

CLM

A member of The Institutes

Roundtable: Big Data – Identifying and Creating a Value Based-Metrics Map

#CLMSymposium

Introduction

“Big Data” and metrics are infiltrating all business sectors like at no other time in history and the insurance and legal services marketplaces are certainly no exception.

Results matter to everyone but measuring the right data points is a constant challenge. The importance of “talking the same language” is vital to ensure that business partners are focused on the most important priorities and that those priorities are the same.

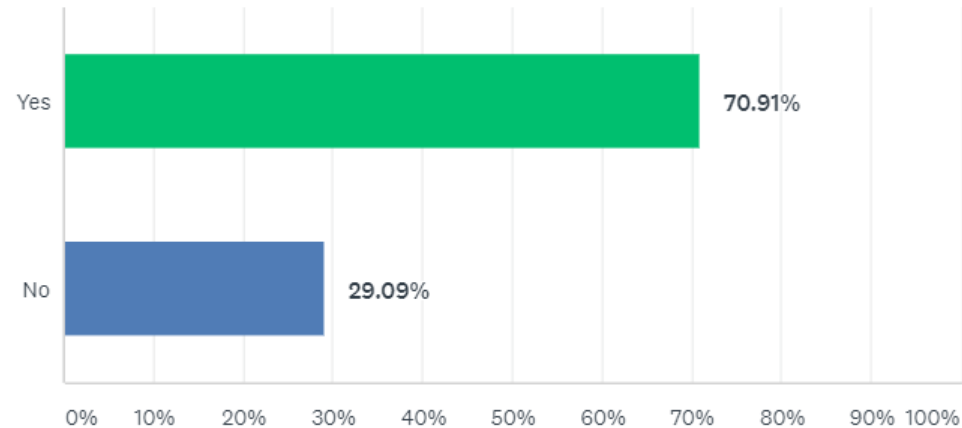
This roundtable will discuss and explore opportunities to create a value-based metrics map that will allow for successful alignment and execution.

18 Thought-Starters in 180 seconds

- This is the 3rd such CLM Litigation Management Study
Prior studies in 2011 and 2015.
- Study OF the industry BY the industry.
Questions were driven by what executives were curious about and wanted to hear about from their industry colleagues
- Largest study of its type
Roughly 80 executives answering 160 questions on multiple areas litigation management

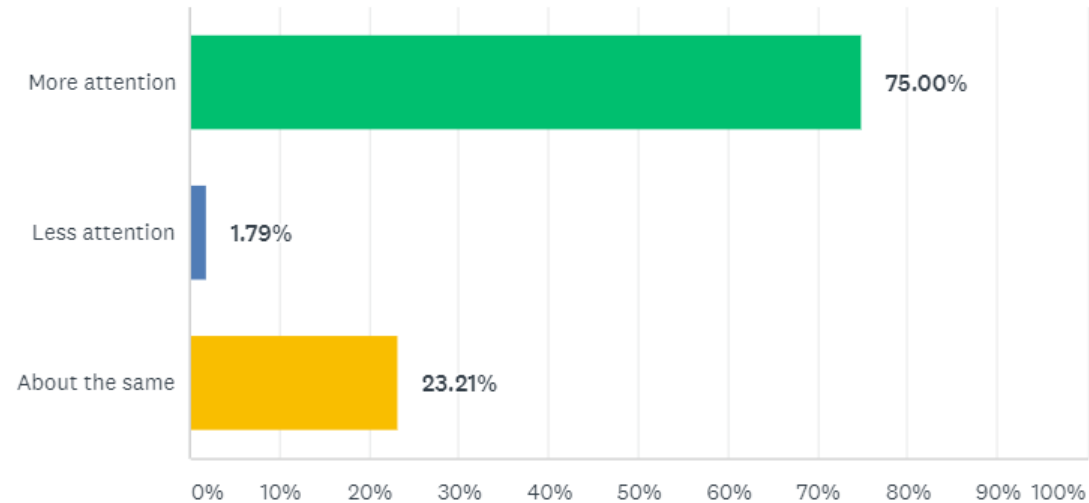
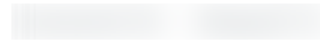
LM Remains Highly Visible - CEO

Has the “Effectiveness” of your litigation management program been raised by or discussed with your organization’s CEO in the past 12 months?



