

MITRATECH

# The Ultimate Guide to Managed Bill Review (MBR)

Should in-house counsel monitor line items  
and manage your enterprise's legal bill review  
— or should you be outsourcing?



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# Introduction

**67% of in-house attorneys say they are buried in low-value work — including reviewing legal invoices — with some estimating that every 1 out of 3 hours of their work is spent on repetitive, menial tasks.<sup>1</sup>**

Consider the time your team spends pouring over invoices and checking each line item against your records. Knowing that it often requires a fine-tooth comb and countless hours to find something out of compliance, it's clear your time could be better spent elsewhere. Now, imagine you could ensure 100% compliance with your billing guidelines, complete visibility into your spend analytics, and even drive better decisions when it comes to leveraging your best outside counsel and cutting back on inefficient firms – all without lifting a finger. The solution you are picturing is managed bill review.



1. Artificial Lawyer. 28 July 2020. "67% of Inhouse Lawyers 'Feel Buried in Low-Value Work.'" <https://www.artificiallawyer.com/2020/07/28/67-of-inhouse-lawyers-feel-buried-in-low-value-work/>

# What is Managed Bill Review?

## MBR at a Glance

Reviewing invoices line-by-line and highlighting any guideline violations or non-compliant activity — aka managed bill review (MBR) — traditionally sits with in-house legal teams or dedicated staff. Managed bill review demands transparency; with it, billing guidelines and engagement terms are followed, and invoice adjustments are implemented as needed.

Beyond capturing and helping to reduce spend, managed bill review (when done correctly) can help drive more data-driven decisions, guarantee deadlines are met, and ensure your organization complies with policies, guidelines, and ethical standards. But it can also be a time-consuming process — and when done manually, managed invoice review becomes a budget and compliance nightmare.

### What are Some Industries That Benefit From Managed Bill Review?

	<b>Healthcare</b>
	<b>Financial Services</b>
	<b>Insurance</b>
	<b>Information Technology</b>
	<b>Government</b>
	<b>Hospitality</b>

# The Challenge Facing Legal Professionals

## Legal Matter Management Systems Aren't Delivering

While some legal matter management systems may offer a variation of invoice review to ensure billing guidelines are met, it's common for things to slip through the cracks. Only 31% of legal departments say they are satisfied with their current billing guidelines, and only 36% say they know who is enforcing them.<sup>2</sup>

Most systems don't offer invoice review, and even if they do, they aren't robust enough to capture the in-process analytics that you need to make actionable decisions. At the same time, if you choose to outsource to a single-point MBR service, you risk siloed data and limited cross-functional transparency — and still might overpay for extra bells and whistles that you don't need.

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2. Hovanec, Linda. "What Law Departments Need to Know About Billing Guidelines." <https://inhouselegaltech.com/contract-management/law-departments-need-know-billing-guidelines-survey-suggests-many-departments-plenty-questions-concerns/>

The best solution is an [integrated legal matter management platform](#) that comes equipped with the tools and invoice expertise to deliver unparalleled bill review (at the right scale and cost for your company). If your department could use additional layers of support to drive strategic insights and double-check invoices, an integrated managed bill review product might be the right-sized solution for your needs.

### Do a Gut Check:

- Does your legal matter management system use billing guidelines to ensure that non-compliant invoices are flagged?
- Is Machine Learning leveraged to capture each invoice line and tag each item with common language codes?
- Are invoices all categorized so that you can understand and manage your legal spend, or do some of your line items evade categorization?
- Does your bill review process leverage experts to ensure compliance, even when invoices include typos or unexpected language to describe tasks?

If the answer to any of these questions is “no,” then you stand to benefit from a more comprehensive legal billing solution.



# The Benefits of Managed Bill Review

## Raising Employee Satisfaction and Achievement

Few among us find it rewarding to painstakingly validate each line item in a bill – much less hundreds or thousands of bills. In a climate where worker burnout is on the rise (a 2022-2023 survey shows that 59% of all workers are experiencing at least moderate burnout),<sup>3</sup> mitigating painful, manual processes has become a priority for strategic and sympathetic organizations.

There is an economic case to be made for managed bill review, too: Today's legal teams spend just 2.5 hours each business day on billable work, according to the 2021 Legal Trends Report.<sup>4</sup> And the rest of the day? In addition to time-consuming administrative tasks like tracking hours, teams are responsible for gathering data, reviewing line items, and finding invoice details that may be lost in a sea of back-and-forth emails.



