

Are You Maximizing the Value of Your Firm's Library? Three Law Firm Library Areas to Prioritize



The COVID pandemic has dramatically changed how we work and has led many progressive law firms to review lessons learned and take a fresh look at their operations to plot their next steps. Ninety percent of respondents to HBR's recent [Workplace of the Future](#) survey are currently addressing workplace strategy, with 62% expecting to make significant changes encompassing service delivery, ways of working, and facilities. At the same time, many firms are adopting a relatively conservative financial approach to 2021. While many law firms ultimately saw a successful end to 2020, in part because of some client industries' success, they recognize that, for the short term, at least, the only certainty is continued uncertainty about the pandemic's longer term effects on the economy.

The law library has always been a focus of firms' fiscal scrutiny, and this year is no exception. The library is traditionally one of the firm's highest cost areas after people and physical space. While firms should certainly continue to look for ways to better manage library costs, they also have an opportunity to reexamine the library with a fresh eye in tandem with other areas of firm operations. Firm leaders should consider lessons from the past and present not only for cost management, but to reassess the service delivery model and uncover the considerable untapped potential for libraries and their staff to provide continuing and new value to their organizations.

Lessons From the Past

Beginning with the Great Recession, firms' library-related efforts have primarily focused on opportunities to reduce or eliminate expense. Below are a few of the cost management strategies attempted over the last decade, with varying levels of success.

- **Sole legal research provider.** After the Great Recession, many firms looked at the question of whether to maintain both Westlaw and Lexis or choose a sole primary online legal research provider. Those firms that acted quickly to choose a sole provider despite significant internal resistance have generally fared well since making that choice. Those that are contemplating the change to a sole provider today must be more organized and ready to confront far greater challenges, with vendors adapting and developing their own countermeasures to the effective implementation of this strategy.
- **Paperless office.** Firms with visions of becoming a "paperless office" often launched initiatives to significantly downsize the number of physical books, along with associated costs. These initiatives also allowed firms to reduce the physical space occupied by their libraries. In the years following the Great Recession, [the media](#) has featured images of dumpsters filled with law books. Unfortunately, the more recent wind-down of print has not always resulted in significant cost reduction. Vendors have dramatically increased the cost of any remaining print, re-monetized printed content in a digital form, or simply bundled the print with other content, adding challenges for firms to see cost advantages from cancellations.

- **Staff reductions.** As firms downsized physical space, they also reduced library staff. While that created some immediate cost savings, yesterday's staff reductions have created today's succession challenges. When we look at today's library staff composition, true middle managers have been the hardest hit. Law firms' highly tenured library directors succeeded in keeping the wheels turning and often helping to modernize the library's role, but in recent years these same directors have begun retiring. With the dearth of middle managers, there is now a staffing gap: there are relatively few mid-level managers poised to step into the newly vacant leadership roles.
- **Department consolidation.** Budget considerations have partially driven another staffing play: the reorganization and re-staffing of the library in conjunction with other similar or related departments. Firms have not consistently consolidated the same departments, though. Marketing, knowledge management, records, and even analytics have been conjoined with the library. Sometimes these other functions are moved (or created) under the library department, or sometimes the library has become part of another department.

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Priorities for 2021 and Beyond: Advancing and Maximizing the Library's Value

In today's ever-changing environment, we recommend that firms focus on three areas of library management not only to respond to the moment, but to strategically position the library and the firm for the future. The three areas are cost management; staffing and service delivery; and a new focus on how libraries can serve firms' client-facing efforts.

1. Cost Management: Managing and Prioritizing the Information Sources You Need

In an economy that remains somewhat uncertain, we expect that law firms will continue to focus on cost management in 2021 and that the library, as a major cost center, will again be the subject of that focus. A major element of library cost relates to its information sources: its online research services and its physical and digital content.

With respect to online research, we expect that sole provider initiatives will continue, and additional firms will move in that direction.

Firms also have an opportunity to continue to reduce their print collections. Heading into 2020, many firms continued to maintain relatively significant physical collections. As lawyers moved into their work-from-home environment and physical books became less accessible, lawyers who had long resisted the notion that they could practice law with online tools alone were forced to

compromise and build new habits, offering firms the excuse to continue to reduce their print footprint, although possibly without significant cost reduction, for the reasons described above.

Indeed, most traditional cost-cutting strategies will lack the impact that they once had, as eventually there is a point of diminishing returns and options are more limited. With that in mind, we recommend two main cost management efforts: procurement strategies and rightsizing content.

Implement procurement strategies for library content. Although the average spending per attorney in the library overall has not increased at a rate much more than standard inflation, the mix of products being purchased has shifted significantly. While the major platform providers' share of that spending has remained consistent, the minority share is where the greatest shift has occurred. Where print reductions have mitigated cost to a degree, print has been replaced by hundreds of smaller online content providers. As these providers gain traction the need to carefully manage them has increased and has even led to many firms hiring specialized staff to do so.

