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Outsourcing Law Firm Libraries to Commercial Law Library and Legal Research Services. The UK Experience

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The recent global and Euro zone financial crises and the emergence of competition from alternative providers of legal services have provided impetus to law firms globally to adopt new low cost models of legal service delivery in order to compete for commercial legal work. Outsourcing has played an important part in these new lower-cost models of service delivery. Since 2009, ten large and leading UK law firms have completely outsourced their law libraries to one of two commercial providers of law library and legal research services.

Little is known about the providers and users of these services or how the services work in practice because of concerns of commercial confidentiality. Opinion is divided on whether library outsourcing is a temporary response to the need to reduce costs in a financial downturn or an inevitable, irreversible consequence of the changing information needs of lawyers. Opinion is also passionately divided between outsourcers and law librarians in the UK on the quality and benefits of the legal research services they each provide to the legal profession.

This paper identifies the providers and users of outsourced law library services in the UK and describes the way law library outsourcing was implemented. The reasons for legal research outsourcing in the UK and the validity of the claims made of it by advocates and critics will be discussed in the light of information gathered from personal interviews with the providers and users of these outsourced services during a visit to the UK in July 2012. The way in which outsourced law library and legal research services are delivered to law firms is outlined revealing more complexity than was previously understood. The level of law firm satisfaction with the outsourced services will be revealed for the first time. The future prospects for law firm library outsourcing are considered by way of conclusion.

The leading provider of outsourced law library and legal research services in the UK, Integreon, entered the Australian market in 2011 and opened an Australian headquarters in Sydney in August 2013. A number of other global legal process outsourcing companies that provide legal research services to law firms overseas have also recently entered the Australian market. It is possible that one or all of these service providers may offer law library and legal research services to Australian law firms making this research of relevance to Australian lawyers and law librarians.

Keywords: law firms; law firm libraries; United Kingdom; legal research services; law library outsourcing; legal research outsourcing

Introduction

Law firm libraries are unique among the various law libraries that serve the legal profession because they are privately funded and operated by the lawyers who use them and their services can be tailored to meet their needs. While law firms have always held collections of legal materials, professionally staffed law firm libraries were not established either in Australia and elsewhere in the common law world until the 1980s and only then in

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big law firms with revenues large enough to justify the expense. Prior to the establishment of these staffed law libraries, lawyers conducted their own research or relied upon the research services of librarians employed in the law libraries that were shared by the legal profession such as court libraries or the law libraries of law societies. The 1980s was a decade of rapid economic growth for big business and their law firms. From this period on, large city-based commercial law firms grew rapidly into the large national and international law firms that we are familiar with today. The information and research needs of these law firms grew exponentially and rapidly outstripped the ability of the existing shared law libraries of the profession to meet those needs. The only other way those research needs could be satisfied in a timely matter, in those pre-internet times, was by investing in a law firm library staffed by professionally qualified law librarians. At the time of their creation these law libraries were essential in order to compete with other law firms for legal work. The significant financial investment by large law firms in private law libraries since that time has been viewed as an endorsement of the strategic value of a law firm library.

The recent global and Euro zone financial crises and the emergence of competition from alternative providers of legal services in the form of legal process outsource providers (LPO), have provided impetus to law firms globally to adopt new low cost models of legal service delivery in order to compete for commercial legal work.

LPO refers to the outsourcing of billable legal processes that have traditionally been performed by law firms. The legal processes that have been subject to outsourcing are those that do not necessarily require the attention and skill of a qualified and experienced lawyer. They constitute repeatable and routine rule-based tasks that have usually been performed by junior lawyers or paralegal staff within law firms and billed to clients as if performed by more senior and experienced lawyers. Examples include compliance assessment, document and contract review, licence application and renewal, trademark searching and filing, document production, legal drafting and legal research. LPO was started in the 1990s in India (Priestly 2011) and relies upon the exploitation of a relatively lower paid, educated, English-speaking workforce. The global financial crisis encouraged corporations to test the services offered by these companies instead of using their usual law firms for all legal work with the aim of reducing the amount spent on legal services. Evidently many were satisfied with the services provided because during the global financial crisis, the LPO sector grew by 40% and more than 90% of the LPO work is either being directly outsourced by general counsels or on behalf of general counsels (by their preferred law firms) (Aggarwal 2010). Globally LPO revenue is reported to be rapidly increasing and law firm revenue has been commensurately reduced. In 2011, LPO revenue was approximately \$US640 million and was expected to be approximately \$US4 billion in 2014 (Gogel 2011).

In the UK, these competitive pressures have been increased by the introduction of the *Legal Services Act 2007* that has allowed non-lawyers to invest in law firms and to provide legal services as alternative business structures opening the door to more innovative and cost effective methods of delivering legal services.

