

Am Law 100-150 firm achieves significant savings by enhancing vendor agreement terms and pricing

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A top-tier law firm engaged Harbor to increase efficiencies and cut costs in its rapidly-changing environment.

Rapid change and cost increases

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 Harbor to develop a strategy and program to facilitate savings while aligning future vendor relationships and spending with the firm's evolving priorities.

A multi-pronged approach

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

The Harbor 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

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

Firstly, Harbor facilitated introductory meetings and engaged with stakeholders and vendors to gather and analyze data for 20+ projects. It then assessed the historical relationship with each vendor and its scope,



reviewing contracts, spend, and utilization, where applicable. Harbor also evaluated the firm's changing needs during the COVID-19 pandemic to optimize contracts and costs during that time.

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

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

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

Achieving significant savings

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

Historical true-ups: Harbor 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 high costs by right-sizing when applicable based on an evaluation of service utilization. The implemented savings were, and continue to be, monitored over three years to ensure savings are realized.

Comprehensiveness: The comprehensive savings strategies addressed the firm's current needs and considered the firm's go-forward plans through future structured agreements. In order to accomplish this, Harbor took a customized, holistic approach to each vendor project.

Results and benefits

\$6.4m in annual savings

\$19m+ estimated savings over three years

28% average savings across all projects

432% return on investment across all areas



Harbor is a trusted provider of professional services to the world's leading law firms, corporations, and their law departments. With our globally integrated team of industry experts - strategists, technologists, and specialists - we navigate alongside our clients, providing essential resources and invaluable insights to help steer them towards a future where they can thrive.

This engagement was executed by HBR Consulting, one of the companies that merged to form Harbor.