departments contain costs, but also to quickly and accurately respond to questions about their department's strategy and operations. CounselCommand delivers powerful visual analytics that showcase the story behind the data to empower more strategic decision-making across the entire corporate law department, from internal operations and department budgeting to outside counsel performance and e-discovery spending.

“We were intrigued by CounselCommand right away because it was obvious to us that the developers had given a lot of thought to how the software could harvest unprocessed law firm billing data to surface value-added insights into spending patterns,” said Meyer. “It does this with simple dashboard displays that are powered by sophisticated data analytics.”

Meyer and John Ringwood, deputy general counsel of Fir Tree Partners, tested the product and concluded it was intelligent and well-suited for the department's unique needs. The company acquired HBR's CounselCommand in the fall of 2018 and implemented it into their department workflow in 2019.

Results + Benefits

Meyer and Ringwood point to five primary benefits they have realized as a result of their deployment of CounselCommand at Fir Tree Partners:

Optimize Spending

Fir Tree is now able to review, process and pay law firm invoices within 30 days of their submission. This newfound efficiency has enabled the company to negotiate “Rapid Pay” discounts with some law firms, saving Fir Tree a substantial amount of money. In addition, the legal team is now able to review detailed analytics regarding the company's historical spending with each of its outside law firms. This has equipped them to negotiate rate reductions with select firms based on the volume of work that Fir Tree has allocated to them in recent years and expects to deliver in the future.

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Law Firm Performance

“CounselCommand has given us deeper visibility into how our outside counsel has performed on our behalf, including insights related to staffing levels and billing practices,” said Meyer. “This allows us to generate a quarterly ‘Vendor Scorecard’ for each law firm and discuss ways that we can achieve greater efficiencies with them. It also provides us with valuable data to guide our efforts to drive change in our internal legal operations.”

High-Value Business Counsel

“Our goal is to add value to Fir Tree’s core business functions by providing high-level strategic business counsel,” said Meyer. “CounselCommand has allowed us to apply sophisticated analytics to law firm billing management and to more effectively manage our outside counsel relationships. We can now redirect some of that energy into important value-added initiatives that help drive the business forward.”

Diversity & Inclusion

One of Fir Tree’s core values is to increase opportunities for all people, so it is important to Meyer and his legal team that Fir Tree’s outside law firms are building more diverse and inclusive teams. HBR’s CounselCommand enables Meyer to track law firm diversity statistics and identify which firms need to be encouraged to step up their efforts to attract and retain diverse talent.

Partnership with HBR Consulting

“A real bonus of selecting CounselCommand is the knowledge that our enterprise legal analytics solution is backed by some of the brightest minds in the industry,” said Meyer. “With HBR, we have a smart partner who can guide us with a level of expertise in corporate legal operations that is truly exceptional.”

About HBR Consulting

HBR Consulting delivers advisory, managed services and software solutions that increase productivity and profitability, while mitigating risk for law firms, law departments and corporations. As trusted advisors with deep industry experience, clients partner with HBR to achieve significant, sustainable results.