

Law Firms and Outside Legal Service Providers Have Begun to 'Meet in the Middle'

Law.com catches up with Integreon CEO Bob Rowe for its Breaking Tradition series. In this Q&A, Rowe explains why the “alternative” designation doesn't work for his company, and where legal services providers fall in the legal value chain.

By Zach Warren

The Breaking Tradition series aims to provide insight into the world of New Law: the innovative ideas, the thoughtful opinions, and the alternative paths that many looking to reshape the legal industry have taken. With that in mind, we're publishing a series of Q&As to hear directly from the major players in this space in their own words.

Today's Q&A is with Bob Rowe, the CEO of Integreon. Integreon provides managed services for the legal market, ranging from document review and litigation content management to contract management and technology. Rowe himself has been with Integreon since 2017, but before that has spent time both within the legal technology and the Big Law world.

The questions and answers below have been edited for brevity and clarity.

Law.com: What was your career path to get to where you are today?

Bob Rowe: For 10 years, I practiced law in Washington, D.C. for several Am Law 100 firms primarily relating to large civil and antitrust cases. These

cases involved broad discovery and lots of documents. I saw many discovery budgets exceeded and thought there had to be a better way.

With the backing of my law firm, I created a business model that focused exclusively on outsourcing document review—designing specific, measurable processes that could be used by any law firm or litigation team to handle that activity. In 2003, the law firm rolled out a subsidiary, Nextra Litigation Solutions, to handle these document review projects.

Nextra focused on getting beyond the billable hour, creating a predictable pricing model based on measurable results relating to key metrics such as quality/accuracy, throughput, and cost containment. We put “skin in the game” by creating a scorecard, and we lowered our bill if we did not hit specific metrics. Before we even touched a client's documents, we could determine the scope of work and guarantee to the client a fixed, per-unit cost. We opened three review centers within 12 months.



Bob Rowe, CEO, Integreon

Nextra eventually was sold to Huron Consulting Group in 2006. At that time, Huron also bought a company that provided processing/hosting services, which allowed Huron to provide the full range of e-discovery services.

After the acquisition, I ran Huron's e-discovery business (part of Huron Legal's practice group) for seven years before running all of Huron Legal. We developed a predictable, per-unit cost for all of e-discovery (processing through production) premised on the

same principles we used at Nextra. Everything we did was driven by metrics and scorecards so the processes and costs were predictable and trackable.

In 2016, the Huron Legal practice group was sold to Consilio. In 2017, I became CEO of Integreon.

What is the favorite story you've heard about a New Law company working on a legal project?

My favorite stories typically fit the same pattern: a company recognizes a specific area of the legal market where a particular function has been performed the same way using the same set of activities for years, and someone comes along and challenges the status quo, introducing a disruptive process or innovation. A recent story is the rise of processes to deal with third-party subpoenas. Corporations in the financial services, insurance, telecommunications, and technology industries face enormous volumes of incoming third-party subpoenas and information requests, often hundreds per day. Responding to one subpoena request is not burdensome, but in the aggregate, the burden becomes significant, resulting in backlogs, delays and heightened risk.

In June 2019, Integreon created the Six Sigma-driven Subpoena Processing and Compliance (SPC) practice group to supplement in-house corporate legal departments' existing teams and eliminate their subpoena backlogs. We focused on increasing efficiency for

the client company, often in a metrics-driven and cost-neutral manner so that the service would eventually pay for itself.

Integreon's SPC team recommends where greater speed and cost reduction can improve the status quo and leverages resources such as workflow and process maps, metrics and dashboards to provide greater consistency, accuracy and transparency.

For me, this "story" exemplifies the value and place organizations like Integreon have in serving the legal community. While law firms generally focus on complex matters and strategy, we bring process expertise, technology, and resources to higher-volume, standardized activities.

In the next 5-10 years, where do you see ALSPs falling in the value chain of legal services providers?

