

Outsourcing the Law Firm Library

The UK Experience

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Thesis submitted for the degree of
Master of Information Management and Systems (Research)

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April 2013

Declaration

I certify that this thesis does not incorporate without my acknowledgement any material previously submitted for a degree or diploma in any university and that, to the best of my knowledge and belief, it does not contain any material previously published or written by another person except where due reference is made in the text.

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As supervisor of Fiona Brown, I confirm that the work submitted in this thesis has, to the best of my knowledge and belief, been carried out by the student named above and is worthy of examination

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Acknowledgements

This is to acknowledge the help, support, and encouragement of my supervisors at Monash University, Associate Professor Graeme Johanson, Dr Kerry Tanner, and Dr Joze Kuzic. My thanks also to Professor Michael Mol of Warwick University and Professor Mari Sako of Said Business School, University of Oxford for their help with introductions in the UK and everyone who participated in the research and shared their experiences with law libraries.

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ABSTRACT

Since 2009, a number of large and leading UK law firms have outsourced their in-house law library and research service to outsource service providers. Integreon, the leading provider of these services in the UK, commenced operations in Australia in 2011. Since that time, a number of other providers of outsourced law library and legal research services have attracted a number of top-tier Australian law firms as clients. These outsource providers are not currently providing law library and legal research services to Australian law firms, however the possibility that they might do so in the future, means that the UK experience with law library outsourcing is relevant and significant to Australian law firms and law librarians

Little is known about the providers and users of these services or how the services work in practice. Opinion is divided on the reasons why the law firms outsourced their in-house law libraries. Law librarians believe that the decision is ill conceived, based on lack of appreciation for the value of an in-house library, and motivated solely by a desire to cut library costs. Others believe that libraries and other business support services are being outsourced as part of a carefully considered strategy to lower the overall cost structures of law firms in order that they can effectively compete with unprecedented competition from alternative lower-cost providers of legal services. Opinion is also divided between outsourcers and law librarians on the quality and benefits of the legal research services each provide to the legal profession. Very little is known about the level of law firm satisfaction with the outsourced services so it is difficult to consider the validity of these claims.

This thesis identifies both the providers and users of outsourced law library services in the UK and it describes how outsourced law library and research services are delivered. It examines both the reasons for legal research outsourcing and the validity of the claims made for and against it by advocates and critics in the light of information gathered from interviews with the providers and users of those outsourced services. The thesis then considers the significance of the reasons for law library outsourcing for the future of in-house law libraries both in the UK and Australia.

The research finds that law libraries were outsourced partly because the law firms, in order to compete with alternative lower-cost providers of legal services, reduced the cost structures of their businesses by outsourcing a number of non-strategic support services.

In addition, specifically in relation to their libraries, law firms outsourced their library service not simply to reduce costs, but rather to obtain more services for their existing budgets. Pressures on library budgets, mainly from the escalating cost of electronic legal information had led to reduced levels of service over time. The research finds that the law firms did not outsource their libraries to obtain a cheaper version of the library existing service but rather to participate in a different type of library service. It finds that law firms outsourced their library in order to gain flexible access to a broad range of research skills including specialist research skills and with the expectation of benefiting from the economies of scale of a larger, well-resourced law library. The thesis contends that by their outsourcing decision, these law firms demonstrated a desire to collaborate with their law firm competitors to share in the costs and benefits of a shared library service and that information and communication technology has made this possible. The research finds that, while not all expected benefits of outsourcing have been realised, outsourcing is effectively meeting the information needs of law firms.

This thesis also considers the significance of the reasons for the law library outsourcing for the future of in-house law libraries both in the UK and in Australia. It is contended that there is likelihood that law library outsourcing will be introduced and adopted in Australia in the future. The competitive pressures on the legal profession and the changing information landscape, which gave rise to law library outsourcing in the UK are already present in Australia. Several Australian law firms, in response to pressure from their corporate clients, have already adopted legal process outsourcing, demonstrating that the adoption of lower-cost models of service delivery, in response to competitive pressures, has begun. Pressures on library budgets and the changing information needs of lawyers have already resulted in the adoption of shared library services in other sectors of the legal profession.

This thesis contributes to the knowledge of law library and legal research outsourcing by providing an overview of its history. It identifies the providers of outsourced law library and those law firms that have outsourced their in-house libraries to these outsource service providers. It describes how outsourced law library services are delivered, an aspect of law library outsourcing that has been the subject of considerable speculation. It explains the motivations, expectations, and the level of satisfaction of law firms with outsourced library services. This new information is vital to members of the legal profession and information professionals who may be called upon to make decisions regarding the outsourcing of their own information services.

CHAPTER 1. INTRODUCTION TO LAW LIBRARY AND LEGAL RESEARCH OUTSOURCING

The aim of this chapter is to introduce the research topic and to explain the motivation for the research and the relevance and importance of law firm library outsourcing in the UK for Australian law firms and law librarians. The gaps in the knowledge of law library and legal research outsourcing which resulted in the formulation of the research questions are described. Some definitions of the outsourcing terms used in the thesis are provided and the structure of the thesis is then described.

On October 27 2011, Australian law firm Mallesons Stephen Jacques entered into a preferred supplier agreement for legal process outsourcing (LPO) services with Integreon, a global outsourcing company which claimed to be the world's largest supplier of integrated legal, business and research solutions to corporations and law firms. This was reported in the Australian media to be the first legal process outsourcing agreement entered into by a law firm in Australia, indicating that legal process outsourcing, which has been part of legal practice in the USA and the UK for many years, had reached Australia (Collings, 2011; Ring, 2011).

This announcement was significant to those with an interest in law firm libraries because Integreon had been providing law library and legal research services to law firms in the UK since 2009. To date, eight British law firms have outsourced their entire library services to Integreon. It was the first company to provide such services in the UK and, while it is not the only provider of these services, it remains the leading provider. The growth in this area of outsourcing has been rapid and has been embraced by a number of large and leading UK 'Magic Circle'¹ law firms.

The possibility that the adoption of law library and legal research services would follow the adoption of other legal process outsourcing services in Australia, and what this might mean for the future of in-house law libraries, prompted this research. Legal research outsourcing has and will continue to bring significant changes to the ways that information and knowledge is delivered, used and shared within law firms. This thesis examines the UK experience with law library and legal research outsourcing, which until now has been

¹ An informal, collective term for the five largest law firms headquartered in the UK: Allen & Overy, Clifford Chance, Freshfields Bruckhaus Deringer, Linklaters and Slaughter and May.

confined to law firm libraries, and explores the ramifications of those changes for the legal profession, law firm libraries and their staff in the UK and in Australia.

Law firm libraries are unique among the various law libraries that serve the legal profession because they are privately funded and operated by the lawyers who use their services and their services can be tailored to meet their needs. While there are no statistics available on the number of law firm libraries that exist either in the UK or Australia, professionally staffed law firm libraries are found only within large national and international law firms. The significant financial investment in law firm libraries has been viewed as an endorsement of the strategic value of a law firm library. The outsourcing of law libraries to commercial law library and legal research service providers therefore challenges that assumption and raises questions about the changing information needs of law firms.

A review of the literature on law library outsourcing (*Chapter 2. Literature Review and Critique*) revealed a lack of published information written by the lawyers who outsourced their law libraries and who were using outsourced library services. In the absence of this information, there was speculation in the literature regarding the reasons why the law firms had chosen to outsource their libraries. It was not known how many law firms were using the services and there was confusion and unanswered questions about how the outsourced services were delivered. It was not known whether law firms were satisfied with the quality of the services provided by the outsource service providers.

It was the lack of published information about law library and legal research outsourcing that led to the formulation of the following research questions.

1.1. Research Questions

1. Who are the providers of outsourced law library and legal research services in the UK?
2. How many law firms have outsourced their in-house law firm library and which law firms are they?
3. How are the outsourced law library and research services delivered?
4. Why did law firms choose to outsource their in-house law library service?

5. Have law firms been satisfied with the quality of the outsourced law library and research services?
6. Do the outsource service providers in the UK have plans to offer law library and legal research services in Australia in the future?

These research questions allowed for the identification of the leading providers of outsourced law library and legal research services and those UK law firms that have outsourced their libraries. The service delivery models of the outsource service providers are also described. The validity of the claims and counterclaims about the quality and benefits of outsourced library and research services are discussed and assessed in the light of the personal experiences of the lawyers who are using the services. These claims and the effectiveness of law library and legal research outsourcing in meeting the particular challenges that gave rise to this model of library service provision, are considered through the lens of data collected from interviews with service providers, law firm clients and law librarians during a fieldtrip to the UK in June 2012, together with analysis of published information.

During the fieldtrip, interviews were conducted with decision makers from six of the nine law firms identified in the media as having outsourced their law firm libraries; two of the leading service providers of law library and legal research services; two law librarians in leadership roles within professional associations for legal information professionals; and several law librarians concerned about the impact of library outsourcing on the future of their profession and the quality of legal research services. The prospects for the introduction of law library and legal research outsourcing in Australia are evaluated in this thesis.

1.2 Outsourcing Definitions

Some definitions of the outsourcing terms used in the thesis are provided in this section. It should be noted that law library and legal services do not fall neatly and exclusively into any of these definitions. In publications, they are variously referred to as legal processes, knowledge processes and business support services. Law library services such as procurement of legal information resources and cataloguing are generally defined as business support services but legal research will be referred to as a legal process when it is performed by a lawyer or otherwise charged to a client. Information retrieval and legal

research performed by a law librarian or otherwise not charged to a client is referred to as a business support service.

1.2.1 Outsourcing

Outsourcing is the transfer of an internal business process to be performed by an external third party. In the legal profession, outsourcing is usually described as including business process outsourcing, knowledge process outsourcing and legal process outsourcing.

1.2.2 Business Process Outsourcing

Business process outsourcing (BPO) “entails using third parties to deliver back-office support services such as finance, payroll, etc” (Worley, 2012, p.9). Business support services that have been outsourced by law firms include secretarial and reception services, facilities management, accountancy services, IT services and provision, recruitment and human resources, cleaning, catering, library and information services including knowledge management services.

1.2.2 Knowledge Process Outsourcing

Library and information services are usually described in the literature as business support services however they are sometimes referred to by outsource service providers as knowledge services and included in the term knowledge process outsourcing (KPO). One outsource service provider described knowledge process outsourcing as “requiring specialised skills, domain knowledge and expertise, and may include business research, analytics and Legal Support Services (also known as LPO)” (Gill, 2012 p. 16).

1.2.3 Legal Process Outsourcing

Legal process outsourcing (LPO) refers to tasks “where a law firm uses third parties to deliver billable client work, often in a commoditised style” (Worley, 2012, p. 9). The legal processes that have been subject to outsourcing are those that do not necessarily require the attention of a qualified or experienced lawyer. They constitute repeatable and routine rule-based tasks and have traditionally been performed by junior lawyers or paralegal staff within law firms. Examples include compliance assessment, document and contract review, discovery, licence application and renewal, trademark searching and filing, document production, legal drafting and legal research.

Business and legal processes are typically outsourced to external third parties who may operate from either onshore or offshore locations or a combination of both. Some large UK and international law firms have established fully owned subsidiary service centres in onshore and offshore locations with lower cost structures. Further details of these service delivery models are provided in *Chapter 4. Aspects of Law Firm Outsourcing*.

1.3 Legal Process Outsourcing in Australia

The companies providing legal research and library services in the UK and other countries are now entering the Australian market and beginning to attract top-tier law firms as clients. Since the time of the milestone Mallesons announcement, other leading Australian law firms have announced outsourcing agreements with Integreon and other global outsource providers such as Exigent and CPA Global that provide legal research services to a number of overseas law firms and corporations. The entry of these outsource service providers into the Australian market may therefore impact on the future of Australian law firm libraries.

According to press releases, the contract between Mallesons and Integreon was confined to the processes of discovery and document review, tasks which are usually performed by junior lawyers or paralegals. For this reason, the Australian Law Students' Association, issued a press release following the Mallesons announcement stating that "its main concern is the effect such an agreement will have on the recruitment and retention of young lawyers" (Whealing, 2011). When in February 2012, leading Australian law firm, Corrs Chambers Westgarth, announced that it had entered into LPO agreements with Exigent and Integreon, Corrs partner, James Whittaker, flagged that the agreements may affect the number of paralegals employed when tasks such as discovery, document review and due diligence were sent offshore (Chaffey, 2012).

The outsourcing contracts with other law firms that have been announced in legal industry media since the Mallesons announcement are reported to be restricted to these particular legal processes also. However if the UK experience with the outsourcing of law libraries is repeated in Australia, law library outsourcing could occur swiftly and without notice, with the transfer of employment of librarians from a law firm to an outsourcer. In the UK, outsourcers entered this business, by taking over the employment of the law library staff from a client and assuming management of their library resources. The acquired law library therefore changed, seemingly overnight, from being a cost centre of a law firm to

being a profit centre for an outsourcer. Law librarians ceased to be an overhead and were transformed into fee-earners for their employer. In the majority of cases, this change was implemented without prior consultation with law library staff.

One can only speculate on how long it will take outsource providers to expand upon their current range of services to the Australian legal profession to include law library and legal research services. There is however no doubt that LPO providers are working hard to attract business from Australian law firms and the possibility exists.

1.4 Research Focus

During this research, I was frequently asked why I was investigating law library outsourcing in the UK. What relevance does it have to Australia? Australian law librarians confidently told me that law firm libraries would never be outsourced in Australia. The answer, in general terms, is that Australia can learn much from the UK experience with legal research outsourcing because, as a former British colony, its legal system and legal profession and much of its law is based on British law and traditions. As a result it shares a common legal culture and view of legal practice and ethics. Also relevant is the similarity between the UK and Australia in the structure of law libraries, organisation of legal information and practice of law librarianship. Accordingly, the practices adopted by the legal profession in the UK can be applied in Australian law firms.