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3. Aflac. (16 November 2022). "Employee burnout is on par with levels at the height of the COVID-19 pandemic; job performance impacted." <https://www.prnewswire.com/news-releases/employee-burnout-is-on-par-with-levels-at-the-height-of-the-covid-19-pandemic-job-performance-impacted-301679546.html>

4. I Clio. "2021 Legal Trends Report." (2021), p. 46

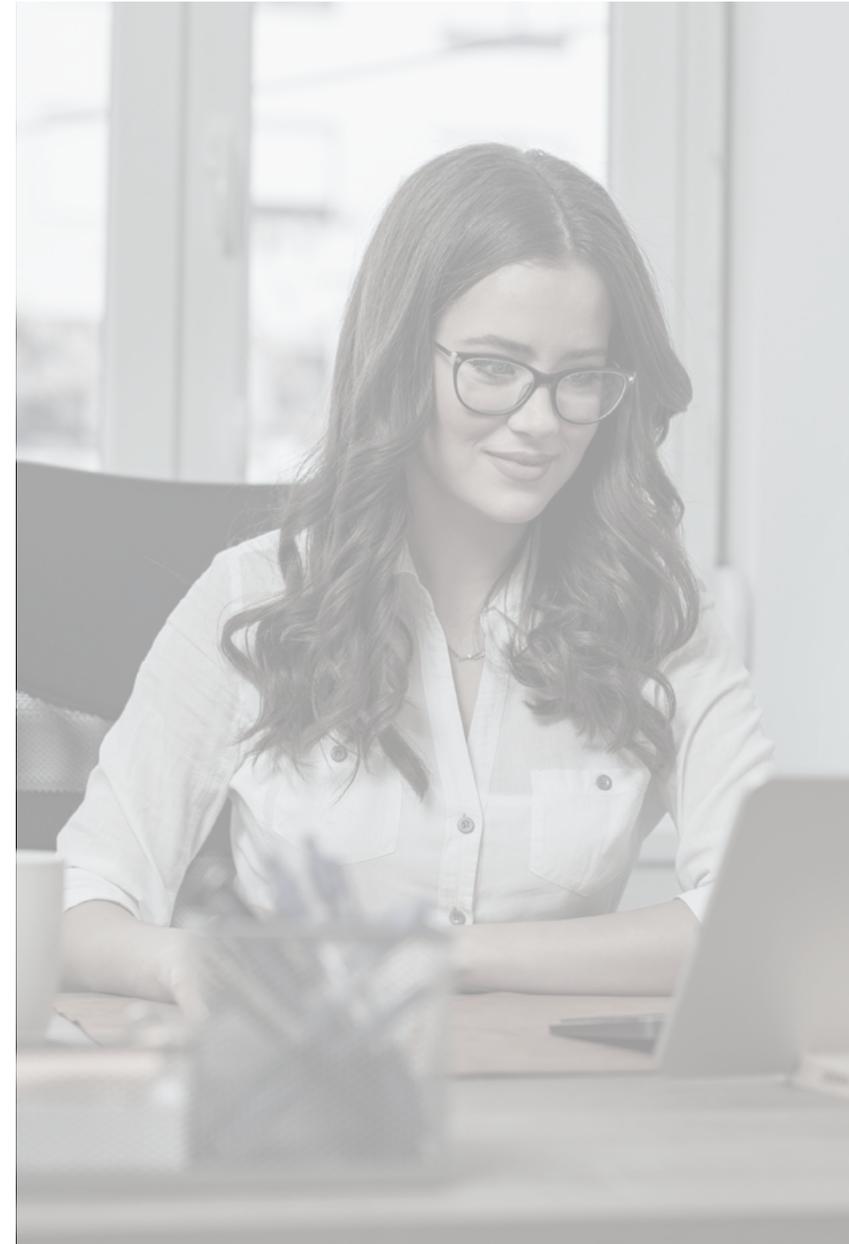
When managed bill review allows employees to focus on higher-level work, companies benefit by better leveraging – and retaining – their teams. Managed bill review centers employee satisfaction by removing manual, repetitive processes and outsourcing them to a combination of AI and expert reviewers. That way, the highest possible level of work is retained – and so are your employees.

### Driving Data-Backed Decisions

Manually managing bill review is a pain, but without double-checking the data, non-compliant invoices can sneak through your legal management system and you can fail to see which of your outside counsel are driving the best work. When (even nuanced) line items are captured and categorized with the help of AI and expert reviewers, you can reliably **identify and reward high-performing counsel** – and winnow down your top-performers to ensure that you work with only the best, every time.