Law firms have responded by adopting lower-cost models of service delivery. The outsourcing of library and research services has played a part in these new lower-cost models of legal service delivery. Outsourcing has taken a number of forms. Some large global law firms have transferred these services to centralised offshore or onshore service centres in parts of the world with lower labour costs. Others have outsourced the routine administrative and information retrieval tasks of the library and retained staff in-house to perform billable legal research. Since 2009, a number of large and leading UK law firms

have completely outsourced their law libraries to commercial providers of law library and legal research services. This research focused on the replacement of existing law firm libraries with external, third party, commercial law library and legal research services.

The outsourcing of law libraries to commercial law library and legal research service providers challenges assumptions about the strategic importance of a law firm library and raises questions about the changing information needs of law firms. This research into the UK experience with law firm library outsourcing was motivated by an interest in understanding what this change in the perceived strategic value of the law firm library might mean for the future of law firm libraries. The entry of Integreon, the leading providers of outsourced law library and legal research services in the UK, into the Australian market in 2011 (Collings 2011), made this research of particular relevance to Australian law firms and their library staff.

Literature review

Much has been written about the outsourcing of professional services including legal process outsourcing in recent years. The report from the Outsourcing Unit of the London School of Economics is one recent example of such research (Lacity and Willcocks 2012). The outsourcing of law libraries or legal research however has not yet attracted any academic attention. The existing literature about law firm library outsourcing is sparse and comprises of promotional materials written by the providers of commercial law library and legal research services and a few articles by law librarians sceptical and critical of the service claims made by the service providers and concerned about the impact of library outsourcing on the future employment of law firm librarians. These publications are not impartial; the financial and professional interests of the authors are evident. There is little if any independent commentary on the practice. Information in the business and industry media, which might be expected to be independent, is sourced, often exclusively, from the press releases of the service providers and are in essence ‘advertorials’. As a result the existing literature is partisan, defensive and clearly divided into pro-outsourcing and anti-outsourcing camps.

Advocates and opponents of outsourcing disagree about the reasons why the law firm libraries were outsourced. Law librarians consider that law firm libraries are being replaced with commercial law library and legal research services purely because law firms want to reduce their costs while outsourcers claim that the outsourcing law firms also want to improve the productivity and quality of services they receive for their budgets and gain new capabilities. The ability of each camp to provide law firms with superior services and provide better value is at the heart of the divide.

The claims of outsource providers of superior law library and legal research services are primarily found on their websites and are indistinguishable from marketing ‘spin’. The specific claims of the service providers vary with each website update but during the research period of 2012 and 2013, Integreon, the leading law library service provider in the UK, was said to “integrate seamlessly with client operations to become a trusted and high impact business partner” and “deploy great teams, technology and process rigour to save time and reduce costs” and “enable law firms to significantly improve the efficiency of law libraries and research operations, providing users with greater levels of service and support”. Knowledge process service provider Evalueserve’s website provided similar claims of its “knowledge solutions” which included “customised research and analytics for leading edge companies worldwide”, providing clients with “higher productivity, improved quality, freed-up management time, better access to knowledge and information

across all parts of the company and new capabilities for their organization". The details of *how* the service providers are able to provide higher quality research services than law firm libraries or deliver significant savings were not provided.

The British and Irish Association of Law Librarians, (BIALL), does not have an official position on outsourcing and it has been left for individual law librarians to advocate for the value of law firm libraries over commercial law library and legal research services. The concerns and views of several contributing legal information professionals concerned about law firm library outsourcing were summarised by British law librarian, Susan Alcock who advocated for the value of internal staff who "are aware of the areas of expertise and interest and are immediately in tune with current thinking and needs within the firm" (Alcock 2012). Here the argument was made that the location and loyalty of the law firm librarian was important to the quality of the research process. Alcock also questioned the quality of the qualifications and training of outsourced staff members, particularly in offshore service centres, the ability of outsourcers to deliver savings in the cost of information resources and argued that outsourcing increased the risk to the security of confidential information. She noted that several of the contributors to her article had related that the spirit of open cooperation of the legal information profession was "being eroded by the addition of more 'closed shop' organizations". She also noted that "there is so little independent commentary on their (outsourcers) working practices and as these are commercially sensitive, little information is revealed by the actual firms". This general lack of knowledge about the service providers, the law firms using them and the way in which the outsourcers operated was confirmed in the posts of law librarians and others in social media where there was particular interest in whether service providers were operating law libraries or sharing the cost and use of electronic resources between its law firm clients.

The lawyers who were using outsourced law libraries had not published the reasons for their outsourcing decisions, nor written about their satisfaction with the services. Accordingly there were no first-hand accounts in the literature explaining the reasons why lawyers had replaced their library service with a commercial library and legal research service. Something of their expectations of outsourcing could be gleaned from the press releases of outsource service providers that accompanied the announcement of new outsourcing contracts. It was not known however if these expectations were common to all the outsourcing law firms and whether the expectations had been met. The unknown lawyer experience was a significant missing piece in the knowledge and understanding of law library outsourcing.

