

2025 Outside Counsel Benchmarking Report

MAY 2025

brightflag

In-house leaders need trusted outside counsel partners—firms that not only bring the right expertise, but do so efficiently and in lockstep with your strategic goals.

Yet many in-house teams lack the data and tools to confidently assess outside counsel performance, benchmark them against their peers, and negotiate favorable terms.

Brightflag's AI-powered enterprise legal management (ELM) platform has helped hundreds of legal teams bridge this gap.

By analyzing billions of dollars in legal spend annually, we've developed a unique perspective on outside counsel management. This report distills those insights into benchmarks and best practices designed to help you take control of your outside counsel relationships.

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Focus on What Moves the Needle

PRIORITIZE YOUR TOP 20 MATTERS

Brightflag data shows that the top 20 matters typically account for 75% of legal spend. Prioritizing these matters in your outside counsel management strategy yields the highest impact.

75%

of spend comes from the top 20 matters

To optimize each of these high-value matters:

- **Set and track matter budgets:** Teams that set matter budgets are **35% more likely** to stay within their overall annual legal budget.
- **Agree on timekeeper rates:** The rates of top US firms **rose 10% in 2024**, and our initial research suggests a similar increase in 2025. Agreeing on rates upfront gives you a clear baseline to assess future increases and keep spend under control.
- **Monitor resourcing:** Ensuring fee earners are assigned to work at the top of their skill set—and that senior staff are not working on lower-complexity work—is key. (See details in the next section.)

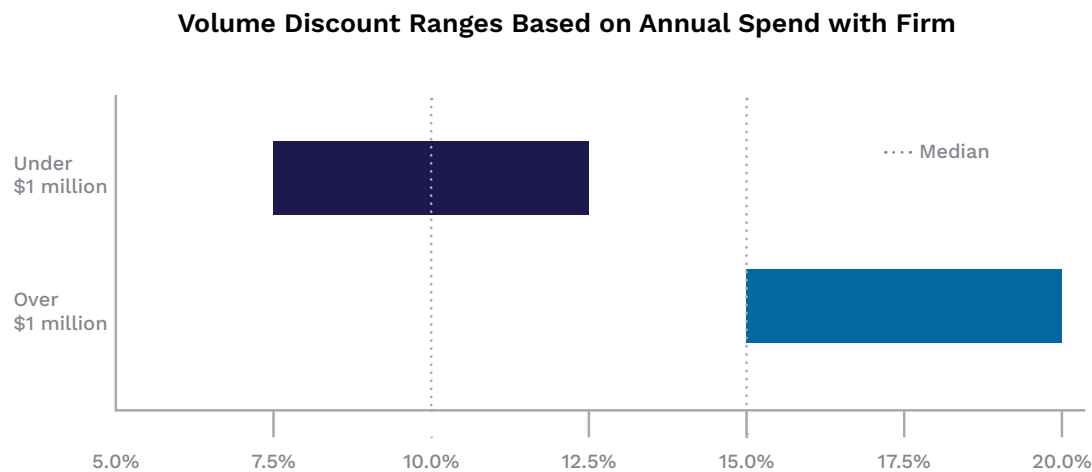
✦ Brightflag AI surfaces historical data on similar matters to guide budget, rate, and resourcing decisions.

Specific-Task Breakdown	Matter 1				Matter 2				Matter 3				Average		
	Novopharm Solutions v. BrandImpa				Novopharm Solutions v. RetailWork				MedHealth v. Novopharm Solutions						
	Portion	Hours	Avg. Rate	Fee	Portion	Hours	Avg. Rate	Fee	Portion	Hours	Avg. Rate	Fee	Hours	Fee	
› L100 Case Assessment, Development and Administration	40%	227	\$1,203	\$318,739	70%	141	\$620	\$101,113	22%	137	\$1,211	\$175,646	168	\$198,499	
› L200 Pre-Trial Pleadings and Motions	5%	27	\$1,228	\$36,839	10%	20	\$366	\$14,282	3%	19	\$2,153	\$21,528	22	\$24,216	
› L300 Discovery	19%	156	\$867	\$151,754	16%	33	\$634	\$22,817	9%	63	\$912	\$72,995	84	\$82,522	
› L400 Trial Preparation and Trial	36%	208	\$1,165	\$291,271	5%	9	\$350	\$6,649	66%	457	\$1,303	\$534,130	225	\$277,350	

LEVERAGE VOLUME DISCOUNTS

Securing volume discounts with your top firms is a win-win: you can gain sizable savings, while your firm gets a guaranteed pipeline of work.

