

# Smartsourcing in Legal IT – A New Delivery Approach

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Smartsourcing is not a new concept. The term, first coined in the 2004 Delphi group report *Smartsourcing: Doing More with Less*<sup>[1]</sup>, refers to an already established approach to service delivery and support in a number of industry verticals.

Smartsourcing is defined as “*Leveraging the competencies of service providers in order to achieve a significant increase in total innovative capacity.*”<sup>[1]</sup> The key word here is innovation. Unlike traditional outsourcing models that focus only on better cost and process efficiencies, the Smartsourcing approach seeks to leverage the expertise of skilled business partners to assist organisations in streamlining their existing practices, processes and procedures in order to change the way that they deliver their products and services to their client base.

Successful outsourced solutions do exist in today’s Legal market especially in the areas of BPO and LPO but they frequently offer little more than a commoditised variant of the existing in-house solution. In today’s economy law firms face increasingly rigorous client, competitive, regulatory and cost pressures and therefore need to adapt more radically than these traditional solutions will allow. They need to answer the following key questions: How will we be sufficiently agile to meeting increasingly complex client demands? How do we differentiate? How will IT assist us strategically?

In a nutshell law firms need to innovate and using Smartsource providers, or Smartsourcers, can help law firms face these challenges head on by accessing the right expertise in an agile and cost effective basis. Furthermore, as new market entrants and ABSs appear less encumbered by existing organisational obstacles, the need for innovation is even more acute in established law firms.

What is a Legal Smartsourcer? Simply put a Smartsourcer is an individual or organisation that provides a range of services from strategic advice and guidance, through project and service delivery, to on-going support services. Furthermore, true Smartsourcers understand a law firm’s core business and are able provide this range of services for all key business areas.

Another key tenet of the Smartsourcing approach is that “*Smartsourcing is founded on a trusted relationship between the organisation and its service partner that supports operational and strategic excellence.*”<sup>[1]</sup>

With this in mind Athenian has invested in both a unique set of well-known industry veterans, each with over 20 years legal IT experience, and a combination of products and services based on this experience and specifically aimed at providing law firms the opportunity to innovate and change the way their core business requirements are serviced.

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But what is innovation? Innovation is not just a wholesale change to every system and process but can be targeted at specific activities in isolation or be part of a larger change management program. A good example here is a law firm's use of Athenian's Athena Praxis Productivity Component to assist in delivering real world attributes such as supervision and delegation into core business processes. By adding these normally forgotten attributes into laboratory styled BPM systems, firms are able to implement automated and streamlined processes without the need for routine workarounds and manual intervention.

Another area that can benefit from Smartsourcer involvement is that of law firm service provision. The range of services, frequently technical in nature that law firms are asked to deliver nowadays has become more diverse and varied. The cost of provisioning and maintaining these services both deflect law firms from investing in the provision of legal expertise and creates the burden to source and retain the in-house resources to support these requirements. Using Smartsourcers to deliver these non-core services removes this burden and provides the opportunity for law firms to focus on their core competencies.

Extending the point above, many law firms have identified opportunities of differentiation and competitive advantage but do not have the business partners in place to provision these complex initiatives. *"Smartsourcing allows organizations to focus on these good ideas and manage their core strategic innovations with higher levels of awareness while working closely with a service partner to identify innovation for their operations"*<sup>[1]</sup>. Examples range from risk register and management frameworks, interactive Q&A workflow systems to resource management systems. Using Smartsourcers to scope, deliver and support these 'value-add' services, law firms can bring these unique and complex offerings to market that in turn provide innovation to their clients, increased revenue and enhanced brand recognition.

What about cost? Any effective Smartsourced solution needs to be flexible and work in line with the business requirements. Referring back to the traditional outsourced solutions, retainers with lengthy lock in periods can potentially create an alternative situation where law firms are stopped from innovating. Effective Smartsourcing services need to be provisioned through the use of smart and flexible commercial structures approaching each project/service, and the phases within, differently to meet the needs of the law firm at that specific time. Through the use of ad-hoc, project and retainer based approaches Athenian has provided numerous strategic, project and support based services to UK law firms over the past few years.

Finally, returning back to the original 2004 Delphi Group report, the author T. Koulopoulos observes that the optimum time for a Smartsourced approach is during periods of uncertainty, where innovation, agility and service improvements are needed but costs need to be reduced. The legal industry is in the deepest period of

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uncertainty it has seen for over 30 years and therefore now is the right time for law firms to look at different approaches to business service delivery: otherwise they are at risk of being “innovated out”.

## Athenian IT - The Smart Source for Legal IT Expertise

*Formed in 2010 Athenian IT is an organisation of highly experienced individuals that provides IT applications and integration expertise to professional services firms on a flexible basis. Some call it ‘Smartsourcing’. We specialise in the areas of Intranets & Portals, Process and Master Data Management whilst our many years of experience in the sector make it possible for us to provide a broad range of IT Consulting and Management services.*

*We work with technology from top software manufacturers including Microsoft, Thomson Elite, Aderant, Lexis Nexis, IntApp, OpenText and Autonomy. Our expertise and experience is substantial; our driving principle is the delivery of excellence in our software and services and we operate in an ‘Athenian’ way. Our approach is, wherever possible, to leverage existing software assets and achieve effective integration at a cost well below that of the acquisition of new systems.*

## References

[1] *SmartSourcing: Doing More With Less*. ©2004 Delphi Group, an Acrovantage Company.