### Buttoning Up Billing Compliance for Increased Savings

Matters and invoices can only be analyzed and benchmarked once your spend and claim data is structured in a standardized, consistent format. When outside counsel bills your company, line items may be vague, over-bundled, or refer to activities that go outside of the scope of your billing guidelines. Legal bill review takes care of this by categorizing your line

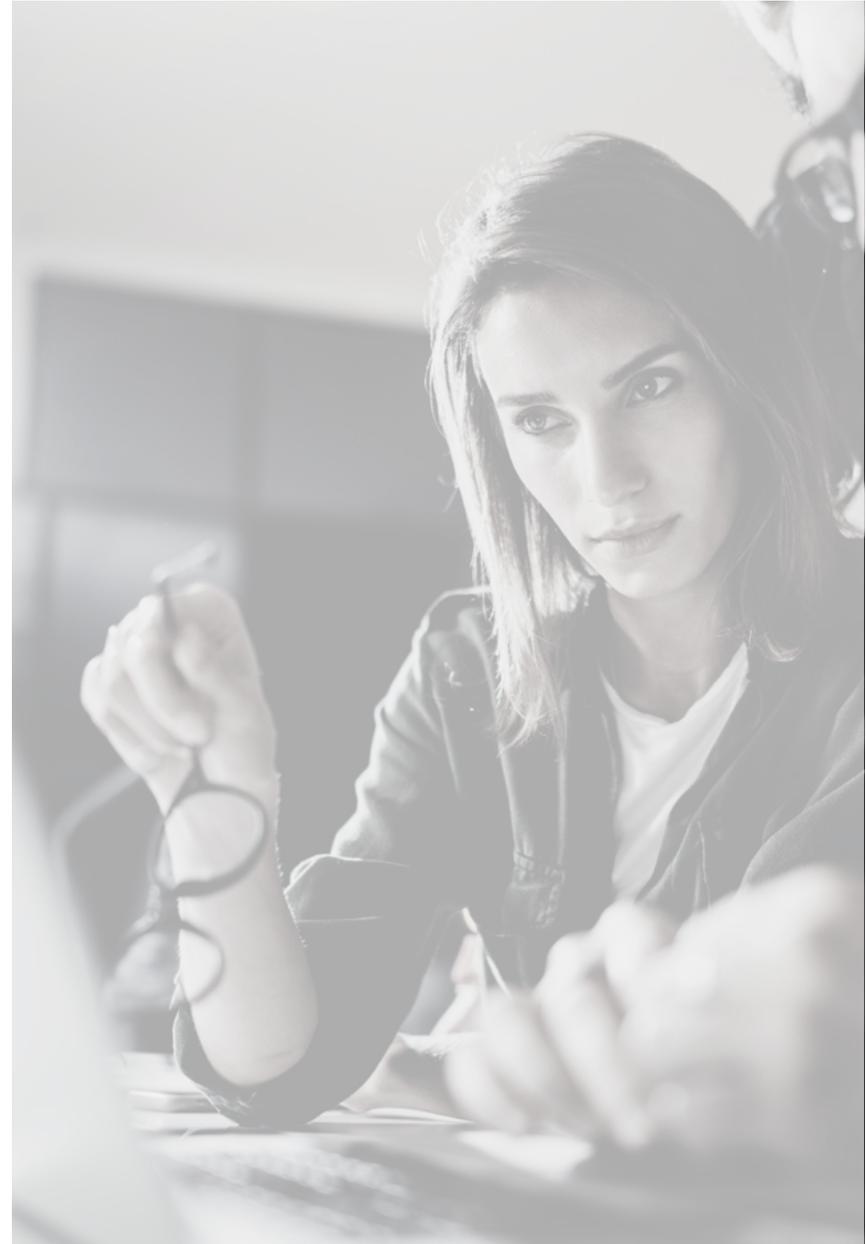


items against your billing rules – but without layers of support, this can take exorbitant amounts of time. With the right [managed bill review partner](#), a trifecta of compliance-enforcement ensures that your legal counsel is billing appropriately each time. This includes:

- Rule-based categorization of line items
- Machine Learning reviews
- Professional experts who can manage what the algorithm may have missed

### **Using Increased Visibility to Drive Department Improvements**

When you deliver deeper, more comprehensive visibility into legal spend and law firm performance, your company can make more strategic improvements. This goes beyond identifying the best outside counsel and can reach as far as your company's larger operational plays. Cost savings are just the start; insights gleaned from legal bill analysis should inform decisions on broader enterprise objectives, including case strategies and DEI. The cost savings that ride on managed bill review can be applied to new hires, technology tools, and strategic initiatives to enable a virtuous cycle of law department improvement.