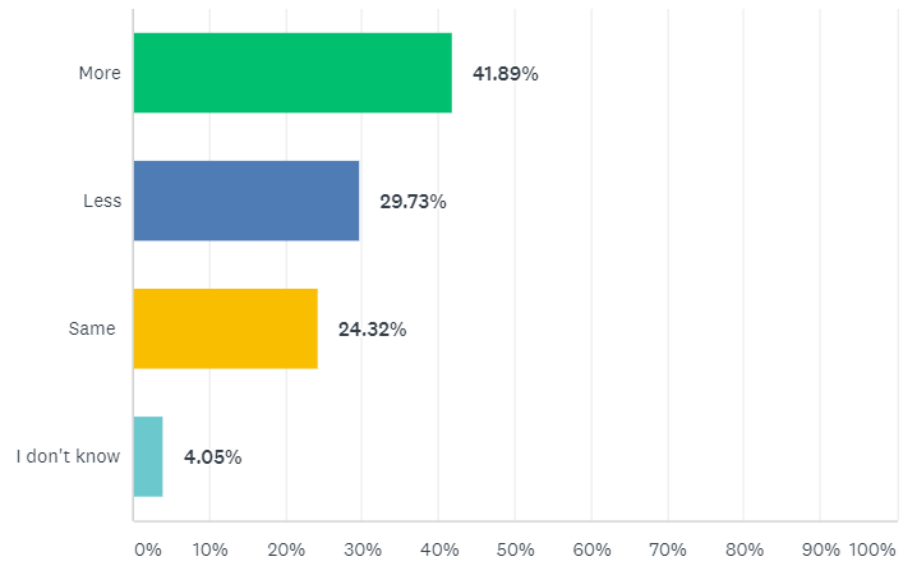
LM Remains Highly Visible - Attention

Broadly stated, do you believe that when compared to three years ago, “litigation management effectiveness” is getting more or less attention from your organization’s senior management?



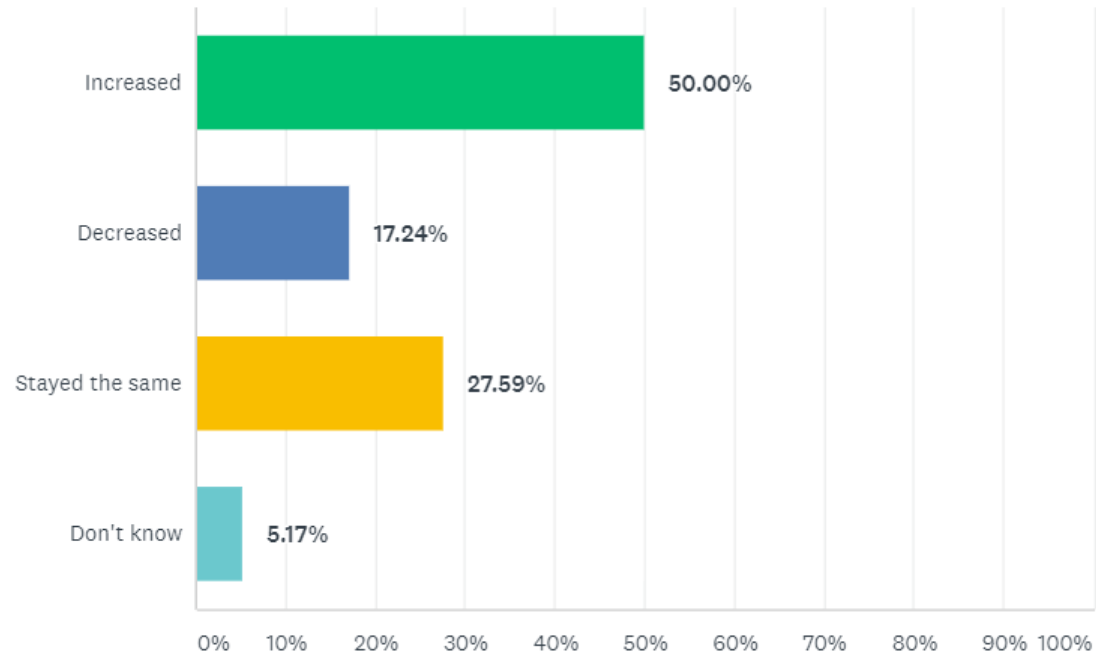
Inventory

Is this inventory count more or less than it was 3 years ago in your Company?



