



**The imminent Jackson reforms on costs should be top of mind for most law firms – and those investing in or already using matter management tools will have a significant compliance advantage. These firms will also continue to benefit from managing matter costs proactively to drive up profitability, and drive down unnecessary spend.**

Bird & Bird are a prime example of a forward-thinking firm when it comes to matter planning. An Aderant user since 1997, the firm partnered with the legal software company to co-develop its Expert Matter Planning module, which Bird & Bird implemented shortly after the module was released in 2011. “Cost management has been a key element of our response to the credit crunch and the trend for toughening client negotiations based on price,” explains Bird & Bird chief

financial officer Paul Colvin. Matter planning software has, he adds, helped the firm “have confident client negotiations” and deliver to clients a more transparent, well-managed, cost-effective solution.

Matter planning augments the firm’s commercial capability, he says. “We can call upon resources across the firm, in any country, and easily see how team changes will impact on profitability. The Aderant matter planning tool equalises the commercial playing field. There are some naturally commercial partners, but many are just extremely good lawyers. This tool brings a general level of commerciality to the firm.”

Clients have come to demand more for less, and they want greater visibility of the cost of legal work. Matter planning is playing a big part in delivering against both of these client needs, says Colvin.

“We pride ourselves on being able to provide the best legal advice at a sensible price. The big debate that price squeezing has triggered for us is how to make sure our lawyers can articulate the value work brings, not the price of it.” Bird & Bird uses matter planning to ensure that profit levels are maintained in an intensely competitive market, Colvin says.

It’s the large corporate financial sector clients that have the most aggressive, price-focused, panel selection processes, he says, and matter planning helps to ensure that the firm doesn’t step into loss on that work, while being able to offer the best value. “Our strategy is to plan properly for these [clients] and set a threshold beyond which we just won’t go.” Colvin is confident about the firm’s position in such situations: “Although we may lose out initially based on price at times, clients often re-engage, disappointed with the service and advice they receive from others. In the end, price doesn’t tend to be the main factor – clients want to know they are getting good value for money and the right legal advice and client service experience.”

Clients are also leaning ever more towards alternative, especially variants on fixed fee, arrangements for certain work types. “Transactional clients are always asking for fixed or capped fees, and aggressively rejecting hourly rates,” he says. Bird & Bird is responding to this in large part through educating partners who are still entrenched in the hourly rate, and Aderant’s Expert Matter Planning tool “helps partners understand, with visual evidence, that fixed fee doesn’t mean losing profit if you plan properly”.

Using the matter planning module, partners can create a project structure that meets client needs and still ensures Bird & Bird makes a profit. “A big part of it is cost visibility and resource planning,” explains Colvin, “which the tool helps us achieve very effectively.” Matter data from previous projects also builds guides to pricing, so partners don’t have to start from scratch each time a new piece of work is assessed. “The information is at our fingertips – we’re able to look at previous work so that our cost management gets better and better over time.”

The Jackson reforms mean matter planning is now almost a must-have. “Budgeting will become mandatory,” explains Colvin, “and recovering costs will

depend upon how well we have budgeted. The Aderant tool helps give the level of detail we need and otherwise would not have. We will be in the best possible place to recover our costs.”

From a client perspective, he says, there will be greater transparency on the ‘why and how’ of costs, and a better understanding of when payments will be needed. While this helps client cash flow by removing the threat of a big unplanned bill, it will “engender

*“We can keep clients fully informed, flag up any issues early, and make more accurate projections of cost.”*

Paul Colvin, CFO, Bird & Bird

a culture of constant dialogue” – and to have that dialogue, the firm needs ready matter information.

“We have definitely noticed an increase in interest and discussion in the UK market around the Aderant tool because of the Jackson requirements,” Colvin explains. “New functionality that will automatically populate the court cost budget format (Precedent H), alongside the elements we’ve used for some time, makes it very relevant. I can see quite clearly how the tool will be of benefit.”

And it’s this ability to monitor costs during the case that means lawyers can, at any point in time, have sight of exactly what has happened. “We can keep clients fully informed, flag up any issues early, and make more accurate projections of cost,” says Colvin.

---

Find out more about how  
**Aderant** can help you  
[www.aderant.com](http://www.aderant.com)

