

COSINE PARTNER CASE STUDY GILBERT + TOBIN

ACCURATELY STRUCTURING FEES WITH 3E AND MATTER
PLANNING AND PRICING FROM COSINE



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GETTING A GRIP ON MATTER PRICING

Founded as a disruptive startup 30 years ago, independent Australian firm Gilbert + Tobin is now recognized as one of Australia's leading corporate and regulatory law firms. Renowned for its progressive approach to legal issues, procedures, and client service, the firm earned the title of most innovative firm in the Asia-Pacific in 2017.

Constant adaptation is key to the inner workings of this forward-thinking firm, which has an in-house team dedicated to home-grown innovation. Its mission is to provide alternative solutions that help the firm deliver new insights and improve efficiencies. According to the firm's Head of Legal Project Management Peter Dombkins, the firm uses a lean-based approach to process map its workflows. Once pared down to the core, workflows can be further improved through automation or alternative resourcing solutions—or, better yet, through both.

When Dombkins joined the firm, it was in the process of assessing solutions to improve its pricing model. In the competitive legal services market, clients were increasingly expecting accurate cost estimates and tracking—even for the most complex legal matters. Although it is a common legal practice for partners to estimate fees based upon previous similar work (known as reference-class forecasting), the firm's finance and legal project management teams wanted a more systemic and data-driven approach to this practice that also protected against the potential loss of historical pricing intel.

It was determined that integrating a price estimation tool with the firm's 3E® financial management system from Thomson Reuters Elite would significantly improve the fee estimation process. After an extensive market review, the firm determined the 3E Matter Planning and Pricing module powered by Cosine to be the best product solution.

The Cosine Matter Planning and Pricing module has the comprehensive client and matter management capabilities of 3E at its foundation. The tool delivers industry-leading

matter planning and pricing capabilities while accessing native rates, budgeting, and other 3E features to deliver a first-of-its-kind real-time solution for 3E clients.

Two key determining factors in the firm's decision to implement Cosine Matter Planning and Pricing were its ability to easily scale with user adoption and company growth, as well as its simple and user-friendly interface. "These components are crucial because we could have the best product in the world, but if our fee earners resist using it, we won't experience any benefit," comments Andrew Babbage, practice manager at Gilbert + Tobin.

However, what really tipped the firm's decision was the solution's native integration with 3E as a module: "When it comes to price estimation and reporting, these tools must seamlessly integrate with our financial system" Babbage says. "Systems integration is a significant risk in any technology project, and with 3E being a critical business system, we wanted to minimize any potential integration risk by selecting a product within the Elite umbrella.

Dombkins added, "This integration risk wasn't only a technical consideration; with time-poor end-users, we needed to be sure that the product was reliable and robust."

SETTING THE STANDARDS

Cosine Matter Planning and Pricing can be used by anyone in the firm as a fee estimate tool, and once a matter has opened, it can also track recoded time against a target cost, which can be further deconstructed into individual phases, tasks, and even activities.

Prior to the firm implementing Cosine Matter Planning and Pricing, discounts and other aspects of estimation could be calculated in 3E, but many end users preferred to maintain their pricing information in locally-saved Microsoft® Excel® spreadsheets. However, this decentralized approach left valuable pricing information confined to individuals' desktops, making it difficult to find the latest fee structure for any given client or matter type.

GILBERT + TOBIN

Gilbert + Tobin is a leading independent corporate law firm. From offices in Sydney, Melbourne, and Perth, it provides innovative and pragmatic legal solutions to major corporate and government clients across Australia and internationally, particularly in the Asia-Pacific region.

BUSINESS CHALLENGES

The firm sought a user-friendly matter pricing tool that could integrate with its 3E financial management system to produce accurate fee estimates and matter reporting.

BENEFITS

- Backed by Elite for optimal 3E integration
- User-friendly interface that increases user adoption
- Increased accuracy of pricing estimates
- Promotes better matter management and cost consciousness
- Comprehensive data reporting and AI enablement

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Peter Dombkins
Head of Legal Project Management

“We like to think of Cosine Matter Planning and Pricing as a very sophisticated version of Excel that is seamlessly linked to and perfectly complements 3E,” Dombkins describes. “Because rates are always accurately calculated according to the fee earner capturing time, and client discounts are reflected automatically, we can rest assured that our pricing is correctly determined from the ground up.”

Even for those more unique scenarios that make it challenging to estimate how much a matter type should cost, Cosine Matter Planning and Pricing helps eliminate the headache. By defining a list of standard phases, the firm can now easily identify components of other matters that have similar fee structures and establish a higher degree of price certainty.

“We have developed Cosine templates for a range of key matter types with specific phasing structures, and we can now use the historical data of completed matters using those templates to calculate their average cost,” Babbage explains. “These are based upon current charge-out rates—not just the overall cost, but a detailed breakdown of costs by phase and resource type.”

“For a time-poor partner, Cosine can quite literally write an accurate fee estimate for us,” Babbage continues. “This has allowed us to make much better-informed estimations, and it can lead to reduced write-downs.”

Cosine Matter Planning and Pricing also provides effective yet easy-to-understand reporting that the firm can share with clients. Increasingly sophisticated clients are asking for rigorous time tracking, and the solution makes it easy to show the firm’s actuals against target.

“The solution helps us quickly understand our matter costs at any given moment in time,” Babbage states. “This is going to be very valuable as the industry continues to shift toward a fixed-fee environment.”

Additionally, Cosine Matter Planning and Pricing helps streamline time capture efforts. As soon as a cost plan is published, it is written into 3E and pushed out to the firm’s time capture platform. Within minutes, the applicable phase codes become available for fee earners to use as they progress on that matter.

“Having all time recorded in a structured manner is a massive deal,” emphasizes Dombkins. “It is a foundational tool in helping mitigate risk in fixed fee scenarios and baselining ROI for process improvement initiatives.”

PREPPING FOR A BRIGHT FUTURE

Dombkins believes that having time recorded in an optimally structured manner is essential for enabling an artificial intelligence (AI)-based analysis of the firm’s financial dataset. “The market is undoubtedly moving towards AI-based analysis, and we have started using AI internally to assess our processes and uncover new areas of differentiation,” he explains.

And vice-versa, Gilbert + Tobin continues to help Cosine plan for future developments on the Cosine Matter Planning and Pricing road map. In fact, the firm has identified a wide range of product customizations starting from the moment they signed on with the solution at the start of 2017.

The firm now sits on Cosine’s advisory panel, and it has invested significant time in defining features to fill the price estimation void challenging many firms across the industry.

“The end result with Cosine Matter Planning and Pricing has been even better than we envisaged because we continue to have a strong voice in the product’s development,” Dombkins emphasizes. “From integration, to costing, to overall functionality, we can confidently say that it is the best product available in the market.”

“For any firm that uses 3E, integrating Cosine Matter Planning and Pricing should be a no-brainer,” Dombkins concludes.

For more information about Cosine Matter Planning and Pricing, please visit www.cosine.co.nz.

