



More than 12 million people are out of work in the United States. Total business losses are approaching \$5 billion. The economy is limping along at half speed. War looms. The President says: “We have passed through no less than 15 major depressions in the last century...we have come out of each...into a period of prosperity greater than ever before. We shall do so this time.”

This, however, is not the America of 2003. And George W. Bush did not make the positive note of reassurance. President Herbert Hoover uttered it about conditions in 1933. The United States ultimately did go to war and eventually had a robust recovery.

There are law firms that existed in the 1930s that still exist today. Similarly, there are hundreds of companies that have either shrunk in size or closed their doors unable to cope with the ravages of a downturn. What exactly separates the winners from the losers? How do smart law firms maximize profits and lower costs?

Outsourcing is certainly one strategy often used to reduce costs. In the 1980s, many U.S. law firms embraced outsourcing for the first time and obtained significant savings through increased charge-backs and lower copy and mail costs. During the last decade, outsourcing companies steadily decreased their profit margins due to increased competition, and this resulted in further savings for law firms.

Fast forward to today: The outsourcing industry has come to a crossroad. It is no longer just about competition, sending out an RFP and getting the biggest bang for the buck. Rapid advances in technology have forever changed the outsourcing landscape. All workers now need to be computer literate. Today’s copier operator is more like a technician who can transmit files, load print drivers and manipulate servers electronically linked to cluster printing systems on company wide networks.

**Technology: The Fork In The Road**

The outsourcing world has indeed changed and so have the challenges for law firm administrators. One administrator just attended a budget meeting. Revenues were down and profits were going south. The administrator set into motion some common remedies: Reduce costs, eliminate waste, impose a hiring freeze and do the things companies do to remain profitable.

Companies sometimes put themselves in a box with no way out. It is almost like a self-fulfilling prophecy. Technology should determine which way to turn at that fork in the road. It offers creative alternatives to bottom-line management. Technology can be your ticket to maximizing profits. The key is not to use technology to simply eliminate a manual process.

# Outsourcing Crossroads

## A Road Map For the Future

Outsourcing companies must be robust enough to give your law firm a competitive edge. When analyzing a potential outsourcing company, determine how its systems and processes can meet the needs of your organization. Go beyond the ABCs of feature/benefit comparisons. Insist on creativity in reducing costs – even if it requires your company to embrace change. Machiavelli wrote, “It behooves us to adapt oneself to the times if one wants to enjoy continued good fortune.”

**Systems Compatibility:  
Avoid The Element of Surprise**

Choosing an outsourcing partner takes teamwork – administrators wanting to implement something new need to seek buy-in from all levels of the firm. They may also need direct support from members of the IT staff. Involving more players up front means fewer surprises later in the implementation.

For example, technology has completely overhauled copiers into sharp, smart multifunctional devices that can fax, scan, store and copy documents at the push of a button. Sophisticated computers can be programmed to instruct copiers to perform binding, color synchronization, hole punching and tab insertion. Administrators need to ensure their programs and print drivers are compatible with the outsourcing company’s printers and copiers.

**Copiers: Choose The Right Equipment**

For years law firms were locked into using one type of copier or duplicator depending on the outsourcing company. If the outsourcing company were also the copier manufacturer, the law firm would have no choice but to use its equipment.

What is wrong with this picture? Getting locked into one manufacturer removes the element of choice, eliminates your options and impacts what you will ultimately pay for the equipment. All too often in the past, the type of copier equipment was taken for granted. If it got the job done and the price was right, it was a non-issue.

Contracting for copiers should be similar to leasing a new car. The informed consumer will check out the features of the car, which might include going to different car dealers. The important point is that when you lease a Ford or a Chevy, you can pick and choose depending on your needs and budget.

**Expect Low Price, Demand Value**

Anyone can sell a box at a low price. Creating a powerful solution for document processing is a whole different story. When considering outsourcing alternatives, look for solutions that go beyond the green button on the copier:

- Does the outsourcing company provide its own Web-based network? This is important because with a network your data can be backed up off-site every two hours. What you get is a built-in disaster-recovery system at no additional cost. If your building collapsed tomorrow, your copy/mail center could be operational the next day if the outsourcing company uses Web-based technology.
- Do you have real-time access to the outsourcing company’s data? For example, are you able to look up on your computer the number of copiers that are down, or the actual percent charge-back for copiers either today or last month?
- Can your outsourcing company’s site manager order supplies online and have them delivered the next day?
- Will your outsourcing company track and inspect every incoming package and will it reimburse you for any packages that are lost?
- Is your invoice and monthly management report accurate, on time and available online?
- Are there performance guarantees in the contract and will the outsourcing company reimburse you if guaranteed service levels fall below the guidelines?

The outsourcing arena is at a crossroad. Performance standards and levels of expectation have increased dramatically. It is no longer a matter of simply installing copiers and copy-track devices. The outsourcing technology landscape has changed. Connectivity is becoming the norm.

Law firm administrators have the daunting task of choosing the right solution. They will need to partner with their IT department to avoid the element of surprise. The road they choose now for their outsourcing solution will clearly impact their firm’s profits down that road.



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