Professionally staffed law firm libraries are a relatively recent development within the legal profession.

There is a more specific reason why knowledge of the UK experience with law library outsourcing is valuable to Australia. Quite simply, there is a strong possibility that law library outsourcing services might be offered in Australia in the near future and Australian lawyers will be considering whether to outsource their libraries. The first reason for this prediction has already been referred to; the providers of these services have entered the Australian market and they are attracting law firm clients. In the future, in order to grow their businesses, these providers will seek to increase the number of clients and increase the range of services they provide to law firms. That is the nature of business. The increased service offering might well include legal research services. Secondly, law firms do not practise law in geographic isolation. Globalisation laughs at the limitations of geography. Large international law firms around the world compete for corporate clients. If

law firms in the UK and the US move to lower the costs of their businesses, Australian law firms must respond in order to remain competitive. Australian law firms represent clients in many parts of the world who might reasonably expect that their Australian law firm adopt the same low-cost service models as their British and American advisers. Thirdly, the Australian legal profession is already connected in various ways with the legal profession in the UK and these connections continue to grow. There have been a number of recent significant mergers between UK and Australian law firms and these will inevitably lead to the review of service delivery models in the new entity. In 2012, Malleson Stephen Jacques merged with UK firm, King & Wood to form King & Wood Mallesons, Freehills merged with Herbert Smith to form Herbert Smith Freehills and Blake Dawson merged with UK firm Ashurst and conducts business under the Ashurst brand. A number of UK 'Magic Circle' law firms such as Allen & Overy and Clifford Chance, which have embraced outsourcing in order to streamline their cost structures, have recently opened offices in Australia and are competing for legal business.

In conclusion, the presence of legal process outsourcers in the Australian legal market indicates that the changes that have transformed legal service delivery abroad are already underway in this country.

The US has a history with law firm library outsourcing. There were some well-publicised cases in the 1990s and some information about these is provided in *Chapter 3. Literature Review and Critique*. This thesis does not investigate the US experience of law library outsourcing for a number of reasons. First, I have not discovered any recent examples of law firm library outsourcing in that country and examples from two decades ago would not have much relevance to the current legal information landscape. Even if there were recent examples in the US that were known to me, the UK examples would remain of greater relevance to Australia. The US legal system is not as influential in Australia as is the 'mother country' of the UK, due to the separate and parallel development of the respective legal systems and cultural differences between the professions of both countries. Law librarians in the US are, in the main, legally qualified, and the libraries that they serve generally play a more strategic role in the law firm than is the case in the UK or Australia and as a result, the practices of US law libraries, while interesting as background information, are not as relevant (as UK law libraries) to libraries in Australia. The fact that outsourced law libraries have co-existed with law firm libraries in the US for more than 20

years may serve as a portent for the future of law firm library outsourcing in other countries.

1.5 Research Contribution

There has been no thorough study made of law library and legal research outsourcing in the UK or Australia. Little is actually known about which law firms are using the service and what the lawyer experience has been because of claims of commercial confidentiality. What little information does exist is written by the outsourced providers themselves and is indistinguishable from marketing 'spin'. This lack of information affects the ability of the legal profession and information professionals to respond rationally and professionally to the opportunities and pitfalls arising from outsourcing their information services. This thesis contributes to the knowledge of legal research outsourcing by providing an overview of its use in the UK and by critically examining the validity of the claims made for or against it in the light of the personal experiences of the providers and users of the services. This information will improve the understanding, capabilities, and functioning of the legal profession, law librarians and others interested in the provision of legal information. Lawyers considering the use of outsourced library and research services will benefit from learning of the experiences of those lawyers who are already using these services. Law librarians will benefit from understanding the motivations and expectations of the lawyers who outsourced their in-house libraries and can better evaluate the value of the services currently provided in their libraries.

A description of the structure of the thesis follows. The purpose of each chapter is provided together with a brief overview of the content of each chapter.

1.6 Thesis Structure

Chapter 1. Introduction to Law Library and Legal Research Outsourcing

This chapter introduces the research topic, the motivation, relevance and importance of the research topic for Australian law firms and law librarians.

Chapter 2. Literature Review and Critique

This chapter reviews and critiques publications about law firm library outsourcing. It contributes to the thesis by summarising the theories for the outsourcing decision, the motivations and expectations of the decision makers. The claimed benefits of library and

research outsourcing are described, as are the counter-claims of the law librarians who oppose the practice. In conclusion, the gaps in the knowledge of law library outsourcing, which motivated this research, are outlined.

Chapter 3. Research Design and Methodology

This chapter describes the research approach, research design, and the data collection and data analysis techniques used in the research.

Chapter 4. Aspects of Law Firm Outsourcing

This chapter describes the competitive pressures on law firms that have encouraged the use of outsourcing by law firms. This information provides the context within which law library and legal research outsourcing is occurring. The role of the Legal Services Act 2007 in exposing British law firms to new forms of competition in the UK is described. The diversity of outsourced service delivery models utilised by law firms is outlined.

Chapter 5. Outsourcing the Law Firm Library: The UK Experience

This chapter addresses the research questions and the claims made for and against outsourcing by its advocates and critics in the light of the experience of the users and providers of outsourced law library services in the UK.

Chapter 6. Synthesis, Research Findings and Recommendations

This chapter provides the answers to the research questions and considers the significance of the research findings, additional recent documentary evidence, and observations made of the existing legal landscape in the UK and Australia with the broad aim of considering the future of law firm libraries and law library and legal research outsourcing in those countries.

References

Appendix 1. Explanatory Statement

Appendix 2. Consent form

Appendix 3. Interview Topics

CHAPTER 2. LITERATURE REVIEW AND CRITIQUE

This chapter reviews and critiques publications about law firm library outsourcing. It contributes to the thesis by summarising the theories for the outsourcing decision and the debate regarding the motivations of the decision makers. The claims made about outsourcing by its advocates and critics are described. The expectations of some of the lawyers who have elected to outsource their law libraries are outlined. The points of dispute between the stakeholders are highlighted. A partisan, defensive and conflicted body of literature is revealed. Some distinct characteristics of the literature are discussed. In conclusion, the gaps in the knowledge of law library outsourcing arising from the shortcomings of this published information, which this research aims to remedy, are outlined.

The literature about law library outsourcing has been written by either the providers of the outsourced library services or by law librarians who are currently employed in law firm libraries. Information produced by the outsource providers is essentially marketing material produced to attract clients to their services. The providers of external library services claim that outsourcing can deliver cost savings and superior research services to law firms. Law librarians defend their value within law firms. They argue that outsourcing cannot deliver long-term savings or a superior research service and poses a risk to the security of confidential information. Opinion is divided on the superiority of either an external or in-house law library service. Outsourcers believe that outsourcing will be a permanent feature of law firms in the future while law librarians consider outsourcing to be an ill-considered short-term solution to the financial pressures experienced by law firms in the wake of the global and Euro zone financial crises. The literature is therefore clearly divided into pro-outsourcing and anti-outsourcing camps. There is no common ground there.

Law firm library outsourcing has occurred in the USA and the UK to date. As a result, publications on the complete outsourcing of law firm libraries relate to either the USA experience with private law firm outsourcing which began in 1995 with the outsourcing of the library of law firm Baker & McKenzie, or the more recent emergence of the practice in the UK when law firm Osborne Clarke transferred the operation of its law library to global outsourcer, Integreon, in 2009. The literature is reviewed geographically, chronologically, and thematically following some introductory comments regarding the characteristics of

the literature. The literature about law library and legal research outsourcing in the UK, the focus of this research is organised in the following way. The claimed benefits of law library outsourcing are first described followed by the response of law librarians and the expectations of outsourcing by law firms.

2.1 Characteristics of the Literature

The literature on law library outsourcing has three distinct characteristics. First, a significant proportion of the literature on LPO and law library and legal research outsourcing takes the form of electronic publications. Secondly, because so much of this literature is self-published, by those with a financial interest in outsourcing, there is a lack of impartiality in the views expressed. Thirdly, the pro-outsourcing view is dominant in business and legal industry media. These three characteristics are discussed, in order, in this section.

2.1.1 Electronic Publications

Most of the literature or publications on LPO or law library outsourcing appear in electronic form in online media, blogs and websites. The predominance of electronic information on the recent phenomenon of law library outsourcing reflects the fact that in recent years, more information, media and commentary is being published exclusively online. Writers, who once would have relied on publishing articles in journals and opinion pieces in newspapers and magazines, are increasingly self-publishing on blogs, and attracting readership through social media such as Twitter. Social media has provided the opportunity for law librarians, lawyers, outsource service providers and legal industry commentators to publish opinions that in pre-internet times would have been unknown outside their immediate circles.

Outsource providers have promoted their services primarily through their websites to potential clients. They have also used social media either directly or indirectly, through the employment of influential bloggers in the legal technology sphere, to promote the advantages of outsourcing to lawyers. Law librarians have also published their views in blogs created by and for legal information professionals. These publications, while not impartial or peer-reviewed, are valuable because they are written by knowledgeable individuals with legal industry inside knowledge and experience and are often the best source of reliable and up-to-date information.

A disadvantage with such literature is that it is not organised, stored or catalogued as is conventionally published and printed literature, and it can therefore be difficult to locate. Another disadvantage is that digital information can be altered or deleted by the publisher at any time and it therefore has an ephemeral quality. During the course of this research, the websites of outsource service providers were altered or re-designed several times, electronic articles were archived or disappeared, as did some blog posts and comments. Despite these challenges, electronically published literature has provided valuable contemporaneous information regarding the rapidly evolving use of outsourcing by the legal profession.

2.1.2 Lack of Impartiality

The providers of outsourced services or the law librarians who are opposed to them write the majority of the publications. The literature therefore is motivated by, and reflects the interests of these two groups of individuals.

Unlike legal process outsourcing or outsourcing in general, the outsourcing of law libraries has not yet attracted academic attention. This lack of academic interest has contributed to the lack of impartiality in the literature.

A recent search of the resources of the Monash University library retrieved 9,743 articles on legal process outsourcing in peer-reviewed journals. Of these, more than half, 5,905 were published after 2006, reflecting the very recent history of the practice.

A search for publications about library outsourcing revealed 862 articles from peer-reviewed journals. Of these, only 65 related to outsourcing in law libraries. The majority of those 65 articles related to the outsourcing of discrete services of a law firm library such as cataloguing, loose-leaf filing, printing and computer services. Only 21 of these were relevant to the total outsourcing of an in-house law library. All these articles were sourced from journals published by and for librarians such as the journal of the British and Irish Association of Law Librarians (BIALL), *Legal Information Management*, and the journal of the American Association of Law Libraries (AALL), *Law Library Journal*. The overwhelming majority of these journal articles were written by law librarians for their peers. All argued the advantages of an in-house law library service and attacked the service claims of outsource providers. The few journal articles written by outsource providers promoted the benefits of outsourcing and were indistinguishable from marketing 'spin'. All publications

were motivated to promote and protect the financial and professional interests of the authors.

2.1.3 Media Dominance of Pro-outsourcing Views

The pro-outsourcing view dominates both legal industry and business media. The outsource providers and those who speak, write and advocate for them, dominate legal and business media because they are publicly speaking, writing and publishing in forums that provide information to the legal profession and their business advisors; those who make outsourcing decisions. Media reports of new outsourcing arrangements by the legal profession are sourced, often entirely, from press releases provided by outsourcing providers. As a result, the outsourcers control the content of the story. Media reports of outsourcing arrangements with law firms are therefore generally positively associated with the principles of sound business management and innovative practice management.

By choosing to communicate their views in journals and blogs produced by and for their library colleagues, law librarians are not communicating their views to those who matter; the lawyers and practice managers who control the fate of the law firm library service.

2.2 Law Firm Library Outsourcing in the USA

The literature on law library outsourcing in the USA has been written by librarians largely in response to the dismissal, in 1995, of the law library staff of the Chicago office of Baker & McKenzie, then the world's largest law firm. Baker & McKenzie announced that it would close its library and obtain its information needs from an external library management company (Reuben, 1995). The decision "generated tremendous interest in the nationwide legal community and concern among law librarians" (Pergament, 1999). There was a fear that this was the beginning of a trend that could see the end of internal law firm libraries in the USA.

This concern prompted the leading professional organization of law librarians in the USA, the AALL, in 1996 to establish a Task Force on the Value of Law Libraries in the Information Age, to respond to the issues that threatened the existence of the law firm library and law librarians (American Association of Law Libraries, 1997). The President of the AALL, Mark Estes, explained the purpose of the Task Force as "generally to articulate the value of law libraries and explain it to our bosses, our clients and ourselves"(Quint, 1996, p. 1). The Task Force produced a toolkit for members to provide them with the

arguments to defend and prove the value of a private law firm library to their employers (Quint, 1996).

The production of the toolkit by the AALL was a response to the frequently expressed view of law librarians that lawyers are only attracted to outsourcing because they fail to appreciate the value of the law librarians who work for them. The optimistic view was expressed that the status quo could be retained if law librarians could just persuade lawyers to appreciate the superiority of an in-house library (MacLeod, 1997). A more fatalistic opinion held that outsourcing would be adopted in law libraries because it was already established in federal, special and public libraries in the USA (Schwalb, 1997).

