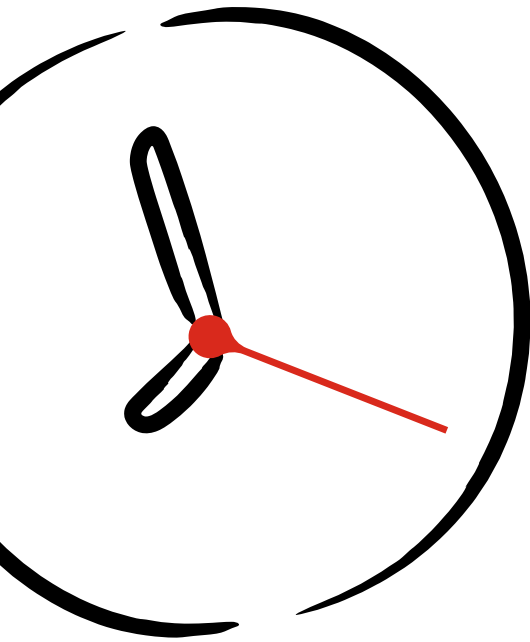


# Litigation Management Diagnostic Tool



## Know where you stand...

As the executive in charge of your organization's legal affairs, you need to have a clear and up to date picture of your litigation risks that allows you to quickly understand and prevent litigation generated by your company's commercial activity.

Do you know where you stand?

Take a few minutes to complete this diagnostic and find out.

- 1. Our organization is annually involved in**  
a) 0 – 4 litigation files      b) 5 – 9 litigation files      c) 10 and +
- 2. These litigation files have a significant impact on the organization's financial performance**  
*They generate judgments or out-of-court settlement affecting our profits*  
a) Yes                              b) No                              c) Uncertain  
*They force us to set aside significant loss reserves, which could be invested in strategic and priority projects*  
a) Yes                              b) No                              c) Uncertain
- 3. These litigations involve risks which could negatively impact our organization's reputation**  
a) Yes                              b) No                              c) Uncertain
- 4. In order to adequately or optimally manage litigation, our organization:**  
*Has competent resources but if they manage litigation, they have little or no time to devote to priorities or strategic files*  
a) Yes                              b) No                              c) Uncertain  
*Does not have competent or experienced resources for litigation management*  
a) Yes                              b) No                              c) Uncertain
- 5. Our business has recurrent litigation matters or sources**  
a) Yes                              b) No                              c) Uncertain  
**If your answer is yes:**  
*We are unable to identify the probable source(s) for these recurring litigation files*  
a) Yes                              b) No                              c) Uncertain  
*We have identified the source(s) generating these recurring litigation files; however, we have not implemented the necessary tools to prevent and minimize them*  
a) Yes                              b) No                              c) Uncertain  
*We have identified the source(s) of these litigations and we plan to set up and implement tools to prevent or minimize these recurring litigation*  
a) Yes                              b) No                              c) Uncertain

## Results

**Question 1:** Canadian organizations spend an average of 0.26% of their revenue on legal fees. It's enormous. Only American businesses spend more, with an average of 0.39%. The world average is 0.23%. This percentage is much higher for organizations generating a revenue of \$500 million and less. With a 0.46% total in legal fees, these organizations are spending twice the world average.<sup>1</sup>

- *If you checked "a", you have a manageable volume of litigation that must be closely monitored, according to their complexity and the organization's challenges.*
- *If you checked "b", there is a risk of overflow which could lead to a surplus of work for the legal team and generate substantial costs.*
- *If you checked "c", an intervention is necessary to identify and prioritize your litigation files, in order to quickly understand their nature and act accordingly to prevent those that could present a material risk to the organization.*

<sup>1</sup>Source: Acritas Research, Global Legal Spend for Companies, 2019

**Question 2:** Solid litigation management determines a priority of their status, updates the litigation amount and identifies the outside counsel in charge, the chances of success, etc. This allows you to promptly settle litigation (before legal proceedings) to avoid legal costs and wasted time.

It also allows you to accurately assess loss reserves, which will strengthen the organization's management and financial performance.

**Question 3:** In the era of social media, the organization's reputation and brand image is important, but also fragile. It takes very little to jeopardize them and cause strategic and financial damages. In this context, litigation management is a powerful risk management tool, adding an additional level of protection.

- *If you checked "a" or "c", setting up a litigation management service is strongly advised.*

**Question 4:** Our experience shows that most organizations entrust their litigation management to resources lacking the necessary skills and/or experience, such as lawyers who have been bar members for less than 5 years or non-lawyers. This results in a deficient management that can hinder the proceedings and the litigation's favorable resolution, as well as communications with outside counsel.

- *If your skilled and qualified resources are already busy or overwhelmed, litigation management will suffer, and it will increase the risks and costs.*

**Question 5:** A key element of good litigation management is the identification of policies, processes or actions that can generate recurring litigation. Effective litigation management will allow you to directly address the source of the problem and reduce the number of active files by eliminating problematic business practices that generate recurring and often avoidable litigation.

- *If you checked "a", you have a problem that generates avoidable costs which would be important to resolve.*
- *If you checked "b", you are aware of the problem, but other priorities are taking up your resources. This represents a risk for the organization.*

If you plan on acting, the Delegatus litigation management team has the expertise and experience to develop and implement these tools.



## Your expert

M<sup>re</sup> Sophie Barry has 16 years' experience in civil and commercial litigation, including several years with an international law firm. Her legal practice extends to all aspects of litigation, including alternative dispute resolution methods. She is driven by the desire to find practical solutions, which leads her off the beaten path and brings measurable added value to her clients.

Depending on the nature and complexity of the file, M<sup>re</sup> Barry calls upon the assistance of junior lawyers from the collective having a minimum of three years' experience, paralegals and assistants.

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