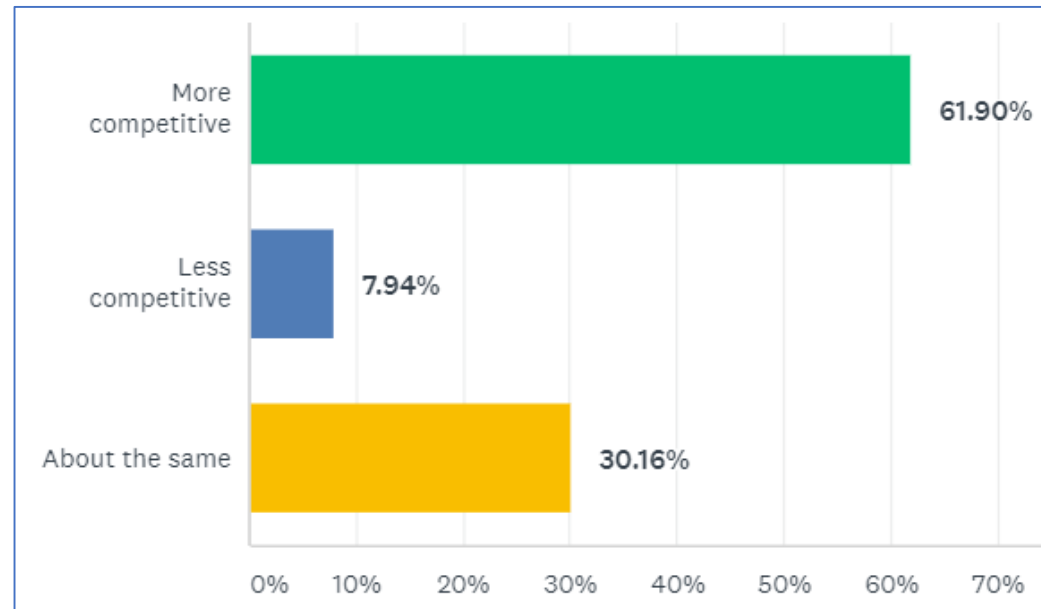
File Costs

Compared to three years ago, do you believe your average costs per litigated case have increased, decreased, or stayed the same?



Competitive Pressures

Compared to five years ago, what is your perception of the competitive environment law firms are operating within?



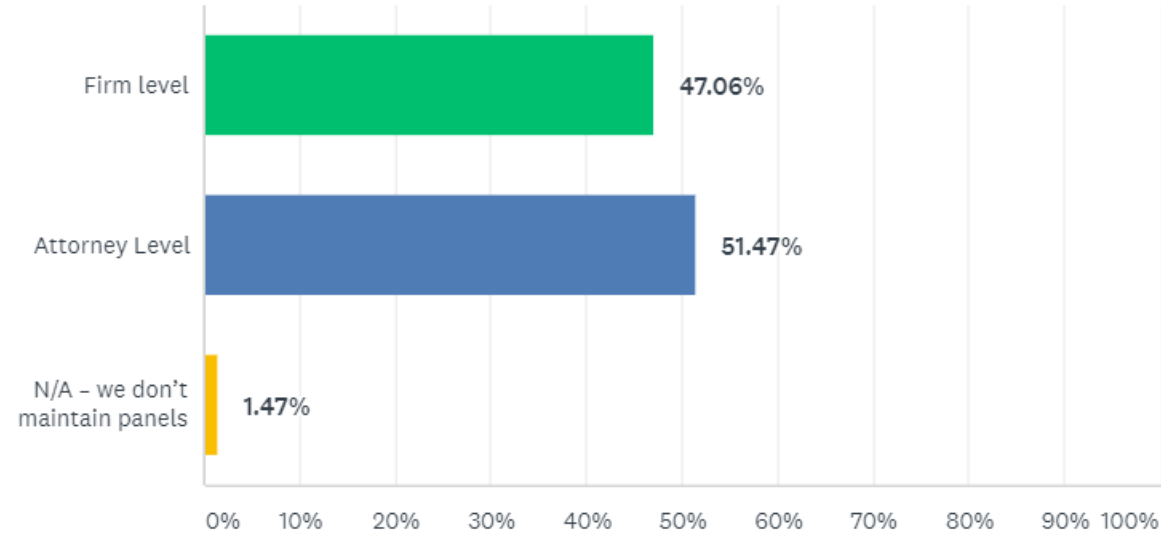
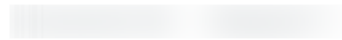
Competitive Pressures

In the past 12 months, how many firms did you remove from your panel? How many did you add?

Panel Consolidation or Expansion	
# of Firms Removed	# of Firms Added
777	622
Net Decrease: 20%	

Competitive Pressures

Do you maintain your panels of approved legal providers at the firm level or the attorney level?