Not all responses from law librarians were negative however. The potential for outsourcing to provide a growing field of employment for law librarians had been overlooked in what was described by one law librarian as an overreaction by the library profession to the Baker & McKenzie decision (Miles, 1996). In Miles' view, the contracting for library services would be an "an emerging job market for law librarians whose lifestyles demand the flexibility that a full time job does not offer"(p. 12). For others, outsourcing could be employed by law firm librarians for particular projects, such as cataloguing but should not replace libraries. (Johnston, 1996)

In May 1996, the Task Force sponsored an electronic conference designed to "explore compelling issues relating to law firm libraries, the place of a library within the firm, technology, and outsourcing" (American Association of Law Libraries, 1997, p. 99). The published transcript of the online discussions is a comprehensive source of the diverse opinions of lawyers, outsourcers, librarians and legal information publishers and the claims and counter claims of librarians regarding the best models for providing quality research services to law firms (American Association of Law Libraries, 1997).

In January 1997, Baker & McKenzie hired a law librarian and the threat to legal information professionals seemed to pass. As a consequence, that particular outsourcing decision is commonly described as a failure in later publications. "Baker & McKenzie's actions provide important lessons about librarians' perceptions of outsourcing and the pitfalls of entering into an outsourcing agreement without considering its impact on the entire law firm" (Pergament, 1999, para. 15). Outsourcing appeared to fall off the agenda of law librarians for a few years.

Publications regarding complete law library outsourcing did not re-emerge until 1999 when Pillsbury, Madison & Sutro, a San Francisco law firm with more than 500 lawyers in nine offices around the world, announced that it was outsourcing its law library to Library Associates, a library and information services company based in Los Angeles, California, for a period of one year (Pergament, 1999). This short-term outsourcing arrangement allowed law library staff to interview for positions with Library Associates and to continue their working relationship with their former employer but at the same time the decision reinvigorated the debate about the appropriate role of outsourcing in law libraries.

The former library manager of Pillsbury, Madison & Sutro, defended the outsourcing decision to those “who were sure that the outsourcing failure of the Baker & McKenzie Law Library.... was sufficient proof that outsourcing was not an option that worked well for private law libraries”(Hammond, 1999, para. 1), and urged colleagues to consider that outsourcing “is not always a negative decision” (para. 1). She argued that outsourcing afforded the law firm the opportunity to undertake a major reorganization and upgrade many of its systems and services and that there had not been qualified professionals on the Pillsbury library staff for some years who could begin on the project. The decision to use “an outside professional organization focusing entirely on library services” was represented as a “commitment by the firm to its library” (para. 16). The implication that outsourcers could deliver superior services for law firms because they are “focused entirely on library services” (while presumably in-house staff are not) is a common claim of outsourcing companies and is passionately refuted by law firm librarians.

Critics of the decision, such as Mackler (1999) and Gustafson (1999) blamed the necessity for outsourcing on the under-investment in the skills of library staff by the law firm. In these criticisms, one again senses resentment to a perceived lack of appreciation by an employer. Another critic argued that the “loyalty, respect and experience that leads to extraordinary service cannot be replaced by librarians and staff who are on someone else’s payroll” (Sirhall, 1999). The importance and relevance of the role that staff loyalty plays in quality service provision in law firm libraries is a contentious issue in law library outsourcing both in the USA and the UK.

With the benefit of hindsight, the debate about private law library outsourcing in the USA may appear as a ‘storm in a teacup’. The Pillsbury law library is still operated by Library Associates, now trading as the LAC Group. The outsourcing of some law library processes

is now accepted practice. There have been no further publications about the complete outsourcing of law firm libraries. This may indicate that either no more law firm libraries were outsourced or that the practice did experience growth but was no longer controversial. There is some support in the literature for the latter interpretation of events.

In 2006, the result of a survey of legal market outsourcing and offshoring practices in the United States was published (Friedmann & London, 2006). The authors, two American law librarians, had been tracking and compiling a list of outsourcing practices by law firms and legal departments since 2005. Their conclusion was that “several long-standing domestic companies have long provided outsourced legal research. Our sense is that they have not grown much” (para. 9). In 2008, Friedmann again surveyed the outsourcing practices of the legal market and again noted “domestic companies have long offered outsourced legal research and drafting. The new development here is a large number of offshore providers offering this service” (Friedmann, 2008).

More recently, American Lawyer Media Legal Intelligence, a research organization, released 2012 Law Librarian Survey data. This survey reported that law libraries were streamlining library operations by centralizing and outsourcing administrative operations. It was reported that during 2011, 91% of surveyed libraries had centralized digital content procurement and cataloguing and library systems, 81% had centralized the acquisition of print resources and 68% reported outsourcing at least one function of the law library (O'Grady, 2012). These survey results combined with the absence of publications in journals or library blogs concerning complete private law library outsourcing since 1999 would indicate that the outsourcing of law libraries in the United States has experienced some modest growth and is no longer considered controversial. The 2012 survey data would suggest that the outsourcing of certain law library functions such as procurement and cataloguing is a common feature of law library management in the USA.

2.3 Law Firm Library Outsourcing in the UK

Law library outsourcing re-emerged in the UK in 2009 with the outsourcing of the law library of UK law firm Osborne Clarke to global outsource service provider Integreon. As in the USA, the practice created a great deal of concern amongst law librarians and reignited the debate regarding the optimal model for the provision of legal research services to law firms both in terms of cost and quality.

2 3.1 Outsourcing Claims

The service claims of outsourced law library and legal research are published on the websites of the outsource service providers. Services range from consultancy to the total management of all legal information resources and the provision of legal and business research. All service providers promise to deliver superior library and research services at significantly reduced cost. Most offer service support 24 hours a day, seven days a week by using a combination of onshore and offshore research service centres.

The LAC Group claim to “develop and execute realistic strategies for library services, competitive intelligence & research that increase profitability overall” (http://www.lac_group.com), Integreon “integrate seamlessly with client operations to become a trusted and high impact business partner” and “deploy great teams, technology and process rigor to save time and reduce costs” (<http://www.integreon.com>) and enable “law firms to significantly improve the efficiency of law libraries and research operations, providing users with greater levels of service and support”. Evalueserve’s “knowledge solutions include customized research and analytics for leading edge companies worldwide” and “clients benefit from higher productivity, improved quality, freed-up management time, better access to knowledge and information across all parts of the company, and new capabilities for their organization” (<http://www.evalueserve.com>). The details of *how* the service providers are able to provide a higher quality research service or deliver significant savings are not provided.

Outsource service providers have occasionally used the journal of BIALL, *Legal Information Management*, to promote and defend the claimed benefits of outsourced library and legal research services for the legal profession (Stanfield, 2012; Gill, 2012). Additionally, both the newsletter of the Chartered Institute of Library and Information Professionals (CILIP), *CILIP Update* and the newsletter of its Commercial, Legal and Scientific Information Group (CLSIG), *CLSIG News* have published articles written by outsource providers (Jewell, 2010). Similarly, these articles have not addressed the ways in which the library and research services differ from an in-house law library in order to achieve a superior service at a reduced cost.

Outsourcing is considered by many ‘thought leaders’ in legal practice management to play an important role in the modernisation of the legal profession and to be essential for the future financial survival of law firms. These commentators are typically lawyers with

experience of legal process outsourcing and/or senior personnel of outsourcing service providers or consultants in the area of legal practice management and alternative service delivery. Professor Richard Susskind, IT Advisor to the Lord Chief Justice of England and Wales, President of the Society for Computers and Law, and author of several books on the future of legal services, including *The End of Lawyers? : Rethinking the Nature of Legal Services* is arguably the most influential of these. Susskind is a member of the client advisory board of outsource service provider Integreon, and the company benefits from this association and his influential views on outsourcing.

The advocates of outsourcing, such as Susskind, argue that law firms will in future embrace the capacity of information technology to change the way in which legal services are delivered. The pressure on law firms to embrace lower cost models of service delivery is said to arise from competition in the market from alternative service providers, such as outsource providers, who are providing legal services for considerably less cost. The impetus for change is said to come from corporate and government clients who are looking to reduce their legal budgets, and who first embraced LPO to obtain more for their legal budgets in the wake of the global financial crisis.(Cooper, 2010). Corporate lawyers, as controllers of large legal budgets have considerable influence in moving law firms to lower cost models of service delivery, including the use of outsourcers. The influence of corporate lawyers in changing the business structures of law firms is discussed in a report by Professor Mari Sako of the Said Business School, University of Oxford (Sako, 2011). The growing extent to which Australian and New Zealand corporate lawyers are bypassing law firms in favour of LPO providers for particular categories of legal work was revealed in a recent joint study by their professional associations (Australian Corporate Lawyers Association (ACLA) and Corporate Lawyers Association of New Zealand (CLANZ). Although this report is a commercial publication, and not freely available, the results have been reported and are accessible in legal industry media (Quine, 2012).

Outsource service providers assert that law librarians who are employed by them benefit from enhanced career opportunities. Outsource service provider, Evalueserve, imagined that “against a backdrop of reducing budgets and limited resources... staff may struggle to develop their skills and achieve their potential” (Gill, 2012, p. 19). Integreon argued that because outsourcers employ more information professionals than an individual law firm library, there were more opportunities to “take on more senior roles or to specialise in one or two areas without having to move to another organization” (Stanfield, 2012, p. 15).

2.3.2 Response of Law librarians

Unlike their American counterparts, BIALL did not respond on behalf of its members to the threat posed to law firm librarians by the outsourcing of the Osborne Clarke law library in 2009. The AALL, which was founded in 1906, to “promote and enhance the value of law libraries” (American Association of Law Libraries, 2013) may have believed that it was duty bound by its mission statement to defend the value of the law firm library. One of the goals and missions of BIALL is “to promote the better administration and exploitation of law libraries and legal information units” (British and Irish Association of Law Librarians, 2013). This goal falls short of promoting the value of law libraries. The inclusion of “legal information units” in the mission statement may indicate that BIALL considers commercial outsourced research services to be equally worthy of support as law libraries. For whatever reason, BIALL does not have an official position on law library outsourcing and its membership includes those who work for outsourced library services. It has therefore been left to individual law librarians to advocate for the benefits of in-house law libraries and law librarians. These law librarians have used the journals of their professional associations and social media to communicate their opinions and concerns about outsourcing.

Knowledge management functions of law firm libraries were the first to be outsourced in the UK and this was relatively uncontroversial. The two articles published in *Legal Information Management* on this topic in 2008 were less about whether it should be done but rather how it should best be done (Fahy, 2008; Worley, 2008). These articles pre-date the complete outsourcing of the first law firm library in 2009, which provoked a more passionate response from librarians.

Social media provided forums for law librarians to share their views and concerns about the outsourcing of their profession. The anonymity afforded by these forums has enabled librarians to more honestly and openly share their experiences of outsourcing and their concerns for its impact on the future of law librarianship. Reading concerned blog posts and comments such as Woodsiegirl, (2010) and Whelan, (2010) is the digital equivalent of eavesdropping on the conversations of librarians, and just as revelatory.

Law librarians frequently raised questions about the ownership and/or management of the information resources of the library in social media revealing confusion about outsourced law library service delivery models. Some expressed the view that outsourcers operate a

central library for the use of their law firm clients. The promise of a central library is not specifically mentioned on the websites of any service provider although, global outsourcer Exigent claims that “our attorneys have access to all the relevant external databases required” (Exigent, 2012), which could suggest that their clients will be sharing in the use of such resources.

One British law librarian, following a presentation by Integreon at the BIALL conference in 2010, blogged that “the physical collections are managed from the central Integreon office in Bristol, but they say they can occasionally go out to client sites” (Woodsiegirl, 2010). A Canadian law librarian assumed the existence of a central library in asking the following questions in a blog post, “Would they be circulating texts among their clients? If so, how would you determine how many copies of each item you would need to have? How would you share resources?” (Sawatzky, 2010). There is some evidence that Integreon did have plans in 2010 to open a shared law library. In May 2010, Mark Jewell, a senior executive of Integreon was interviewed for the UK library publication CLSIG News (Jewell, 2010). In this interview, Jewell stated,

Currently most of the stock of the physical libraries we manage and maintain is still located in our client’s offices. As we develop, the model we and our clients expect to adopt is one where core materials stay in close proximity to the core users while infrequently used material migrates offsite to an Integreon shared library in lower cost space with guaranteed turnaround times for delivery of documents to clients (p. 6).

Later in 2010, two executives of Integreon spoke of the possibility of a central library in the following terms,

Library service providers can leverage their greater access to specialized information and preferred supplier relationships to create cost-effective central libraries for geographic regions - an important advantage for customers who often cannot justify investing in resources to serve one-time uses or “niche” topics. In this way, service providers are also often able to dramatically to [sic] reduce the costs associated with the management of collections and journals - while at the same time decreasing duplicate purchases of these resources (Friedmann & Windsor, 2010, para. 10).

Law firm library outsourcing in the UK commenced nearly four years ago and the claims made with respect to the savings that these companies can achieve in respect of electronic resources have changed during this time. The current versions of the websites of Integreon, Evalueserve, Isential and LAC Group make no specific claim to be able to reduce the cost of electronic resources. There the claims of savings are expressed in terms of the overall service model and in general terms only. This has not always been the case.

During the past four years, senior employees of outsource providers have claimed in publications that they could negotiate better prices for clients because of their greater spending power. For example, in May 2010, Mark Jewell (Jewell, 2010, p. 3) stated that Integreon “had negotiated contracts with a number of database providers and was permitted to use these as sources when answering questions” (p. 3) but was required to “use client login credentials” (p. 3) for other databases. Jewell claimed that in some cases, Integreon could negotiate “equally good or better prices” (p. 3) for clients because of its greater aggregate spend with some vendors. He also stated, “It may also allow us to provide access to some of the more specialised databases that clients cannot justify themselves but become affordable if we can offer access on a shared basis” (p. 3). This last statement can and has been interpreted to suggest that outsourcers can provide law firms with access to resources to which they do not subscribe. Licensing arrangements however generally preclude such an arrangement. Consortia arrangements are required to permit multi-user access to databases.

Two months after the publication of the Jewell interview, in July 2010, two other senior Integreon executives re-phrased the claim regarding access to additional electronic resources in an on-line article (Friedmann & Windsor, 2010).

