

# Am Law 100-150 Firm Achieves Significant Savings By Enhancing Vendor Agreement Terms and Pricing

A top-tier law firm engaged HBR Consulting (HBR) to increase efficiencies and cut costs in its rapidly-changing environment.



## Challenge

A nationally ranked law firm was experiencing escalating fees and costs, while at the same time undergoing internal transformation and restructuring. In addition, the firm was navigating a rapidly changing environment due to COVID-19. As part of a firm-wide initiative to reduce costs, the firm retained HBR to develop a strategy and program to facilitate savings while aligning future vendor relationships and spending with the firm's evolving priorities.



## Objectives

The firm engaged HBR to assess its vendor relationships and facilitate savings utilizing strategic sourcing methodologies, consumption/demand management, post-implementation monitoring, and other cost avoidance techniques.



## Approach

The HBR engagement team collaborated with the firm to develop and implement savings strategies across a number of areas:

- Technology: IT hardware, telecommunications, IT software and services
- Facilities: office-related products, records management, managed devices, and courier services
- Research and information solutions: knowledge management related software and subscriptions
- Market data and other spend categories as applicable

HBR and the firm agreed upon a three-phase strategic approach for the execution of these expense management and third-party vendor sourcing efforts.

### 1. Data Gathering + Analysis

HBR facilitated introductory meetings and engaged with stakeholders and vendors to gather and analyze data for 20+ projects. HBR assessed the historical relationship with each vendor and its scope, reviewing contracts, spend, and utilization, where applicable. HBR also assessed the firm's changing needs during the COVID-19 pandemic to optimize contracts and costs during that time.

## 2. Opportunity Assessment + Strategy Formulation

Leveraging the data analysis along with HBR's extensive experience and market intelligence, HBR developed savings opportunity projections, outlining for the firm the current state, potential opportunities, and strategic plans for achieving desired goals.

## 3. Implementation + Savings Assessment

HBR then worked with stakeholders to jointly develop an action plan. HBR prepared negotiation tools and partnered with the firm to conduct strategic negotiations with vendors, either directly or behind the scenes depending on the strategy. Additionally, HBR facilitated discussions with firm stakeholders on topics including project roadmap, proposal analyses, option evaluation, and strategic recommendations.

After execution of the new or revised vendor agreements, HBR conducted routine audits to monitor post-implementation compliance and savings.

### Results

**\$6.4M**

in annual savings

**\$19M+**

Estimated savings over three years

**28%**

Average savings across all projects

**432%**

Return on investment across all areas

### Results + Benefits

HBR and the firm collaboratively achieved significant savings across various departments and functional areas, estimated to be \$19 million+ over a three-year period. Additionally, through improved alignment and prioritization, the firm saw sustainable improvements in the following areas:

#### Historical True-Ups

HBR achieved significant credits for the firm by conducting a historical analysis and identifying and negotiating billing errors.

#### Collaboration

Inter-departmental collaboration resulted in increased efficiencies, ease of communication, and knowledge-sharing among stakeholders, beginning with the initial assessment and continuing through the entire process.

#### Optimization

The firm avoided significant costs by right-sizing when applicable based on an evaluation of service utilization. The implemented savings were, and continue to be, monitored over a three-year period to ensure savings are realized.

#### Comprehensiveness

The comprehensive savings strategies not only addressed the firm's current needs, but also considered the firm's go-forward plans through structured future agreements. In order to accomplish this, HBR took a customized, holistic approach to each vendor project.

#### About HBR Consulting

HBR Consulting LLC (HBR) provides law firms and corporate law departments with strategic guidance, operational improvement, and technology solutions that drive innovation while managing cost and mitigating risk. HBR's proven combination of experience, relationships, and insights—spanning the legal ecosystem—delivers sustainable financial and competitive advantages for its clients.