



LEGAL SPEND WITH NO SURPRISES

IEQT

Customer Story

EQT is one of the world's largest investment organisations with 17 active funds and around €52 billion assets under management. The firm has over 700 staff, with offices in 17 countries worldwide, operating across multiple sectors and investment strategies.



Paul Dali is the Managing Director of Legal, and has been using Apperio's legal spend tracking and analytics software within EQT since 2019.

"We're working regularly with 60 law firms globally as part of our panel. The firms we have connected with Apperio represent the lion's share of our annual legal fees.

"Our business is divided into three main areas when it comes to legal: fundraising, transactions and group legal spend. Our cost focus within each of the three areas varies somewhat, and with Apperio we have the tools to make relevant breakdowns on spend."

Paul Dali explains why this focus has helped EQT to bring cost efficiencies and ensure their law firms are offering good value to their organisation.

"With increased regulatory and in-house requirements, our investors are asking for more and more exceptions from the standard fund documents. With 500 investor interactions in a fundraising, the legal counsel costs for agreeing such terms can easily get out of proportion. We are using Apperio to track the legal fees associated with such investor negotiations."

"With Apperio's assistance we're looking into this area much more carefully. So far, we've found that there can be a huge difference in costs between different investors and funds. While some investors will always incur higher legal fees than others, there are some that don't seem to follow a specific pattern."

For both fundraising and group legal spend, Apperio helps EQT's team of eight in-house lawyers with improved visibility of costs from connected law firms.

This allows the investment firm to ensure there is a strong, trusted and efficient working relationship with their external counsel.

"In the beginning, we asked law firms to send us manual reports by email. Using Apperio to compare our spend against these reports, we could see there were gaps that couldn't easily be explained.

"As well as now preventing this situation, Apperio has also made it easier and more efficient for us to keep track of legal spend without having to ask for updates. Our work can now be followed by logging in and seeing this directly in Apperio. We now see law firms who use Apperio making sure their teams complete time entries promptly. Previously there could be a gap of weeks, and fees would suddenly unexpectedly jump. For EQT transparency and predictability are key when it comes to legal spend.

"We have a number of development initiatives with our law firms, and are pushing them on various things including diversity and their use of digital tools. There's always a resistance to change in any industry, particularly one already making a lot of money such as legal. However in discussions with our firms, most are now interested in being at the forefront of change, and in the last five years have become much quicker in adapting to what we need.

“ Using Apperio... we could see there were gaps that couldn't easily be explained. ”

"I actually think there is a business case for Apperio within law firms. They could use this as a tool for their clients to log on and see how matters have progressed, rather than having these tedious email reports and manual extracts. I think the firms we work with have come to realise that we're not using Apperio to look at their hourly rates or individual narratives each day - we're looking at the total picture and managing by exception."

With ever-increasing scrutiny and new financial transparency requirements on organisations, EQT rely on innovative technologies such as Apperio to enable reporting that would not otherwise be possible.

"Apperio facilitates a lot of our financial reporting, and being a listed company means we need to report every month on areas such as accrued fees. We've managed to remove a lot of emails by using Apperio for around 90% of these tasks - and that's far more efficient.

“Our transparency requirements are driven by stock exchange requirements as well as our investors. With digital transformation, there is a requirement for more speedy, more detailed updates. Compared to what legal can report on now, ten or twenty years ago this would not have been possible. Maybe on a semi-annual basis you could pull certain figures with around 80% confidence, but using these and other finance tools, such reports can be completed monthly with 95% or higher accuracy. This is now what the market, and therefore our internal finance team, requires.”

Looking to the future, EQT also has an interest in finding increasingly efficient ways to keep down the legal costs of M&A transactions.

“Apperio will enable this for us by providing data-driven comparisons, for example to compare costs between different types of transactions. Over time, we are expecting to use Apperio to answer questions such as, ‘How much do we spend on transactions in a certain field, to improve our budget process and predictability?’.

“Today, nobody can accurately respond to these types of questions across the group as a whole. Transactions can be messy and hard to compare individually, so you need a lot of data to make meaningful comparisons. Over time I’m hoping Apperio can also be used by our transaction teams to track, monitor and compare their costs, both within individual transactions and across their overall spend.”

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As an investor in technology and innovation companies, EQT is proud to work closely with a number of startups and have been particularly pleased with the level of service provided by Apperio.

“Prior to using Apperio, we’d obviously identified an issue in legal spend but never really found a solution. We appreciate that Apperio will listen, question our needs and then deliver on promises where it makes sense for our aligned interests. This forms the basis of a great long-term partnership.”

To find out more about how Apperio can help improve the transparency and efficiency of your legal spend in fundraising, transactions and group legal, visit info.apperio.com/pe or please email info@apperio.com.



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