Philosophical Considerations

Please estimate the percentage of BI lawsuits that resolved with a verdict rather than a settlement in the past year.

average
3.4 %

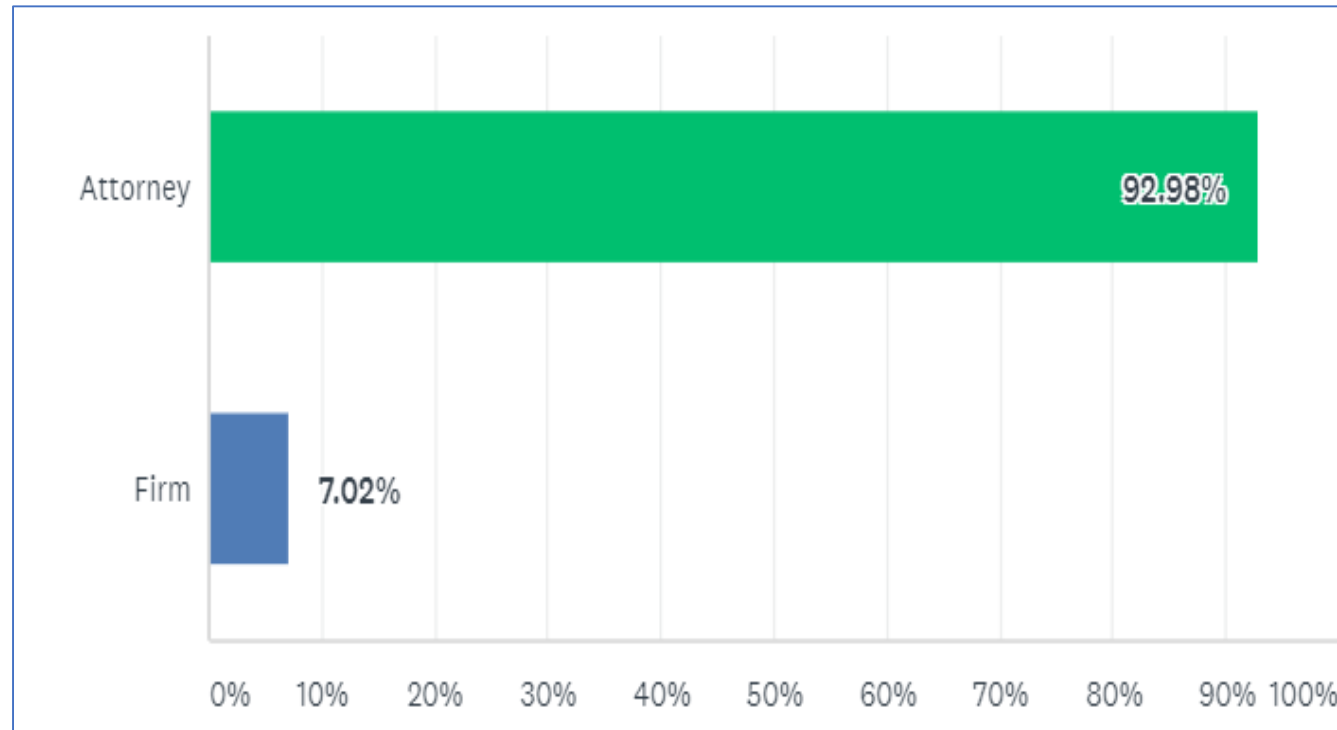
Median
2.0 %

Philosophical Considerations

QUESTION	2019 Answer
Does spending more money on a lawsuit generally reduce indemnity costs?	NO – 79%
Does high compensation to firms translate to better attorneys and outcomes?	NO – 84%
Do a majority of litigated claims settle later in the process than necessary?	YES – 80%

Philosophical Considerations

Do you associate “high performance” with the attorney or the firm?



Opportunities

What are the three most important recurring friction points in your relationships with counsel?

