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Mattern Helps Am Law 100 Firm Bring Office Services In-house, Saving the Firm \$1 Million

Opportunity: This Am Law 100 firm with over 800 attorneys in 27 domestic offices was pleased with its outsourcing provider relationship which serviced the firm's equipment for all 27 offices and labor for three of the office locations--the firm's other 24 offices were staffed and managed in-house.

Leadership identified managerial inconsistencies, however, between the differing protocols of the outsourcing provider and the firm's in-house operations, and sought to eliminate this through a firm-wide approach to the staffing portion of office services. In an unusual move, the firm's Chief Administrative Officer (CAO) sought to bring the outsourced labor in the 3 offices back in-house while preserving the relationship with the outsourcing provider and its equipment services—and do all of this cost-effectively and seamlessly.

The firm's leadership engaged Mattern as a trusted advisor to lead the process. Mattern had previously worked with the firm as far back as the first outsourcing contract where the consultancy managed the Request for Proposal process, oversaw the implementation of the service provider, and continued on to manage the provider contracts over multiple cycles.

The CAO commented on the initiation of the project:

"In structuring our initial outsourcing agreements, Mattern had ensured provisions were built-in to enable the firm to cancel the equipment, labor or both with no early termination penalties.

This was undoubtedly the key factor that enabled us to make the decision to bring labor in-house cost-effectively, a decision we felt was in our firm's best interest."

Process: After conferring with Mattern, the firm decided to move forward with bringing the outsourced office services labor in-house. The firm exercised the exit clause Mattern had built-in to the outsourcing agreement, terminating the labor portion of the contract and, with Mattern's guidance, successfully preserved the equipment portion of the relationship while Mattern's team:

- Oversaw the transition from outsourced labor to in-house labor
- Monitored transition timeline to assure all milestones were met (timely notifications for all employees not transitioning over)
- Reviewed and approved all proposed amendments to the contract
- Coordinated any necessary transition requirements
- Reviewed final labor invoices to ensure proper billing and/or credits

The firm posted the previously outsourced positions as in-house positions and proactively encouraged the outsourced staff to apply for the internal positions. Out of the outsourced staff from the provider, almost all applied and were hired into the firm, provided pay increases, enhanced benefits, subscribed into the firm's bonus program--and the firm was able to achieve the targeted savings of over 1 million dollars.

The CAO's comments: I believe outsourcing works well if you don't want to manage or don't have the right internal team to manage internal staff. However, if an organization has a good in-house competence and talent management in developing sound procedures, then they can save on outsourcing while also improving all the elements of employment: better pay, better benefits, better job security which, in turn, decreases turnover. I believe this to be a true win-win for all.

The firm hired an internal firmwide Office Services Manager, whose job it is to manage services staff firmwide, bring staff into the culture of the firm and create a tight knit group. When the pandemic hit, the new office services staff were absolutely instrumental as they stepped up and created new process and workflows to ensure the business continuity of the firm overall.

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Takeaways: The CAO concludes:

Mattern was invaluable in this process. Many consulting firms are ultimately selling their clients in the process of the consultation: a product or service as the solution to the problem. There's bias built-in. But that's not the case with Mattern. They were completely unbiased in this, and they listened to the firm's objectives, analyzing our options with the same level of due diligence as if the engagement were going the other way to outsourcing.

I am a consultant skeptic, so the fact that I think a consultant is great is rare. I recommend Mattern without hesitation.

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