The Seven **Biggest Sources of Legal Spend Leakage**

Where Corporate Legal Departments Lose Money Without Realizing It

Legal spend leakage rarely results from a single mistake. More often, it stems from dozens of small inefficiencies that accumulate across invoice review, law firm management, budgeting, staffing, and governance. Left unaddressed, these issues increase outside counsel costs, reduce financial visibility, and make it difficult to demonstrate value to the business.

The good news? With the right operating model, most sources of leakage can be identified and prevented.

Noncompliant Billing Practices

Small billing inconsistencies add up quickly. Look for:

- Block billing
- Vague time entries
- Duplicate charges
- Unauthorized expenses
- Administrative work billed at attorney or paralegal rates

Result: Invoices are approved with avoidable costs embedded.

Inefficient Staffing

Not every task requires the highest-priced resource. Common issues include:

- Partner-heavy staffing
- Too many timekeepers
- Work performed above the appropriate experience level
- Unauthorized timekeepers

Result: Higher legal costs without corresponding value.

Uncontrolled Rates

Rate management shouldn't happen once a year. Warning signs include:

- Automatic annual rate increases
- Incorrect billing rates
- Inconsistent discounts
- Temporary rate exceptions becoming permanent

Result: Costs compound year after year.

Scope Creep

Matters evolve, but budgets should evolve with them. Watch for:

- Work extending beyond the original scope
- Budget revisions without approval
- New workstreams that aren't tracked

Result: Budget surprises become routine.

Weak Matter Budgeting

Budgets should guide decisions, not simply document spending. Common problems:

- Budgets submitted too late
- Lack of task or phase-level detail
- Forecasts that aren't updated
- No early warning indicators

Result: Limited ability to manage costs proactively.

Poor Work Allocation

Not every matter belongs with outside counsel. Opportunities often exist to better align work across:

- Internal legal teams
- Preferred law firms
- Alternative Legal Service Providers (ALSPs)
- Technology-enabled delivery models

Result: Premium resources perform work that could be completed more efficiently elsewhere.

Failure to Act on Data

Collecting spend data isn't enough. Leading legal departments:

- Identify recurring trends
- Compare firm performance
- Analyze root causes
- Improve future sourcing decisions
- Continuously refine outside counsel relationships

Result: Data becomes a strategic asset rather than a historical report.

The Bottom Line

Reducing legal spend isn't simply about reviewing invoices more closely. It's about improving governance, strengthening decision-making, and creating the operational discipline needed to manage outside counsel strategically.

The legal departments achieving the greatest savings aren't necessarily spending less; they're spending more intentionally.

Learn how Integreon can help your organization do more and do it better.
Contact us today at info@integreon.com or visit integreon.com.

Do more. **Do it better.**