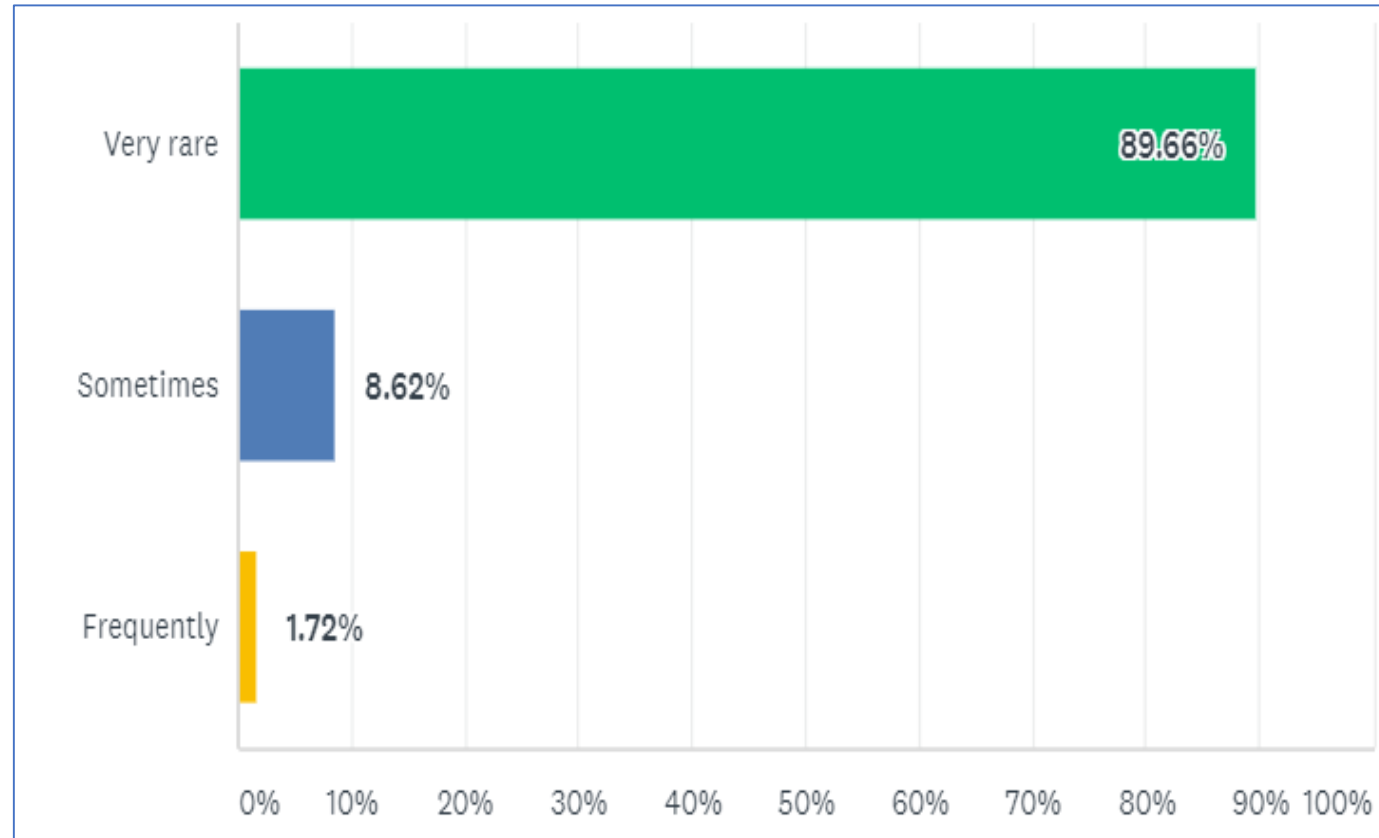
Primary Friction Point	Weighted Average
Not showing strategic focus	2.35
Under-reporting	2.24
Over-reporting	2.17
Billing	1.8
Budgeting	1.63
Something else	1.33

Opportunities

Reasons for Removing Counsel From Panel	% of Mentions
Communication issues	17.5
Responsiveness	15.9
Guideline Compliance, Billing	12.7
Quality of legal work, overall performance	12.7
Failure to match philosophy, objectives focus	9.5
Trust, Inconsistency, Surprises	7.9
Results	6.3
Evaluation skills	4.8
Ethical concerns	4.8
Unwillingness to try cases	4.8
Stay within budget	1.6
Negotiation skills	1.6