Though content provider license terms present challenges to aggregating demand and negotiating price, providers can sometimes purchase specialized resources at lower rates than what individual firms or corporate legal departments can attain. In this way, providers often make it viable, particularly for small and mid-sized organizations to gain access to information that was too costly or unreasonable to invest in previously (para. 4).

This made it clearer that, for Integreon clients, access to additional resources was dependent on the outsourcer's success in negotiating lower prices and increasing the affordability of the resources as opposed to the ability to share the use of a resource between law firm clients. Nonetheless, confusion remained about outsourcing practices.

In 2011, Canadian law librarian, Karen Sawatzky, used a blog to share the knowledge she had gained of Integreon's law library services as the result of a telephone interview with Integreon's Vice President of Knowledge and Business Development Services, Eleanor Windsor (Sawatzky, 2010). The post was of considerable length and Sawatzky endeavoured to explain everything she knew about the Integreon library model. The nine web log comments and questions asked of Sawatzky in response to that detailed post demonstrated how much was still not understood about the practices of law library service providers and how the service varied from that provided by an in-house law firm library. The number of comments posted also indicated the high level of interest in law firm outsourcing amongst information professionals.

Claims by outsourcers that outsourcing can provide law librarians with more career prospects than a law firm were met with mixed reactions from law librarians. Some were open to the possibility that outsourcing could provide the opportunity for some specialisation (Sawatzky, 2010) and accepted that outsourcing could be beneficial to law librarians if used to free them from mundane, repetitive tasks (Winter, 2008). Others were contemptuous of these claims; pointing to retrenchment, particularly within the senior ranks of outsourcing staff, as evidence that outsourcing has led to a loss of jobs within the law library sector rather than opportunities (Alcock, 2012). Additionally, the "service centre culture" of outsourcing service providers, where staff are physically removed from the firms they work for, worried several of those who contributed views for Alcock's article who believed that "one of the joys of our profession is that one becomes immersed within the field where we are employed" (Alcock, 2012, p. 28).

The controversy surrounding law library outsourcing inspired the editor of *Legal Information Management*, to devote the March 2012 edition to the topic (Wills, 2012). By way of introduction, the various models of outsourcing, both onshore and offshore, were outlined by a law librarian (Worley, 2012) who expressed the view that "the services offered by the outsourcing companies could equally be offered by the information services within the firms if they were given the opportunity" (Worley, 2012, p. 11). Here reference

was again made to a lack of appreciation of the skills of the in-house librarian. In the interests of balance, the edition featured two articles from service providers in the field, Evalueserve (Gill, 2012) and Integreon (Stanfield, 2012) and two articles by law firm librarians promoting the benefits for law firms in employing an in-house law librarian (Alcock, 2012) and (Speight, 2012).

The concerns of 37 legal information professionals about law library outsourcing were voiced in an article by a law librarian (Alcock, 2012). Another, (Speight, 2012), offered a number of pro-active and defensive strategies for law librarians planning to avoid being outsourced.

Alcock (2012) noted that several of the contributors to her article had related that the spirit of open co-operation of the legal information profession was being “eroded by the addition of more ‘closed shop’ organizations. She noted that:

There is so little independent commentary on their working practices and as these are commercially sensitive, little information is revealed by the actual firms. All this division, suspicion, rumour and concern is doing damage to our profession (p. 25).

Alcock advocated for the value of internal staff who “are aware of the areas of expertise and interest and are immediately in tune with current thinking and needs within the firm” (p. 26). Here the argument was made that the location of the librarian and knowledge of the context of the information request was important to the quality of the research process. Speight (2012) was in agreement, pointing out that the relationship that researchers develop with lawyers enables them “arrive at a very sound understanding of what exactly lawyers will find useful” (p. 30) and that this understanding “means that enquiries can be answered more quickly and to a higher standard”(p. 30). Speight argued that the advantages of an in-house library staff extended beyond research. He pointed out that a detailed understanding of the work of the lawyers enabled the librarians to “provide a much more relevant suite of resources for the firm” (p. 30) and that providing the correct mix of information resources “can be a major contribution to the efficiency of the firm” (p. 30). The creation of a catalogue by in-house librarians, which would “unlock the full potential of the firm’s resources” (p. 30), was also considered by Speight to be of particular advantage to law firms.

The quality of the training and qualifications of outsourced staff members was also questioned by Alcock (2012). She pointed out that law firms “have no control over the qualifications, training and experience of outsourced personnel” (p. 26). Reference was made to the statement of Jewell (2010) that Integreon were providing four to six weeks training to inexperienced researchers in India to “enable them to do competent basic research and data retrieval” (Jewell, 2010, p. 4). Alcock considered that “this does not even begin to measure up to having dedicated and trained in-house librarians with specialised degrees and years of experience” (p. 26). Jewell (2010) would not have disagreed with Alcock on this point. He had acknowledged, in relation to the basic four to six week training period, “we all know it takes years of experience to be a really good researcher and this is only the start of the process” (p. 4). Jewell pointed out that training was ongoing for Integreon employees.

Our associates are expected to spend at a minimum of 60 hours of each 12-month period enhancing their professional skills and building additional technical competencies (p. 4).

Outsource service provider, Evalueserve, which refers to itself as a knowledge process outsourcer (KPO), highlighted the advanced qualifications of its workforce (Gill, 2012).

KPO providers typically employ a highly educated workforce, with a significant proportion of staff having tertiary and professional qualifications, including MBAs, CFAs, PhDs, engineers and lawyers (p. 16).

The claims of outsourcers that outsourcing frees up management time that would otherwise have been spent on administering the law library, was refuted by Alcock’s contributors who provided anecdotal evidence that, in the absence of the library staff, senior managers in law firms with outsourced libraries were undertaking routine library tasks such as subscription renewals and that clerical staff were allowing loose-leafing to be left undone.

The ability of outsource service providers to deliver significant discounts on the costs of information resources was also challenged by Alcock. Anecdotal evidence was presented that publishers were not providing discounts to outsourcers because they viewed them as a threat to their pricing structures. She challenged the ability of outsourcers to provide access to both electronic and print resources to which the law firms did not subscribe

because of copyright and licensing restrictions. This again raised the issue of whether or not the outsource service providers were sharing the use of information resources between their law firm clients.

Alcock listed confidentiality and conflict of interest, the risk of non-intentional or deliberate disclosure of information, and liability for incorrect information as matters of concern in an outsourced library service. Outsource service providers however claimed to take a comprehensive approach to maintaining the confidentiality of client information.

Evalueserve claimed to protect client information by complying with information security standard ISO 27001. It had created a system of information barriers or 'Chinese Walls' between client teams, security procedures, confidentiality agreements and the application of a 'least privilege principle' ensured that staff are only provided with the information required to perform their tasks (Gill, 2012). Integreon also claimed to be ISO 27001 compliant and had a number of security procedures in place at its offices to ensure that data could not be recorded and that all paper was shredded before leaving the building. While Integreon believed that the risk to client information was low "because the information we provide to clients via our information and library service is acquired through secondary research and will already be in the public domain"(Jewell, 2010, p. 5). Integreon had taken steps to ensure information security by providing "separate IT and communication systems for each client" (p. 5). When Integreon employees have access to parts of a client's IT infrastructure "they operate within the client's firewall and all client data stays inside the client IT environment" (p. 5).

Like their American counterparts more than a decade before, both Speight and Alcock advised law librarians to carefully evaluate their services to ensure efficiency and to promote the services provided to ensure that lawyers understood the value of the resources they had in-house. In the words of Speight, 2012, p. 33,

Many law firm library teams are providing a very impressive information service. On its own, however this is not enough. There is a constant need to promote the service, so that lawyers and senior management fully appreciate the resources they have.

Alcock considered that "until cost cutting is no longer an issue, the prospect of outsourcing will continue to remain a concern and fear" (p. 28). This statement revealed

the optimistic view that outsourcing was a short-term solution to cost pressures rather than a symptom of structural and irreversible change within the legal profession.

2.3.3 Expectations of Law Firms

Something of lawyer's expectations of outsourcing can be gleaned from the press releases of outsource service providers that accompanied the announcements of new outsourcing contracts. In April 2010, Foot Anstey engaged Integreon to provide library and information services. Richard Gardiner, the law firm's Director of Business Development, expressed his expectations as follows,

Through our relationship with Integreon, we have gained access to a large team of information specialists with greater breadth of expertise, depth of experience and capacity for meeting our growing information needs. Integreon provides all the support and expertise we need at an affordable price and without the administrative and management challenges (Integreon, 2010).

In April 2011, law firm Farrer & Co appointed Integreon to deliver its library and information services. The Chief Operating Officer at Farrer & Co, Ben Bennett, was quoted in the Integreon press release as believing that the new research function "will provide quality and depth of research support on a scale we would not achieve otherwise" (Integreon, 2011). In September 2011, the Chief Financial Officer for Farrer & Co, Sue Shale, was interviewed about the firm's use of outsourcing (White, 2011). She was reported as having saved "around 10% on labour costs alone" from the library outsourcing deal and was hopeful of a major reduction in informational costs in the future (p. 6). Further cost savings were anticipated by eliminating the administration and management costs of the staff that had been outsourced. "This 10% of the workforce was costing more to operate than were fee-earners. It certainly took up more than a tenth of the time of the HR department" (p. 6).

It is unknown whether these expectations were common to all the law firms which outsourced their law libraries. There are no publications revealing the subsequent user experience with outsourcing so it is unknown if these expectations were met.

2.4 Conclusion

In summary, the existing literature on law firm library outsourcing derives from the USA and the UK. There had been no published overview of the practice and there was a lack of

knowledge about which companies provided outsourced law library services and how many law firms used those services. There were conflicting opinions about the reasons for library outsourcing. Some believed that it was a short-term solution to the financial pressures on law firms in the wake of the global and Euro zone financial crises still impacting the UK, Europe and the United States. Others believed that the changes in legal service delivery were permanent. The claims and counterclaims of the outsource providers and in-house law librarians about the particular advantages of their services for the legal profession, in terms of cost and quality, were well documented. Outsource providers had used business and legal media and social media effectively to promote their services and therefore pro-outsourcing views dominated the media. The opinions of law librarians were not heard outside their own profession.

The lawyers who were using outsourced law libraries for their research needs had not published the reasons for their decisions, nor written about their satisfaction with the service. This was not unexpected. Law firms as private and independent businesses have no reason to explain their internal operational decisions to anyone outside the firm. Perhaps because of its association with job losses, law firms have been particularly reluctant to discuss their use of outsourcing (Kramer, 2010). Legal industry media frequently referred to the reluctance of law firms to publicly discuss their internal business decisions. Accordingly there were no first-hand accounts in the literature detailing the reasons why lawyers had outsourced their information services and whether the services they were receiving from outsourcers were meeting their expectations and information needs. The unknown lawyer experience was a significant missing piece in the knowledge and understanding of law library outsourcing.

This information is important for the reasons outlined in *Chapter 1. Introduction to Law Library and Research Outsourcing*. The lawyer experience is vital to assessing the validity of the claims about the benefits and risks that both in-house and outsourced law library services offer to the legal profession. This lack of information affects the ability of other legal professionals to respond rationally and professionally to the opportunities and pitfalls arising from outsourcing their information services. A comprehensive study of these new methods of information delivery will improve the understanding and decision-making capacity of the legal profession, law librarians, and other stakeholders in relation to outsourced law library services.

The research design for the thesis, the research questions and the methods employed to provide answers and remedy the gaps in the knowledge and understanding of law library and legal research outsourcings are described in the next chapter.

CHAPTER 3. RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The idea for this research project was stimulated by learning that a number of law firms in the UK had outsourced their in-house law library and research services to Integreon, a global outsourcer based in the USA. This was both surprising and intriguing to me because it challenged a widely held assumption of the importance of the in-house law library in an information intensive legal profession. Coincidentally, a few days after reading about this, in October 2011, I read in *The Australian*, that Integreon had entered into an agreement as preferred supplier of legal process outsourcing services with one of Australia's largest law firms, Malleson Stephen Jacques (Merritt, 2011). Questions regarding the ramifications of this for the future of in-house law firm libraries in the UK in the short term and in Australia in the future prompted further research.

The research design for this study encompassed a review of existing literature on the use of outsourcing by law firms and law firm library outsourcing in particular, identification of the gaps in the knowledge of law library outsourcing, development of the research questions, and selection of data collection methods, fieldwork, and selection of data analysis techniques.

3.2 Interpretive Research Paradigm

This research project addresses a number of research questions regarding the outsourcing of law library and legal research services through the interpretive analysis of relevant quantitative and qualitative data. The interpretive approach is based on the belief that law library outsourcing cannot be observed or understood in isolation from the motivations, decisions and actions of those who created it and participate in its processes either as providers or users. The interpretative approach takes the philosophical view "that our knowledge of reality, including the domain of human action, is a social construction by human actions" (Walsham, 1993). Interpretive studies therefore "attempt to understand phenomena through accessing the meanings participants assign to them" (Orlikowski & Baroudi, 1991).

The information required to answer the research questions was primarily within the knowledge and experience of those engaged in providing outsourced law library services

and the lawyers who outsourced their library services to them. The research design for data collection was therefore relatively straightforward. The knowledge and experience would be collected from the source, either indirectly from publications that had been written by them or directly by way of personal interviews. A number of grounded theory techniques, favoured by interpretive researchers have been employed to collect and analyse research data for this study. Grounded theory was developed by Glaser and Strauss in the 1960s and aimed to move qualitative research past descriptive studies to explanatory and theoretical frameworks. It provides “systematic but flexible guidelines for collecting and analysing data that will enable theory to be constructed, grounded in the data itself” (Charmaz, 2006).

