

## TEN WAYS TO REDUCE LEGAL COSTS & MAXIMIZE VALUE IN YOUR LEGAL SERVICES

By Doug Holod

1. **Avoid lawsuits** – Minimize risk by consulting with your lawyer prior to terminating any business relationship, such as employment or a contract as both are frequent candidates for litigation.
2. **Seek expertise** – Make sure your lawyer has the right experience and understanding of the project, and is compatible with your business philosophy.
3. **Choose the right law firm (local vs. regional vs. national vs. international)** – Consider the complexity of the project and which type of firm is best suited for the matter.
4. **For potential litigation:**
  - Get a *candid* assessment of the merits of the case. You should ask for the strengths and weaknesses of both your case and that of your opponents.
  - Ask your lawyer to create a written budget and timeline. This budget and timeline should be updated by counsel as required during the litigation.
  - Set caps on out-of-pocket legal research expenses; experts; travel.
  - Understand the number of lawyers to be involved in matter.
5. **Get a precise engagement letter:**
  - Include budget details and timeline, which should be updated as required.
  - And the extras? Charges for faxes, small print orders, and in town meals are things of the past. Billing for air travel time is becoming rare. Discuss the need for and possible limits on out-of-pocket legal research, experts and travel expenses.
6. **Explore alternative billing arrangements** – Consider alternative billing arrangements. Types include: a) fixed fees for certain legal matters (e.g., securities offerings, stock option plans); b) a monthly retainer for corporate counseling; c) capped fees; d) blended rates and e) success fees.
7. **Streamline your business/legal process** – Don't have your lawyer do things that you or your staff can do. Ask your lawyer what you can do to assist with the process. To reduce billable time, be prepared for meetings with your lawyer and identify a single point person for dealing with the lawyer.
8. **Seek involvement** – Ask your corporate lawyer to attend quarterly board meetings for no charge or as part of a fixed monthly retainer.
9. **Use form documents prepared by your lawyer** – Have your lawyer prepare routine form documents that you can use with only occasional input needed from your lawyer.
10. **Provide feedback** – Communicate with your lawyer regularly to ensure that you receive the service you expect and deserve.