# Know When It's Time to Outsource Your Managed Bill Review Process

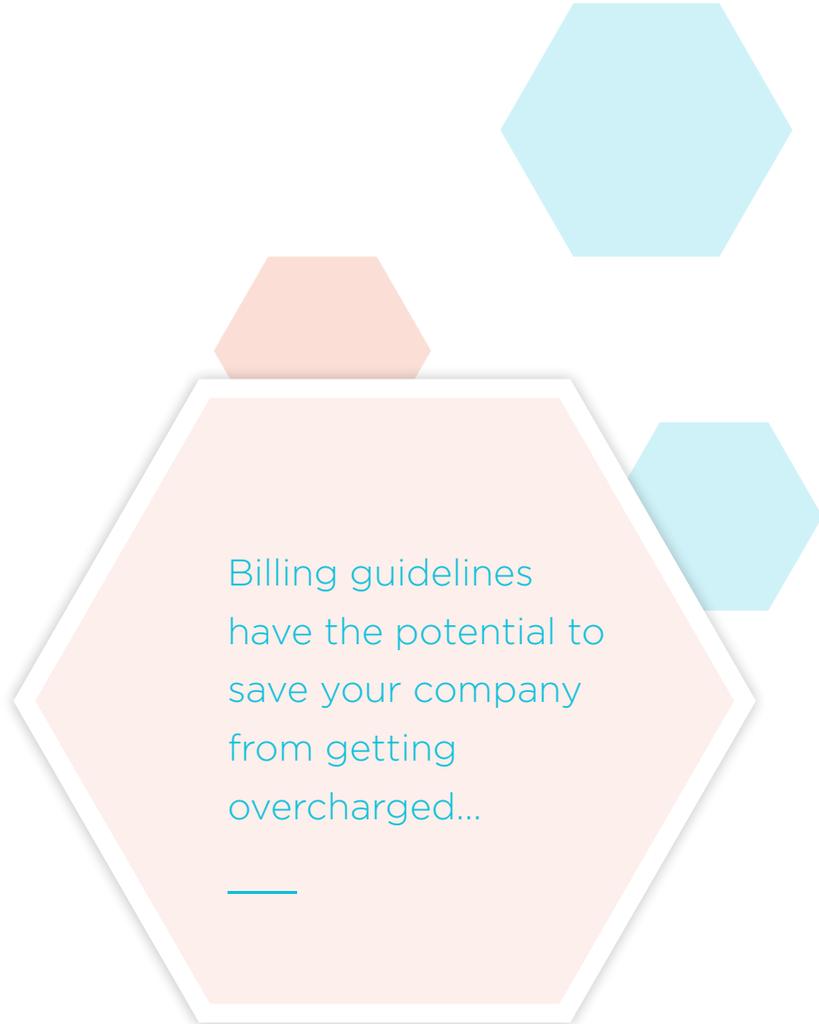
What are the signs that your legal department should start looking to outsource your managed bill review process?

## 1. Outside Counsel Costs Keep Going Up

If your team continues to prioritize legal spend, but struggles to show results, it might be time to look into managed bill review that can deliver better visibility into your spend analytics, centralized reporting, and actionable insights on how you can validate those analytics across different industries and geographics. Without a dedicated solution (and experts who can deliver those context-driven insights), reducing legal spend will remain just out of reach.

## 2. Billing Guidelines Aren't Being Enforced

Billing guidelines have the potential to save your company from getting overcharged or ignoring line items that fall outside of their expectations, but without AI-backed software and experts to catch mistakes, it is easy for billing guidelines to get overlooked. A Mitrates survey indicates



Billing guidelines have the potential to save your company from getting overcharged...

that of legal departments that provide billing guidelines to their law firms, more than 40% don't routinely enforce them. If billing guidelines are important to your team (hint: they should be!), but enforcement is a headache, it might be time to look into services that can take the pain point off of your hands and deliver the results you are looking for.

### 3. Attorneys Are Boggled Down with Low-Value Work

Wasting time on bill review is no small issue, especially given the hourly wage of an attorney and the rise of worker burnout. If your company is trying to increase the value of your workers, or if your company is concerned about churn, it might be time to investigate managed bill review solutions.

## Ready to reduce hidden fees and set new budget goals?

Get the full picture of your legal spend with industry-leading managed bill review, spend analytics, eBilling, and more.

[Explore MBR](#)



# About Mitratesch

Mitratesch is a proven global technology partner for corporate legal, risk & compliance, and HR professionals seeking to maximize productivity, control expense, and mitigate risk by deepening operational alignment, increasing visibility, and spurring collaboration across their organization.

With Mitratesch's proven portfolio of end-to-end solutions, organizations worldwide are able to implement best practices and standardize processes across all lines of business to manage risk and ensure business continuity.

Mitratesch serves over 14,000 organizations worldwide, including 30% of the Fortune 500 and over 500,000 users in 160 countries.

For more info, visit: [www.mitratesch.com](http://www.mitratesch.com)

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