



SEE LEGAL SPEND AHEAD OF THE INVOICE



Private Equity

Customer Story

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Running a successful investment firm requires clear communication and streamlined business practices. Even those at the top of their game are constantly looking for a way to get the edge. Having deal teams retrospectively and inconsistently manage their legal budgets was not delivering that edge for this Apperio customer. Neither the deal teams, nor the organisation as a whole, had a true understanding of their legal spend.

For a business that values transparency, this was a problem.

As a senior member of their legal team described:

“We have a lot of funds and therefore a lot of external legal advisors. Fees get charged to all the different funds, so there are many cost centres. It’s quite difficult to gather all that information in one place and also track it all.”

“Seeing how much we’re spending everywhere is quite a big task. There’s the overall management oversight, and then there’s actually how the deal team runs their deals and budgets.”

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“When you’re in the heat of the transaction you can be working 24/7 to get the deal across the line and it’s very difficult to keep on top of the budget. The deal team would often complain that there was always a shock when they saw how much had been spent at the end.”

“What they hate is having to go back to the Investment Committee to ask for more money, it makes them look like they haven’t really been managing their budget proactively, everyone blames everyone else for the over-run.”

It was at this point that the investment firm decided to try something new. They started by using Apperio to give deal teams better real-time information.

“We thought Apperio would be a good tool to allow the deal team to be much more hands-on and informed of the legal fees, giving them more control and responsibility.”

“It helped the deal team to manage their legal fees. They can see where the time is piling up on their matters. This gives them an opportunity to reassess if that’s exactly what they want to be doing, or whether they should pull back and reorganise.”

This in turn, empowered legal leaders to become better business leaders.

“Apperio allows us to see our spend data in one place and automatically compare spend with the previous year. So you can ask yourself, ‘Are our costs running more or less the same, or are they shooting up?’.”

“Thinking about the business, I can anticipate whether legal spend will likely go up this year, based on fundraising and active funds doing a lot of exits or investments. Using Apperio you can track to see if that’s happening, and as you see the curve it will give you more of an idea to inform your forecasting.”

This client also wanted to further deepen the already strong partnerships they had with their law firms. Despite developing comprehensive guidelines to make external counsel feel “as ‘in-house’ as possible” they found it difficult to maintain the level of budget oversight that befitted their core values.

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“We view our law firms as long term partners. It’s not just the name of the firm, it’s the actual people in that team. We like to think it’s a two way relationship and that we provide knowledge and experience too. You want to feel it’s a partnership.”

Apperio delivered a comprehensive, holistic dashboard of spend, where everyone was seeing the same information at the same time. By having this single source of truth, relationships with outside counsel were strengthened.

“Before Apperio, it was difficult to gather all that information in one place and track it all. It’s interesting to see how, and **who**, is working in a particular week. I get the alerts on a Monday - and if I see something and think ‘oh that’s interesting’, I can go in and see the cases they’re working on.”

“Sometimes if I see there’s a lot of time that’s been allocated to one firm - and if it’s something I’m not aware of - I can then track that back to the deal team or the law firm and make sure there’s nothing going on that might need more attention internally. For example, if one firm’s fees are down - it provides you the oversight that otherwise I’d have to do by phoning people up - or talking to the deal partners, which is really time consuming.”

This level of visibility also made it easier to report to investors.

“With any investor it’s ‘show me the money’. Obviously the more you’re spending the less they’re getting, and they want to see the returns. If you spent a huge amount on legal fees, it will be a drag on the return. The worst is a surprise: they do not like surprises! So you need to make sure you manage those communications.”

“Overall, Apperio allows me to be on top of things, and that’s just what we needed from the platform.”

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To find out more about how Apperio’s legal spend management and matter tracking platform can help improve the transparency and accountability of your legal spend, visit apperio.com/private-funds or please email info@apperio.com.



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