



ELM Solutions

Passport[®] AFAs Module

Key Benefits

- Identify AFA opportunities
- Inform AFA negotiations
- Automate and simplify AFA enforcement
- Evaluate AFA effectiveness
- Commoditize common legal tasks and improve spend predictability
- Drive down legal costs

“...offers a comprehensive set of tools that enable legal and claims departments to successfully negotiate and establish AFAs with their legal service providers...”

Legal and claims departments face increased scrutiny of their legal spend, which includes pressure to reduce costs, have defined and predictable budgets, and improve the efficiency of their legal service providers. In response, many organizations are replacing traditional hourly billing arrangements with alternative fee arrangements (AFAs). AFAs have the potential to be highly effective, but they can also be challenging to implement, enforce, and evaluate without the support of technology.

The Passport AFAs Module offers a comprehensive set of tools that enable legal and claims departments to successfully negotiate and establish AFAs with their legal service providers. The module automatically enforces providers' compliance with AFAs and gives legal and claims departments the ability to evaluate each AFA to determine its effectiveness at driving down costs.

Sample AFA Effectiveness Report

Fiscal Period	Organization Name	Matter Name	AFA Type	LOM Spend w/out AFA	Total LOM Spend w/ AFA	AFA Savings	
Q1 - 2011	Baker Boots	Porter vs California	Flat Fees	85000	45000		
			Retainer		30000		
		Porter vs California - Total			85000	75000	10,000
		Porter vs Louisiana	Contingency	60000	50000		
			Porter vs Louisiana - Total			60000	50000
		Porter vs New York	Flat Fees	63500	35000		
	Project Cap		20000				
	Porter vs New York - Total			63500	55000	8,500	
	Baker Boots - Total				208,500	180000	28,500
	Thompson LLP	Lai vs Alabama	Flat Fees	91000	75000		
			Project Cap		25000		
		Lai vs Alabama - Total			91000	100000	-9,000
		Lai vs Texas	Contingency	50000	5000		
			Flat Fees		35000		
Lai vs Texas - Total			50000	40000	10,000		
Thompson LLP - Total				141,000	140000	1,000	
Overall - Total				349,500	320,000	29,500	

With the Passport AFAs Module, organizations are armed with a complete set of tools to implement a successful AFAs program as part of their broader legal spend management strategy.

Passport® AFAs Module

Key features of the Passport AFAs Module include:

- Out-of-the-box support for the most common AFA types, including flat fees, contingency fees, retainers, project cap, blended hourly rates, years of experience based billing, volume discounts, and task-based billing
- A set of best practices-based fields and business rules that enable easy set-up and automated enforcement of each AFA
- A library of AFA reports to identify opportunities for AFA usage, prepare for AFA negotiations with legal service providers, and evaluate each AFA's effectiveness
- Fields, rules, and reports that are fully-configurable by the client, which enables each legal or claims department to tailor the module to meet its unique AFA needs (e.g., customize the common AFA types that are available out-of-the-box, or add new, client-specific AFAs as needed)

AFA Rule Tracking Summary						
<i>Filters:</i>						
Detail Line Item Changes						
Summary Line Item Changes						
Adjustment Line Item Changes						
Rule Action = Adjust						
AFA Type	AFA Sub Type	# of Invoices	# of Organizations	# of Matters	Total Amount	Avg Amount Per Matter
AfaContingencyHoldbackRule	Fee	1	1	1	(2,000.00)	(2,000.00)
	Fee and Expense	2	2	2	(7,620.00)	(3,810.00)
AfaContingencyHoldbackRule		3	3	3	(9,620.00)	(3,206.67)
AfaFlatFeeRule	Fee and Expense	5	4	4	(47,740.00)	(11,935.00)
AfaFlatFeeRule		5	4	4	(47,740.00)	(11,935.00)
AfaProjectCapRule	Fee and Expense	4	3	4	(27,500.00)	(6,875.00)
AfaProjectCapRule		4	3	4	(27,500.00)	(6,875.00)
AfaRetainerRule	Fee	1	1	1	8,160.00	8,160.00
	Fee and Expense	4	1	1	3,000.00	3,000.00
AfaRetainerRule		5	2	2	11,160.00	5,580.00
AfaVolumeDiscountRule	Fee	9	4	8	13,885.00	1,735.62
AfaVolumeDiscountRule		9	4	8	13,885.00	1,735.62
Total						

Review the overall financial impact a specific AFA rule has had across firms, matters, and invoices to determine which AFAs are most effective

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