

Am Law 75 Law Firm Achieves Significant Savings Through Vendor Governance Initiative

A major law firm engaged HBR Consulting (HBR) to help it significantly reduce its vendor expenses and implement sustainable vendor governance processes.

Results

\$2.5M

in year one savings

18%

average reduction

\$5.6M
savings

over three years

Ongoing
**vendor
governance**

processes to ensure sustained
expense management

Challenge

An Am Law 75 law firm with over fifteen offices throughout the United States sought to enhance its procurement operations and reduce recurring non-salary expenses across technologies, facilities and operations, so as to free up funds for other budgetary and growth opportunities.

Objectives

The firm engaged HBR to help it achieve **\$1 million annual savings** in recurring vendor expenses, through the following means:

1. Identification and leveraging of opportunities to **consolidate and streamline accounts** across offices and vendors for better pricing and service levels;
2. **Enhanced account management** to improve overall service, performance and reporting; and
3. **Ongoing monitoring** of price compliance, savings realization and continuous improvement.



Approach

Recurring Savings

HBR performed an extensive review of the firm's operating expenses and key vendor partners, then conducted an in-depth analysis to identify savings opportunities and develop a strategic negotiation strategy. HBR actively participated in vendor discussions. Its sourcing expertise and industry knowledge were instrumental in streamlining analysis, helping the firm develop key messaging, assisting the firm with proposal requests and ensuring that vendor pricing and services were competitive.

Account Synergies

HBR assisted the firm in leveraging existing vendor relationships to maximize service and pricing. In some cases, HBR recommended consolidation strategies that resulted in significant pricing and financial incentives.

To drive incremental savings, HBR also recommended demand management strategies, such as product consolidation and adoption of standardized services across offices.

HBR's assistance in managing vendor communications and change management ensured a smooth transition.

Service, Performance + Reporting Improvements

HBR played an integral role in developing standardized business terms and in negotiating key commercial terms, account management and service level requirements. Standardized and enhanced business terms were memorialized across the firm's agreements, along with clear service level commitments and penalties for levels not met.

In addition to defining account management expectations, it was critical to track adherence and compliance. HBR helped the client establish detailed electronic reporting on a regular basis and validated that the reporting provided the firm with necessary visibility into line-item activity and costs.

Implementation

During the firm's implementation of these changes, including the new agreements, HBR provided extensive project management and facilitated the rollout of services and pricing, including internal communications, coordination with the vendors and pricing verification. HBR helped lead internal change management, guiding behavioral changes through internal communications, ongoing monitoring and continued operational enhancements.

Compliance Audits

Following implementation, HBR monitored spend levels and resolved any pricing noncompliance or account issues directly with the vendor. HBR tracked realized savings and reported monthly to the firm's stakeholders, and will continue to track and report vendor performance against agreed upon service levels and report any service improvements to the firm's stakeholders and leadership.



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 **Results + Benefits**

With HBR's help, the firm implemented more than 18 agreements across key vendors with estimated savings of more than \$5.6 million over the next three years.

- \$2.5M in year one savings
- 18% average reduction
- \$5.6M savings over three years

The account synergies, standardized terms, enhanced account management and regular reporting will ensure that the firm can continue its vendor expense management in the future.

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.