Brightflag customers typically agree a **10%** volume discount with firms they spend less than \$1 million with in a calendar year, and a **15%** discount when they spend above that.



Brightflag automatically tracks whether your discounts are applied as agreed.

Manage Volume Discounts

Date to track: Invoice Date

Jan 1, 2024 Dec 31, 2024 Fee minus discount

+ ADD BAND



Band 1 USD 0 to USD 1,000,000 10%



Band 2 USD 1,000,000 to USD 3,000,000 15%



Band 1 USD 3,000,000 to - 20%



+ ADD VOLUME DISCOUNT

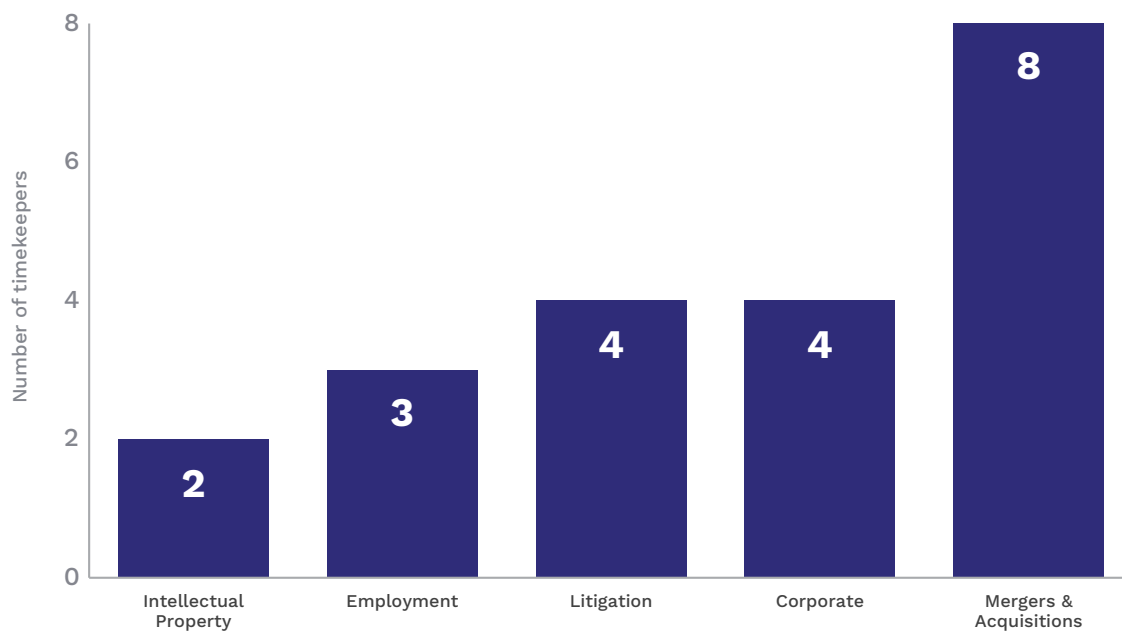
CLOSE

Get Resourcing Right

RIGHTSIZE YOUR OUTSIDE COUNSEL TEAMS

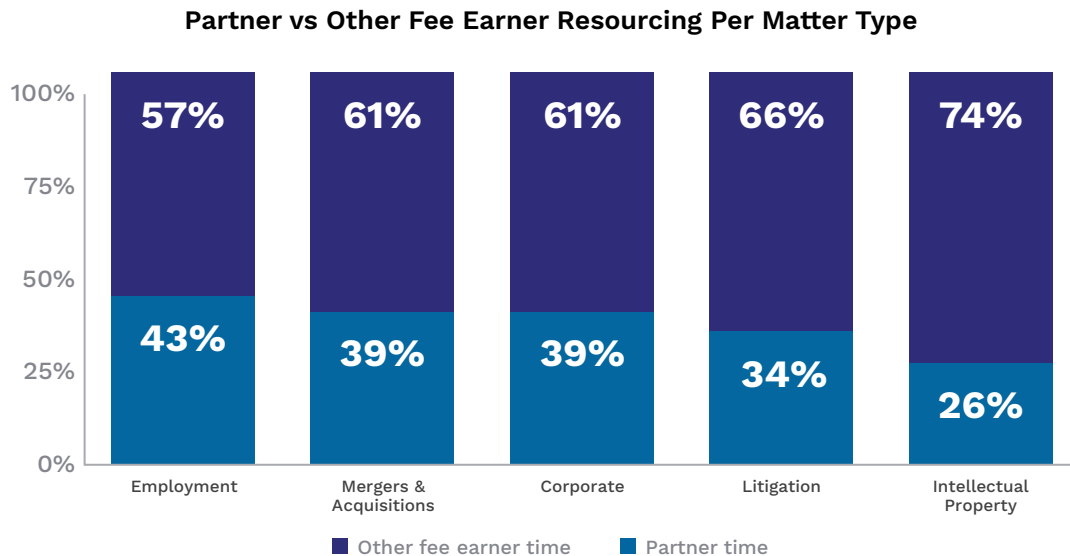
Rightsizing the teams engaged on your matters ensures work can be delivered efficiently. It minimizes unnecessary handoffs and coordination overhead. Encourage lean staffing, aligned to matter complexity, for the best results.

Average Outside Counsel Team Size Per Matter Type



MONITOR PARTNER TIME