Looking at the pyramid of legal services—high volume/low risk activities form the bottom (the largest sector), in the middle is medium volume/risk activities, and the top (the smallest sector) is higher risk/complexity activities. Most law firms specialize in services at the top of the pyramid, accomplishing fairly customized and not easily repeatable tasks requiring top legal talent. Companies like Integreon, called ALSPs, LPOs or BPOs (Legal Process and Business Process Outsourcing) or "New Law" by some, have historically handled tasks from the lowest pyramid section—activities that require

more expertise in developing scalable/repeatable business processes.

Recently I have seen a convergence as both law firms and outside legal service providers have begun to meet in the middle—the medium volume/risk/complexity activities. For these activities, law firms are moving away from the billable hour, and some are developing subsidiaries that handle projects that ALSPs would typically take on. On the flip side, other "New Law" providers are effectively managing activities with somewhat higher risk/complexity profiles that still require scalable/repeatable business processes.

How would you define what Integreon does to someone unfamiliar with the world of law outside firms?

Interestingly, Integreon services a meaningful number of companies outside the legal industry—investment banks, consulting firms and HR departments—so we must define ourselves in a manner that does not confine us only to the legal industry.

Though Integreon has been called an ALSP or alternative legal service provider, this designation doesn't seem to really work because of the word "alternative"—alternative to what, I ask? Integreon does not practice law, so we are not an alternative choice to a law firm that does practice law. And Integreon is not an alternative to law firms for complex, and/or high risk matters. The skill sets used to deliver our services are much different from the skill set of a practicing lawyer.

While LPO (legal process outsourcing) and BPO (business process outsourcing) are both partially applicable to Integreon, I prefer the term “managed services provider,” which is trending recently. I believe this is more appropriate for Integreon because it describes the scalable, repetitive activities addressing higher volume activities at predictable costs—while not confining our services strictly to the legal market.

Why do you think ALSPs are viewed as a threat by some to the traditional law firm model?

I think that perspectives on ALSPs are largely historical and not entirely accurate. First and foremost, ALSPs generally do not and cannot engage in the practice of law in the United States. That is the domain of law firms and legal practitioners. Historically, law firms generally handled almost every activity that was considered part of a legal matter. Companies delegated an entire matter to a law firm and the firm made the decision as to what to keep in-house or what to outsource (not surprisingly, very little was outsourced). More recently, and I think with the rise of the e-discovery industry as well as legal operations, questions have arisen as to whether certain activities that supported the practice of law, but not considered to be the practice of law themselves, could be better handled

by individuals/companies outside of the traditional structure and model of a law firm or legal team. This is where ALSPs entered the scene—identifying business processes that related to or supported a legal activity.

As I mentioned earlier, there are very different skills sets required to be a successful lawyer at a law firm vs. a successful ALSP company focusing on scalable business processes. Integreon’s business processes bolt onto the practice of law, and although we have lawyers working for our company, we oftentimes develop our business solutions with other experts, including statisticians, workflow designers, and Six Sigma process experts. I think it is the evolving division of labor that some may consider some sort of threat to the traditional law firm model. However, this evolution is beneficial for the overall market, allowing increased innovation and more efficient processes for specific activities. And of course, this is highly beneficial for consumers of legal services.

What are the next steps from here? How does Integreon grow next in this ever-changing market?

Looking ahead, Integreon will continue to layer in advances in technology. We are very focused on identifying ways to reduce manual processes making them faster and less prone to error. This has widespread application

across most, if not all, of our service lines especially two of our fastest growing areas: Cyber Incident Response (CIR) and SPC practice groups.

We are intently watching the robotic process automation (RPA) space, which we have been actively testing for the last two years. Our research is examining what humans do best, and what technology does better.

What will not change for Integreon, is leading the charge to find a better way—disrupting and challenging established processes within and outside the legal space. Through technology and tapping into new pools of skillsets and talent, Integreon will continue to break new ground for its clients and the legal industry.

Zach Warren is the editor-in-chief of Legaltech News. Based out of St. Paul, Minnesota, Zach has been with LTN since 2015. he can be reached at zwarren@alm.com.



Integreon
3247 47th Street South
Fargo, ND 58104
www.integreon.com
info@integreon.com
866-312-7023