

HARB()R

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Leveraging the law firm library's untapped value

In the changing economic environment

In this edition

2023

Introduction	2
2023 Areas of Focus	3
Focus 1: Cost Management	4
Focus 2: Utilization and Adoption	6
Focus 3: Competitive Intelligence	8
Conclusion	10
Connect with Us	11



Introduction

The library can be a **secret weapon** **differentiating** your firm and bringing previously **untapped resources** to bear.

Recommendations presented in our 2021 and 2022 whitepapers centered on how law firms could maximize the value of their library and information services functions (referenced in this whitepaper as the “library” for convenience). As the legal industry heads into uncertain times, firms that acted on those recommendations are now in the best position to fully leverage their library and information professionals. For those firms that have not realized the true potential of the modern library, it is time to get started today.

The library can be a secret weapon differentiating your firm and bringing previously untapped resources to bear. Firms that are maximizing the library can utilize library personnel and resources to support internal functions, client teams, and the firm’s clients in new and innovative ways. In addition, utilization of the firm’s library to support competitive intelligence efforts should be a priority to support overall firm growth and directly contribute to the bottom line.

Three Areas of Focus for 2023

Building on our previous recommendations and given the economic shifts, both within the legal industry and globally, we believe firms should focus in 2023 on library cost management initiatives, seek to bolster the utilization and adoption of information resources via technology, and pursue cross-collaboration opportunities with competitive intelligence efforts to enable firm decision-making based on strategic insights.

Focus One	Focus Two	Focus Three
<p>2023</p> <p>Cost management Implementation of strategic purchasing practices</p>	<p>Utilization & adoption Development of a holistic strategy to include onboarding, training, and usage tracking</p>	<p>Competitive intelligence Cross-functional collaboration between the library and intelligence functions to enable strategic insights</p>
<p>2022</p> <p>Optimization of client services Supporting the firm's clients either directly or indirectly</p>	<p>Cross-functional collaboration Collaboration between operational functions enabling productivity and efficiency</p>	<p>Evolution of library structure & roles Maximizing operational benefits via the transformation of the operating model</p>
<p>2021</p> <p>Cost management</p>	<p>Talent & service delivery</p>	<p>Client-centric focus</p>



Focus One: Cost Management



Because of the current economic uncertainty, our 2023 cost management recommendation emphasizes strategic purchasing practices that mitigate costs, building on prior years' cost management efforts. Heading into 2021, cost management strategies dominated the minds of law firm leaders. As it turned out, according to Thomson Reuters' [2023 State of the Legal Market](#), "the legal market experienced its best financial year [in 2021] since before the Great Financial Crisis of 2007-2008." By contrast, 2022 was beset by staffing challenges, global unrest, and fears of a U.S. recession culminating in reduced demand, productivity declines, and escalating operational costs.

Pursuing cost savings should still be a part of overall cost management; however, most firms have already wrung significant savings from the library. The focus should shift now to strategic purchasing practices, such as the application of procurement principles to understand, manage, and control costs as the number of vendors increases and the firm's needs change. This includes deployment of tools and processes, as well as hiring appropriately experienced staff or considering outsourcing the library procurement function entirely. While this may not provide "savings" in the traditional sense, the firm will be sure that the right resources are being selected at the best price.

Today's library is a complex mix of online research resources and lingering print collections. These resources are offered by an ever-increasing array of vendors, well beyond Lexis, Westlaw, and Bloomberg Law. In addition, the number of specialized research platforms has exploded, greatly complicating the procurement process.

To further complicate matters, the large platforms have also been adding tools and content that compete with the smaller niche vendors, making it more difficult to compare and eliminate resources that are no longer needed. We expect that the legal research resources market will continue to evolve, and potentially grow at an even faster rate. Managing the collection and its corresponding spend requires extensive market knowledge and expertise. Negotiating contracts at a fair price, the selection of the right resources — and ensuring those resources are utilized — is essential.

Continued shift in collection budgets

Across the board, collection budgets have steadily grown since 2016. In fact, nearly 50% of respondents to our 2022 Benchmarking & Legal Information Services Survey (BLISS), anticipated their collections budgets will increase over the next 12 months, with only 10% responding that they expected reductions. We expect this trend to accelerate as vendors adopt increasingly aggressive pricing strategies. Moreover, the fact that these resources are largely seen as “essential” will make it difficult for librarians and procurement teams to combat impending price increases. In this context, the looming economic environment presents a key opportunity for firms to strategically audit their collections – determining what is truly essential.

According to our 2022 BLISS results, collection budgets continue to skew toward electronic versus print resources. Electronic budgets grew 14%, print budgets decreased 28%, and the average ratio of spending for electronic vs. print resources grew from \$8:\$1 in 2021 to \$13:\$1 in 2022. For those firms that had not already significantly reduced print, the pandemic forced the shift to a primarily digital environment. Unfortunately, as the print revenue stream dries up, vendors will seek to maintain overall revenue via sales of electronic products by imposing steep price increases, bundling, or “enhancing” existing products.

For these reasons, in 2023 firms should take a pass on new costs and/or products that cannot show a clear ROI.

The looming economic environment presents a **key opportunity** for firms to strategically audit their collections – determining what is truly essential.

Focus Two:

Utilization and Adoption



The development of a holistic strategy that promotes utilization and adoption — including onboarding, training, and usage tracking — is essential. This is especially true as the number of resources and products within the library have exploded, firm personnel are working whenever/wherever, and there is an expectation that resources are being utilized in the most efficient and effective manner.

