

Spanish Broadcasting System Tunes in to Serengeti: Adopts Best Practices; Updates Management Processes

CASE STUDY

Spanish Broadcasting System, Inc.

Spanish Broadcasting System, Inc. (SBS) is the largest publicly traded Hispanic-controlled media and entertainment company in the U.S. SBS owns and/or operates 21 radio stations located in the top U.S. Hispanic markets. It also owns and operates Mega TV.



► The Challenge

Although Spanish Broadcasting System (SBS) operates some of the country's most successful radio stations, its legal department needed to update its playlist. "We didn't have a way to implement best practices, and our processes weren't streamlined," said Jared B. Namm, SBS Associate Counsel.

In fact, the team was using a cumbersome mix of email, spreadsheets, and piles of paper to handle its legal billing. Not only was information hard to find, but because firms provided matter and financial data sporadically and in various formats, the only method for creating reports was for the SBS team to manually retype data into spreadsheets.

Worse, other key billing processes were nonexistent. For example, there was no procedure for enforcing billing guidelines, and the legal team often didn't handle its own billing issues. Invoice markdowns and rejections—and the resulting conversations with firms—were handled by AP, which eroded working relationships with outside counsel and led to discrepancies between law department reports and those issued by Finance.

► The Serengeti Advantage

Each year, Serengeti and the Association of Corporate Counsel (ACC) publish the "ACC/Serengeti Managing Outside Counsel Survey," in which hundreds of companies report on best practices for managing outside legal work. The survey consistently shows that techniques such as using electronic bill review and auditing, establishing billing guidelines, and requiring budgets result in reduced spending while improving relationships and results. Serengeti draws on this research as well as feedback from 120,000+ users to develop features that enable law departments and law firms to implement best practices easily and affordably.

► The Solution

SBS implemented Serengeti and saw results almost immediately. "We knew that best practices like budgets, negotiated fee discounts and billing guidelines would cut costs," said Namm. "With all of our firms connected to Serengeti, we finally had the tools to enforce those initiatives." For example, Serengeti ensures that required budgets and status reports are entered by firms and that SBS never pays for expenses or rates disallowed by the SBS billing guidelines. "If a bill is reduced or rejected, Serengeti automatically notifies the firm, opening the lines of communication," said Namm.

And with firms entering information directly into Serengeti, SBS has eliminated its time-consuming data re-entry and spreadsheet maintenance. Also, Serengeti's reports are always up-to-date, so the law department's spending figures no longer conflict with Finance.

In addition, now that SBS pays its legal bills far more quickly, the company receives "speedy pay" discounts while improving its working relationships with firms. "The more we use Serengeti, the more benefits we see across our entire practice. The ROI has been impressive," Namm said.

"With Serengeti, we've been empowered to control every aspect of our legal work, including where and how all legal fees and expenses are allocated."

Melanie Montenegro
Corporate Counsel
Spanish Broadcasting System, Inc.

"Serengeti offers a number of benefits. First, the billing process is streamlined. Second, if it requires the formulation of a budget in advance of the work, you're compelled to analyze the likely cost of the litigation at an earlier stage. This both dictates strategy and provides the client with a reasonable estimate of the likely costs. Additionally, the routine status updates provide the client with both a road map and greater insight into pending work. We've found that the more information clients have, the more satisfied they are with our work, and the stronger the overall relationship."

James Sammataro
Partner
Kasowitz, Benson, Torres & Friedman LLP