

## CUSTOMER CASE STUDY



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### KEY BENEFITS

#### Attracts New Business

- ◆ Helps win clients with average billings of \$50,000 and lifetime values of hundreds of thousands of dollars.
- ◆ Generates referrals from clients impressed with responsiveness.

#### Improves Productivity

- ◆ Saves over 100 hours searching for information in a single venture capital transaction.

#### Facilitates Recruiting

- ◆ Helps attract "downtown" lawyers and control recruiting fees which average \$60K or more.

#### Reduces Risk of Errors

- ◆ Helps lower malpractice premiums by reducing the potential for errors.

### Corporate Focus helps Morse, Barnes-Brown & Pendleton, P.C. win on four key fronts:

1) competing for client business; 2) improving productivity; 3) recruiting talent; and 4) reducing risk.

The legal advisor to the company receiving one of the largest venture capital investments in 2004 — over \$70 million — was not a big law firm on Wall Street or in Boston's Financial District. Instead, it was a 30-attorney firm located on Boston's Route 128 technology corridor — Morse, Barnes-Brown & Pendleton, P.C.

Why this law firm? A big reason, says managing partner Donald Parker, is that the firm has a technology edge when handling the challenges of complex private equity financings. One key component of that technology is Corporate Focus.

Morse, Barnes-Brown & Pendleton uses Corporate Focus to track stock and option ownership, board of director resolutions, corporate filings, and other data that is vital to good corporate governance. But the product's real value, says Parker, is helping the law firm compete against far bigger rivals downtown. "Corporate Focus allows us to stay on par. It allows us to play with the big boys."

### A More Intelligent Response

Faster service has an obvious impact on the firm's ability to attract and retain clients, Parker says. But what counts most, both with clients and prospective clients, is superior legal competence.

Corporate Focus allows us to perform quickly and accurately," adds Parker. "But what it really does is enable us to give a richer, more informed, and more intelligent response to clients."

***"Corporate Focus allows us...to compete head-to-head and to win business."***

Equipped with better information, attorneys can use their knowledge on work that clients value most — coming up with solutions to their problems.

"If our people are running around looking to find out how many shares are outstanding or who the directors are, then they're spending their time thinking about the wrong things. What you want is a client that gets off the phone and says, 'Wow. That was impressive. I thought they were going to call back in five hours. Not only did they give me what I asked for on the spot, but they also answered a question that I wasn't even thinking about.'"

### Bottom Line Impact

Clients clearly understand the role technology plays in legal service. Merely mentioning technology in a new-business presentation has an effect. "It's a central point to us," states the firm's managing partner. "It appears in all our marketing materials. It's part of the oral presentations that we make and the pitches we go on. I've seen potential clients' eyebrows go up. They're impressed with the fact that we do it. But I think they are actually even more impressed that we talk about it. That means it's very important to us if we are saying that it is one of the key things we offer."

"Have we won business because of our technology platform?" Parker asks. "Absolutely."

Parker summarizes the role of Corporate Focus in the firm this way: "Corporate Focus allows

## ◆ Corporate Governance Records

Practice good corporate governance with immediate access to officers, directors, and other entity information

## ◆ Stock and Option Management

Reduce the complexity of stock and option transactions and create flexible cap tables

## ◆ Online Minute Books

Never lose a minute book with online governing documents and minutes

## ABOUT MORSE, BARNES-BROWN & PENDLETON, P.C.

Morse, Barnes-Brown & Pendleton, P.C. is a unique law firm that provides sophisticated legal services and practical advice to businesses, from technology start-ups to Fortune 500 companies. Their highly focused practice addresses the core legal needs of their clients: starting businesses, raising capital, licensing and protecting intellectual property, mergers and acquisitions, tax, immigration and employment. Offices are located in Waltham, Massachusetts, the heart of the New England technology community. For more information, visit <http://www.mbbp.com>.

us to be competitive and to keep our sophisticated business clients happy. It allows us to compete head-to-head and to win business. Our investments in products like Corporate Focus and our active use of them has gotten us where we are today."

## Productivity Boost

On the productivity front, he cites the \$70 million VC deal as a prime example.

"Corporate Focus played a critical role in that transaction," Parker says. "Our client knew it was going to be one of the biggest transactions of the year and that there were literally hundreds of private shareholders and option holders whose equity positions had to be coordinated very carefully. When you're talking about the stock holdings — not of eight equity holders but of hundreds — the whole question of getting it right within a reasonable period of time just becomes critical.

Without Corporate Focus, it would have taken our legal assistants several days and nights of coordinating who owned what and how much they owned. Corporate Focus saved hundreds of hours of data collection and complex calculations."

## "Getting a Good Lawyer in the Door"

Corporate Focus also helps attract another group of people critical to the law firm's success — highly qualified corporate law attorneys. In fact, virtually every one of the attorneys working at Morse, Barnes-Brown & Pendleton was recruited away from one of the larger Boston firms.

States Parker: "The people we hire from the big downtown law firms — whether they're associates or partners — are all very impressed when they see we have products like Corporate Focus. They're coming from practices in which that kind of technology is standard. They're accustomed to working with these types of rich software applications that support the sophisticated legal work that they are doing."

That effect also has a direct bottom line impact, Parker says.

"It is extremely hard to recruit a good lawyer. Getting a good lawyer in the door — unless you're lucky and a friend or business associate referred them — you're talking \$60,000 to \$70,000 in upfront costs to find the right person. If we don't use a headhunter, you're still probably talking \$10,000 to \$15,000 in the time people here spend making sure a potential candidate will work out."

## Avoiding Expensive Damage Control

Corporate Focus also helps the law firm avoid the errors that result in expensive damage control and litigation, not to mention higher malpractice insurance rates. That's another way the software impacts bottom line performance, Parker says.

"Data management is a critical part of our effort to control risk. When we were five attorneys, we could keep all this knowledge in our heads. Now at 30 attorneys, representing hundreds and hundreds of clients, we can't do that. In addition, our clients are more sophisticated. So, the fact we've got good strong database products like Corporate Focus gives us a lot of comfort."

That's comfort for the law firm, and for clients. "Capitalization can be enormously complicated," Parker says, "especially for venture-backed companies, once you add layer upon layer of venture capital financing. Preventing errors in the relative rights of shareholders and how that gets reported to the board — and the actions that the board takes — avoids negative consequences to the company and, of course, negative consequences for us."

Clearly, the impact of Corporate Focus shows how a corporate law boutique can use technology to compete effectively against much larger practices. The software is a key part of the firm's core value proposition: To deliver better service in the suburbs to high-tech companies than they would find downtown at higher prices.

**TWO STEP**®  
SOFTWARE

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