3.3 Research Questions

The objective of the research was to consider whether an outsourced model of information provision might replace in-house law firm libraries in the future. This however was not a researchable question; nevertheless, it is the question that is of greatest interest to lawyers and law librarians alike. The ramifications of law library outsourcing for in-house law libraries however could only be considered once a number of preliminary questions about the operation of outsourced law library services had been answered to provide a more complete understanding of the law library outsourcing landscape. These initial preliminary questions later formed the basis of the research questions.

My reading of the available literature about law library outsourcing at the beginning of the research period, revealed the considerable gaps in the knowledge of these services which are described in *Chapter 2. Literature Review and Critique*. The questions posed by law librarians on social media revealed a widespread lack of knowledge regarding these outsourced services, justifying for me the value of the research and the appropriateness of the research questions. The review of the literature revealed that the answers to my initial questions were not available in existing publications. Those who were participating in law library outsourcing either as service providers or users knew the answers to these questions. Recognition of both the shortcomings of the published literature, and knowledge of the sources of the information needed to answer these questions dictated the choice of data collection methods; interviews to obtain information directly from the participants in law library outsourcing, and monitoring of legal industry publications and media for relevant newly published data. This approach is an extension the view of Trauth,

(2001), p. 4 who in arguing that the nature of the research problem was the most important factor influencing the choice of qualitative research methods, stated that “*what* one wants to learn determines *how* one should go about learning it”. This statement of Trauth could be interpreted to mean that research questions are the starting point of the research. This was not my experience during the research. In reality, the research questions were formulated following considerable research into law library outsourcing and some reflection regarding the state of existing knowledge about the practice. I concur with Rowland, (2005), p 82 who stated in relation to Trauth’s statement:

This paper [Rowland’s] goes further and states that what we want to learn will help shape the research questions posed, and the questions posed will depend on the stage of knowledge accrual about the phenomenon.

These two factors may be distinct but they are nevertheless interrelated.

In the early stages of the research, I intended to research the use of outsourced legal research services by law firms and corporate legal departments in the UK and in Australia. (See *Appendix 1. Explanatory Statement*). The choice of the initial ambit of the research was influenced by the claims of outsource providers such as Exigent and Integreon, that they were providing legal research services to corporate legal departments in various countries including Australia. However it was not possible to extend the research to corporate legal departments because the outsourcers declined to provide the names of those corporate clients and this information was not located in the public domain. The research therefore was limited to the law firms that were identified in the media as having outsourced their law library and legal research functions to an external service provider. Consequently the following research questions were formulated:

1. Who are the providers of outsourced law library and legal research services in the UK?
2. How many law firms have outsourced their in-house law firm library and which law firms are they?
3. How are the outsourced law library and research services delivered?
4. Why did law firms choose to outsource their in-house law library service?
5. Have law firms been satisfied with the quality of the outsourced law library and research services?

6. Do the outsource service providers in the UK have plans to offer law library and legal research services in Australia in the future?

The first two research questions, regarding the number and identities of the providers and users of outsourced law library services, were answered by piecing together information from various published sources. This was a considerable research task in itself, which was made more difficult at the early stages of the research project, by the refusal of outsource providers to name or confirm their law firm clients and vice versa because of concerns of commercial confidentiality.

A number of theories have been put forward to explain the reason for the increased use of outsourcing by law firms in the past few years by economists, business management consultants, legal practice management experts, corporate clients of law firms, outsource service providers, and law librarians amongst others, and these theories have been outlined in *Chapter 2. Literature Review and Critique*.

A small number of lawyers had been quoted regarding their expectations of library outsourcing in the press releases of outsource providers, and in newspaper articles based on these press releases, but it was unknown if these expectations were representative of all the law firms which outsourced their library services. There were no first-hand accounts of the level of satisfaction with the outsourced library and research service. The lawyers using the services were the only people who could explain the reasons for their outsourcing decision and whether their expectations of outsourcing had been met or exceeded. The information required to answer the remaining research questions was known by the providers or users of the service. This reality determined the choice of data collection techniques.

3.4 Data Collection Methods

Two data collection methods were employed to gain knowledge of law library outsourcing. The first method was to conduct semi-structured interviews with individuals with particular knowledge of law library outsourcing practice. The second method was to monitor legal industry media and social media for any new publications by or about the participants and the use of outsourcing by law firms in general, thereby remaining informed of any new developments in the field of law library outsourcing.

3.4.1 Semi-structured Interviews

A number of alternative data collection methods were considered before choosing semi-structured personal interviews as a data collection method. The use of non-identifying surveys was considered early in the research period as a means of overcoming the reluctance of outsource service providers and law firms to publicly discuss their commercial arrangements. Surveys could possibly have been sent directly to known providers or users of outsourcing services. Online surveys could have been organized in legal industry media or in social media. However, as a rule, surveys have a low response rate. As pointed out by Williamson, (2002) p. 239, “response rate to mailed questionnaires seldom exceed 50% and rates between 15% and 50% are common” and it was feared that a low response rate from the relatively small number of potential participants would have resulted in a small and non-representative sample of data from which few useful conclusions could be drawn. Furthermore, survey questions are often closed questions, and do not take into account rival explanations because the respondent is required to choose from a list of answers chosen by the researcher and this could result in the collection of unreliable data (Williamson, 2002, p. 244).

Interviews have a number of other advantages over surveys for research purposes; they provide the opportunity to obtain the rich data required for grounded theory analysis particularly for the *how?* and *why?* research questions that require detailed explanations of human actions and reasoning. An interview provides the opportunity to the researcher to ask further questions of the interviewee to clarify the meaning of any information provided.

Interviews also enable the researcher to gain insights into the data from the observations made during the interview. In this particular study for example, observing the interviewees in their work environments provided valuable context to the data. Observations were made regarding the status of a law firm from its environs. These observations inform the analysis of data collected, the words spoken by the interviewees. Observations made at these law firms influenced my evaluation of whether these law firms were outsourcing to reduce their costs because the economy was weaker or whether they were acting to preserve the existence of prestigious law firms which had been built up over generations. The work environment and processes of outsource providers could be observed by walking through their offices. For example the ‘start-up’ nature of one outsource service provider in the UK was appreciated by observing that the interviewee was working from his home in

suburban London and from a laptop computer and mobile phone from the Director's Institute in Pall Mall. Interviews provide the ability to observe the confidence, conviction and emotions with which an interviewee responds to the questions asked and these observations are often as revelatory as the content of the answers. Finally, the personal connection established during an interview between interviewer and interviewee can be valuable for obtaining further information required later on during the research period.

Commercial Confidentiality

Concerns of commercial confidentiality have served as a barrier to the collection of research data about outsourced services. Work commenced on this project in November 2011 following the announcement that the first legal process outsourcing agreement in Australia was entered into between law firm Malleson Stephen Jacques and global outsourcer, Integreon. Requests for information from the six largest Australian law firms about their use of outsourcing and the possible use of outsourced law library and legal research services were either ignored or declined. Outsource service providers similarly declined to provide details about the services they were offering or planning to offer in Australia. Outsource service provider Exigent claimed to have several law firm and corporate clients for its legal research services but would only reveal the names of two large Australian law firm clients. The outsource service providers of law library and legal research services, the subject of this research, are private companies, and unlike public companies do not produce publicly available annual reports that would provide a wealth of information about the companies' services and profitability.

I was not surprised by this lack of co-operation from those who were entering into outsourcing contracts. Media reports of outsourcing negotiations and arrangements noted that outsource providers were unable to name their clients because of concerns of commercial confidentiality (Priestly, 2011). Requests for information from sources in the UK, where law library outsourcing had a three-year history, were no more successful. For some months it seemed that it might not be possible to obtain the information needed from knowledgeable individuals because of the veil of secrecy surrounding the outsourcing practices of law firms.

In an attempt to overcome this barrier in the UK, assistance was requested from Warwick University, Monash University's partner university in the UK. Professor Michael Mol of Warwick Business School provided an introduction to Professor Mari Sako of the Said

Business School, University of Oxford, who has research expertise in the outsourcing of business and professional services. Professor Sako arranged for an interview with a leading provider of outsourced law library and research services in the UK. Perhaps because of this introduction, and the association with Warwick University and the University of Oxford, interviews were secured with a number of law firms, outsource providers, and a number of law librarians in leadership roles with professional associations of law librarians and others opposed to law library outsourcing.

A list of potential interviewees was compiled from a variety of publications, websites and social media and involved considerable research. Contact details for these individuals were obtained from the websites of the organizations that employed them or from the contact details provided in publications they had written. Following approval for the research proposal from the Monash University Human Research Ethics Committee, requests for interview were sent to all known providers of outsourced library services in the UK, the managing partners of the law firms known to have outsourced their law firm library service and to a number of law librarians in leadership positions in the professional associations of law librarians and to those who had published opinions in journals critical of library outsourcing. The British and Irish Association of Law Librarians (BIALL), posted details of the research project and my visit to the UK on their ListServ on my behalf inviting any interested parties to contact me directly. This post resulted in just one contact.

An Explanatory Memorandum (See *Appendix 1*) of the aims of the research project and a Consent Form (See *Appendix 2*) for the interview accompanied each request for interview. Those who consented to interview included two outsource service providers, six of the nine law firms known to have outsourced their library and research services, law librarians in leadership roles of professional associations for legal information professionals and three UK law librarians who were opposed to library outsourcing. In addition, a law firm manager who had considered, but decided against outsourcing the law firm library, participated by providing written responses to a set of questions regarding the decision making process.

Anonymity

An undertaking to protect the anonymity of the interviewee was provided in the Consent Form provided to each interviewee. Providing anonymity to those who have provided information in interviews particularly when synthesizing that with information in the public

domain from identified individuals has been a significant challenge in the writing of the thesis.

Interview Topics

Interview topics, rather than specific questions, were prepared to facilitate semi-structured interviews. The choice of topics was determined by the nature of the research questions and based on the contentious issues that were frequently raised in the published literature on the topic. This grounded theory technique, of using open-ended interview topics, was chosen because it enables the interviewees to determine what they consider relevant in addressing a particular topic and to express their opinions of what is important in their own way. This particular technique is designed to capture the knowledge and opinions of the interviewee free of the influence of the preconceptions of the researcher.

Separate interview topics for law firms, outsource service providers and law librarians were prepared. The interview topics prepared for law firm clients of outsourced law library and legal research services appear in Table 3.1, the interview topics prepared for outsource service providers appear in Table 3.2, and the interview topics prepared for law librarians appear in Table 3.3. The longer list of interview topics for law firm clients reflects the importance of data from lawyers in answering the research questions.

Table 3.1 Interview Topics: Law Firm Clients of Outsourced Law Library and Legal Research Services

Description of the in-house library and research process prior to outsourcing
Use of other outsourcing services
Reasons for outsourcing the law library
The reference process
Location and ownership of information resources
Internal research process following outsourcing
Transition considerations
Management of the outsourcing contract and service level agreement
Level of satisfaction with the outsourcing service
Advantages and disadvantages of outsourcing
Client confidentiality, privacy and legal liability considerations
Lessons learned from the outsourcing process

Table 3.2 Interview Topics: Outsource Service Providers

Business model and profitability

Service model
Client confidentiality, privacy and legal liability
Benefits of outsourcing for clients
Challenges in delivering service in commercial model
Challenges in attracting new clients

Table 3.3 Interview Topics: Law Librarians

Knowledge of outsourcing practice
Advantages and disadvantages of outsourcing for clients
Impact on law librarians
Defensive strategies for the profession

Fieldwork

Interviews were conducted in the UK between 22nd June 2012 and 5th July 2012. The interviews with the outsource providers and five of the six law firms interviewed using these services took place at the interviewee's workplace. An interview with a sixth law firm was conducted by telephone in the UK. The law librarians were interviewed in public places. With the exception of law librarians who were interviewed in noisy public places, all face-to-face interviews were audio recorded on an iPad using a recording application called AudioMemoPro. Notes were taken during the interviews that were not conducive to audio recording. All interviewees were provided with the list of interview topics, an explanatory statement of the research project and consent form several weeks before the interviews took place. Transcripts were produced from the audio recordings and notes and forwarded to each interviewee for approval and comment.

3.4.2 Publication and Media Monitoring

In order to stay informed about new developments in the legal outsourcing area and collect current data, library alerts were created for new publications relating to outsourcing and law firms. Alerts were also placed in Google and Google Scholar for new information relating to outsourcing both in law libraries and in law firms. Wherever possible, email subscriptions were placed with electronic legal industry media such as *Lawyers Weekly* in Australia and *The Lawyer* in the UK and for newsletters of service providers and to the blogs of recognized thought leaders in legal practice management, and legal information technology. Email subscriptions were also placed with blogs published by law librarians for their peers. These blogs provided knowledge of developments in law library practice management and a law librarian's perspective on outsourcing practices within law libraries. Examples included *On Firmer Ground* which publishes views from law librarians around the common law world being 'a collaborative effort of the Legal Division of the Special Libraries Association, the Private Law Libraries Special Interest Section of the American Association of Law Libraries, the Canadian Association of Law Libraries (l'Association Canadienne des Bibliothèques de Droit), the British and Irish Association of Law Librarians, the Scottish Law Librarians Group, the Australian Law Librarians' Association, the New Zealand Law Librarians' Association, and the Organisation of South African Law Libraries', *3 Geeks and a Law Blog*, (<http://www.geeklawblog.com/>), and *Dewey B Strategic* (<http://deweybstrategic.blogspot.com.au/>) : the latter two publishing views of American

law librarians on developments in law library management and legal information technology around the world.

