

The Business of Law

By [LawVision](#) on March 6, 2021

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On February 26, 2021, David Cunningham and I co-moderated the 6th Annual Sandpiper Disruption & Innovation in the Delivery of Legal Services conference (640 registrants!). Here were a few of my takeaways.

Clients want you to help them right-size their work. Many clients already use ALSPs and encourage you to use them and learn how to work with them.

We heard from several law departments (JPMorgan Chase, TIAA, TATA Communications – aka, the “clients”) about what they want for outside support. The audience may have been surprised to learn just how open these sophisticated organizations are to legal outsourcing. The three law departments talked through how they review internal workloads, processes, and performance metrics and analyze certain work risks. Then, they disaggregate work to various service providers, from outside counsel (ranging from BigLaw to solos) to ALSPs (ranging from Big Four to LPOs). John Douglas, SEVP and Senior Advisor to the CEO of TIAA, even went so far as to share a comparison of typical hourly rates of various service providers, ranging from \$11.11 to \$1,500 per hour (that's \$20,000 to \$2,700,000 for 1,800 hours per year).

Business Problem or Legal Problem?

One recurring point made during the conference was that the legal function often handles work that is not legal. We asked: who is best positioned to tackle this work? The Big Four will approach issues from a business perspective and can advise law departments whether they should send their work to law firms or otherwise. Law firms are beginning to offer these high-value business advisory services, as well. I would encourage you, if you are a law firm, to give some thought to this. You can let the Big Four advise your clients how to right-size work, or you can strengthen your relationships with your clients by proactively approaching them with ideas for how they can right-size their work (but you cannot do this unless you understand the ecosystem of ALSPs and other resources that are available to you and your clients).

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Faculty at this conference included several types of service providers: law departments, law firms, law firms with captive ALSPs, law firms that use outside ALSPs, ALSPs that offer technology-based solutions, flexible staffing, and managed services, and a strategic matchmaker (me) who helps law firms assess whether they have a business case to use ALSPs and can match them with service providers that are appropriate for their needs.

Clients have a variety of service providers among which to choose. These service providers may have different business models, but they are trying to serve much of the same market and problems as you are, though in different ways. How is a client to decide which provider to hire? As our industry collects more data around provider performance (e.g., turnaround time, cost savings, volume capabilities, NPI) and other metrics that matter (for starters, diversity is a big one. For more, check out David Cunningham's organization [Legal Metrics](#)), clients will more heavily lean on this data when making purchasing decisions.

Questions all service providers need to consider going forward.

Do you know how your organization measures up against the competition? Is your legal function truly aligned to the client's strategy and business goals ([DLEX](#) is an organization that is thinking hard about this)?

How can you measurably demonstrate that you offer equal or better value to your clients than another provider?

How will you work with various service providers to improve the value you provide to your internal and external stakeholders?

If I had a law firm, I would consider working with ALSPs as part of my overall strategy for increasing efficiency and client value delivery for a variety of reasons. At a minimum, I would want to work with ALSPs to get a candid look into how they operate, to see first-hand what they can and cannot do better/faster/cheaper than my law firm, and to learn how my firm can incorporate parts of the ALSP service delivery approach into our own to improve the firm's value proposition to internal and external stakeholders.