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100**

Mattern Assists AmLaw 100 Firm to Improve Outsourcing Efficiencies and Costs Through Closed RFP Process, Achieving 22% Savings

Opportunity: This AmLaw 100 firm based in Kansas City, Missouri has a nationwide practice with over 475 attorneys across all offices. In 2016, the firm sought the expertise of Mattern to assist with its traditional outsourcing needs. While the firm was satisfied with their current provider, they sought to improve terms and reduce costs. Mattern recommended a closed Request for Proposal (RFP) process, giving the incumbent service provider the initial opportunity to renew its business, with an option to go to an open market RFP if their response did not meet the firm's terms and pricing requirements.

In this instance, the firm sought to improve pricing and contractual terms, improve current processes, position its services in alignment with the firm's five-year plan, and automate metrics and monthly reporting. In particular, the firm expected the current provider to lean on its knowledge of their operations to bring creativity and provide a solution that met its goals while maintaining current service levels.

Based on Mattern's benchmarks, the firm anticipated a 21% reduction of its current spend.

Process: Mattern and the firm previously collaborated on a management review of the firm's outsourcing projects. While Mattern had some foundational knowledge of the firm, it had also undergone significant changes since Mattern's previous engagement. Mattern first conducted a comprehensive review of the firm's outsourcing needs, with a new analysis of each office that addressed any operational changes over time.

Mattern did a complete on-site assessment of all outsourced services and equipment at several offices and reviewed the others through extensive interviews with on-site staff and discussions with key personnel. Every assessment included a review of the outsourcing provider's staffing levels, workflows, processes, and equipment.

Additionally, Mattern reviewed each area of the firm's operations and provided a complete analysis of its back-office operations, with recommendations moving forward.

The analysis identified an opportunity to improve on the litigation support and eDiscovery work performed by the current service provider. Mattern recommended that the firm explore separating this service and transition it to a Mattern Plan B Cost Recovery® model. This proprietary process allows firms to maximize billable cost recovery revenue by increasing net realizations through restructuring their on-site support services as hard-cost, pass-through disbursements. The firm agreed, and their service provider determined a "fully loaded" transactional rate, whereby the service provider would only charge the firm per transaction – not for individual labor, equipment, technology, supplies, and other costs. This allowed the firm to pay only for the volume of work it generated on a monthly basis. This arrangement also improved cost recovery, as the firm could just pass along transaction fees to clients as appropriate.

Based on Mattern's understanding of the firm's needs, cost objectives and required services, the unique RFP offered multiple options, including performing all litigation support and eDiscovery on a transactional basis. The RFP focused on the areas of concern the firm set forth at the outset and issues discovered through Mattern's analysis.

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Results: The RFP process yielded several viable solutions. After a careful review, the firm elected to utilize Mattern's recommendation to do litigation support and eDiscovery on a fully loaded transaction cost basis. Additionally, there were other significant changes to the operations, contract, and price. In particular, the firm realized the following changes:

- Significantly improved terms and conditions, including elimination of a non-solicitation clause after 24 months.
- Workflow efficiencies and reduced hours of operation, which allowed for overall staff reduction of 10 full-time employees, while maintaining service levels in all offices.
- Combination of right-sizing, eliminating and maintaining a good percentage of the Multi-Functional Device (MFD) population through extension of leases by 24 months to extend useful life.
- Penalty-based service level agreements.
- Financial incentives.

Overall Results

Overall, due to the changes implemented, in the first year the firm realized a savings of 22% over its current annual spend, surpassing the projected 21% benchmark.

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