Aims of the research

The overarching motivation for the research was to understand the reasons for the outsourcing of law firm libraries and to consider the ramifications for law firm libraries both in the UK and Australia. However this could not be attempted until much more was known about the providers and users of the outsourced services. The deficiencies in the published information about law library outsourcing led to the formulation of the following five preliminary research questions.

- (1) How many law firms have outsourced their law libraries and legal research services in the UK?
- (2) Which service providers have the law firms outsourced to?
- (3) How are the outsourced law library and legal research services delivered?

- (4) Why did the law firms outsource their law libraries?
- (5) Have law firms been satisfied with the quality of the outsourced law library and legal research services?

Relevance of UK law firm library outsourcing to Australia

In general terms, Australia can learn from the UK experience with law firm library outsourcing because, as a former British colony, its legal system and legal profession and much of its law is based on British law and traditions. The countries share a common legal culture and view of legal practice and ethics. Also relevant is the similarity between both countries in the structure of law libraries, organisation of legal information and the practice of law librarianship.

There is also a more specific reason why the knowledge of the UK experience with law library outsourcing is valuable to Australia. Quite simply, there is a possibility that law firm library and legal research services might be offered in Australia in the future for the following reasons.

The leading provider of these services in the UK, Integreon, entered the Australian market in 2011 and has attracted clients for a range of other services. As a demonstration of confidence in its future prospects in Australia it opened an Australian headquarters in Sydney in 2013 and announced that it would be working to grow its business there (Dombosch and Prasad 2013). In the future it may offer law library and legal services to clients in Australia as it does in the UK. A number of other legal process outsource providers that also provide legal research services to law firms in other countries, such as Exigent, CPA Global and Pangea3 have entered the Australian market in recent years and are reported in legal and business media to have several Australian corporate and law firm clients for their legal research services.

Law firms do not practise law in geographic isolation. Large international law firms compete for the legal work of corporations with international business interests. If law firms in the UK and the US move to lower the costs of their businesses and offer more value to clients, Australian law firms must respond in order to remain competitive. Australian law firms represent global clients who might reasonably expect that their Australian law firm adopt the same low-cost service models as their British and American advisers.

The Australian legal profession is already connected in various ways with the legal profession in the UK and these connections continue to grow. There have been a number of recent significant mergers between UK and Australian law firms and these will inevitably lead to the review of service delivery models in the new merged entity. In 2012, Malleon Stephen Jacques merged with UK firm, King & Wood to form King & Wood Malleons, Freehills merged with Herbert Smith to form Herbert Smith Freehills and Blake Dawson merged with UK firm Ashurst and conducts business under the Ashurst brand. A number of large UK law firms such as Allen & Overy and Clifford Chance, which have embraced outsourcing in order to streamline their cost structures, have recently opened offices in Australia and are competing for Australian legal business.

There are also indications that the pressures on library budgets that have played a part in the outsourcing of law firm libraries in the UK are present in Australia and that shared library services have been adopted in response. Two recent examples of this include the decision to merge the separate law libraries of the Victorian courts, Victorian Civil and Administrative Tribunal, Law Institute of Victoria and the libraries of the Victorian Bar into one centralised Law Library of Victoria (ABC News 2012) and the centralisation of

the various libraries of the Victorian government into a Victorian Government Library Service (Shine 2010).

Research design and methodology

The research project addressed the research questions through the interpretive analysis of relevant quantitative and qualitative data.

Details of the number and identities of the providers and users of outsourced law library and legal research services were obtained by piecing together information from a variety of published sources such as legal industry and business newspapers and the websites of service providers.

The information required to answer the ‘how’ and the ‘why’ research questions was obtained from personal interviews with the providers and users of the outsourced services and indirectly from publications that had been written by them and about them. Those that consented to interview included two providers of outsourced law library and legal research services, six of the nine law firms which had outsourced their law libraries by 2012, law librarians in leadership roles with two professional associations for British law librarians and a number of librarians who were opposed to library outsourcing. In addition, a law firm manager who had considered, but decided against outsourcing the law firm library, participated by providing written responses to a set of questions regarding the decision-making process. Semi-structured interviews were conducted in the UK in July 2012. All interviewees were provided with a list of the proposed interview topics several weeks in advance of the interviews. The interviewees were provided with an undertaking to protect the anonymity of the interviewee. As a result, references made in this publication to a particular service provider, law firm or individual in this publication have been sourced from the public domain. Providing anonymity to those who have provided information in interviews particularly when synthesising that with information in the public domain has been a significant challenge in this research.

