



Predictable Cost of Ownership

***Never pay extra
for upgrades,
support, or
configuration.***



Predictable Cost of Ownership

The ability to foresee costs, and more importantly, plan on them being the same every month, is an advantage for legal departments. This is especially important for mission-critical tools that are designed to make you more efficient such as your spend management/matter management software application.

What is Predictable Cost of Ownership?

Predictable Cost of Ownership (PCO for short and sometimes called Total Cost of Ownership) is just that: The ability to understand the costs (internal and external) of a project or resource for the foreseeable future.

What Should Be Included?

Predictable Cost of Ownership means a single flat rate for many or all of the services that go with an enterprise-level software application. Those should include:

- Adding New Users
- Adding New Law Firms
- Training for Your Team
- Training for New Law Firms
- Ongoing Support and Upgrades

Never Say Never

The Predictable Cost of Ownership encompasses all the activities involved in your daily operations, including many infrequent events. However, certain non-typical events may incur additional costs.

COMFORT

Contact support without having to worry how it will impact your next invoice.

SECURITY

Never have to decide if you can afford to upgrade to the newest software version.

FREEDOM

Experiment with new reports or configurations to improve your business without the hindrance of budgetary restrictions.

TRANSPARENCY

Work with a software provider that treats you like a partner and not just a vendor.



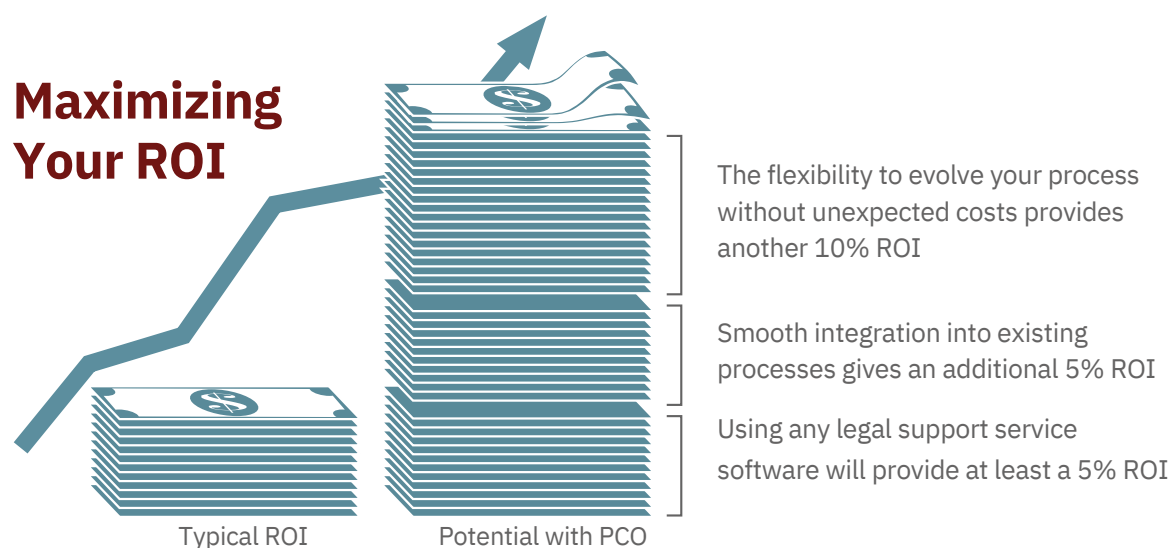
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At doeLEGAL, the two most common exceptions are:

- Acquisitions - While adding new individual users won't cost extra, adding an entirely new legal department (and specifically, incorporating their past data and new workflows) will fall outside of a typical agreement.
- Additional Interfaces with 3rd Party Software – Spend management/matter management software is typically configured to work with 3rd party tools during the implementation phase. After that, new interfaces will typically incur extra costs.

