



Lessons Learned From GM: A Single System For Matter Management & E-Billing

Quick Facts

Legal IT organizations who implement a single solution for matter management and e-billing are freed from the maintenance, upgrade and support issues that come with integrated systems.

Quick vendor registration for both small and large firms is a top priority for organizations looking to establish paperless invoicing.

E-billing's automated workflows and adjustments, review processes, and warnings ensure that attorneys only receive invoices that meet billing guidelines.

GMAC is a bank holding company with operations in North America, South America, Europe and Asia-Pacific. GMAC specializes in automotive finance, real estate finance, insurance, commercial finance and online banking. As of December 31, 2008, the organization had \$189 billion in assets and serviced 15 million customers around the world.

Founded in 1919, GMAC was established to provide GM dealers with the financing needed to acquire and maintain vehicle inventories and provide customers a means by which to finance vehicle purchases.

In late 2006, GM sold controlling interest in GMAC to a consortium of investors. That meant the GMAC Legal Department would be, for the first time, a separate entity. As a result, it needed a matter management system of its own.

Since GMAC had been using GM's TeamConnect matter and regulatory system for several years, it chose to implement a TeamConnect system of its own -- but with one important difference. Rather than employing a separate e-billing system, GMAC chose Mitratesh's TeamConnect Collaborati Spend Management (CSM), thereby providing a fully-integrated electronic billing and matter management system.

The CSM solution gave GMAC the ability to:

- Quickly and easily transition its law firms out of the GM e-billing system and into TeamConnect CSM.
- Allow law firms and vendors to submit electronic invoices at no cost.

- Establish and revise automated billing guidelines without third-party assistance.
- Automatically mark non-compliant invoices with warnings at both the invoice and line item levels.
- Automatically validate invoices for formatting errors, missing fields, and duplications and immediately notify vendors for resubmission.
- Quickly move invoice data into TeamConnect matter management for up-to-the-minute financial tracking and reporting.
- Provide a complete, traceable history of all internal activities, including: approvals, reviews, and rejections.

Prior system

Because CSM is part of the TeamConnect matter management solution, a company's Information Technology (IT) resources are freed from custom e-billing integration and support issues, resulting in a rapid time to market, low deployment, and maintenance costs.

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"We wanted both applications in one package. CSM comes from the same company and compared to other e-billing systems, it's a lot easier to work with. We viewed that as a major benefit," explains Dan Gillenwater, a legal systems analyst with GMAC Global Technology & Operations.

"Not having to synchronize two separate systems from two different vendors is huge," adds Louann Barnett, founder of Houston, Texas-based June Consulting, which managed the TeamConnect implementation for GMAC. "Because TeamConnect and CSM are already integrated, the implementation process was much quicker. The seamless integration will be especially important later on when new versions of the application are introduced. Had GMAC gone with another vendor, we would have had to re-visit the synchronization process with each upgrade."

The ability to quickly register firms that were previously e-billing GMAC through GM's e-billing system was also key.

For most firms, the set-up took about half an hour. After registering with Mitrtech, each firm was provided with a Quick Start instruction guide. The firm's representative followed an easy to use Wizard application that walked them through the set-up process. Once the registration was complete, GMAC uploaded each firm's approved timekeeper file.

"We started with our larger law firms, many of which were already billing us electronically when we were on the GM system," Gillenwater says. "But it's no more difficult with a new firm. All we have to do is let Mitrtech know and within an hour the firm is registered in Collaborati."

Once the process is complete, GMAC retains full control over who is authorized to submit invoices electronically, and for which matters. Adding or changing timekeepers is a relatively simple process too.

"All the firm has to do is submit the timekeeper information via Collaborati for authorization. Once I authorize them, they

are added to the approved timekeeper file," Gillenwater says. "It's as easy as that."

Small firms or vendors with no e-billing capabilities can also access the Collaborati site and, if they choose, submit invoices manually. After selecting a standardized form, the firm or vendor can key in the invoice data and attach a copy of the invoice as a PDF for submission to GMAC.

Since all Collaborati costs are covered under its contract with Mitrtech -- law firms and vendors do not have to pay a third-party fee to submit bills electronically -- GMAC expects Collaborati will significantly reduce the number of hard-copy invoices it receives going forward.