Analysis of the qualitative data collected from interviews and from publications commenced during the interview process where it was possible to recognise the areas of consensus and disagreement between interviewees. The interviews were recorded and transcribed and the data collected was analysed and organised into a number of thematic categories. This process was undertaken using both a manual ‘cut and paste’ technique and automated analysis with Nvivo 10 software. The thematic organisation of the data enabled a process of within-case and cross-case analysis of the interview transcripts and subsequent hermeneutic cross-analysis of interview data with the data gathered from the surrounding literature. This iterative process of contrasting and comparing the data of individuals with the data of or about the group of participants has enabled the construction of the motivations and decisions of the group of human actors who have created law library outsourcing.

UK law firms that have outsourced their outsourced law libraries

Ten UK law firms completely outsourced their law firm libraries to external commercial law library and legal research service providers between 2009 and 2013. Nine of these ten law firms currently continue to use an outsourced service following the decision of TLT LLP in 2012 not to renew its contract with Integreon (Byrne 2013). Details of these ten law firms are provided in Table 1.

Table 1. UK law firms which have outsourced their law libraries.

Law firm name and location	Profile of law firm
CMS Cameron McKenna One office in London. CMS Cameron McKenna is the UK member firm of CMS, a provider of legal and tax services with 13 offices in the UK, Central and Eastern Europe and throughout the world.	International commercial and taxation law firm. 94 partners and 1100 fee-earners.
DAC Beachcroft Offices in the UK, Chile, Ireland, Mexico, New Zealand, Singapore and Spain.	International commercial law firm. More than 240 partners and 2000 staff.
Farrer & Co One office in London.	London law firm with broad range of legal services. Private client work. 79 partners and 380 staff.
Foot Anstey Five offices in the UK (South West Region).	Regional law firm with broad range of legal services.
Freshfields Bruckhaus Deringer Website describes the location of the law firm as follows, "30% of our work is typically in countries where we do not have an office. We have worked in nearly every country in the world, touching almost 200 countries in each of the past three years".	International commercial law firm. Member of the 'Magic Circle' of the five largest law firms headquartered in the UK.
Kennedys Offices in Australia, Belgium, Hong Kong, Ireland, Latin America, New Zealand, Portugal, Singapore, Spain, United Arab Emirates, United Kingdom.	"International law firm with unrivalled expertise in litigation and dispute resolution, particularly in the insurance/reinsurance and liability industries". Over 175 partners, 1200 people.
Morgan Cole Five offices in the UK (Southern England and South Wales).	Regional law firm with a broad range of legal services.
Osborne Clarke Six offices in the UK, Germany, Italy, Spain and the USA.	International commercial law firm. More than 550 lawyers.
Thomas Eggar Six offices in the UK.	Commercial and family law firm.
TLT LLP Five offices in the UK.	Top 100 UK law firm with broad range of legal services. 78 partners and 750 employees.

Note: With the exception of the recent addition of Kennedy's, the information in the table was sourced from the website of the law firm named on 24 February 2013.

There are no available statistics for the number of law firm libraries in the UK and because of this it is not possible to calculate what proportion of law firm libraries these nine libraries represent. Law Society statistics provide some indication of how many such law libraries may exist in England and Wales. In 2011, the Law Society reported that there were 10,202 law firms in England and Wales. Most of these law firms were too small to warrant a professionally staffed law firm library. Single partner law firms accounted for 45.10% of these law firms and a further 41.16% had fewer than five partners. Only 1.81%

of the law firms had more than 26 partners. It is in this 1.81% of the 10,202 law firms, representing the largest law firms, that private law libraries might be found. Even if all law firms with more than 26 partners had professionally staffed libraries, based on Law Society figures, there would be no more than 185 law firm libraries in England and Wales. In all likelihood there are significantly less than that because only the law firms that outsourced their law libraries had significantly more than 26 partners. It is unknown how many professionally staffed law firm libraries there are in Scotland and Northern Ireland beyond the jurisdiction of the Law Society. These ten law firms are however a small proportion of the number of UK law firms with law firm libraries according to any measure. It is the significance of the reasons for their decision to outsource their law firm libraries and the effectiveness with which outsourced law library and legal research services have met their information needs that provide the focus and value of this research.

Providers of outsourced law library and legal research services in the UK

The majority of legal process outsourcing service providers advertises legal research services as part of their service offering. Not all however claim to provide a wide range of law library services such as procurement and information asset management. Law firms may be using these research services in addition to using their own in-house library service and law firms without the benefit of their own libraries may also be using these services. This research has focused on the complete outsourcing or replacement of law firm libraries in favour of an external, third-party law library and legal research service. The research is therefore confined to the providers that claim to have the ability to provide a complete outsourced library and research service and specifically those known to have clients for a complete outsourced library service.

In the UK, the service providers who have law firm clients for complete outsourced law library and legal research services are Evalueserve and Integreon. Legal giant, Freshfields Bruckhaus Deringer, outsourced its law library to Evalueserve. Integreon is the leading provider of outsourced law library and legal research services in the UK. Nine of the ten law firms that outsourced their libraries between 2009 and 2013 are clients of Integreon. Details of Evalueserve and Integreon and their services are provided in [Table 2](#).