While historically, vendor governance has been largely focused around print management, leading libraries have more recently invested in tools, process, staff, and third-party support to help manage this rapidly growing expense segment. With small firms maintaining at least 150 content suppliers and large firms maintaining 350 or more, all law libraries should apply procurement strategies including tools, processes, and team members with the appropriate training and background, at a minimum.

Prioritize the necessary information sources. A larger issue is ensuring that firms have the content they need. Library leaders will need to be more vocal inside the firm to advocate and gain leadership support for the elimination of redundant or low-use content, as well as externally with vendors who have been emboldened in their attempts to bundle and monetize unnecessary content. The most creative and forward-thinking libraries will begin to reimagine completely what content is needed and where it should be sourced, as well as how it should be distributed or accessed by the firm's lawyers. Vendors with the capacity to adapt in this landscape by providing more, not fewer, options to acquire content will be well positioned to serve the law firm of the future.

2. Talent and Service Delivery: Ensuring the Right Resources Are Doing the Right Work From the Right Location(s)

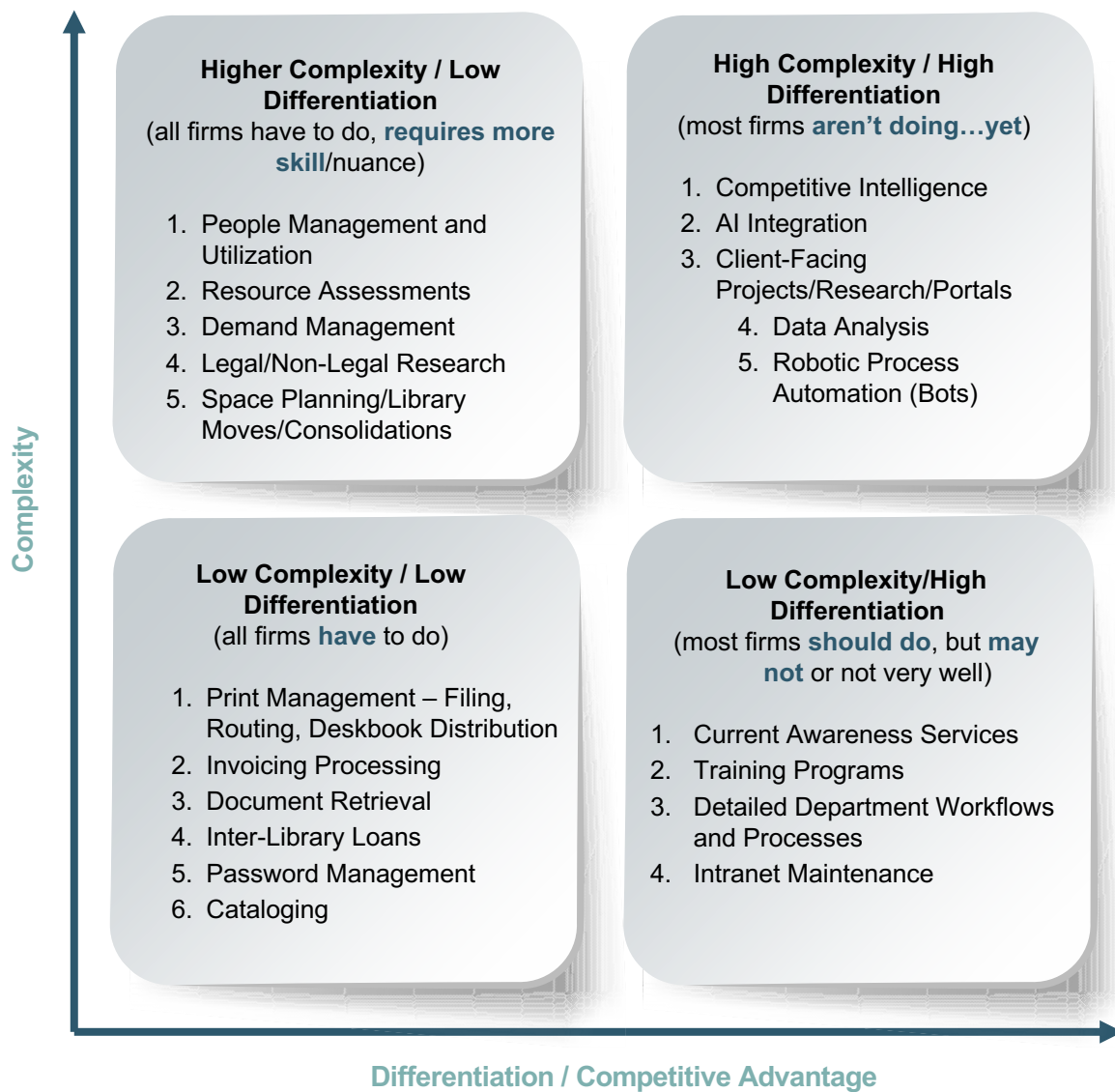
Taking a fresh look at the library's service delivery model—who is doing the work, how, and where—will benefit the firm in the short and long-term.

