

## 10 ways of reducing your legal costs

Reducing costs is more important than ever in the current economic climate. Legal advice for business is expensive but usually unavoidable. However, because of the inherent nature of legal fees, reducing them can seem very difficult. Here are 10 ways of reducing legal costs.

1. **Appoint a panel** .Where legal advice or support is required on a regular significant basis, the appointment of a legal panel should reduce costs. Limiting the award of work to a particular panel encourages more efficient accumulation of knowledge by the client and the firm prior to instruction. This reduces reaction times, learning curves and other risks. The more knowledge a firm can accumulate in advance about your company, the less chargeable time is needed up front for particular matters .
2. **Maximise competitive tension**. The choice of solicitor firm even if the firm is on a panel is the key buyer leverage, and the early removal of any competitive tension in that regard almost always works to the buyer's disadvantage. Irrespective of the urgency of the issue, the buyer must be aware that your issue is the firm's commercial opportunity. A conversation that may originally have been intended as an informed discussion with a potential service provider can turn into an ill-defined, open-ended and very expensive instruction very quickly. It would be regarded as quite unusual, particularly for cost reasons, to change legal advisors post instruction and to do so has in any event a good chance of costing even more.
3. **Know what you want**. Poorly-expressed requirements and eventual disagreement between buyer and firm as to what was demanded in the first is a significant reason for cost overruns.
4. **Tender where possible**. Even if there is no panel, but time and appropriate expertise is available, tendering is regarded as the best way of obtaining the best overall proposition from the most suitable firm. The true test of the best deal available is an objective comparison of peer competitors. Where a panel has been appointed , the use of 'mini tenders' limited to panel members and seeking capped deliverable-dependent outcomes for significant work will reduce costs significantly
5. **Employ Barristers directly**. Since 1990, it has been permissible in many cases to directly instruct Irish barristers .Where sufficient expertise exists to instruct barristers directly and you know which barristers have the relevant expertise doing so can reduce costs significantly.
6. **Fix or cap the price**. Fix or cap the price as early as possible, prior to instruction. It will be much more difficult afterwards. The firm may be unable to agree a price

up front, perhaps owing to the variable nature and duration of certain types of legal work but there may also be a reluctance by the firm to make a commitment or to scare off the client unless specifically required to fix or cap the price.

7. **Avoid time spent arrangements.** Where a firm is appointed from a panel and rate cards have already been agreed, the primary risk is the amount of time spent on the matter. Payments based on time spent reduce efficiency by rewarding firms that spend more hours on a project, as distinct from progress towards objectives, and significantly increase the possibility of higher costs. Paying by the time spent, even at seemingly attractive rates reduces both client and firm efficiency
8. **An agreed rate card.** If you must pay by the time spent having a pre agreed rate card in place with each panel member will provide assistance in predicting and understanding costs though you will still have the problem of controlling the time spent.
9. **Use arbitration early.** Most disputes end up being settled out of court after a lot of money has already been spent on legal costs. Early use of a skilled independent arbitrator can significantly reduce legal costs.
10. **Use an appropriate firm.** More so than in most other areas of spend the enormous bias towards safety can mean that big firms with high rates and big overheads are used when there is no need to do so making costs for routine matters much higher than they should be. Having an appropriate panel in place should reduce this risk.

John Stephens  
Blantry Ltd  
102 new Cabra Rd  
Dublin 7  
Ireland  
P 353 1 8383235  
M 353 87 8142638  
www.blantry.com  
js@blantry.com

Cost reduction - Procurement execution