Twitter was employed as a search engine for locating new publications on outsourcing by law firms. By following the tweets of individuals and organizations with an interest in legal process outsourcing and/or law libraries, it was possible to keep up-to-date with breaking news in the research area because these individuals regularly tweeted links to publications of interest to their followers. The list of those being followed changed throughout the research period according to the perceived usefulness of their tweets for this project. A number of law firms using legal process outsourcing were followed for some time however law firm tweets were not informative in general. Table 3.4 details the Twitter Accounts that were followed throughout the research period. The list of those followed on Twitter may appear incomplete and somewhat erratic. The haphazard nature of the list however reflects the reality that not all stakeholders in law library outsourcing use Twitter. Some Twitter Accounts, which could have been a source of professional information and opinion, were 'un-followed' because the person in control of the Twitter Account did not differentiate between tweets of professional value and tweets of a personal nature, or merely re-tweeted the tweets of other Twitter Accounts that were already being followed. Despite these few shortcomings, this data collection method produced a wealth of up-to-date legal industry information, news, publications, industry surveys, opinion, commentary about the future of legal and law library practice and the use of outsourcing by law firms around the common law world.

Table 3.4 Twitter Accounts

Name of Twitter Account	Description
AALL	American Association of Law Libraries
ACLA	Australian Corporate Lawyers Association
ALLA	Australian Law Librarians' Association
ALSA	Australian Law Students' Association
Asian Legal Business	Legal industry and business news
BIALL	British and Irish Association of Law Librarians
CPA Global	Global LPO Provider – US based
David Bilinsky	Canadian blogger and writer on innovative legal practice management
Greg Lambert	Law librarian, blogger – US-based
Integreon	Global LPO Provider – US based
Jordan Furlong	Canadian blogger and writer on the future of the legal profession
Law Institute Journal	Publication of the Law Institute of Victoria
Lawyers Weekly	Australian legal industry news
Legal Current	Blog and podcast of legal information publisher Thomson Reuters
Legal Week	Legal magazine and website providing news, blogs, comment, and opinion - UK based
LLRX	Online journal on law, research and technology
Mark Ross	LPO thought leader, blogger, writer on the future of the legal profession
NELLCO	International consortium of law libraries
Pangea3	Global LPO Provider – US based
Private Law Libraries	Special Interest Section of AALL representing the interests of private (law firm) law librarians
Richard Susskind	Author of several books on the future of lawyers; President, Society for Computers and Law; IT Adviser to Lord Chief Justice - UK-based
Ron Friedmann	Blogger on improvements in legal practice management via outsourcing, technology and knowledge management. Employed by Integreon
Slaw	Canada's online legal magazine

3.5 Data Analysis

The research data collected for analysis was primarily qualitative in nature and derived from the text of the interview transcripts and from the publications written by participants in law library outsourcing or about them or their practices. Analysis of the data was not a separate and independent stage of the research process. Data analysis commenced

during the interview process. It was possible to recognise and make mental note of the areas of consensus and disagreement between interviewees during interviews and while the transcripts were prepared for data analysis from the audio recordings.

The grounded theory technique suggested by Charmaz (2006) of applying open codes to the collected texts was used in order to organize the material into a number of thematic categories. This process was first undertaken manually using a 'cut and paste' technique to collect the responses of all interviewees relating to a particular thematic category. Nvivo 10 software was also employed to automate this process at the suggestion of colleagues who had found this software useful in their own work. This combination of processes resulted in a compilation of quotations from the interviewees relating to each of the thematic categories that emerged during data analysis. These collections of quotes are neatly referred to as "voice sheets" by Williamson (2013) p. 422 that "facilitates the telling of a 'story' from the perspective of the participants, while the researcher makes the connexions and linkages, and identifies consensus and dissonance".

The thematic organization of the data enabled a process of within-case and cross-case analysis of the interview transcripts and subsequent cross-analysis of interview data with the data gathered from the surrounding literature. This process of analysis and interpretation also involved the consideration of the relevance of the time in which the text was created, the motivations and self-interest of the author and the social and cultural context of the text. This method of data analysis "is closely aligned with hermeneutic traditions of induction and interpretation where the goal is not only to understand the what any given unit of content may represent but to understand the characteristics, dialogue and process of the social context in which meaning is created" (Williamson, 2013, p. 422). This iterative process of contrasting and comparing the data of individuals with the data of or about the group of participants has enabled the construction of an explanation and understanding of the motivations and decisions of the group of human actors who have created law library outsourcing, and who are in turn, influenced by it.

3.6 Conclusion

The data gathered during interviews with the participants in this research has provided much of the information needed to answer the research questions, and it is difficult to imagine that this information could have been gathered without travelling to the UK and interviewing those individuals who are providing and using the outsourced services which

are the subject of this research. The knowledge of the lawyers' experience and satisfaction with the outsourced services could not have been collected in any other way.

The timing of my request for interviews may have been fortuitous. Two of the lawyers interviewed intimated that discussing their satisfaction with the outsourcing decision was in their best interests. Both considered that the outsourced services would deliver more benefits to the users as the services grew and attracted more clients. They believed that other law firms should be aware of the benefits to be gained in using outsourced information services. The fact that busy lawyers and practice managers were so generous with their time during this research indicates that they could see some benefit to themselves and other lawyers in sharing their knowledge and experience.

The information gathered in the UK revealed that the provision of outsourced law library and research services was not homogenous as had been suggested in the literature published on this subject and the reasons for outsourcing law firm libraries were more nuanced and complex than had previously been understood by commentators.

Media monitoring was particularly valuable for gathering up-to-date information in these times of rapid change for both the legal profession and the provision of legal information. During the research period, much has changed. At the beginning of the research, one Australian law firm, Malleon Stephen Jacques, had made a decision to outsource some of its legal work to a global outsourcer and law firms were initially reluctant to discuss their outsourcing practices or future plans for outsourcing. Media monitoring has since revealed the adoption of LPO by several large Australian commercial law firms. Currently, in 2013, it is generally recognized that most major commercial law firms are using LPO to some extent at the request or behest of corporate clients. Recognition of fact that 'LPO is booming and having a profound effect on the delivery of legal services' inspired the Australian Law Management Group of the Legal Practice Section of the Law Council of Australia to organise a conference devoted to LPO, The 2012 World Masters of Law Firm Management, in Sydney in October 2012. The conference was themed 'Legal Process Outsourcing – The Real Story'.

Media monitoring has played a vital role in keeping abreast of recent developments in the use of outsourcing by law firms. Since the beginning of this research, law firms in Australia have adopted LPO, Australian firms have merged with UK firms which have adopted LPO in various ways, the sale of the majority share of LPO provider Evalueserve was

announced in the media and two law firm clients have withdrawn some of their business support services from LPO provider, Integreon. All of these reported events, and many others, were relevant considerations to this research, and may have been overlooked without the monitoring of publications and media.

CHAPTER 4. ASPECTS OF LAW FIRM OUTSOURCING

This chapter describes the competitive pressures on law firms that have contributed to the use of legal process outsourcing (LPO) and business process outsourcing (BPO) by law firms. This information is important for understanding the motivations of the law firms who are outsourcing their support services and assessing the future prospects for outsourced services. Law libraries are not the only legal support service being outsourced by law firms. In response to competitive pressures, law firms have outsourced a number of support services in order to lower their overheads. Law library and legal research outsourcing cannot be properly understood in isolation from the market forces which are changing the cost structures of law firms.

The diversity of outsourcing models and the range of outsourcing options available to law firms is described and some examples are provided. The size and rapid growth of BPO and LPO by law firms in the past few years and the important role that law firms have played in shaping outsourced services both as users and providers of the services is demonstrated.

4.1 Factors Influencing Outsourcing Use by Law Firms

The factors that have influenced the use of BPO and LPO by law firms have been the pressure for change by corporate clients seeking to maximize the services they can deliver within their legal budgets and competition from the emergence of alternative providers of legal services. Alternative providers of legal services include legal process outsourcers, alternative-model law firms, and in the UK, legal service providers registered as alternative business structures pursuant to the Legal Services Act, 2007.

4.1.1 Competition From Legal Process Outsourcers

Legal process outsourcing (LPO) commenced in the 1990s and experienced modest growth until the global financial crisis in 2008 (Priestly, 2011). In the wake of the global financial crisis, corporations came under increasing pressure to reduce their own cost structures in order to survive financially. Corporate lawyers (referred to as general counsel in the USA), those lawyers in control of the spending of the legal budgets of corporations, experienced increasing pressure to obtain more services for their legal budgets. This financial pressure provided the impetus for corporate lawyers to test the

services offered by legal process outsourcers instead of using traditional law firms for all of their legal work. Corporations were the first to use LPO in order to stretch the value of their budgets. During the global financial crisis, “the LPO sector grew by 40% and more than 90% of LPO work is either being directly outsourced by general counsels or on behalf of general counsels (by their preferred law firms)” (Aggarwal, 2011, p. 1)

Globally, LPO revenue is reported to be rapidly increasing. In 2011, revenue was approximately \$US 640 million and expected to be approximately \$US 4 billion in 2014 (Gogel, 2011). Some well-publicised savings from contracts between corporations and LPO providers have made both business and law firms take LPO seriously. In 2009, Rio Tinto entered into a contract with LPO provider CPA Global that was projected to save Rio Tinto 20% annually in legal costs (CPA Global, 2011). The claim was that “by shifting work to CPA Global, our internal team will be freed up to get involved in some of the more complex and challenging legal matters, which in the past, might have been sent to outside counsel at significant cost” (CPA Global, 2011).

There is evidence that Australia’s corporate lawyers are beginning to bypass their commercial law firm advisors in favour of LPO providers for certain legal work. This new competition will place commercial law firms under considerable pressure to reduce the costs of providing legal services to their clients. A survey of corporate lawyers in Australia and New Zealand by the Australian Corporate Lawyers Association and the Corporate Lawyers Association of New Zealand found that 61% of corporate lawyers were under pressure to reduce costs and that 64% were under pressure to reduce the amount spend on external law firms (Quine, 2012). Six percent of surveyed corporate lawyers had used LPO and another 7% planned to use LPO within the following two years (Quine, 2012).

There is other evidence of an increasing interest in the use of outsourcing by Australian law firms and corporate legal departments. In October 2011, two Melbourne lawyers established a legal outsourcing business, Plexus Group, providing home-based, freelance lawyers to law firms and corporate legal departments at half the cost of a commercial law firm (Nickless, 2011). The following year, in July 2012, a resurgence of interest in LPO by both law firms and corporations was reported to have

induced Australian LPO provider, LegalResources, to re-enter the Australian LPO market it had previously abandoned in 2007 (Mezrani, 2012, July 26).

4.1.2 Pressure From Corporate Clients

Law firms not only experience competition from LPO providers for some of the work they perform but they also employ LPO for some legal processes of large legal projects in order to lower the overall cost of that work for the client. In Australia, it would appear that corporate lawyers were influential in the decision of law firms to adopt LPO as a method of reducing the overall cost of the legal services they provide. The milestone agreement between law firm Malleson, Stephen Jacques and Integreon was reported to have been the result of the influence of Telstra, a client of both parties (Collings, 2011b). Law firms Ashurst and Allens Arthur Robinson, who both perform legal work for Rio Tinto, are required by that client to send a portion of their legal work to LPO provider, CPA Global (Priestly, 2011). There are also signs that in the future, the adoption of an LPO strategy may be a pre-requisite for law firms bidding for the legal work of major corporations. For example, in April 2012, Australian superannuation and financial services provider, AMP, announced that law firms without an LPO offering would be ineligible for its litigation legal panel (Collings, 2012).

In the UK, there has been significant growth in the use of LPO by law firms. Integreon reported that 5% of law firms in the UK used LPO in 2009 and the percentage increased to 15% in 2010 (Gogel, 2011).

4.1.3 Competition from Alternative-model Law Firms

In the past few years, in addition to the competition posed by legal process outsourcers, commercial law firms have also faced fresh competition from alternative-model law firms. These firms provide legal services directly to corporate clients without the overheads and business support services of traditional law firms and some examples of their lower-cost methods follow.

These alternative-model law firms, in many cases created by former partners of commercial law firms, provide legal services to corporations using a variety of service delivery and pricing models that undercut the hourly-rates billed by commercial law firms. Examples of such alternative-model law firms in the US include Axiom, which commenced operations in the US in 2000 but which now provides legal services

globally “through 11 offices and 4 service centres” using a low-cost model of service delivery that includes the insourcing of lawyers directly to clients, outsourcing and project management of legal work (<http://www.axiomlaw.com/index.php/overview>), and Clearspire (<http://clearspire.com>), which commenced providing legal services in October 2010. Clearspire’s attorneys, reported to be former AMLaw 200 attorneys², work from their homes and “provide services to clients at half the hourly-rate of other AMLaw 200 attorneys” (Hobbie, 2011).

Examples of alternative-model law firms in the UK include the local branch of global legal services provider, Axiom, which leases lawyers to clients for half the price of those from conventional law firms (Susskind, 2013, p. 36). Two conventional UK commercial law firms also lease their lawyers to clients. The first of these, Berwin Leighton Paisner, has operated its Lawyers on Demand service since 2008 and a second law firm, Eversheds, has done so since 2011 (Susskind, 2013, p. 36).

In Australia, there are a number of alternative law firm models competing for business with traditional commercial law firms. AdventBalance, formed in 2008 (Collings, 2011a), operates on a secondment-based model and provides services to clients from their premises on a project-to-project or as-needs basis (www.adventbalance.com). AdventBalance utilises global LPO provider Pangea3 as part of its service delivery model (Priestly, 2010). Marque Lawyers, formed in 2008, provides a range of commercial services for negotiated fixed-fees (<http://www.marquelawyers.com.au>). Proximity Lawyers, formed in 2011 in Canberra, provides services to federal government departments on a low-cost overhead, secondment-model (Lawyers Weekly, 2011). According to Australian legal industry media reports, these law firms have experienced rapid growth in the first few years of their operations in response to the growing demand for lower-cost legal services from businesses both within Australia and South East Asia (Collings, 2011a).

