

Google Automates Accruals with Tracker; Slashes Collection Time, Gains Detailed Financial Analysis

CASE STUDY

Google Inc.

Google Inc. is a multi-billion dollar corporation with more than 20,000 employees worldwide. The company maintains the world's largest online index of Web sites and other content and makes that information available freely through its search technology. Headquartered in Mountain View, California, Google has offices around the world.



► The Challenge

Google's stated mission is "organizing the world's information and making it universally accessible and useful." But when it came to collecting and analyzing monthly accruals—unbilled time and pending invoices from outside law firms—Google faced a serious information management problem. "We used to collect accruals from only 10 firms using spreadsheet templates, and for the rest of our firms and smaller vendors, we had to estimate using run rates," said Zheng Wan, Google Senior Financial Analyst.

To complete the process, which took up to four days every month, Google had to pursue the data from firms who often would not have their financials ready on time; compile hundreds of run-rate estimates; and manually enter all the data into a separate workbook where they could complete only limited data analysis. "We didn't have the capability to break down the numbers by matter without manually scrolling through hundreds of invoices," Wan said. "It was really painful."

► The Solution

The Tracker Accruals module leverages Tracker's e-billing tools to provide the legal industry's only automated accruals collection and reporting system. Because Google already relied on Tracker for e-billing, the company could begin a phased rollout of the Accruals module with little more than a few mouse clicks.

"Most importantly, we get more accurate numbers from our firms, and we can break the data down by matter, which is the information we really want to see."

- Zheng Wan

So far, the results are impressive. Google now can aggregate and parse data where it was impossible before. Accruals information collected by Tracker enables detailed reports that pinpoint spending forecasts for individual matters—even those with multiple firms contributing accruals. In addition, the Tracker Accruals module reduced Google's accrual collection and management time by half, and they now have at least 75 firms who report real data, instead of relying on run-rates.

Based on the rollout to their largest firms, Google is implementing Tracker Accruals worldwide. "The Accruals system has been great for us," said Wan. "We expect even better results as we get more of our international firms and vendors on board."

► The Serengeti Advantage

According to the 2008 ACC/Serengeti Managing Outside Counsel Survey, an increasing number of law departments are being required to provide accruals to finance. This additional scrutiny results in more work for law departments, which must collect law firm work-in-progress (WIP) and invoices received but not yet approved. Serengeti automates the process with email reminders, direct law firm input of WIP, and pre-configured reporting. The result is a process that saves time and helps meet fiscal accountability requirements, including Sarbanes-Oxley compliance.

"One unexpected benefit of using the Accruals module is that, thanks to the automatic monthly reminders, we can more effectively enforce policies among our in-house attorneys as well as our firms. We find that the more Tracker features we use, the better we can manage our legal processes overall."

Mary Shen O'Carroll
Legal Operations Manager
Google Inc.

"I use Serengeti Tracker to submit unbilled time every month. From the Kilpatrick Stockton Law Firm perspective, the automated system is definitely the quickest, easiest way to handle accruals. Once the attorneys approve the time, I just enter the amounts, click the save button, and it's done—I don't have to think about it anymore."

Andrea Williams
Senior Billing Specialist
Kilpatrick Stockton LLP