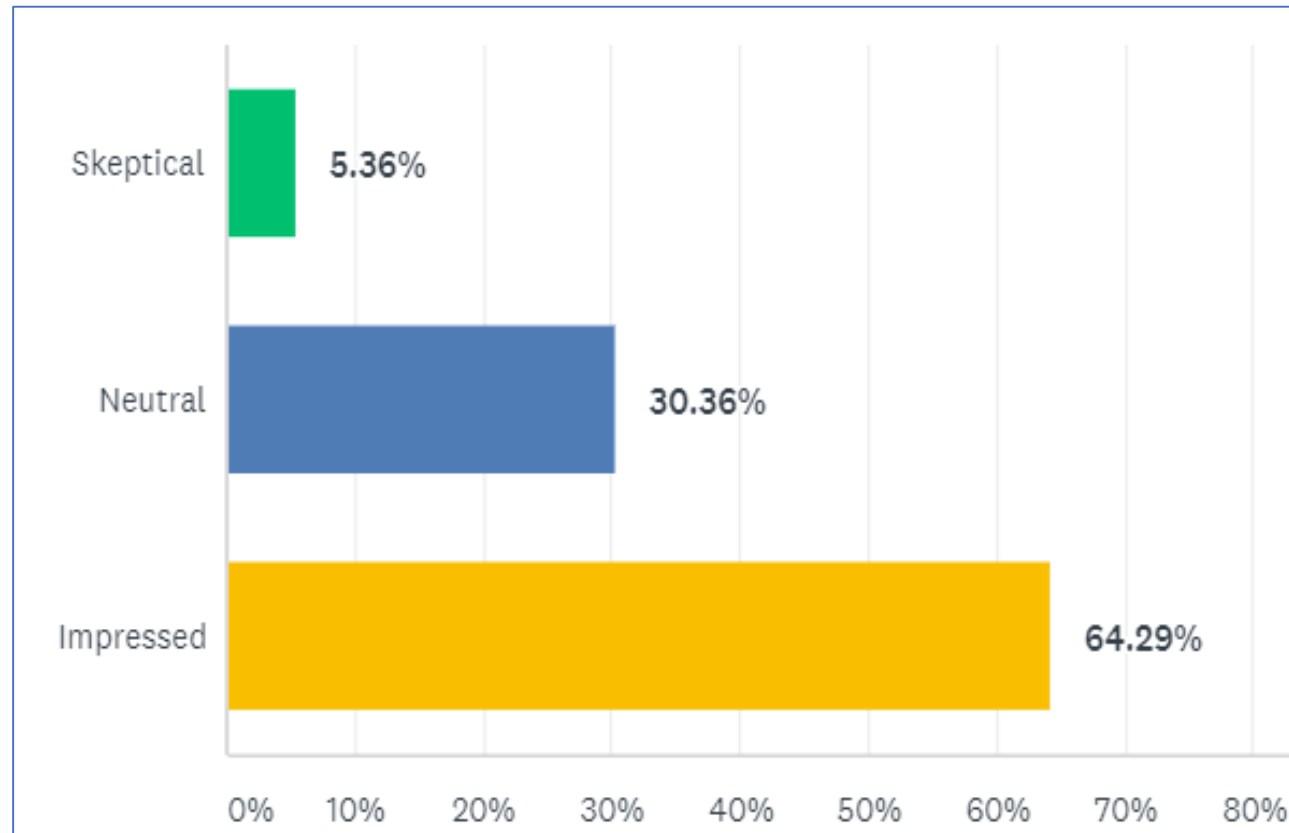
Metrics

How often do firms present their own metrics to you?



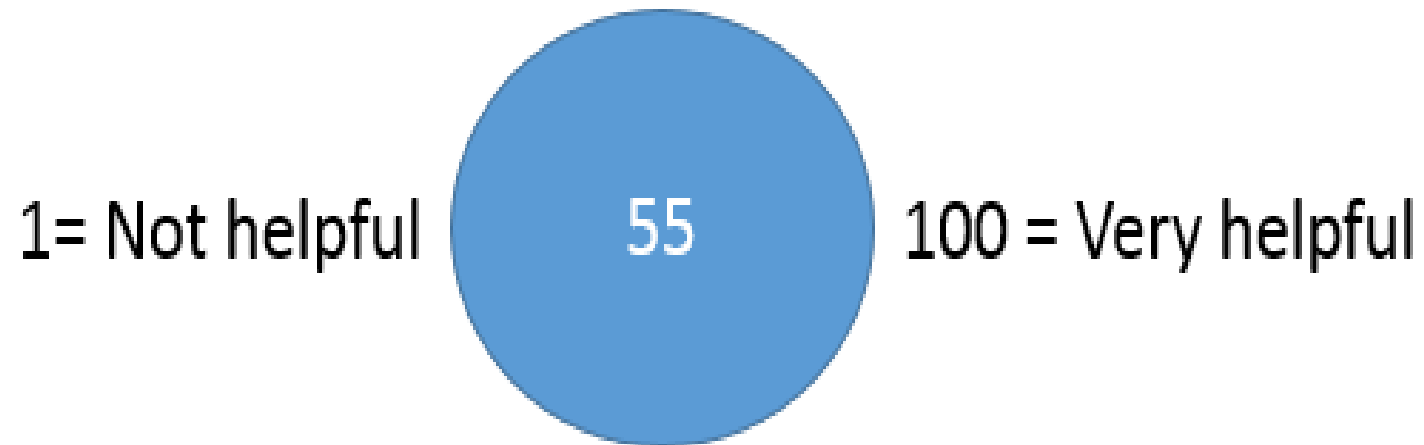
Metrics

Please describe your reaction when firms present their own metrics to you.