Table 2. Providers of outsourced law library and legal research services in the UK.

Company name and location	Services provided
Evalueserve No central contact address. Offices in Chile, China, India, Romania, Switzerland and the USA.	Complete outsourcing of information services, such as libraries and the management and administration of knowledge management systems, with a significant part of the team operating “on-site” at client premises. Focus on effectively capturing internal know-how, supported by technology.
Integreon Offices in Canada, China, India, Japan, Philippines, South Africa, United Kingdom and the USA.	Legal research and drafting, business intelligence, including company and industry research as well as ad hoc, topic-specific research, library management, hard copy journal management, information supplier management and purchasing.

Note: The information in the table was sourced from the website of the company named on 24 February 2013.

Implementation of law firm library outsourcing in the UK

Prior to conducting interviews in the UK in July 2012, the author had assumed that law firms had decided to outsource their law firm libraries following an evaluation of existing commercial law library and legal research services. However information obtained during interviews with law firms in the UK revealed that this was not the case and these services had been developed for law firms in response to requests from law firms themselves. This information indicates that there was a latent demand for outsourced law library and legal research services in the UK for a number of years prior to the outsourcing of the first law firm library in 2009.

Two of the law firm interviewees revealed that each of them had been seeking a single service provider for several of the business support services that they considered to be non-strategic, including the library service, for several years without success. There were only providers of single services, such as IT support, on the market. One of these law firms reported that it had been considering outsourcing several business support services from 2005 in order to lower its costs. In the absence of an existing supplier, these two law firms disclosed that they had worked together with the intention of creating a separate company to supply a number of legal support services to their own and other law firms. They were encouraged in this endeavour by market research that indicated that there would be a demand for such services if the provider were credible. They both considered that they would be able to improve the quality and lower the cost of their support services by sharing the costs and benefits of a larger scale shared services provider. These two law firms did not proceed with their plans to form a service company because they considered that the demands of operating such a company would distract them from their primary focus – the selling of legal services. The search for a commercial provider of legal support services continued, however.

There was still no existing supplier of outsourced law library and legal research services when Top 30 British law firm Osborne Clarke considered outsourcing its support services some years later. It invited existing suppliers of single support services to law firms to bid for the supply of several of its support services, including the library service. A US-based, global outsource service provider, Integreon, won the bid and entered a contract worth £50 million over seven years for the law firm's law library and legal and business intelligence research, knowledge management, IT, document services, training, network support, secretarial services and reception. Integreon opened a service centre in Bristol in March 2009 that was staffed with 75 employees of Osborne Clarke who were transferred to the employment of Integreon. As a result of this transfer of employment, the law library staff of Osborne Clarke became fee-earners for the new Integreon law library and legal research service. Integreon harnessed their skill and expertise to develop a service for law firms in which it had no previous experience. Integreon has since expanded its service and provides law library and legal research services to a number of UK law firms using staff at UK service centres in Bristol and London and also at its offshore service centres. The other service provider to which a law firm outsourced its law firm library, Evalueserve also provided its service using the skills of the transferred law library staff formerly employed by its law firm client, Freshfields Bruckhaus Deringer.

Reasons for outsourcing the law firm library

Five reasons for the decision to outsource the library were provided and discussed during interviews. The reasons were not provided in order of importance and are listed here in order

of the frequency/ commonality with which they were provided by the interviewees. All the law firms interviewed reported that they outsourced the library to improve the efficiency or productivity of the library service in the expectation of obtaining access to more library services for their budget and to obtain access to a scalable and flexible workforce. These two reasons were often mentioned together in the same sentence and were inextricably linked. These two reasons could therefore be considered equally ranked as the main reasons for outsourcing. Other less frequently or commonly reported reasons were the pursuit of a business strategy to outsource all non-strategic business support services, to gain access to specialist research skills and to obtain longer hours of library service.

(1) Improve the productivity and efficiency of the library

The law library of each outsourcing law firm was described by interviewees in terms that could be summarised as being the library that it could afford rather than the library that it needed. Some law firms could not afford or justify the cost of the library service they wanted. Others described a reduction in the level of service following cost-cutting measures in the past undertaken in response to pressures placed on budgets for library resources, primarily from the rapidly escalating cost of electronic resources. Some of the law firm interviewees remarked that the rate at which these costs were rising was outstripping the ability of the firm to pay. Outsourcing was seen as a way of regaining services that had been lost over time as a result of cost-cutting in the past. The law firms believed that outsourcing would deliver more services to them for their budget through the sharing of the costs of the larger-scale outsourced library service. All law firm interviewees had an expectation that outsourcers would be able to negotiate reduced prices for print and electronic resources as a result of increased buying power. In some cases there had been an expectation and a desire for consortia access to electronic resources and shared access to a law library.

