

# STRUCTURED INVOICE MANAGEMENT – IP FIRMS

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## FILING AND PROSECUTION: A MINEFIELD OF HIDDEN COSTS

Obtaining IP rights is key to your clients and you want to be able to accurately forecast their prosecution costs. As filing and prosecution typically takes a huge chunk out of your clients' IP budget, they demand fixed fees and lower costs.

However, offering fixed fees to your clients while you are being invoiced at an hourly rate by your local agents puts your firm at risk of working at reduced or even negative margins.

Moreover, a lot of human efforts are necessary to match and control these invoices, quickly overwhelming your team.

On top of those pains is a myriad of hidden costs (both direct and indirect) you may not think are significant but are putting even more pressure on your firm. Those costs can represent up to 15% of your total prosecution spend. Here are those hidden costs:



### Direct hidden costs

- **Overcharges:** the invoice does not match the agreed cost schedule
- **Duplicate charges:** being charged for the same work twice
- **Miscellaneous charges:** unexpected charges for food expenses, taxi rides, conference calls, copies, postage, etc...

### Indirect hidden costs

- **Invoice processing:** invoices quickly pile up, and matching line items with end clients for re-invoicing, as well as their controlling them takes a lot of time and effort.
- **International bank transfers:** every international bank transfer will incur additional bank charges
- **Foreign exchange:** you will receive invoices in multiple currencies, the best exchange rate is not always guaranteed
- **Payment terms:** you will not always have the best payment terms, which can put a strain on your working capital

## TACKLING HIDDEN COSTS

You probably already have a process to match and control invoices. You may even have an e-billing system to help you match invoices to the right case. These measures and tools can help you avoid some of the direct hidden costs, such as duplicate charges.

However, this actually creates a hidden cost as your paralegals and attorneys need to spend time controlling and validating invoices. This time is not spent on more substantive work.

Moreover, you will still incur most of the indirect hidden costs, such as high foreign currency exchange rates, bank transfer charges, and the strain on your working capital due to unfavourable payment terms on your invoices.

## HOW WE CAN HELP

**We can help you save up to 15% of your total prosecution spend with:**



### A structured schedule of fees

We liaise with your agents in all jurisdictions to help them transform their schedule of fees into a standardised one where all prosecution tasks have a defined fixed fee.



### Invoice control

We collect, handle and control all agents' invoices on your behalf.



### Invoice bundling

We consolidate invoices and re-invoice you on a monthly basis, in your preferred currency, format and split. Thanks to the details we provide, you can easily create your own detailed invoices with confidence.

## YOUR BENEFITS

- More control on your margins
- Mitigate the risks of being invoiced at an hourly rate while invoicing on a fixed fee model
- More informed decisions, demonstrate how decisions impact your client's overall budget
- Keep your agents and your relationships
- Easier and more accurate prosecution cost forecast
- Better payment terms, taking pressure off your working capital
- Better foreign exchange rates
- Reduced frequency of international bank transfer charges
- Reduced administrative invoice processing costs

Additionally:

- Receive complementary statistics for more refined budgeting.

### BUSINESS CASE: WHAT IS THE TOTAL HIDDEN COST?

Here is the case of an IP firm executing on average **250 filings annually in 10 major jurisdictions.**

An analysis of their invoices revealed that the hidden costs represented more than **13 percent** of the firm's total annual filing and prosecution costs.

Prosecution cost	\$2,288k
Hidden cost	\$351k

**Total filing & prosecution costs \$2,639k**

Duplicate & overcharges	\$57k
Miscellaneous charges	\$77k
Invoice processing	\$94k
International bank transfer charges	\$31k
Foreign exchange	\$92k

**Total - Hidden costs \$351k**