On-premise or remote. In most national firms, even before the pandemic librarians might as well have been "remote workers" because of changes in physical space and reductions in staffing ratios. Face-to-face contact between lawyers and librarians had already become limited. Firms that built administrative service centers generally also included elements of the library in those locations, again reducing contact with attorneys. The current work-from-home environment has demonstrated that firms can consider even more remote or off-premise

options for most library roles. But beyond location considerations, firms have an opportunity to reevaluate all library services, as well as how, where, and by whom they should be performed.

The right resources for the right work. The chart below illustrates the main functions performed by most libraries.

HOW THE LIBRARY SERVES THE FIRM



The functions in the lower left quadrant are basic administrative tasks that all firm libraries must do in order to operate. The tasks in the upper left quadrant are also required for libraries to function but require more skill or nuance. The lower right quadrant includes library services that provide additional value to firms. While most firms should be doing these tasks, not all libraries are currently offering these services or, if they are, are not investing time and resources to do them well. Finally, the upper right quadrant includes services that most firm libraries do not yet perform, but that can differentiate a firm from its competitors.

As firms reevaluate their library service delivery models, they should look at each of these four buckets and consider their current resource model, including considerations such as staff locations and the roles and responsibilities of staff members. All but the most specialized of these functions can potentially be performed remotely. A willingness to consider some of these roles as remote positions opens new opportunities not previously seen as viable. There is an argument, however, that more specialized functions require more interaction with attorneys and others outside the library and should perhaps be performed onsite.

Whether and what to outsource. Firms may also consider outsourcing some of the non-differentiating functions in the left two quadrants, while concentrating their internal resources on more specialized skills that can differentiate. For example, as online access to content continues to increase and research platforms to find information become increasingly complex, firms should focus on hiring and retaining researchers who can conduct high-value and high complexity legal and nonlegal research. We believe these are vital roles to most firms and should be embedded at the practice level. These strategic roles can be marketed as a competitive advantage and provide unique client value.

Outsourcing library functions is not new. For the past twenty or more years, libraries have outsourced the filing/shelving duties that were once central to the role of a librarian. A [survey on the use of ALSPs](#) suggests that 51% of firms are using third parties for legal research services and 31% for non-legal/factual research. HBR's recent Workplace of the Future survey of primarily large firms provides similar information – 53% of our surveyed firms are using third parties for at least some of their library and research services; 10% of survey respondents use them for more than 75% of those services. Additionally, managing libraries' multiple vendors occupies a significant amount of time from both library leadership and staff. While the work requires the expertise of a librarian, much of the effort can be accomplished by lower levels. Content procurement, invoice review and payment, issue resolution, password management, and even basic research such as case pulls are areas firms can consider outsourcing.

Opportunities and examples exist where firms have created not just savings and scale, but even improved service delivery and outcomes by down-sourcing, outsourcing, or moving to lower-cost markets. All of these options should be on the table as firms reevaluate their library service delivery models. Forward-looking firms are then considering how they can reinvest savings and refocus some of their library efforts on differentiating services that provide value to the firm—those services outlined in the upper right quadrant above.

3. Client-Centric Focus: Rethinking Libraries' Role in Client Service Delivery

While law firm “innovation” has become a buzz word over the last few years, at the heart of this movement is the need to differentiate by producing value-add for the client. These innovations may or may not be monetized and leverage the core legal strengths of the firm to reach clients in new ways. Given their field of expertise, information professionals are primed to support these initiatives—and many already do. In some cases, information professionals have client-facing roles. A recent [article](#) in AALL Spectrum by Toby Brown hits this point squarely. The law firm of the future will require an array of new roles which, as Mr. Brown puts it, will “require people steeped in information and process,” ranging from legal project management, to innovation projects tied to information and analytics, to new service offerings that incorporate the library’s unique skill sets. Most library teams are well-educated and highly trained professionals. Putting them to a higher value use can be a win-win for all—improving their job satisfaction, increasing client satisfaction through lower cost delivery of legal services, and potentially building net new profit centers for the firm. Providing these extra services will require resources, however, so as firms look at cost savings, they should consider how they can better use the skills of their existing personnel. Firms should also bear in mind that the staffing gap described above can also affect firms’ ability to provide additional services. Outsourcing some of the routine tasks can free existing resources to make an even more direct contribution to the firm.

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Conclusion

In the current environment, law firms, their attorneys, and staff are more open to change than they have ever been. It is an ideal time to take a fresh look at the library not merely from the perspective of cost, but also from the perspective of its internal and external utility.

Connect with our Experts

At HBR, we provide a range of services to law firm libraries, including strategic guidance, expense management, analytics, operations services, and research services. If you would like to discuss the priorities outlined here, please contact one of our experts.



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