MONTHLY METRICS - A CLOC SURVEY SERIES
PREFERRED PROVIDER PROGRAMS
Summary Results
| 03 | Survey Representation |
| 04 | Quick Stats |
| 05 | Company Size Breakdown |
| 06 | Cost Savings: Motivation for Program |
| 07 | Length of Program |
| 08 | RFP Tools for Preferred Provider Selection |
| 09 | In House Firm Selection Requirements |
| 10 | Program Management & Support |
| 11 | Number of Firms in Program |
| 12 | Business Reviews of Preferred Firms |
| 13 | Satisfaction with Program |
Survey Representation

149 members represented
18% of CLOC Member Companies
Quick Stats

50%
Of law dept’s have a preferred provider program

3
median number of years law dept’s have had a preferred provider program

12%
Of law dept’s work exclusively with firms in their preferred provider program

23%
average estimated savings for law dept’s with a preferred provider program

Do you have a preferred provider program?

No
51.0%

Yes
49.0%
Company Size

Respondent Company Size Breakdown

- **Small**: < $1B revenue (12.8%)
- **Medium**: $1B-$9.9B revenue (36.9%)
- **Large**: $10B+ revenue (50.3%)
Cost Savings: Motivation for Preferred Provider Program

Top three reasons for creating preferred provider program:

1) To secure better rates
2) To save money
3) To secure better spend predictability

How much do you estimate you have saved (% of spend) through your preferred provider program?

OVERALL, RESPONDENTS LEVERAGE 74% OF THEIR OUTSIDE SPEND WITH PREFERRED FIRMS

38% of respondents have saved 20%+ through their preferred provider program.
Length of Preferred Provider Program

How many years have you had a preferred provider program?

Median number of years (3)
Did you use an RFP tool to select your firms?

A majority of respondents use an in house or internal RFP tool to select firms for their preferred provider program.

7 in 10 respondents indicated law firm diversity accounted for at least 50% of their decision to select firms for their program.
In House Firm Selection Requirements

Do you have a policy defining when your preferred panel firms must be used?

56% of respondents have a policy defining when firms outside of their preferred provider program can be used.
Who manages your program?

- Legal Operations: 63.0%
- Various team members: 21.7%
- General Counsel: 8.7%
- A member of GC Staff: 4.3%
- Other (explain here): 2.2%

Legal Operations teams manage 2 in 3 preferred provider programs.

Does your General Counsel actively support your program?

- Yes: 91.7%
- No: 8.3%
Number of Firms in Program

How many firms are in your program?

100+ Firms: 8.3%
51-100 Firms: 12.5%
30-50 Firms: 10.4%
21-30 Firms: 14.6%
11-20 Firms: 14.6%
1-10 Firms: 39.6%

13
Average number of substantive areas of law covered by preferred provider firms
On a 1-100 scale, how happy are you with your program?

- 81-100% (High): 34.2%
- 61-80%: 34.2%
- 51-60%: 23.7%
- 41-50%: 10.5%
- 1-20% (Low): 15.8%

Of respondents would create a preferred provider program, knowing what they know now, 92%
Business Reviews of Preferred Provider Program Firms

Do you perform business reviews with firms in your program?

- Yes: 66.7%
- Maybe: 23.1%
- No: 10.3%

How often do you review firms in your program?

- Yearly: 62.1%
- Semi-Annually: 3.4%
- Quarterly: 17.2%
- Ad Hoc: 17.2%
Be on the lookout for CLOC’s next monthly metrics in September!