

# INNOVATION

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## Intelligent Budgeting

**Baker Donelson recognized the need for improved budgeting techniques and developed an intelligent budgeting approach in response. By "intelligent," we mean a thoughtful analysis that evaluates the scope of work, timekeeper tasks, resource allocation, and estimated time for completion. Our Client Solutions and Innovation team, comprised of in-house pricing and project management experts, works closely with our lawyers in the development of budgets at no additional cost to our clients. Once a budget is established, we utilize budget-to-actual reports and automated threshold alerts to provide our clients with enhanced communication and transparency and help our lawyers to proactively monitor and control legal spend. In certain instances, our budgeting techniques have proven to reduce clients' legal spend by more than 10 percent.**

In order to streamline the budget development process and promote reliable budget estimates moving forward, Baker Donelson developed its own budgeting tool, Budget Designer. Budget Designer's easy point-and-click functionality guides our lawyers through a consistent and streamlined budget development process by drawing on a database of more than 500 budget templates. The templates include intake forms, task lists, standardized statements of work, time estimates, recommended resource allocations, typical assumptions, potential risks, and more. Our budgets, which are immediately portable to our legal project management platform for monitoring, provide clients with realistic spend estimates and provide Baker Donelson with a tool to track and manage timekeepers and broader performance trends.

We know it's not enough to simply create a budget; we need to proactively monitor and control spend. Baker Donelson utilizes tools that closely monitor a budget through the lifecycle of a matter. Our customized budget-to-actual reports provide budget updates at the matter, portfolio, and client levels. Our automated threshold alerts flag when a matter is close to budget, allowing our attorneys to proactively communicate with the client about anticipated scope and budget adjustments. These reports and automated alerts help eliminate surprises and provide our clients with enhanced communication and transparency.

### Example Implementation

**Client Need:** To manage legal matters across multiple states and ensure consistent process, quality, and cost.

**Our Solution:** We evaluated the client's matter processes and implemented proactive budget management utilizing resources such as: (1) process maps of efficient workflows; (2) standardized statements of work to clarify matter scope; (3) template budgets with optimum time and resource allocations; and (4) team training on billing guideline compliance. This approach clarified best practices for the entire in-house legal team and promoted consistency in quality and legal spend across the region.