



Anglo American

Legal Department Optimization case study



Anglo American reduces external legal costs by 50% thanks to Exigent's smart thinking

The world's largest mining company needed to cut costs and drive efficiencies. With a smart strategy from Exigent combining technology, people, and processes, the firm achieved dramatic results – a 50% reduction in legal costs.

With a mandate from management to cut costs and reshape the organization for maximum efficiency, Anglo American, the world's largest mining company based in South Africa, enlisted Exigent to optimize its legal department and align it to the wider company's efficiency strategy.

The Anglo legal team was facing increasing demands, as well as a radical reshaping of the business to be leaner and more flexible. Realizing that this was a chance to deliver market-leading change that would serve Anglo long term, Exigent proposed a strategy that combined process mapping, legal spend analysis, opportunity analysis, and the delivery of a dedicated onsite team.

The long-term strategy has already started to show dividends, reducing both the costs of the market-induced rationalization and sale process, as well as external legal costs by 50% each. This unique and strategic partnership means the processes put in place now ensure the company has a robust lean structure supported by flexible advisors and resources to take it into the future.

Reduction in legal costs by

50%

Improvement in contract turnaround times

7x

Challenge

Anglo was under pressure to cut costs and reshape all departments for maximum efficiency. Internal and external costs needed to be more flexible, scalable, and culturally aligned with a heavily cyclical international business. Yet, even in a downturn in commodity prices, the demands on the legal department were increasing.

The company had experienced a gradual disconnect between its supply chain and its legal department, so to achieve efficiency the overall challenge was to bring multiple legal departments together to deliver a cohesive service.

These departmental silos also caused other significant challenges, such as slow turnaround for documentation, reduced insight into the terms of the contractual relationships that Anglo was entering into and the gradual erosion of Anglo's "house style" driving a lack of consistency between agreements. And the siloing extended across the organization - with other departments avoiding interaction with legal because of the time it took to achieve what they required.

Also, like many legal departments, Anglo had insufficient capacity to process increasing volumes of instructions, and internal resource restrictions, which further exacerbated the challenges facing the legal department.

Solution

To help Anglo overcome these complex challenges, Exigent proposed a strategy that combined process mapping, legal spend analysis, opportunity analysis, and a dedicated onsite team.

Exigent's approach was based on the combination of predictive technology with an auditing and data analysis service for performance improvement and actionable business insight. To better understand where money was being spent across the legal departments, help the firm better negotiate with suppliers, and have a deeper insight into its cost structure, Exigent's legal spend tool - was deployed across all Anglo's global jurisdictions.

This tool also helped Anglo understand the quantity of external legal providers it was using. This insight enabled Anglo to incentivize those suppliers to work with Exigent legal services and align with Anglo's global re-organization efforts. Long-term partnership agreements were also devised to encourage cooperation between suppliers and further enhance efficiencies.

The company also leveraged Exigent's project management expertise in legal department optimization. This optimization process included a new resource model, secondments, consulting projects, and pilots that delivered a significant reduction in internal headcount replaced by lower-cost flexible resources on and off-site. The result is an innovative, cost-effective, and efficient delivery model spanning multiple workstreams.

To ensure the smooth running of the entire strategy, Anglo engaged Exigent both on-site and in Johannesburg to maximize impact and manage the project efficiently, and engage technology partners and internal stakeholders, which was a critical factor throughout the project.

The level of transformation happening within the organization meant that Anglo and Exigent needed to implement a change management strategy that included global engagement with new and existing suppliers and a program of cultural change that stretched beyond legal.

The effects of the joint strategic cost and efficiency program between Exigent and Anglo have been dramatic.

From a financial perspective, the project achieved a 50% reduction in external legal spend by combining optimized processes with enabling technology and allocating tasks to the appropriate resources. External spend was reduced by moving more work in-house and delivering selected services as part of the joint delivery program with Exigent. Genuine partnerships were forged to reduce the costs of the market-induced rationalization and sale process by 50% or more. And more importantly, it was fast, lean, and expertly managed by the joint Exigent Anglo teams.

Our new resource model delivered a significant reduction in internal headcount replaced by lower-cost flexible resources on and off-site leading to further savings and contributing to a 7x improvement in contract turnaround times, meaning Anglo can do business faster and with fewer bottlenecks.

Exigent Inform, the spend analytics tool, has given Anglo deep visibility of its legal spend, which enables the mining giant to implement a five-year strategy. Through the use of historical data about suppliers, and their ability to deliver on budget and on time, Anglo can plan for future expenditure in a much more accurate way.

The data and analytics that Exigent's technology provides empower Anglo to choose the legal providers that are more likely to stick to their quotes, delivery times, and final fees. This also means Anglo is in a stronger position when negotiating fees and agreements with suppliers.

Overall the program has not only driven dramatic cost-saving and efficiency gains, but it has also boosted legal's reputation, enhanced the department's commercial awareness, and given the company a powerful strategy to see it thrive well into the future.

Results and Outcome

"Managing external legal cost in a data-focused way was an incredibly important part of the journey with Exigent and we have reduced the total cost of external legal services by more than 50%."

- Kevin Lester, Head of Legal South Africa, Anglo American

For more information on how Exigent helped Anglo American revolutionize its legal departments [please watch our video here](#).

Exigent is a global alternative legal services provider operating at the intersection of law, business, and technology. For information about Exigent visit [exigent-group.com](https://www.exigent-group.com)