(2) Access to a flexible/scalable workforce

All law firms reported an expectation that outsourcing would provide them with the ability to have their research needs met regardless of the level of demand without the cost and responsibility of altering their own staff numbers.

(3) Access to specialist research skills

Five of the six law firms reported that the availability of specialist research skills was a reason for outsourcing. The law firms reported that they wanted access to a broader range of skills than those available within their own law firm library. The specialist research skills reported as particularly desirable by the law firms included, commercial research skills, business intelligence research skills, and marketing support skills.

(4) Business strategy to outsource all non-strategic business support services

Four of the six law firms interviewed had outsourced other business support services at or around the same time as the library service. Three of these four law firms indicated that they had a business strategy to outsource all non-strategic business support services in order to reduce their cost structures. This business strategy was said to be in response to pressure from corporate clients demanding more value for their legal spend and competition from alternative suppliers of legal services operating under lower cost models. These four firms had all outsourced a range of other support departments such as finance, IT, human resources, marketing, facilities management, event management, customer relationship database management and learning and development.

(5) Extended hours of library service

Two of the six law firm interviewees cited the extended hours of an outsourced library service as a reason for outsourcing the library. One law firm reported receiving an additional two hours of library services per day in the outsourcing arrangement while another law firm had negotiated 24/7 library service coverage.

Outsourcing service models

The literature review revealed considerable confusion amongst law librarians and media commentators about what the service model of the outsource service providers actually was but all appeared to be united in the view that whatever the model was, it was a standard model. Part of the criticism of the ability of outsourcers to provide a superior service to a law firm library team was that it was remote and out of touch with the work of the firm and the information preferences of the lawyers and wasn't a tailored and personal service.

The research found that each of the two library service providers were providing services to their clients under different models and were providing services which had been tailored according to the needs and budgets of each particular client. There was no standard law library and legal research service being offered as a 'product'. Six law firms were interviewed that were using outsourced library services and every one of them described a service that was unique to their law firm. In a buyers market, these law firms negotiated, through their service level agreements, outsourced library services that were tailored to their needs and budget.

Evalueserve describes itself as providing tailored information solutions to its clients "taking a client-centric, consultative approach to engagements developing solutions that align clients' specific business ambitions with Evalueserve experience" (Gill 2012). It offers a range of library and information services for law firms but it does not offer a shared law library service. It became a provider of an outsourced law library and legal research to law firm Freshfields Bruckhaus Deringer as part of its broader engagement with that firm. The library staff of this law firm was transferred to Evalueserve and continue to provide information services to their former employers at the law firm premises. In social media such as LinkedIn these librarians describe themselves as being employed by Evalueserve at Freshfields.

Integreon provides law library and legal research services on a commercial shared services model. This service provider employs law librarians to provide services to a number of law firm clients primarily from its service centres in Bristol and London and offshore locations.

Integreon offered three models of service delivery (Stanfield 2012). In the most basic and cost effective form, a law firm could have its enquiries met by a research team that was shared with other law firms. A dedicated research team could be provided for a client but this came at a higher cost. In between these two service models, a hybrid service with features from the shared and the dedicated service models could be provided.

The hybrid model was designed to meet the individual needs of law firm clients. This model of service variously provided the opportunity to law firms to have a librarian provide services on a part-time basis at their offices. One law firm reported that one of the librarians transferred under the outsourcing arrangement continued to work at the offices of the law firm "as required" and to provide training in legal research skills for the firm's lawyers at the offices of the law firm. One law firm reported that the outsourced staff continued to visit the law firm offices for collection management tasks.

A number of the law firm clients of Integreon reported that the initial service model had been modified during the contract period in order to better meet the needs and expectations of the service by both the law firm and the service provider. As a new “start-up” service industry, Integreon and its clients were working through the details of how the outsourced services could be best delivered. While law firm interviewees did not disclose the financial details of their outsourcing arrangements, two indicated that the pricing of their contracts had changed from a fixed price to a transactional formula as the actual, rather than the anticipated cost of delivering the outsourced services to the law firms, became clearer over time in order to ensure both a fair return for the service provider and a fair price for the client.

Common features of outsourced service model

Despite the individual differences between the service delivery models of the two service providers and those of individual law firm clients, there were a number of common features of the outsourced law library and legal research services.

(1) Complete law library and legal research outsourcing

All six law firms had outsourced all the functions of their law firm libraries which were described as being the procurement of legal information resources, enquiry service, research skills training for fee-earners, current awareness bulletins and collection management.

(2) Law firm ownership of legal information resources

All six law firms retained ownership, custody of and access to the electronic and print resources of the law firm library. In some instances, because the print resources of the library remained in the law firm offices, routine collection management tasks such as shelving and loose-leafing was conducted in-house by receptionists. In other cases, outsource librarians travelled to law firm offices as part of their regular duties to perform these tasks.