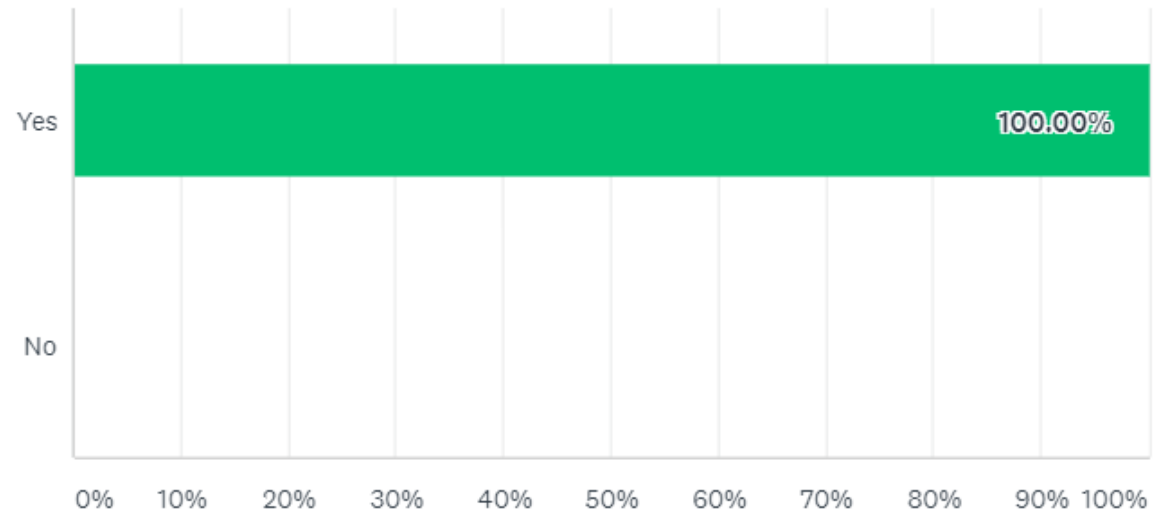
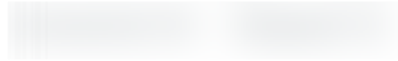
Metrics

How helpful are your current analytics and metrics in measuring the overall performance of your litigation management program?



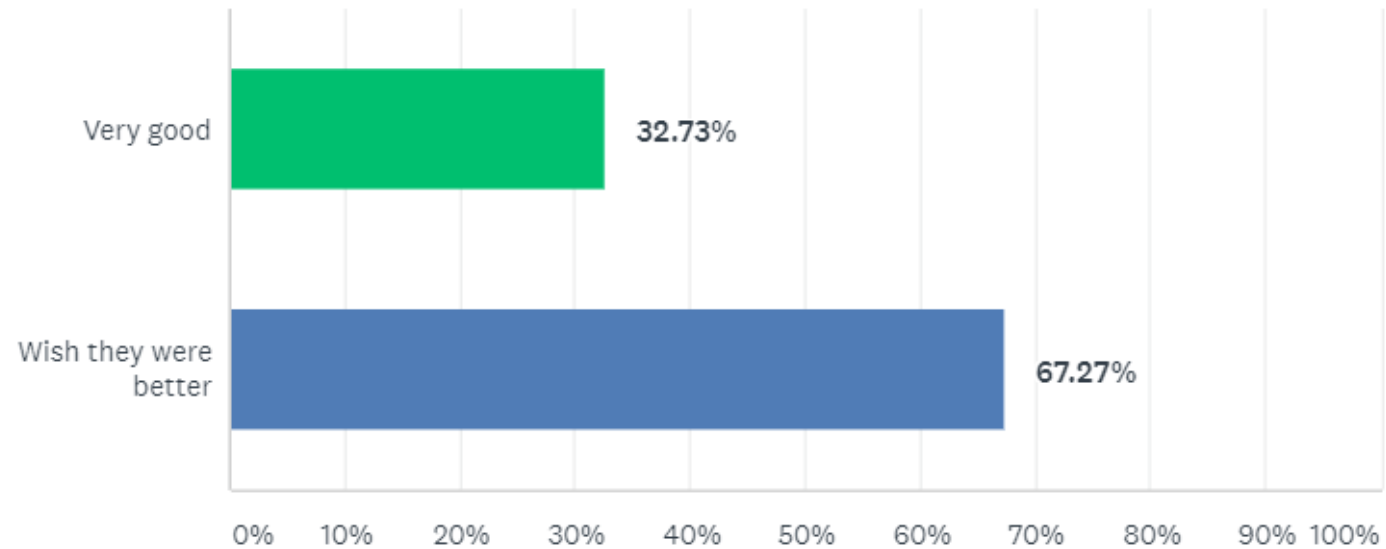
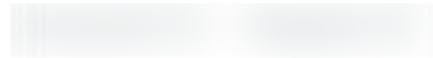
Final thoughts...

