

How megamatters impact overall legal spend

The third volume of our LegalVIEW® Insights report series analyzes the effect of "megamatters" – those matters with more than \$1 million in lifetime spend – on the overall spend of corporate legal departments (CLDs). Here are some of the key points we discovered about megamatter impact.



More than half of legal spend goes to megamatters.

In the typical legal department, megamatters account for about 61% of the total outside counsel spend in any

61% Megamatters ELM Solutions



Megamatters are the main generators of legal spend.

In a typical corporate law department, somewhere between 2.5 and 5% of legal matters generate 80% of legal spend in any given year. The other 95 to 97.5% of matters together represent only about 20% of total spend.



Megamatters are strong drivers of overall legal spend changes.

If total spend on megamatters goes

up or down by even \$1, there is an 89% chance that overall total spend will change in the same direction. A spend change on smaller matters generates only a 68% chance of that same change overall.

Percent likelihood that total departmental spend will change in the same direction as megamatter spend vs. non-megamatter spend



Megamatters are volatile.

More than a third of CLDs spend at least twice as much on megamatters in an "expensive year" than they spend on them in an "inexpensive year."

Spend on megamatters in **38%** of CLDs:



For the full analysis, including more on what legal ops teams can do to better control megamatter costs, read our report <u>LegalVIEW Insights Volume 3 – The</u> <u>Effect of Very Large Legal Matters on Outside Legal Costs.</u>



ELM Solutions

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