Better Processes through Constant Evolution

One area where a PCO model really shines is in the ability for your legal team to feel comfortable evolving their workflow. Legal departments who have to worry about additional costs for support, new reports or added users are forced into choosing between tweaking their process for efficiency or paying extra for the improvements. This choice can frequently lead to legal departments “doing what’s always been done” instead of striving to make constant improvement - and that can cost you even more in the long run.



Legal industry experts predict that the Return on Investment (ROI) for a Corporate Legal Department (CLD) using spend management/matter management systems, such as ASCENT, is reported with a wide range from 5% to 20% savings of your outside legal spend. The first 5% probably comes from just having a single standard that all users share...BUT having a Predictive Cost of Ownership model with no additional costs or fees represents two additional benefits. Firstly, I have clarity on my ongoing costs with no unexpected invoices, allowing me to incorporate them easily into my ROI calculation. Secondly, and of greater significance, my corporate legal team can adapt the software to our unique workflows over time without worrying about additional expenses. This capability significantly enhances the ROI calculation, bringing it closer to the targeted 20% ROI.



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HOW IT BEGAN

When I started in the industry in the 70's, we sold WANG word processing systems to law firms and corporate legal departments. I learned that clients wanted to understand the complete price for their purchase—not just to get the product in the door, but maintenance, supplies, training, and upgrades, too. I always tried to provide them with a complete cost picture over a 3-5 year period. Forty years later, we still use the same approach.

Today, our software clients always know their total cost of ownership up front, with no surprise costs for support, training, configuration, or upgrades. That's something I'm proud of.

Tom Russo

Stay Up to Date

The best software applications all undergo regular updates. However, with many software providers, those updates represent a choice: Do I spend money to get the most recent version or do I make do with what I have and save the money? With a PCO model application, that decision is unnecessary. You're always at your competitive best with the most recent software version and there's no need to pay extra for interim or even "forklift" upgrades.

Get Supported

There will always be times when a user requires support to properly use a software application. With non-PCO models, that user first needs to find out how much support they're allowed to use, and specifically what it will cost. Furthermore, those questions can cause the user to try and solve the problem themselves, when a quick session with a support technician would be much more efficient.

Building a Strong Foundation

The implementation phase of a spend management/matter management application rollout can often be a trying time for legal departments. Implementation can drag out for a long time as the tool is configured to work neatly within existing workflows. For software providers without a PCO-model, implementation can become very expensive. Litigation support services also receive significant benefits from a solid plan with up-front pricing for each stage in the EDRM process. With a predictable cost of ownership model, implementation is included in the original estimate, also at a single cost. This means that the company which rolled out your software is the same one you're working with on a daily basis. Your software provider isn't just an expert in their own application, they thoroughly understand how the tool fits into your business and workflows.



Predictable Cost of Ownership

A Strong Foundation Means Partnership

While predictable cost of ownership is an objective measure of how much a software application will cost over time, it's also a measure of the relationship that you'll have with your software provider. The predictive cost of ownership model isn't a way to make the most money, or provide the cheapest service – it's the best way for us to partner with you. We've been partnering with our clients to help them create more efficient legal departments and law firms for over 40 years, and you can predict that will keep happening well into the future.

FIVE YEAR FORECAST

		Other	Considerations
Monthly Hosting Fee	\$5,000	\$5,000	Secure Data Storage with 24/7 access from any web-enabled device
Custom Design Work	\$0	\$20,000	Adding new fields, templates, screens, or workflows to existing design over 5 years
1 custom report per year	\$0	\$50,000	Creating a new management report and adding it to an auto-scheduled distribution list
Upgrade to latest version	\$0	\$50,000	The latest and greatest version may require upgrades
Conversion and Implementating latest version	\$0	\$40,000	Upgrades may require specialists to convert, prepare & execute
Tech Support	\$0	\$6,250	Expect 10 calls per year at \$125.00 per call over 5 years
Total	\$300,000	\$466,250	Predictable Cost of Ownership means knowing your cost at Day 1