

The In-House eDiscovery Business Case Template

An invoice-backed financial model that converts twelve months of discovery spend into a break-even number your CFO can test, instead of a savings claim nobody can trace.

How to Use This Template

Most in-house eDiscovery proposals fail in the finance review rather than the legal one, because the savings figure cannot be traced back to an invoice. Work through four passes, in order. Each one produces a number or a position you can defend in the approval meeting.

- 1. Audit:** Split twelve months of invoices into the four buckets in Section 1. Estimates are fine where they are labelled as estimates. Guesses presented as figures are not.
- 2. Score:** Complete the readiness assessment in Section 2 and price every gap. A gap you name yourself reads as judgment. A gap someone else finds reads as a hole.
- 3. Model:** Build the five blocks in Section 3, then run the calculator in Section 4 and the stress tests in Section 5. Model the downside before anyone else does.
- 4. Sequence:** Use Section 6 to source the one figure your invoices cannot give you, then run the approval order in Section 7 so each stakeholder hears their own risk answered.

A NOTE ON SCOPE.

This template covers the technical workflow only: processing, early case assessment, review administration, and production. Substantive legal review stays with counsel and sits outside the comparison on both sides. Counting retained legal work as a saving is the most common reason a business case fails in finance.

This template will not tell you that in-house is always the right answer. If you have only a few recurring matters, outsourcing may cost less. The calculator in Section 4 will show you which option makes financial sense.

1. Twelve-Month Discovery Spend Audit

Establish what the current model costs, the number almost no legal department can produce on request

Discovery spends hides in four buckets that never appear on the same report. Pull twelve months of invoices and split them as follows. Record both the annual total and the source document, so every figure in your proposal can be traced back to paper.

- **Outside counsel discovery hours:** Document review, privilege review, and discovery motions practice, at every rate tier. Ask billing for UTBMS L300 task code breakdowns.
- **Vendor processing and hosting:** Per-gigabyte processing, monthly hosting, user seats, project management hours, and expedite fees. Often routed through firms and marked up.
- **Per-matter tooling:** Licences and collection tools bought case by case rather than under a standing agreement. Usually sitting in matter expense reports.
- **Internal time and overruns:** Legal ops and IT hours spent moving data between firms and vendors, plus overruns against estimates. Estimate honestly and label it an estimate.

Cost bucket	Annual total	Source document
Outside counsel discovery hours		
Vendor processing and hosting		
Per-matter tooling		
Internal time and overruns (estimate)		
Total annual discovery spend		
Average spend per matter		

REPORT TWO NUMBERS, NOT ONE.

The annual total sizes the problem. The per-matter figure is what makes executives lean forward, because it converts an abstract total into “we paid that, per case.” Calculate it across three recent representative matters rather than the full docket.

2. Operating Readiness Assessment

The honest section, and what makes every number that follows believable

Score your team against what the in-house model actually requires, and price each gap. Two or three unchecked boxes does not kill the case, it phases it. Carry the closing costs into the New Platform Cost block in Section 3.

Requirement	In place	Cost to close the gap
Named platform owner for day-to-day operations		
Named backup owner for leave and peak periods		
Written, defensible legal hold process		
IT cooperation for collections from M365, file shares, and devices		
Repeatable matter intake path		
Executive sponsor who owns the outside counsel relationship		

KEY INSIGHT

Modern self-service platforms need an owner, not a certified engineer. If the platform you are evaluating requires a specialist administrator to run routine matters, that is a staffing line in your model rather than a fraction of an existing role, and it changes the break-even in Section 4.

3. The Five-Block Financial Model

The model that gets approved is not the most detailed one, it is the one whose assumptions are visible and conservative

- **Block 1, Baseline:** Current spend from your audit, held flat. Resist projecting growth; a conservative baseline protects the credibility of everything built on it.
- **Block 2, New platform cost:** Annual software cost plus the readiness investments priced in Section 2. A guessed platform price invites the one attack that sinks the model. Section 6 sources this figure.
- **Block 3, Transition costs:** Onboarding, training, and a parallel running period in year one. Never model year-one savings equal to steady state.
- **Block 4, Phased savings:** Which matter types move inside in months one to six, seven to twelve, and year two. Attach the outside spend reduction to each phase rather than all at once.
- **Block 5, Sensitivity:** The model at 100, 75, and 50 percent of expected savings. If the case still clears at 50 percent, state that explicitly in your proposal.

💡 THE RULE THAT GOVERNS ALL FIVE BLOCKS.

Only charges the new operating model actually removes count as savings. Retained counsel review and new internal labour do not. An employee already on salary still has limited capacity, competing responsibilities, and work that needs covering when they are unavailable, so price that time explicitly rather than treating it as free.