Outsourcers used the electronic resources of their law firm clients on their behalf using the law firm’s login details pursuant to the terms of the law firm’s licenses. It was therefore still possible for fee-earners to conduct research within the firm using those resources and some law firms advised that lawyers within the firm, who were primarily engaged in research or knowledge management roles, also used them.

(3) No shared use of information resources

Outsource service providers did not own or provide shared access to a law library of print and electronic resources for their law firm clients.

There was no inter-library loan scheme between clients of outsource providers.

(4) Remote access enquiry service

All six law firms reported that the reference/enquiry process was conducted remotely by telephone or by email; a continuation of the method most frequently used while the library was in-house. One law firm interviewee remarked that the remote use of the library made it particularly suitable for outsourcing.

Most law firms reported that they had retained the same telephone extension number and email address of the in-house library for use by the lawyers in order to retain what was described as the “touch and feel” or the “touch points” of the original in-house library service. Five of the six law firm interviewees considered that fee-earners would not have experienced any change in their use of the library service as a result of outsourcing.

Law firm responses to the claims and criticisms of outsourced law library and legal research services

The claims and criticisms regarding the quality, cost benefits, information security and the impact on law librarians revealed in existing literature on law firm library outsourcing will now be evaluated from the interview data provided by the providers and users of those services and interested law librarians.

(1) Quality of outsourced law library and legal research services

Five of the six law firms interviewed expressed satisfaction with the quality of the outsourced law library and legal research services. Quality was usually described as a combination of the provision of accurate information and a timely response. Satisfaction was measured either by a low level of complaints or the positive feedback of lawyers. All of the outsourcing law firms had a feedback process in place in order to measure the level of satisfaction with the outsourced service. The outsourced services were delivered, in most cases, by the same library staff that was once employed by those law firms.

The one dissatisfied law firm expressed dissatisfaction with the quality of complex research and considered that fee-earners were conducting more of their own research as a result. This law firm also expressed dissatisfaction with non-delivery of several expected services. Five of the six law firms expressed satisfaction with the ability to access additional specialist research services such as business intelligence research.

Quality of services provided offshore

None of the law firms expressed concern about the use of offshore service centres by their service provider and did not believe that it had a negative impact on the quality of the services provided to them.

Cost savings

Cost savings arising from law firm library outsourcing were discussed in general terms. The law firms were paying a service charge for the outsourced service and in addition were paying for the information resources acquired on their behalf by the service provider. Costs are therefore described in terms of the staff cost of the service and the separate cost of information resources.

Salary cost savings

Five of the six law firms reported that fewer staff in the outsourced service model were meeting their information needs and this was reflected in the cost of their service contract. The cost of the staff of the outsource service provider was shared between the clients of the service provider resulting in cost savings for law firm clients.

Information resources cost savings

All of the law firms who participated in the research reported an expectation that outsourcing would result in lower overall costs for electronic resources from discounts negotiated because of the bigger buying power of the service provider on behalf of its clientele. All law firms reported that these anticipated savings had not eventuated. Some of the law firms were

optimistic that lower costs might eventuate if more law firms outsourced their law firm libraries thereby providing service providers with more negotiating and buying power.

The inability of an outsource service provider to guarantee any savings in the cost of electronic resources was cited by one law firm interviewee as the main reason why it had decided, after consideration, not to outsource its library. Without these savings, there were insufficient financial benefits for the law firm to justify outsourcing the library.

Both outsource service providers claimed to have been able to provide some cost savings for clients in the cost of print resources but confirmed that they had been unable, despite their best endeavours, to deliver significant savings in the cost of electronic resources for their clients. Like their clients, both expressed optimism that they would be able to do so if their buying power increased in the future as more law firms used their services.

Risk to information security

None of the law firms considered that outsourcing posed a greater risk to the security of confidential information. On the contrary, all six law firms believed that the outsourced service model strengthened the security of information because outsource service providers had introduced security procedures for the first time in place of the system of trust that had been relied upon to protect information within law firms previously. Both service providers provided numerous examples of the security procedures employed by them to protect the security of information.

Most of the law firms refuted the suggestion that the outsourced library staff were entrusted with confidential information in order to respond to information queries. The work of the staff was variously described as “information retrieval”, “just research”, “dealing with public information”, “not strategic”, “not of competitive advantage”, “not IP” and these views underpinned their perception of risk. Those law firms which did provide access to their information systems and confidential information to outsourced staff in the course of their work considered that security was well-addressed by the service provider.

Management time

Five of the six law firms believed that outsourcing the library had freed up management time. The dissatisfied law firm considered that it had lost management time in administering the outsourced contract and negotiating solutions to the problems it was experiencing with the delivery of the services. The other law firms reported that while the transition of the library service to the outsource service provider required considerable investment of time, the administration of the outsourcing contract required less management time than the management of a law firm library.