Advice from seasoned partners adds immense value, but excessive partner time quickly drives up costs. [Brightflag's Rates Report](#) shows that partners in top firms bill at rates as much as 50% higher than associates. To keep costs in check, limit partner time to the level required for the matter.



Use Brightflag to keep track of the number of timekeepers working on a matter and the resourcing mix

Timekeeper Breakdown

- › Associate 54%
- › Partner 46%

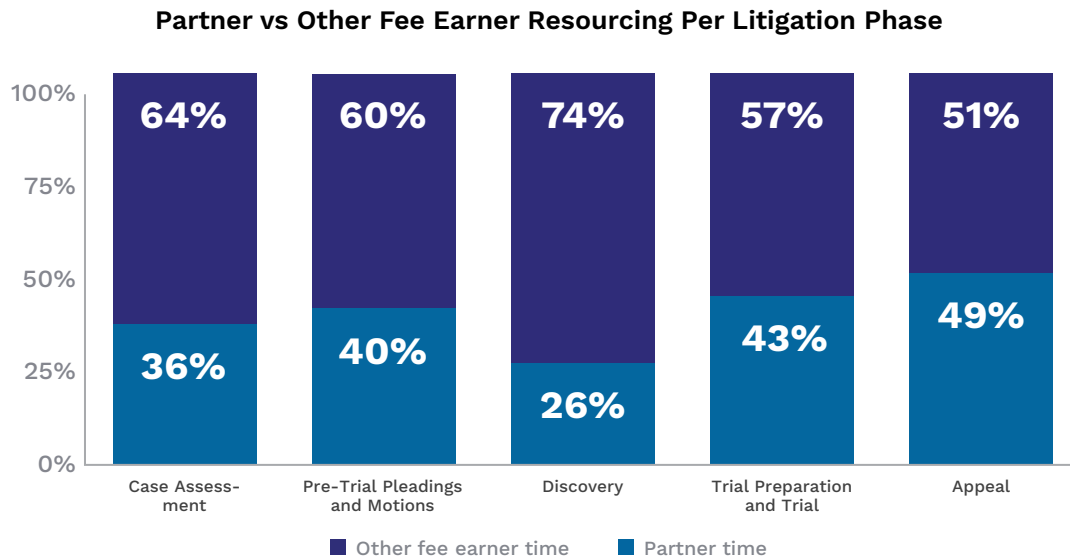
Timekeepers

Edward Vincent (PT)	Baker & Hostetler	Partner	\$274,625
Robert Downey (AS)	Baker & Hostetler	Associate	\$156,618
Sebastien Whitely (AS)	Baker & Hostetler	Associate	\$106,500
Jack Thorpe (PT)	Baker & Hostetler	Partner	\$62,495
Colm McGovern (AS)	Baker & Hostetler	Associate	\$61,100

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ALIGN RESOURCING WITH EACH MATTER PHASE

Partner involvement should taper during more tactical phases of work and intensify during strategic moments. Below, the chart shows the typical resourcing per phase of litigation. Partner time is, on average, much lower during discovery, when a larger proportion of work should be completed by junior resources.