4. Break-Even Calculator

Fill the blank column with your own figures; the worked example is a hypothetical illustration only

	Input	Your figure	Worked example
A	Annual platform commitment		\$60,000
B	Allocated administration and readiness costs		\$36,000
C	Annual fixed costs (A + B)		\$96,000
D	Vendor and counsel charges removed per matter		\$12,000
E	Cost to run one matter internally		\$4,000
F	Net avoided cost per matter (D - E)		\$8,000
G	Recurring break-even matters per year (C ÷ F)		12
H	First-year transition cost		\$24,000
I	First-year break-even ((C + H) ÷ F)		15
J	Your expected annual comparable matter count		—

✓ READING THE RESULT.

If J is greater than G, the model clears on recurring costs. If J is also greater than I, it clears in year one as well. If J falls below G, outsourcing remains cheaper under your own assumptions, and saying so in the proposal is what earns the room's trust on every other figure in it.

Matter count alone can mislead. This calculator assumes comparable matters of similar data volume, service scope, and hosting period. If your portfolio mixes small employment disputes with prolonged investigations, run the calculator separately by matter type rather than averaging across the docket.

5. Sensitivity and Stress Tests

Model the downside before the approval meeting does it for you

Re-run the calculator under each scenario below. Annual averages conceal the conditions that actually break an operating model, and a case that survives its own stress tests rarely needs a second meeting.

Scenario	Break-even matters	Does the case still clear
75 percent of expected savings		
50 percent of expected savings		
Residual vendor minimums retained		
Busiest plausible month, not the average		
Platform owner unavailable for four weeks		

Watch for a partial transfer priced as a full one. If each matter retains \$6,000 in residual provider charges, net savings per matter fall from \$8,000 to \$2,000 and recurring break-even moves from twelve matters to forty-eight. Reconcile against the provider's remaining contract, including minimum commitments, before approval.

Watch for capacity hidden by the annual average. Nine overlapping matters at 45 GB of review data each require 405 GB concurrently, before indexes, productions, and backups. Validate the busiest plausible month against the proposed configuration, not the yearly total.

Watch for one person becoming the operating model. Someone must own failed processing jobs, access changes, production quality checks, and urgent escalations. If only one employee can do it, leave cover and competing deadlines are part of the purchase decision.

6. Source Line A From the Vendor

The one figure your own invoices cannot give you, in four questions written so a weak answer is obvious

Line A of the calculator is the only input you cannot trace to a document you already hold, and a guessed figure invites the attack that sinks the model. Ask every shortlisted vendor these four questions in writing, before you enter a number.

- **“Can we process, review, and produce without leaving this interface?”** Tests real unification. Several platforms are three tools sharing a brand, and every handoff you keep is a charge you cannot remove from column D.
- **“Show us an itemised invoice for our volume and user count. Is AI included?”** Tests pricing transparency. Watch for separate analytics, per-user, or overage lines that surface after signature and quietly reset line A.
- **“Does culling happen before anything a third party still bills us for?”** Tests whether data reduction changes the invoice or only the review set. Those are different outcomes and only one of them is a saving.
- **“What happens to our data, and what does it cost, when we leave?”** Tests exit terms while you still have leverage. Egress and archive fees belong in your model rather than in a later surprise.

Before signing anything multi-year, run a pilot on your own collection. Demo data is curated; yours is not.

Processing speed against your worst file types is the number that decides whether the operating model works in practice. Venio publishes its commercial approach on the [pricing page](#), and the [deployment options](#) answer the infrastructure question your IT reviewer will raise.

7. Approval Sequence

Approval comes when each stakeholder sees their own risk answered, in the order they will ask

Stakeholder	What they need to see first
CFO	Spend conversion, not new spend. The trailing twelve-month total from Section 1 beside the subscription figure from line A.
IT and security	A deployment answer before they ask for one. Cloud, on-premises, or hybrid, with data residency stated.
Procurement	A platform comparison you supply, so their benchmark uses your framing rather than a vendor's.
General counsel	Defensibility, audit trails, and control of privileged data. Lead here once the budget argument is already won.
Everyone	The name of the person who will own the platform day to day, from Section 2.

Before you present

- ☐ Every figure in the proposal traces to an invoice, a quote, or a labelled estimate.
- ☐ The 50 percent sensitivity result appears in the document, not only in your notes.
- ☐ Retained counsel review is shown as retained on both sides of the comparison.
- ☐ The platform owner and their backup are named, with the sponsor who approved the time.
- ☐ The exceptions are stated: which matters stay outside, and why that is the right call.

SEQUENCE MATTERS AS MUCH AS SUBSTANCE.

A business case that answers questions in this order rarely gets a second meeting, because it does not need one.

See What Your Business Case Looks Like

Bring your current discovery spend, expected annual matter count, and workload details. We'll show you what the platform would cost for your environment, what your break-even point looks like, and which matters could move in-house first.

[Book a demo](#)[Call us](#)

NOTE:

Provided as a free resource by Venio Systems. The worked example uses original calculations with explicitly hypothetical inputs; the figures are not Venio prices, market benchmarks, customer results, or a forecast of achievable savings. This resource is general guidance, not legal or financial advice. Adapt it to your matters, your procurement rules, and the advice of counsel.