Billing guidelines

CSM also simplified the often complicated process of changing or adding to the GMAC Legal Department's billing guidelines. Under the previous e-billing system, revising the billing rules -- including UTBMS tasks, expense and activity codes, as well as custom codes -- usually required the vendor's assistance.

"With CSM, we do it ourselves", Gillenwater says.

That's key, of course, because previewing and automatically correcting errors in advance makes it so much easier for in-house attorneys to review bills later on.

Once a law firm is registered, it sends invoices in a LEDES (1998b & 2000) formatted file to the Collaborati web site. Each invoice is automatically checked for formatting mistakes, missing fields, duplicate charges and other errors. Depending on the severity of the error, CSM either returns the invoice to the law firm, or marks it with a warning for internal review.

For example, an invoice with duplicate charges is flagged for review.

"Duplicate time charges are hard to catch manually. But CSM can easily catch them with a rule that compares the date,

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task code and amount of time billed by each timekeeper for a given matter," Gillenwater explains.

To keep its billings current, invoices for work done more than 120 days ago are automatically rejected. If there's a billing expense over \$100 for a single line item, backup documentation must be attached. If there's no attachment, CSM rejects that too.

CSM can also be customized to auto-correct or post warnings on other line items. For example, if an invoice includes a charge of 10 cents per photocopy and the approved charge is 7 cents, CSM automatically adjusts the charge and submits the revised invoice to GMAC with a warning. Likewise, if an invoice includes a timekeeper charge of \$250 per hour and the approved rate is \$200 per hour, CSM automatically adjusts that charge too.

If there are questionable charges – as defined by GMAC's rule set -- CSM marks them with a "Warning" so the GMAC attorney reviewing the invoice can decide whether the charges should be permitted.

Internal review processes

If/when the invoice passes muster at the Collaborati site, it moves electronically into the TeamConnect matter management solution, which delivers it to the GMAC attorney overseeing that particular matter.

At this point, tools within the matter management system kick-in; including filters, summaries, and metric monitors that deliver at-a-glance information to further assist the review process.

"Using TeamConnect's design tools, we added a "Summary" page that allows the reviewer to take an "at-a-glance" view of the invoice, including the hours billed by timekeeper, and summaries of dollars by UTBMS task and expense codes," Barnett explains.

GMAC and June Consulting have also established a traceable, automated invoice review process that includes intra-departmental approval limits using standard TeamConnect functionality. If an invoice exceeds an approver's limit, TeamConnect will automatically route it to the next level before sending it to accounting for payment.

"If the invoice is \$7,500 and the GMAC attorney is authorized to approve an invoice up to \$10,000, the approval is final," Gillenwater says. "If the invoice is more than \$10,000, the same attorney will still review and approve it, but then it will automatically be sent to the next level in the work flow hierarchy."

Once an invoice receives final approval, the invoice is fed electronically to accounting and the invoice is placed in line for payment. Each firm has the option to receive payments electronically.

"Our goal for the future is for the entire invoicing process to be paperless," he says. "We want to receive all of our invoices electronically, including those from small firms and vendors."

About June Consulting Group

June Consulting Group is a certified (WBENC) woman-owned firm specializing in Corporate Legal Technology consulting. June is comprised of a group of legal technology experts with years of direct experience working in corporate legal departments at Fortune 500 firms on all aspects of legal technology. Consultants from June have led and participated on dozens of successful TeamConnect and CSM/Collaborati implementations. For more information, please visit www.junecg.com.

About Mitrtech

Mitrtech provides market-leading Collaborative Accountability Applications for businesses and their trusted partners. With team-oriented domain applications in legal process automation, governance, risk, compliance and security, Mitrtech's TeamConnect Collaborative Accountability Suite improves transparency of financial reporting, reduces exposure to risk, and boosts operating discipline, information security and the efficiency of enterprise processes.

Our Collaborati browser application also meets the accountability and collaboration needs of proliferating extraprise teams, wherein vendors, partners and service providers often have to be included in sensitive teamwork projects such as electronic billing, legal hold and collaborative budgeting, or those which expose your business to liability.