4.1.4 De-regulation of the Legal Services Market in the UK

In 2007, the Legal Services Act 2007 was enacted following an independent review of the regulatory framework for legal services in the UK. Before the introduction of the Legal Services Act 2007, lawyers in England and Wales, could only practice as sole practitioners, in partnership with other lawyers, or provide legal services to an

² Top 200 US Law Firms by Revenue

employer. Some provisions of the Act, which came into force in 2011, enabled non-lawyers to provide legal services in alternative business structures (ABS) with lawyers and permitted external investment in law firms for the first time. These legislative changes have resulted in the entry of commercial enterprises into the market for the provision of legal services in direct competition to law firms. In the UK in 2012, one of the first companies to register as an ABS was The Co-Operative Group, which announced plans to provide legal services from its 330 bank branches (Susskind, 2013, p. 7). According to Susskind, these ABSs will revolutionise legal service provision in the UK and beyond as market forces sweep through the legal profession (Susskind, 2013, p. 8).

4.2 Outsourcing Models

The outsourcing of legal processes and business support services by law firms takes a number of forms. Law firms have either chosen to outsource non-core business support services, such as law library and research services to external third party providers, or to create their own dedicated service centres. This is a 'make or buy' decision on the part of the law firm concerned. The service centres provide services to law firms from onshore or offshore locations or a combination of both.

4.2.1 Captive Centres

Some law firms have outsourced support services of their law firm and some legal work to fully owned subsidiaries in areas of their own country or overseas where labour costs are lower. Such dedicated subsidiaries are also referred to as 'captive centres'. This model enables these law firms to control the quality of the services provided. In the UK, labour costs are lower in the north of England, Scotland and Northern Ireland and these regions are favoured onshore locations for such captive centres for the provision of law firm support services. This model of outsourcing is often referred to in the UK, by the English, as 'north sourcing', or in the case of Northern Ireland, 'near shoring'.

In 2011, salaries for paralegals and graduates in northern England and Northern Ireland were quoted as being approximately £18, 000 per year – a saving of 60% on a salary of up to £45, 000 per year for a similar position in London (Freedman, 2011). Allen & Overy, a UK 'Magic Circle' law firm, which also has offices in Australia, opened a low-cost captive centre in Belfast, Northern Ireland in 2011 to provide many of its

support services including information operations (Worley, 2012). UK law firm, Herbert Smith, which recently formed a merger with Australian law firm Freehills, also has a captive business support centre in Northern Ireland. Both of these law firms were enticed to open these centres in Northern Ireland by financial incentives from Invest Northern Ireland, that government's development agency. It has been reported that Allen & Overy received £2.5 million to open its 'support and legal services centre' and that Herbert Smith received £208, 000 to set up its document review and due diligence operation in Belfast (Smith, 2011).

Lower labour costs are not the only reason for choosing these British locations for legal support service provision. If cost were the only consideration these law firms could set up captive centres in overseas locations such as India or the Philippines where the labour costs are significantly lower than in any part of the UK. According to Herbert Smith,

We chose Belfast because it has a greater quality of workforce. Everyone's been educated in the two very good universities in Belfast, mostly in English law systems. In other locations they're very much tuned towards US law firms at the moment. And there is a degree of [geographical] proximity (Freedman, 2011).

An international legal services company, Axiom, is the latest company to create a low-cost service centre in Belfast. Axiom announced the opening of its service centre, employing more than 100 lawyers and paralegals, in March 2012 (Swift, 2012). Citing growth of almost 300% in certain divisions, Axiom increased the capacity of its service centre in January 2013, creating between 30 and 40 new jobs for lawyers, paralegals and other professional staff (Rice, 2013).

Other UK law firms looked even closer to home when establishing low cost business and legal process support centres. In June 2012, law firm Eversheds, announced the piloting of a service centre in Leeds comprising lawyers, paralegals and administrative staff engaged in routine work for the firm's real estate practice (Orlik, 2012).

Manchester was the location of choice for law firm Addleshaw Goddard, following a decision not to enter into an outsourcing contract with Accenture (Orlik, 2012). There is evidence that onshore business support services are also desired by smaller law firms which do not have the resources to establish captive centres of their own. In 2010, UK

law firm consultancy, Inpractice, launched an initiative to enable a number of small Manchester law firms to establish a single management company to provide shared services to its members. The project was a joint initiative of the Manchester Law Society, (the North West regional office of the Law Society), the Greater Manchester Chamber of Commerce, and the North West Development Agency and was “aimed at enabling smaller law firms to better compete against new entrants in the legal services market place in the post Legal Services Act world” (Baksi, 2010).

Some law firms have chosen offshore locations such as India, the Philippines and South Africa for their captive centres. These countries are particularly attractive for offshore outsourcing centres because of the presence of a well-educated, English-speaking workforce, familiar with common law legal systems, which can be employed for significantly less than a similarly educated worker in the western world. In London, the average salary for a paralegal or graduate legal position in 2011 was reported to be between £30, 000 and £45, 000 while staff at the equivalent level in the Philippines were earning between £5,000 and £8,000 representing an 80% saving to a London law firm (Freedman, 2011). In India, paralegal and graduate salaries were slightly higher than the Philippines with annual earnings ranging between £5,000 and £10,000 but still represented a considerable saving on salaries paid in London (Freedman, 2011).

In 2007, Clifford Chance, the world’s largest law firm, opened its own offshore legal process outsourcing operation in Delhi to provide transaction and case support to lawyers in the firm on a global basis and a dedicated knowledge centre. In doing so, Clifford Chance claimed to be the first major law firm to open an offshore captive LPO service centre in Delhi, India (Ford, 2011). By 2011, the Director of this centre reported that the centre was employing over 350 people for a number of support services for the law firm on a global basis, including finance and accounting, IT and research and a variety of administrative functions. Of particular significance to this research, was the firm’s Knowledge Centre, within the service centre, which in 2011 was employing 40 people, with plans to employ a further 20 staff within the following six months (Ford, 2011).

The benefits of owning and operating a captive service centre (as opposed to utilizing a centre operated by a third party) are the ability to control the quality of the work of the

service centre through control of the hiring, training, supervision and management of its employees. Such exercise of control involves a considerable investment of time by the law firm. Clifford Chance claimed to recruit staff for the Knowledge Centre from the top 15 law schools in India following an intensive recruitment process that included a number of written tests and interviews (Ford, 2011) Training of new recruits was conducted by the law firm and included time on secondment to Clifford Chance offices in London and elsewhere. Supervision and quality control of the output of the centre was the responsibility of lawyers seconded from Clifford Chance's offices to Delhi for six-month periods at a time (Ford, 2011). Perhaps not surprisingly, the investment of time and resources required to establish and manage a captive centre, particularly an offshore captive centre, means that the offshore captive service centre is the least common of the outsourcing models used by law firms. Business and legal processes are more typically outsourced to external third parties who may operate from onshore or off shore locations or a combination of both.

4.2.2 Shared Services Centres

The most common outsource service delivery model is one where an external third party provider operating either onshore or offshore uses all of its resources to supply services to a number of law firm clients. Current providers of law library and/or legal research services to law firms such as Integreon, Evalueserve, LAC Group, Exigent, CPA Global and Pangea3 use such a service delivery model.

UK Top 30 law firm, Osborne Clarke, was the creator of the UK legal sector's first onshore shared services centre. On February 2, 2009, it announced a seven-year contract worth £50 million, with global outsource provider Integreon, for the supply of the law firm's law library and legal and business intelligence research, knowledge management, IT, document services, training, network support, secretarial services and reception. The new service centre commenced operation in Bristol in March, 2009 and was staffed with 75 employees of Osborne Clarke who were transferred to Integreon under UK Transfer of Undertakings (Protection of Employment) Regulations 2006 (Integreon, 2009a).

The shared services centre was designed to provide a full suite of business support services to Osborne Clarke and other law firms. (Integreon, 2009a). Integreon also operated shared services centres in Fargo, North Dakota, New York, Mumbai, Delhi

and Manila, and employed approximately 1,700 staff (Integreon, 2009a). Integreon announced that “the LPO business model was to send as much work as possible overseas” (Taylor, 2010). Integreon provides library and research services to a number of UK law firms using resources at UK service centres in Bristol and London and its offshore service centres (Stanfield, 2012).

Outsource service providers such as Evalueserve provide knowledge and information services to law firms either from within the client’s premises or from the “company’s global knowledge centres in Chile, China, India and Romania, as well as a dedicated client centre in the UK” (Gill, 2012, p. 19). UK “Magic Circle” law firm, Freshfields Bruckhaus Deringer outsourced its law library and information services to Evalueserve and Evalueserve conducts these services from the law firm’s offices (Worley, 2012).

Australia is a provider of legal process outsourcing services. Global LPO provider, Exigent, offers support services to law firms from an office in Rockingham, Western Australia. Exigent also has a service centre in South Africa enabling it to provide 24-hour service to its clients around the world. The Australian centre in Rockingham was opened when Exigent experienced reluctance from Australian law firms to offshore local jobs to South Africa as a result of its outsourcing decisions (MacIntyre, 2009). The Rockingham service centre also provides services to law firms outside Australia. Overseas clients include UK law firms Linklaters and Eversheds, who benefit from the time difference between Australia and the United Kingdom to achieve 24/7 back office support for the firm (Lawyers Weekly, 2010). Exigent also provides legal secretarial services to local law firms such as Swaab Attorneys, Lavan Legal, and Herbert Geer (Lawyers Weekly, 2010).

This chapter has discussed the competitive pressures on law firms that have contributed to the use of various outsourcing models for their business support services. The following chapter describes in the UK experience with law library and legal research outsourcing.

CHAPTER 5. OUTSOURCING THE LAW FIRM LIBRARY: THE UK EXPERIENCE

This chapter contributes to the thesis by addressing the gaps in the knowledge of library outsourcing by drawing upon documentary research and information gathered during interviews with two of the providers of outsourced law library services in the UK, six of the nine known law firm clients who each have some years of experience with outsourced services, one law firm practice manager who considered but decided against outsourcing the law firm library, and a number of interested law librarians.

The providers of law library and legal research outsourcing and the law firms which outsourced their law libraries to these service providers are identified. The reasons for the outsourcing decision, and the perceptions of the role of law libraries which underpin them, are described in this chapter in the words of the decision makers. The service delivery models, expectations and client experience of law library outsourcing are outlined, revealing more complexity than has been previously understood in the literature. The claims regarding the benefits and disadvantages of outsourcing are evaluated in the light of the experience of the users and providers of outsourced law library services. The plans of two service providers for expansion of their services to Australia are disclosed, as are the reasons why these services have not been provided in Australia to date. In conclusion, a number of findings are made and extrapolated from the UK experience with law library outsourcing.

5.1 Providers of Outsourced Library and Legal Research Services

The majority of LPO providers offer legal research services as part of their service offering. Law firms may be using these research services in addition to using their own in-house information team, and law firms without internal libraries may also be using these services. This research has focused on the complete outsourcing of in-house law libraries and is confined to the providers which claim to have the ability to provide a complete outsourced service and those known to have clients for an outsourced library service.

In the UK, there are two outsource service providers who, according to their websites, claim to provide a complete library outsourcing service. They are Evalueserve and

Integreon. Two other service providers, Isential and LAC Group, offer a wide range of services to law firms, including legal research, and have the potential to provide an outsourced service. The details of the library services, which all these companies can provide to law firms, are outlined in Table 5.1. The information in Table 5.1 is sourced from the websites of the service providers and was current as at February 24, 2013.

Table 5.1. Providers of Outsourced Law Library and Research Services

(The information in the Table was sourced from the website of the company named on February 24, 2013)

Company Name and Location	Services Provided
<p>Isential No office location on website. (Email and mobile phone contact provided)</p>	<p>Managing and developing libraries and information services, budget setting and management, benchmarking information products and services, managing supplier relationships, contract negotiations and licensing, legal and business research and enquiries, serial management, current awareness services, training and inductions for lawyers and information professionals, cataloguing and classification, delivery of knowledge management tools and services, information architecture, content management, taxonomies and search, delivering precedent libraries, project and change management.</p>
<p>Evalueserve No central contact address. Offices in Chile, China, India, Romania, Switzerland and the USA.</p>	<p>Complete outsourcing of information services, such as libraries and the management and administration of knowledge management systems, with a significant part of the team operating 'on-site' at client premises. Focus on effectively capturing internal know-how, supported by technology.</p>
<p>Integreon Offices in Canada, China, India, Japan, Philippines, South Africa, United Kingdom and the USA.</p>	<p>Legal research and drafting, business intelligence, including company and industry research as well as ad hoc, topic-specific research, library management, hard copy journal management, information supplier management and purchasing.</p>
<p>LAC Group Offices in Chicago, Los Angeles, Denver, Washington DC, New York, London.</p>	<p>Physical asset management, digital asset management, legal research, market/industry research, competitive intelligence, document delivery and interlibrary loans.</p>

Integreon and Evalueserve both have UK law firm clients for law library and legal research services. There was no independent evidence that either LAC Group or Isential had any law firm clients in the UK for their services. The LAC Group does however provide outsourced law library services for law firms in the USA.

Two former library services employees of Integreon established Isential in 2012. Law librarians in the UK have cheekily dubbed it 'Integreon Lite'. I have not found independent mention of either LAC Group or Isential in legal industry media in relation to law library outsourcing. Lawyers and law librarians in the UK advised me informally that Isential had been seeking clients for these services. None of them were aware of any law firms that had outsourced their library services to Isential or were otherwise using their services. I have been forwarded emails of their sales approaches to law firms by trusted sources who wish to remain anonymous and I am confident that this company is attempting to enter the market for outsourced law library services. None of the lawyers or law librarians interviewed had heard of the LAC Group or their law library and legal research services or knew of any law firm that used their services. Both companies have ignored several requests for information about their services. In the absence of information from Isential and the LAC Group, I am unable to confirm that they are providing such services.