✦ **Brightflag AI builds up a rich picture of work completed so you can easily assess resourcing by phase.**

Specific-Task Breakdown	Portion	Hours Billed	Rate Billed	Fee	
L100 Case Assessment, Development and Administration	22%	137	1,052	€ 163,095	
5 Associate	6%	48	874	€ 48,055	
3 Partner	15%	89	1,278	€ 115,040	
L200 Pre-Trial Pleadings and Motions	3%	19	2,000	€ 20,000	
1 Associate	2%	13	2,500	€ 12,500	
1 Partner	1%	6	1,500	€ 7,500	
L300 Discovery	9%	63	707	€ 67,802	
6 Associate	5%	39	786	€ 35,362	
2 Partner	4%	24	927	€ 32,440	
L400 Trial Preparation and Trial	66%	457	866	€ 496,077	
7 Associate	41%	309	1,060	€ 307,407	
3 Partner	25%	149	1,572	€ 188,670	

Monitor the Quality of Work

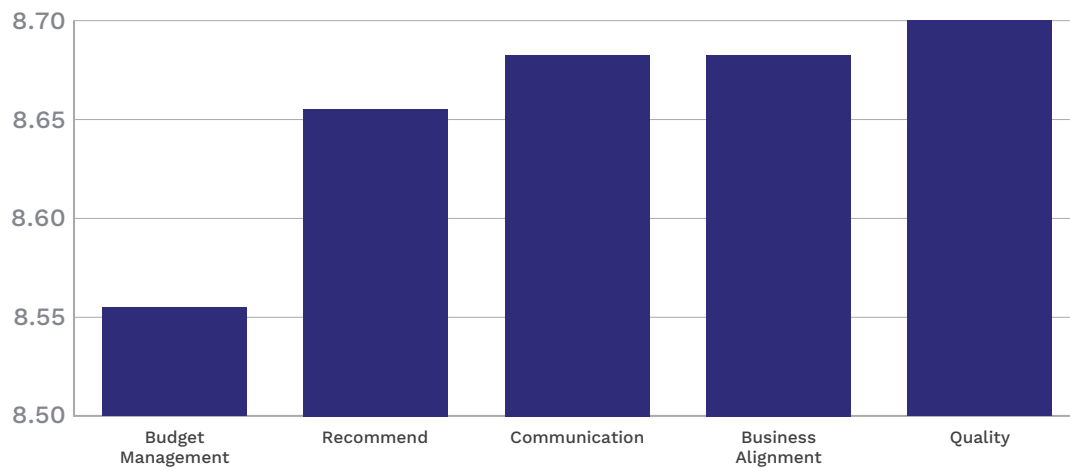
A short survey on matter closing is an effective way to assess outside counsel performance.

The outside counsel performance survey in Brightflag assesses performance across 5 dimensions:

- Budget adherence
- Business alignment
- Likelihood of recommending the firm for future work
- Work quality
- Communication

Below, the average scores for outside counsel across these dimensions are shown.

Qualitative Performance of Outside Counsel



Use the vendor performance scores to rank firms and inform future engagements.

Baker & Hostetler
Rated on 25 matters



DLA Piper
Rated on 32 matters



Fasken
Rated on 44 matters



Sidley Austin
Rated on 27 matters



- Communication
- Quality
- Business Alignment
- Budget Management
- Recommend

Monitor the Delivery of Work

Outside counsel management is never a one-and-done task. Ongoing monitoring of how work is delivered ensures expectations are met and spending stays aligned with value.

TOP BILLING ISSUES DETECTED BY BRIGHTFLAG AI

Brightflag AI reads every invoice line item to ensure work is delivered optimally. Here are the three most common issues in the billing data.



