

Chamberlain Achieves 0\$ Dollar Permanent Withdrawal Fee and 40% Savings with New Off-site Records Vendor

Background

Headquartered in Houston, Chamberlain Hrdlicka is a highly-regarded law firm with over 135 attorneys with offices in Atlanta, San Antonio and Philadelphia.

Sherry Laughery has been Chamberlain Hrdlicka's Director of Client Intake and Records for over two decades. During that time, the firm had essentially remained with one major provider for its off-site records storage while other factors changed: the firm grew, opened new office locations and the vendor changed hands more than once. Over time, these developments resulted in an off-site records situation that was less than ideal: multiple vendors across offices and numerous contracts with variable terms — managing and tracking vendors, contracts and invoices had ballooned into an unwieldy process.

Improving Chamberlain Hrdlicka's records situation, standardizing contracts, schedules and providers was a priority for Laughery, but current contract terms and conditions made change prohibitive. John Meredith, the firm's Chief Operating Officer, proposed that an unbiased consultancy could add substantial value to the firm's process by opening the relationship to a market investigation; in this way, the firm could gain a neutral assessment of their storage needs while discovering potential solutions. This is when Meredith encountered Mattern at an industry event. Meredith comments, "I knew that the experience Mattern brought to the process would be well worth the investment."

Radical Reduction of Permanent Withdrawal Fees

Mattern was selected by firm leadership to spearhead the project. Several key objectives were front and center for Chamberlain Hrdlicka's new off-site records storage vendor contract: to align the firm with best practices for destruction, services and rates; to update the firm's contracts with terms and conditions that would reflect industry standards and allow the firm to manipulate its holdings in a cost-effective and reasonable manner. The top priorities for Mattern were to engage with a single, firm-wide off-site records storage provider, improve the customer-service aspect of that relationship, and enable the firm to achieve its long-term goal of drastically scaling down off-site storage by radically reducing permanent withdrawal fees.

"I didn't think it was possible, but Mattern's lead consultant on the project, Ben Schmidt, felt we could achieve this for the firm," says Laughery. Mattern moved forward on the project, starting with a comprehensive review of the firm's off-site records contracts and service provider relationships, as well as an on-site assessment at the Houston office to evaluate the firm's records processes.

Off-site Records Expertise

Based upon its evaluation, and utilizing its industry knowledge, benchmarks, and long history with off-site records, Mattern was able to make key recommendations for Chamberlain Hrdlicka's consideration,

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including how to align destruction rates, permanent withdrawal terms and the firm's long-term records goals.

Six vendors, including the incumbent, expressed an interest in participating in the outsourcing Request for Proposal (RFP), and Mattern was able to guide the firm through the process; Ben Schmidt negotiated several excellent proposals for Chamberlain Hrdlicka to review, which narrowed the field to three competitors. "Mattern's vast experience and knowledge of benchmarks assured us throughout the process," states Laughery. "They knew what accommodations were possible and made those happen."

Mattern and the firm worked in concert to tailor a unique RFP which captured the findings from the evaluation process, and which suited the firm's objectives. Subsequently, the consultants were able to guide the firm through a successful RFP process, award and contract negotiations.

Game-Changing \$0 Withdrawal Fee

A new service provider, GRM, was able to meet all the firm's objectives and offer a zero-dollar withdrawal fee at the end of the ten-year contract period. "This result was an amazing, unforeseen outcome for us," says Sherry, one that in her twenty years at the firm she had never seen. The new contract incorporated many other significant changes, such as:

- A single, firm-wide agreement.
- Improved pricing for storage and services in line with the market.
- Assistance with formerly cost-prohibitive permanent withdrawal fees.
- Reasonable retrieval and destruction rates as well as elimination of withdrawal fees entirely, which fit with the firm's short and long-term inventory reduction goals.
- Fixed costs for first five years of the agreement. 4% fixed rate increases year over year thereafter.
- Agreeance to penalty-based service level agreements.

Firm Gains Savings Plus a 10 Year Plan to Get Out of Off-site Records

Sherry states, "Mattern was able to negotiate terms that were valuable enhancements. They were able to investigate the market in a way and to a depth that worked very well: we got contract terms we feel very good about. Everything they brought to the table was top-notch." Through the Mattern process, the firm was able to enter into a firm-friendly contract that guaranteed Chamberlain Hrdlicka would see the savings it was anticipating and would coincide with its short and long-term records storage reduction goals.

The firm reduced its permanent withdrawal fees by 82% during the term of the agreement, which will, at the contract's expiration be reduced by 100% while still being liable for a reduced retrieval fee. It is estimated the firm will save 40% over its current storage and service costs through the life of the agreement. Cumulatively, the savings will allow Chamberlain Hrdlicka to implement the changes they need to ensure a streamlined, reduced off-site storage practice for all their locations well into the future.

Mattern was retained by the firm to oversee the transition from the incumbent storage services providers to the new seamless contract and to monitor and manage its implementation.

"Mattern provided us with insights and expertise that fundamentally shaped this exceptional outcome for the firm's off-site storage contact negotiations," states Sherry. "We were delighted with the process, the results and the follow-up. I would highly recommend Mattern to any firm."

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