Impact on law librarians

While outsourcers claimed to provide more career opportunities and on-going training and professional development for their library staff than law firms, critics pointed to unemployment amongst law librarians transferred to outsource service providers. It was not possible to examine the validity of these claims or criticisms because outsourced law librarians chose not to participate in this research and their experiences as service provider employees remains unknown. While law firm interviewees confirmed that not all of their staff were transferred to the employment of service providers pursuant to the outsourcing contract, both outsource service providers claimed that they were able to provide employment

for the library staff transferred to them. It was claimed that some law librarians declined the offer of employment made because they did not want to work for an outsourcer.

Critics of law firm library outsourcing claimed that outsourcing has damaged the professional and informal networks that law librarians use for the benefit of their law firm employers. This particular impact seems to be confined to the South West region of the UK where law firm library outsourcing began and several of the outsourcing law firms have offices and where smaller and more closely connected, local professional networks have been significantly affected by outsourcing. In this region, law firm librarians have excluded outsourced library staff from their cooperative networks and from their regular meetings. The British and Irish Association of Law Librarians (BIALL) and the City of London Legal Information Group (CLIG) however welcomes members from both law firms and outsource service providers and some members employed by outsourcers have occupied leadership roles in these professional associations.

Conclusions

The outsourcing law firms stated that they valued law library services and wanted the best services that they could afford. The outsourcing law firms were of the view that because of budgetary and competitive pressures they could no longer afford or justify the rapidly increasing costs of the law firm library and they were looking for a cost effective solution to this problem. Law firm library outsourcing, was therefore conceived of, engineered and designed by lawyers for lawyers in response to these funding challenges. The outsourcing law firms outsourced their law libraries to gain more services for their library budgets. However savings were anticipated. The law firms did not outsource to obtain a cheaper version of the existing law firm library service but rather to participate in a different method of library service provision. By outsourcing their library to a commercial service provider, in most cases shared by other law firms, these law firms demonstrated willingness and a desire to collaborate with other law firms in order to share in the costs and benefits of a shared law library service. Outsourcing provided law firms with a mechanism to participate in a shared law library service designed for their needs albeit on a commercial basis. The outsourcing law firms also anticipated that they would experience cost savings in the overheads of the library service, staff, management costs and information resources. The research found that savings had been delivered in staff and management costs but very little saved in the cost of information resources. The cost of the outsourced service was increasing, as the true cost of the service became known over time reducing the amount of the initial cost savings.

The majority of the law firm interviewees were satisfied with the quality of the outsourced law library and legal service used by them.

The 'traditional' enquiry-based law firm library is no longer strategically important to these law firms. Three of the outsourcing law firms had a business strategy to outsource all non-strategic support services and outsourced a number of other support services. These law firms did not consider the law firm library to be of strategic importance to the law firm because it was not providing the intellectual property of the law firm – the 'product' the firm was selling to its clients and having a law firm library did not provide it with a competitive advantage against other law firms. The other law firms, while not pursuing a similar business strategy, expressed views that the library service was particularly suitable for outsourcing.

The libraries that were outsourced, as described by law firm interviewees, appear to have been 'traditional' enquiry-based law library services and therefore particularly suitable (or

vulnerable) for outsourcing because it was possible to provide many of their library and information services from any place at any time via the internet. The existence of qualified research specialists, referred to as professional support lawyers, within several of the outsourcing law firms provided an indication that some of the law firm libraries had not been tasked with providing complex legal research or knowledge management services.

Future prospects for law library outsourcing

Law firms will continue to seek cost-effective means of meeting their library and legal research needs and outsourcing of some or all of law firm library functions will continue to be considered and evaluated. The rapid growth in complete law library outsourcing experienced between 2009 and 2011 has stalled although law firms have continued to outsource their law libraries using different models. Between 2011 and 2013 only one law firm completely outsourced its law library service to Integreon and another has not renewed its contract with that company. The reasons for this lack of growth are the subject of speculation.

It was suggested by some interviewees that Integreon might have reached “critical mass” in meeting the needs of its current clients. There have been anonymous comments in social media that the services are unprofitable for the service providers and as a result are not being promoted. Others speculated that the failure to deliver significant reductions in the cost of electronic resources had revealed a fatal flaw in the business model.

Legal publishers may well hold the key to the future prospects of law firm library outsourcing and other efforts by law firms to develop new models of information services provision. The inability of the outsourcers to deliver significant savings in the cost of information resources – particularly the electronic resources which consume much of law firm library budgets – has meant that law firms have not received all the anticipated benefits of outsourcing. Any significant reduction in the level of savings currently being experienced by law firms from staff and management costs, a process that appears to be underway, will lessen the appeal of this form of library outsourcing for law firms in future. The complete outsourcing of law firm libraries to commercial service providers is therefore likely to remain limited in scale and may be abandoned by current users in favour of different models of library service provision.

Notes on contributor

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