Firms have long sought to provide a wide variety of tools to support both the practice and business of law, many of which are centered on legal information. However, if those tools are not part of a larger strategy and implemented as a part of the workflow via technology, adoption will not follow; and without adoption, the firm's investments are effectively rendered useless.

New approaches to improve adoption

Traditional methods of communication and initiatives designed to increase utilization and adoption, such as training sessions, emails, user guides, etc., have generally not worked. We recommend that firms consider exploring opportunities to utilize application program interfaces (APIs) to embed content into systems commonly used by the firm's practitioners and staff to enable seamless usage and avoid platform fatigue. Many common research tasks can be streamlined using APIs, making the library an ideal place to start adding this technology. Library personnel can support this process via the identification, evaluation, and management of these tools in partnership with IT, in addition to taking on a training role.

Additionally, clients expect their attorneys to effectively utilize technology to create efficiencies and gain insights to benefit the representation provided by the firm. For example, the use of analytics regarding judges or opposing counsel is not just “nice to have” anymore. Walking into a courtroom or doing a deal without this knowledge puts the firm and its clients at a clear disadvantage. In fact, technological competence and keeping “abreast of changes in the law and its practice, including the benefits and risks associated with relevant technology” is now part of the ABA Model Rules of Professional Conduct, which has been adopted by almost all [states](#).

A full understanding of how the **product is being used** and how it can be **embedded into the workflow** should be addressed with the vendor at the time of purchase or renewal.

On-demand access to resources

Firms must also address the “hybrid” work model, which appears to be emerging as the dominant future model. This way of working will continue to make it critical that resources be available regardless of when and where attorneys and staff need access, whether that’s at home at 10:00 p.m. or at the beach over the weekend. Products that can only be utilized in a particular office or onsite, such as the Bloomberg Terminal, should be replaced, if possible. This further makes the case for the utilization of technology, such as APIs, to enable the firm to offer easy access to resources. Almost two-thirds of BLISS respondents (63%) indicated that API availability during vendor selection was either extremely or somewhat important, with only 12% indicating that it’s not important. If an API is not available, the firm should consider other ways to integrate content in places such as intranet pages or self-serve vendor portals. It is imperative that firms create strategic plans to address what resources are offered, how they are accessed, and methods to manage and maintain those offerings through internal support structures.

Utilization and adoption of resources should also be considered as part of the procurement process. A full understanding of how the product is being used and how it can be embedded into the workflow should be addressed with the vendor at the time of purchase or renewal. Tracking usage by user is essential to measuring ROI. The ability to understand who, how, and what is being used allows the firm to make informed decisions about subscription levels or whether to continue at all. If the firm is unable to gain this insight from the vendor, a third-party tracking tool should be utilized.

We recommend that the library align closely with internal stakeholders, practice groups, and other departments to understand and promote utilization. This includes considerations around purchasing, onboarding, training, and ongoing evaluation of usage by product or service. This strategy, or process, will enable firm leadership to fully understand utilization and adoption rates of critical information resources, allowing for informed decision-making.

Focus Three:

Competitive Intelligence



In uncertain times, firms will find value in savings, but they will also find value in the utilization of knowledge and data that informs strategy. A renewed focus on building a competitive intelligence (CI) function is one way to leverage the skills of an information professional to drive revenue and increase the firm's advantage in the pursuit of new clients.

Although most firms have multiple marketing professionals on staff, an effective CI function differs greatly from traditional business development efforts. [One study](#) highlights the gap most firms report with their CI function:

- **Only 15%** of the law firms interviewed indicated they were engaging in strategic and proactive CI.
- **80% of law firms'** CI departments are more reactive than proactive, while 61% are more tactical than strategic.
- Two-thirds of CI teams have members with a library or research background, **only one-third** have professionals with CI experience.

Most traditional library personnel are not trained CI analysts; however, firms should seek to foster cross-functional collaboration between the library and the CI function via the provision of research, current awareness support, large data projects, and resource management.

This collaboration facilitates the ability of the CI function to remain strategic, while leveraging the skills of the information professionals within the library. Understanding and leveraging the skillsets of personnel who could contribute to the process will enable performance and capitalize on existing resources.

We recommend that firms evaluate workflows and tasks associated with the current CI process. Are there ways to improve performance and expand services by promoting cross-collaboration? Too often these groups are overwhelmed with work that is best suited to the other group or other functions within the firm. Additionally, outsourcing some CI work, whether routine company profiles and current awareness or deeper market analysis and insights, could enable internal staff to focus on strategic more strategic priorities.

Firms should seek to foster **cross-functional collaboration** between the library and the CI function via the provision of research, current awareness support, large data projects, and resource management.

Conclusion

2023

The law firm library will continue to be a strategic department within the firm for those legal professionals who are willing to take advantage of its unique skills and capabilities.

Library functions and operations present immediate opportunities to support the firm's short-term and long-term goals, as the industry heads into an uncertain year. There are three key areas of focus: implementation of cost management initiatives through the application of procurement practices, increased utilization and adoption of technology resources, and partnership with Marketing/BD to build or support CI initiatives.

Law firm leadership should incorporate the law firm library into their strategic planning process to ensure that the firm is maximizing the potential contributions and roles that can be assumed by the professionals in these departments, leveraging the true value these teams can deliver.

Connect with our experts

For more information about how to design the right playbook for your firm, please connect with our experts.



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