Excessive Internal Communications

Intra-firm communication is necessary to coordinate work, but excessive internal conferences can quickly become a value drain. It can also suggest that more fee earners are working on a matter than is optimal, requiring additional hand-offs and read-ins.

✦ **Benchmark:** Internal communications exceeding 15% of an invoice's total billed time should raise a flag for review.



Unapproved Research

Legal teams hire outside counsel for their specialist knowledge and expertise. They don't expect to pay for basic research into known areas of law. Significant time billed for research may also suggest that resourcing needs to be adjusted to leverage more senior or specialist fee earners.

✦ **Benchmark:** Research that hasn't been pre-approved should raise a flag for review.



Participation of Multiple Fee-Earners in Meetings/Calls

Meetings and calls with the in-house team and other parties make up a significant portion of spend on many matters. To keep costs in check, outside counsel should staff these meetings efficiently. Usually, it's most effective for one fee-earner to attend meetings and update their team members afterward.

✦ **Benchmark:** Billing for multiple fee earners on one call should raise a flag for review.

THE IMPORTANCE OF BILLING HYGIENE

Billing hygiene is the engine oil that keeps all the other parts of outside counsel management running smoothly. Without it, it's impossible to assess resourcing and work delivery accurately.

Here are the most common billing hygiene issues we see in the data:



Insufficient Narrative Detail

In-house teams need detailed descriptions of work performed to ensure that billed activities align with their instructions. It's not enough for a line item to just say 'phone call'—the reviewing attorney needs to know who the phone call was with and what it was about to determine if the charge is appropriate.

✦ Benchmark:

Line items without sufficient narrative detail provided should be automatically rejected back to the firm to correct.



Block Billing

Line items that read like novels are equally difficult to review. They make it difficult to assess how much time was spent on each task, and to separate out work that was unnecessary or took longer than it should have.

✦ Benchmark: Block billed

line items should be automatically rejected back to the firm to correct.



Late Billing

Late billing makes it harder to review invoices because the reviewing attorney needs to scour their memory to assess whether the work has been billed as expected. It also causes major pain for your finance team, for whom booking and paying invoices in a timely manner is a key objective.

✦ Benchmark: Apply a 10%

reduction to invoices that are over 30 days late. Reject invoices that are over six months late.



Accrual Compliance

Another area that can cause headaches for both legal and finance: no one wants to chase vendors for accruals every month.

✦ **Benchmark:** Accruals should be received on over 80% of open matters each month. Speak with the relationship partner at firms with repeated submission compliance issues to ensure the issue is addressed.

✦ Brightflag AI automatically identifies and flags these anomalies for review.

Flags

USD 22,622

☐	Internal Communications	13%	19,067
☐	Participation at meetings/on c...	1%	2,495
☐	Research	<1%	1,060

↗ EXPAND

Benchmark Your Outside Counsel

Get the best outcomes by comparing your outside counsel against others performing similar work for you. This will help you choose which firms to send more work to and facilitate constructive, data-driven conversations to improve outcomes.

All of the metrics mentioned in this report can be used in benchmarking. We suggest creating a scorecard that includes the most important metrics to your legal team.

Here's a sample card that Brightflag's Customer Insights team helped a customer prepare:

Resourcing	43% of spend at partner level	Average partner rate = \$802	Overall blended rate = \$588	3.5	Scale > 1–5
Qualitative	Business alignment = 9/10	Communication = 8/10	Budget adherence = 7/10	4	Overall Scoring: 3.8
Work Delivery	Research = .5% of legal spend	Internal communication = 20% of spend	70% of matters within Budget	3	
Billing Hygiene	10% of line items have insufficient detail	3.5% of spend flagged as block billing	85% invoices billed within 30 days	4	

Conclusion

Effective outside counsel relationships are essential to delivering high-quality legal services to your business. But managing those relationships without data means you're operating in the dark.

Start with quick wins that move the needle to improve your outside counsel management, then look at resourcing, work quality, and work delivery to drive better outcomes.

Brightflag's AI-powered ELM platform acts as an extension of your team—analyzing every invoice, tracking performance metrics, and delivering insights that elevate your legal operations. To learn more about how Brightflag can help you improve outside counsel management, [schedule a demo](#).



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