

Myth-Busting Managed Bill Review

5 Myths of Legal Invoice Review, Explored.

Legal teams are increasingly relying on outside counsel to manage risk, compliance, and business operations. **The 2024 GC Report from FTI Consulting reveals that:**



63% of legal leaders plan to rely on law firms for future legal operations challenges, the highest percentage reported.

Additionally,

43% identified rising legal spend as a top concern. As a result, leaders are critically evaluating their outside counsel spend.¹

This is where **Managed Bill Review** (MBR) software comes into play.

MBR provides an alternative approach to the traditional manual invoice review processes by blending AI-enabled line item reviews with subject matter experts. It's an approach that saves companies time on their outside counsel spend while also building stronger relationships with the firms that are performing the best. But not everyone knows exactly how MBR helps companies manage their outside counsel spend and strategy. Common myths can cause legal leaders to misunderstand how MBR really works – but we pull back the curtain. **Let's dive in.**

MYTH 1: *"MBR software is just technology that reviews invoices."*

Reality: MBR combines advanced technology with subject matter experts.

A hybrid approach that captures, analyzes, and categorizes every invoice line item—however nuanced. No matter how much AI or ML is applied to an invoice review process, it is always critical to have an expert on hand to flag inconsistencies and double-check for context.



MYTH 2: *"If I already have a matter management technology, I don't need MBR."*

Reality: While matter management ensures that your legal team has a single source of truth for all data relating to their matters throughout the matter lifecycle, MBR adds an essential layer of oversight and categorization to invoice management. MBR ensures invoices comply with billing guidelines, accurately categorizes expenses, and identifies errors or overbilling. By **integrating MBR with your matter management platform**, teams build transparency into their billing practices and enable benchmarking to compare the performance and cost-effectiveness of different firms.

MYTH 3: *"MBR focuses exclusively on cost-cutting by ensuring compliance with billing guidelines."*

Reality: While MBR delivers savings by flagging inappropriately categorized line items, mistakes, and other forms of billing guideline non-compliance, its reach is even greater.

MBR helps determine which firms offer the best value and performance for your business with firm benchmarking and analytics, and can deliver

2-3X ROI.

Ultimately, this supports strategic decision-making and fosters stronger, more effective partnerships with your outside counsel.



MYTH 4: *"MBR is irrelevant to AI-driven legal management."*

Reality: For companies looking to develop best practices for AI usage, MBR is a strategic investment. The structured data collected through MBR processes can be leveraged for AI-driven analytics and predictive modeling. It ensures that future implementations have high-quality data to work with – data sets without which your AI would have limited value.

MYTH 5: *"ROI for MBR is gradual and increases slowly over time."*

Reality: Organizations often see significant cost savings and efficiency gains shortly after implementation by correcting billing discrepancies. Over time, however, these benefits turn into best practices, and so ROI is actually **achieved early and then stabilizes.**

Once companies implement MBR, they can make data-driven decisions to prioritize relationships with the outside counsel that deliver the best value. By implementing best practices, companies with MBR find that ongoing monitoring becomes easier, as the established processes continue to deliver value with less effort.



Interested in how MBR can optimize your legal spend?

Dive in ▶

¹ FTI Technology and Relativity. (2024). "The General Counsel Report 2024." <https://www.ftitechnology.com/l/gc-report-2024>