Do you believe that some individual attorneys are better at closing files (resolving litigation) than others?



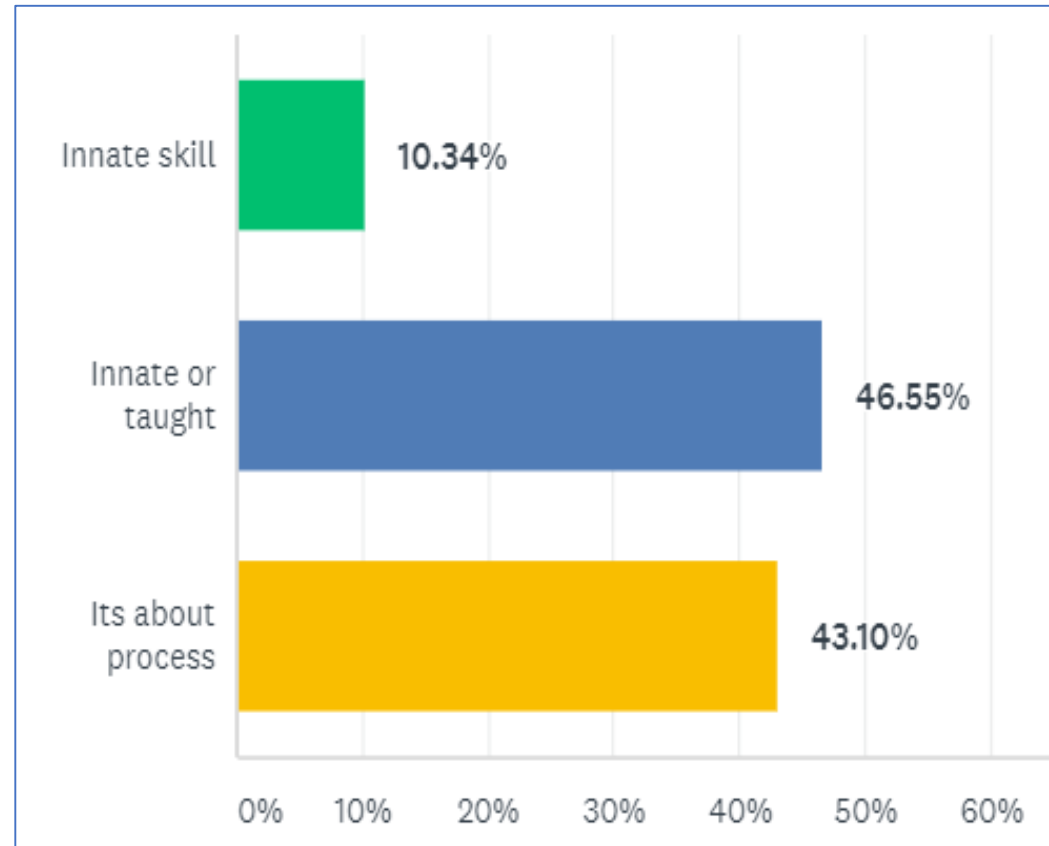
Final thoughts...

How good are your current metrics at identifying those attorneys?



Final thoughts...

What resonates with you the most about WHY some attorneys are better than others?



Matching Metrics to Objectives

Accurate
Loss
Prediction

Optimal
Indemnity

Accurate
Expense
Prediction

Best Total
Case Cost

Early Case
Resolution

Improved
Strategies

End client
customer
service

No Surprises

Adherence
to Process

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Results matter to everyone but measuring the right data points is a constant challenge. The importance of “talking the same language” is vital to ensure that business partners are focused on the most important priorities and that those priorities are the same.

This roundtable will discuss and explore opportunities to create a value-based metrics map that will allow for successful alignment and execution.

As a team, work together to:

1. Identify all of the critical data points that clients and firms should measure, respectively, related to file handling, file outcome and file efficiency success for litigated files.
2. From the items identified above, create a list of litigation file handling key performance indicators (KPI), ranked in terms of importance, for both the client and the firm. Is there overlap? Can industry benchmarks be used/agreed upon? Can the data be shared and how would it best be sourced and owned?
3. Picture a “player card” for both an attorney and a claims professional with important performance statistics on the back of the card (similar to a professional baseball player). What 5 statistics would be on the back of each of those cards as they relate to litigation file handling?

Questions?

Questions about the slides used today?

Would you like a copy of the CLM's National
Litigation Management Study?

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