



The Merits of Offshoring Business Research

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Introduction: Why Law Firms Need Business Research

It wasn't too long ago that old guard law firm leaders questioned whether it was ethical to include a firm's phone number on letterhead. They feared it could be implicitly regarded as solicitation. Once law firms got beyond the letterhead issue, the "marketing" function morphed into collecting CVs, and if a firm was particularly ambitious, commissioning a brochure. Indeed as late as 1990 very few law firms even had formal marketing departments.

Clearly the world has changed. Competitive and cost pressures have forced law firms to operate like businesses and actively develop new clients and work harder to retain existing ones. And like any business, you have to spend money to make money. Therein lies the challenge.

To compete effectively, law firms must have a deeper understanding of their clients' and prospects' businesses and challenges. A treasure trove of information is available online, but it takes considerable time and skill to research, categorise, and package it. This is where a firm's business research challenge *begins*.

The Limits of Current Business Research Approaches

To keep overhead costs down, some law firms delegate business research to already over-worked legal librarians. This is an ineffective use of a valuable resource: law librarians are trained to do legal research, which requires a very specialised knowledge and skill-set. Furthermore, business research is a distraction from important billable legal research.

Other firms ask marketing departments to do business research. This too is problematic. Business research can distract marketing managers from higher value tasks. They add much more value by focusing their time and efforts on client outreach, branding, event planning, and other activities meant specifically to retain clients or introduce the firm to prospects.

Of course, law firms can hire specialized business researchers. This solution, however, is costly. It requires yet another layer of staff and associated management headaches. Moreover, since the demand for research ebbs and flows, the only way to meet peak demand is overstaffing (or overworking staff). Law firms may also find that attracting the best research professionals is difficult because career paths are limited.

Whatever the staffing approach, business research typically follows the artisan and

Business Research
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craft approach of lawyers. That is, each lawyer and each researcher views each request as “one off.” Firms rarely standardize either the research intake procedures or the outputs. Consequently, research requests vary widely, as do the actual outputs, depending on who requests the work, the phrasing of the request, and who actually performs the research. This can drive costs higher and confuse lawyers.

A Better Approach: Outsourcing Business Research

Progressive law firms – from the large to mid-size ones - increasingly outsource business research. Established research outsourcers standardize intake and output. This does not mean that every research request is rigidly formatted, but rather appropriate parameters and guidelines are outlined and followed. For example, lawyers and marketers might submit their requests using a web-based, checklist and fill-in-the-blank form that streamlines the research request and elicits all the information required to perform the right work.

Experienced outsourcers also develop firm-customized templates for delivering results. Some outsourcers excel at “packaging” research with graphics, tables, and bullet points. Lawyers likely never ask for information this way but are almost always pleasantly surprised to see crisp, standard reports. Some providers offer presentation graphics services and incorporate this expertise to deliver even more polished and easily readable reports.

Outsourcing does not mean not mean eliminating staff from the research equation. Rather, by offloading the basic research, librarians, marketers, and business development professionals have time to add their own analysis, call attention to the most important points, customize the research, or conduct more highly specialized, truly one-off research.

Beyond eliminating a headache, freeing employees to add more value, and streamlining the process, outsourcing can significantly reduce cost. Going offshore can save up to 50% of the cost (especially for firms with London offices). The savings do not come at the expense of confidentiality. Established outsourcing companies have multiple layers of security, typically more extensive than what is even found in most law firms. Nor do savings come at the expense of turn around time. Most outsourcers can return results within 24 hours, often by the next morning; special arrangements may be possible for rush jobs.

The case studies below illustrate the potential benefits of outsourcing business research.

Outsourced Business Research Case Studies

Large Law Firm Case Study

The Problem: The large, top-ten law firm had both a large business development team and extensive legal library capabilities. The challenge was that the business development team was reliant upon the legal library for business research. Research reports were inconsistent, time consuming and ultimately costly.

The Solution: The firm’s business development professionals devised a plan for outsourcing the business research function to a delivery center based in Mumbai, India. The “soup-to-nuts” plan included design templates, training, documentation and a proprietary information transfer/delivery system. The firm had sufficient research needs that it was assigned a dedicated delivery team of employees at the Indian site working exclusively for them.

The Mechanics:

- Attorneys submit requests for company and industry profiles as well as other research inquiries using secure, menu-driven software;
- The delivery center immediately receives the request and begins processing it;
- Document services professionals seamlessly package the profile for easy digesting;
- Research package is returned to the firm, typically within 24 hours.

The Benefits: The firm cut its business research cost by 30% yet improved the quality and turn around time delivering reports. Lawyer satisfaction increased.

Mid-Size Law Firm Case Study

The Problem: In order to compete, the mid-sized law firm prided itself with a “hands-on” approach and ability to dig deep into client issues. The firm wanted to have a broader capacity to target prospects and more quickly learn about industries and companies. A limited staff precluded the level of research required.

The Solution: The mid-size firm negotiated a “pay as you go” strategy. Individual assignments could be requested and turned over quickly resulting in a flexible, streamlined process.

The mechanics and delivery model was very similar to that used by the top-ten law firm, but the mid-sized firm didn’t have a dedicated team handling its research requests.

The benefits were fulfilling far more research reports with faster turn around time without increasing cost.

About the Authors:

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