



**ROB MATTERN**  
President and Founder  
Mattern, LLC

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## How to Outsource in a Post-COVID-19 World

**As Law firms are at a crossroads, triggered by the transformational impact of the pandemic. Most firms are looking to re-engineer the delivery of legal services, and many are seeing outsourcing of administrative and office services as a tool that supports their new strategic vision.**

Even before COVID-19, outsourcing had been on the rise for almost a decade. According to the 2021 State of the Legal Market Report from Georgetown University and the Thomson Reuters Institute, growth of competition and clients’ embrace of alternative providers had pushed firms toward making the delivery of legal services more efficient, more predictable and more cost-effective. This triggered:

- Increased reliance on allied professionals and specialists.
- Improved internal operating systems, such as timekeeping, billing and document management systems.
- Expanded partnering and the outsourcing of back- and middle-office services.
- Created “captive” subsidiaries for legal-related services.
- Expanded use of technology to improve legal work processes.

However, according to Altman Weil’s 2020 Law Firms in Transition Survey, only 37.1% of firms report significant improvement when outsourcing to non-law firm vendors. How can firms improve their success rates when outsourcing — and what are the new prevailing market conditions to consider?

The new white paper from Mattern, “Outsourcing in a Post-COVID World,” aims to help firms do outsourcing “right” under the new, prevailing market conditions of hybrid operations. When done correctly, outsourcing is an indispensable tool that helps firms increase expertise and flexibility while lowering costs.

Here are just a few key trends detailed in the white paper:

## Key Trend #1: Technology

One of the hottest trends in legal outsourcing is the increase in the use of technology. Probably the best example of this is the growth in digital mailroom (DMR) solutions.

## Key Trend #2: Reception

Virtual reception solutions gained traction during the pandemic and can be accomplished in a variety of setups:

- **Centralized Operators:** Live, centralized person (a firm employee or a third party) to answer and direct all incoming calls for all firm offices.
- **Automated Kiosk:** Touchscreen interface offering visitors pertinent information, such as the firm directory and building policies, while providing notifications of visitor arrivals for firm employees.
- **Kiosk with Live Person via Voice:** Live, centralized person (a firm employee or a third party) linked via a voice connection and a touchscreen interface.
- **Holograms:** Interactive, life-size, talking and moving hologram using artificial intelligence and offering visitors pertinent information.

## Key Trend #3: Administrative Support

Post-COVID attorneys are more tech-savvy, more self-sufficient and less reliant on their secretaries and administrative support than ever before. Instead, they are seeking a different skill set, such as more sophisticated graphic design for presentations and document conversion.

A few firms have made wholesale changes to their administrative support structure, with some creating “pods” or “teams.” Firms are recognizing that the delivery of administrative support services should be looked at holistically and incorporate not only direct attorney support, but also paralegal, document/word processing and even billing support.

## NEGOTIATE YOUR OUTSOURCING AGREEMENT TO ACHIEVE THE DESIRED RESULTS

Now more than ever, firms must know how to structure and negotiate their outsourcing agreements. Less than a third of firms were successful outsourcing prior to the pandemic, and new variables and trends have further complicated the path to success. Our top considerations for firms now are:

### 1. Know Your Costs, End Users and Operation

On your side of the table, you should have the expertise to develop a projection/benchmark of your costs for each option the service providers will be proposing. The needs of your end users have changed dramatically the past 20 months and will continue to change as firms modify their return-to-office strategy and the impact it will have on the services being outsourced.

### 2. Create a Competitive Situation

Regardless of whether your firm is pleased with your current service provider, facing a renewal or outsourcing for the first time, creating a competitive situation will optimize the pricing and terms offered.

### 3. The Right Contract Terms

Crafting the optimal contract with the right terms and conditions is paramount for a successful outsourcing operation. To name a few:

- Maintaining control over the labor in the event of cancellation or termination without financial penalties
- Detailed performance standards with financial penalties for nonperformance
- Detailed monthly reporting
- Guaranteed savings

### 4. Expertise — Hire It If You Don't Have It

The most successful outsourced operations are the ones where there is expertise on both sides of the table.

### 5. Ongoing Management

An outsourced operation must be managed just like any in-house operation. Implement a system that allows you to monitor the operation without getting into the weeds. That is what you are paying them for.

As the practice of outsourcing and the services being outsourced continue to expand, it will be paramount that firms electing to outsource do it “right” the first time and choose the best service provider to form an ongoing, mutually beneficial partnership.

#### ABOUT THE AUTHOR

**Rob Mattern** is President and Founder of Mattern, LLC. Mattern has been widely published, including recently in the *The Wall Street Journal*, *Law Technology News* and *Legal Management* magazine and is an editorial board member of Law Journal Newsletters' *Accounting Financial Planning for Law Firms*.

 [rmattern@matternassoc.com](mailto:rmattern@matternassoc.com)

 [twitter.com/matternoffact](https://twitter.com/matternoffact)

 [matternassoc.com](http://matternassoc.com)