

How Lufthansa Group Confidently Controls Its Global Legal Spend



Business Background

Lufthansa Group's legal operations team began 2020 with a clear resolution for the new year: **considerably increase control over the company's legal spend**. Alongside that vision was a plan for how their approach to outside counsel engagement would fundamentally have to change.

The first friction point to address was invoicing. Increasingly, Law firms were becoming vocal critics of Lufthansa's chosen billing software, often citing confusing interfaces that provided poor visibility into how rejection rules were enforced.



Lufthansa

- Global aviation group
- 105,000+ employees
- 500+ subsidiaries
- 330+ law firms
- 150+ in-house lawyers
- 100+ operating countries

That frustration would then lead to lengthy back-and-forth conversations with in-house counterparts and, in some cases, law firms bypassing the software altogether.

“We realized that the law firm dissatisfaction, coupled with a lack of advanced analytics, would always hold us back from becoming the efficient, data-driven team we aim to be,” explained Dr. Hans-Joachim Arnold, former Vice President of General Legal Affairs at Lufthansa Group.

The team took its first transformative step in February 2020 by initiating an RFP for a **comprehensive legal matter and spend management solution**. In order to get a new system up and running as quickly as possible, they invited a shortlist of leading platforms, including Brightflag, to participate.

A Partner With a Plan

Early on in its evaluation process, Lufthansa became very interested in Brightflag’s technological approach. The modern design of the software seemed likely to alleviate law firm users’ frustrations and the AI engine stood out as a powerful solution to in-house efficiency concerns. But it was ultimately the Brightflag team that inspired full confidence in the initiative.

“Brightflag’s proof-of-concept presentation was a real eye-opener, both in terms of how quickly Brightflag moved to make it possible and how thoughtful their recommendations were throughout,” noted Arnold. “It created confidence that they were a partner capable of responding to the unpredictable business climate of the moment while guiding us toward our long-term vision.”

After Brightflag was officially selected as the vendor of choice and contracting was complete, implementation began in earnest. Key work flows were configured within the platform, more than five years’ worth of historical matter data was migrated, and both in-house staff and outside counsel received personalized training. **Six weeks** after implementation began, and one day ahead of a July 1 target, the platform was fully operational for Lufthansa.

From Vision to Value

By the end of the third quarter, the team’s 2020 vision was several steps closer to reality. A complete and accurate snapshot of global outside counsel spend was now available at a glance. And with core reports now



Brightflag’s AI-powered technology and exceptional customer success team have enabled us to take large strides in gaining control over our legal operations”

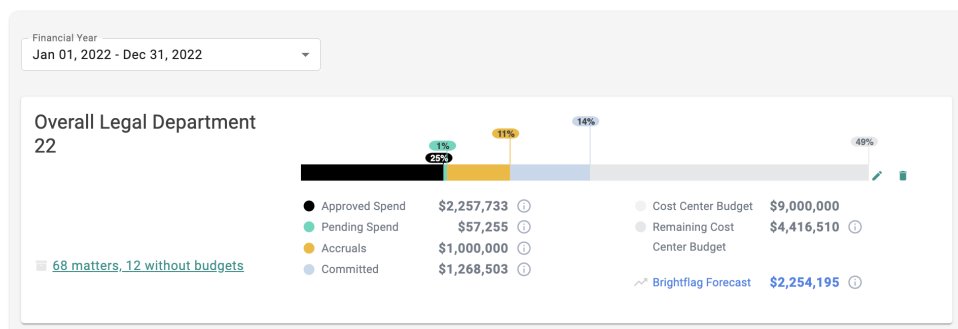
Dr. Hans-Joachim Arnold
Former Vice President of General
Legal Affairs, Lufthansa Group

gathered with significantly less effort, the team began to explore some of Brightflag's more sophisticated analytics, including department-level comparisons.

The overall transparency of the process soon facilitated a significant, and valuable, shift in law firm behavior. With billing violations now efficiently identified by Brightflag's AI engine, Lufthansa was able to increase guideline compliance among outside counsel by 5% in the span of a single business quarter.

Taking advantage of the technology's auto-reject function has also saved a considerable amount of time for in-house lawyers, as they no longer have to contend with the possibility of non-compliant invoices mistakenly making their way into a final approval queue.

Solidifying these legal operations fundamentals has paved the way for more proactive cost control measures as well. Since deploying Brightflag, Lufthansa has been able to **assign budgets to more than 80% of its matters** – a significant improvement from its 20% pre- implementation baseline. And by analyzing trends surfaced in Brightflag reports, the team identified several opportunities to negotiate volume-based discounts — **netting a nearly six-figure savings in one case.**



Now two years into their Brightflag partnership, Lufthansa's 150+ in-house lawyers are feeling more confident than ever in the value generated across the 300+ working relationships they collectively maintain with law firms around the world. And in 2022, Lufthansa was able to recoup the equivalent of its annual Brightflag subscription cost within the first **3 months** of the year under the lead of Legal Spend Manager Kathrin Veith.

"Brightflag's AI-powered technology and exceptional customer success team have enabled us to take large strides in gaining control over our legal operations," said Arnold. "We're excited to see where the partnership takes us as we expand adoption to other areas of Lufthansa and leverage additional functionality."

For resources and solutions to support your own legal ops success story, please visit brightflag.com

6 weeks
to implement
Brightflag

80%
of legal matters have
defined budgets

3 months
to recoup annual
software cost