The global legal process outsourcing providers that have clients in Australia, namely, CPA Global, Exigent, Integreon and Pangea3 all offer legal research services to law firms as part of their service offerings. They are not currently promoting the provision of other law library services such as procurement and collection management necessary to provide a complete library service.

Exigent claims to have several Australian clients for its legal research services. I was unable to locate independent evidence that this is the case. In November 2012, I wrote to Integreon and Exigent in the wake of media announcements of their agreements with leading Australian law firms, asking if they had clients in Australia for their legal research services. Exigent Director, David Holme, advised in response, that it had "15 clients in law firms and corporates". (D. Holme, personal communication, November 21, 2011). Clarification was twice sought that this statement was made in relation to Australian clients and for *legal research* services specifically because I had some concern that Mr Holme had not noted that I was enquiring about *legal research* outsourcing in particular rather than *legal process* outsourcing in general. In January 2012, Mr Holmes responded to my request for clarification, by advising only that leading Australian law firms, Corrs Chambers Westgarth and Blake Dawson, (now known as Ashurst), were among their Australian clients (Holme, personal communication, January 8, 2012). Requests for confirmation of the use of legal research services and participation in this research project were subsequently emailed to both law firms. Corrs Chambers Westgarth did not respond.

Blake Dawson responded and advised “we are not in a position to discuss our formal arrangements with Exigent to anyone” (S.Pyun, personal communication, February 7, 2012). I have therefore been unable to obtain confirmation of Exigent’s claim regarding its Australian clients for its research services. I have however been told, unofficially, that Exigent placed an employee in the library of law firm Ashurst to look for ways of improving the efficiency of the library service, which lends some small credence to the claim. I remain sceptical of Exigent’s claim however because there have been no reports in legal industry media or social media that would confirm this to be the case. While it is possible that the outsourcing of law firm libraries might not attract legal media coverage, it is unlikely that the law librarians would not have expressed their opinions about it in social media. By way of contrast, there are several media reports that Exigent has several clients for clerical processes and other services such as document review and discovery (Lawyers Weekly, 2010).

5.2 Law Firms Which Have Outsourced Their Law Libraries

Table 5.2 lists the law firms that have been identified in the media and on provider websites as having outsourced their in-house law library to external service providers. The information in Table 5.2 has been sourced from the websites of these law firms and this accounts for the inconsistency in the terms used to describe these entities. The information in the Table was current at February 24, 2013. Some law firms have provided full address details for their offices and others have not. Some law firms have listed their locations by city name and others by country name or by geographical region. Law firms, Thomas Eggar, Foot Anstey, Morgan Cole, and Freshfields Bruckhaus Deringer did not provide information on staff numbers. Some law firms have provided statistics for the number of staff while others have provided statistics on the number of lawyers employed. Some have provided statistics on the number of partners and others have not.

Table 5.2. Law firms Which Have Outsourced Their Law Libraries

(The information in the Table was sourced from the website of the law firm named on February 24, 2013)

Law Firm Name and Location	Profile of Law Firm
Osborne Clarke Six offices in the UK, Germany, Italy, Spain and the USA.	International commercial law firm. More than 550 lawyers.
DAC Beachcroft Offices in the UK, Chile, Ireland, Mexico, New Zealand, Singapore and Spain.	International commercial law firm. More than 240 partners and 2,000 staff.
Thomas Eggar Six offices in the UK.	Commercial and family law firm.
TLT Five offices in the UK.	Top 100 UK law firm with broad range of legal services. 78 partners and 750 employees.
Morgan Cole Five offices in the UK (Southern England and South Wales)	Regional law firm with a broad range of legal services.
Foot Anstey Five offices in the UK (South West Region).	Regional law firm with broad range of legal services.
Farrer & Co One office in London.	London law firm with broad range of legal services. Private client work. 79 partners and 380 staff.
CMS Cameron McKenna One office in London. CMS Cameron McKenna is the UK member firm of CMS, a provider of legal and tax services with 13 offices in the UK, Central and Eastern Europe and throughout the world.	International commercial and taxation law firm. 94 partners and 1,100 fee-earners.
Freshfields Bruckhaus Deringer Website describes the location of the law firm as follows, “30% of our work is typically in countries where we do not have an office. We have worked in nearly every country in the world, touching almost 200 countries in each of the past three years”	International commercial law firm. Member of the ‘Magic Circle’ of the five largest law firms headquartered in the UK.

5.3 Perceptions of Law Libraries

Interviewees were not asked a specific question about their perceptions of the role of the law firm library or law librarians. The interview topics are listed in *Chapter 3. Research Design and Methodology* and are included in *Appendix 3*. Personal beliefs about the role of the law firm library arose during the course of the interviews and it was apparent that these perceptions were important because they underpinned the outsourcing decision.

Law librarians frequently complain in the literature that lawyers do not appreciate or value the work of the librarians who work for them. In 2008, while researching the 40-year history of the Australian Law Librarians' Association (Barker, Brown, & Johanson, 2009) I read every newsletter and journal produced by this association and the issue of proving value of the library or the librarian was a perennial topic in those publications over the years. British law librarians have portrayed the outsourcing of law firm libraries as another example of the lack of appreciation for the value of the law librarian in a law firm. One librarian who was interviewed during the course of this research remarked that

If you asked a lawyer which two services they could not do without, library is seldom there, whereas the product is legal advice, so we are actually part of it, but we are like wallpaper (Librarian 2).

Having interviewed those who contributed to the decision to outsource the library, I disagree with the view that law librarians are unappreciated and under-valued by their employers. As will be shown in this chapter, the most commonly expressed reason for outsourcing the in-house law library was to obtain more library resources and a broader range of skills, including specialist research skills. All law firm interviewees wanted to maximise the resources they could achieve within their budgets. The decision to outsource can therefore be interpreted as an endorsement of the value of a professionally staffed law library. There is little doubt however, given the decision to outsource the library service, that the lawyers did not see the value of the library as being dependent on its physical location within the law firm or on a personal face-to-face relationship between the lawyer and the law librarian. Lawyers and law librarians appear to value different aspects of the professional relationship which they share.

Two law firm interviewees reported that lawyers do not “own” or “take ownership” of the library in the same way they do their own staff. One managing partner differentiated the

strength of the personal relationship between lawyer and personal staff and lawyer and support staff in explaining why support services were considered for outsourcing in these terms:

We began to think about the business service operations. Lawyers do not tend to 'own' these paternally as they do the lawyers in their team and the PAs who work for them. They just expect a service (Law firm 3).

The statement above relates to a lack of personal ownership. Another law firm interviewee also made reference to the lack of professional ownership or a sense of professional responsibility for the law library by any particular lawyer in the firm.

The support side of law suffers in that no-one takes ownership of it and so resources for development and training for resources in new areas are not done well because the fee-earners cannot analyse the benefits (Law firm 2).

The role that digital information has had in reducing the importance of the law library as the 'home' of legal information was reported as context for the decision to outsource the library by more than one law firm interviewee. The following comment was the most comprehensive of these. In this comment, the lawyer describes the role of the law librarian as changing from researcher to one of supporting the ability of the lawyers to conduct their own research.

Now with fee-earners being able to do what they do online (and of course there are issues about how used you are to it, depending on when you qualified and so on), fee-earners can do a lot of that from their desktop in a way they could never do before, so what happens then is that the information resource and the information professional's role has to change also to keep pace. Information specialists can still do so many things that than fee-earners can't. Legal research and library services in law firms now is about harnessing the skills that specialists have and supporting lawyers in doing it. So that's quite a long-winded background, the reason being that library and information services has historically been about being custodians of hard copy resources and this is no longer the case (Law firm 5).

The law library was commonly referred to by the law firm interviewees as a service rather than a place, and this shift in the perception of the library to a service that can be conducted from anywhere, at any time, using information technology, has assisted the acceptance of an external library and research service.

The view was commonly expressed that the library, like other support services, did not provide the law firm with a strategic or a competitive advantage over other law firms. Some examples follow.

We took the view that a lot of the support we needed as a business might have some bespoke IP relating to the firm, but largely it wasn't a competitive advantage as against other law firms (Law firm 3).

So if you are looking at why we outsourced the library – we outsourced it because it was completely non-strategic (Law firm 1).

5.4 Reasons for Outsourcing

Interviews were conducted with decision makers of six law firms that outsourced their in-house law libraries. Additionally, an interview was conducted via email with another law firm, which had considered, but did not proceed, to outsource its law library. During each interview, several reasons for the outsourcing decision were provided and discussed. These reasons were not provided in order of importance and so it is not possible to rank these reasons accordingly. There was a high degree of overlap in most of the reasons provided by all the law firm interviewees. All law firms reported that they outsourced the library to improve the efficiency or the productivity of the law library and to benefit from a more flexible or scalable research service. In many cases these reasons were referred to in the same sentence and were inextricably linked. These reasons could therefore be considered equally ranked. Other, less frequently reported reasons were the pursuance of a new business support strategy, access to specialist research skills, and longer hours of library service. These reasons are discussed in order.

5.4.1 Efficiency and Productivity

All interviewees from law firms were asked to describe their in-house law library at the time that the outsourcing decision was made. This question was asked to assist me in measuring the changes in staff numbers and services following the decision to outsource

the library. Their descriptions of the libraries went beyond the facts and figures of the staff and services provided. The descriptions revealed the perceived problems in these libraries which outsourcing was expected to rectify. The law library of each law firm was described in terms that could be summarised as being the library that they could afford rather than the library that they wanted. One managing partner reported that this was a common problem with all the support services at his firm.

We had always thought that our support services were sub-scale – you generally have just what you need to support your operations and the size of that support means that people are generalists rather than specialists. We went into it wanting the benefits of scale, 24/7 coverage, reduced cost, greater specialism, bringing in new knowledge to the party (Law firm 3).

This situation was said to have arisen largely because the cost of obtaining the resources and services they needed had outstripped the ability to pay, and outsourcing was seen as a means of gaining more services for the budget. The rapidly escalating cost of electronic resources came in for particular mention when asked what the main costs of the library were.

The resources – the electronic resources are very expensive and there is not a lot of competition so the cost of them seems to rise regardless of the ability of customers to keep paying for them. We are operating in multiple jurisdictions and in a lot of European countries there is only one provider of legal materials and you have to pay what they ask because you are unable to operate without it (Law Firm 2).

Outsourcing was seen as a way of regaining services that had been lost to cost-cutting in the past.

We had got as far as we could with cost-cutting and with that had been a reduction in the service. The idea being that if you can outsource to someone who can provide the service more broadly then you can get back some of what you have given up over the years We wanted to balance the need for information with the ability to pay for it, having the benefits without having to maintain it all the time (Law firm 2).

The following comment by a law firm interviewee encapsulates the various efficiencies in costs and services that law firms were hoping to achieve from outsourcing.

It was difficult to provide the desired quality of service with the existing staff and resources. The reasons for the outsourcing of the library were strategic ones, to gain access to a broader range of research skills, to gain new research capabilities - we are now using the business intelligence research skills of (name of outsourcer) - to reduce the administration time and cost of running the library, to reduce procurement costs - gain some savings from bigger buying power (Law firm 5).

5.4.2 Flexible Service

All law firms reported that outsourcing provided them with the ability to have their research needs met regardless of the level of demand without altering their own staff numbers. All law firms spoke of the flexibility or the scalability of the service. The following comments were typical.

Being more fleet-footed is important. Outsourcing enables you to scale up and scale down when you need to, which you cannot do when you have your own workforce (Law firm 1).

People use outsourcing for two reasons, One – as a cost saving measure and the second is because you can get access to an improved service base. I am very much of the latter school. We did it to have access to a more scalable service (Law firm 5).

The flexibility of the outsourced library service provided financial benefits for the law firms. Some law firms revealed that transactional costing applied to their contracts and as a result they were paying only for the services provided to them rather than a fixed charge for the service.

5.4.3 Business Support Strategy

Law firm interviewees were asked if the library was outsourced as part of a broader outsourcing strategy to reduce the costs of providing legal services. This question was asked to ascertain if the library was singled out for outsourcing in order to reduce costs, as is generally claimed by law librarians, or whether it was outsourced as part of a

restructuring of the support services of the law firm in order to lower the cost structures of the law firm. Four out of six law firms reported that they had outsourced other support services prior to or at the same time as the library service. In these four law firms there was a business strategy in place to outsource the non-core, non-strategic services of the law firm and because the library was considered non-strategic, it was outsourced. This comment was typical.

So if you are looking purely at why we outsourced the library; we outsourced it partly because it was completely non-strategic (Law firm 1).

These four firms had all outsourced a range of support departments such as finance, IT, HR, and marketing. The examples provided by three of the law firm interviewees illustrate the variety of support services outsourced in pursuance of a new business support strategy.

Yes. Outsourcing the library to [name of outsourcer] was the first thing we did and then we outsourced the facilities management and the operations side. Actually the first thing we outsourced was reception and catering but I won't bore you with that (Law firm 1).

We put out IT, document production, database management, library and information services, events management, customer relationship database management and learning and development. (Law firm 3).

Yes. Most of the middle and back office support functions were outsourced – all of HR, all of IT, most of finance, the library, marketing, and research (Law firm 2).

The two remaining law firms had not outsourced because of a business services strategy. Their decisions were purely based on the perceived benefits and the appropriateness of outsourcing for the library service. One of two law firms also perceived law library outsourcing as a convenient change agent. Outsourcing enabled that firm to transfer a library manager who was not running the library as efficiently as the firm would have liked.

The outsourcer approached us. The approach was appealing because it was perceived that the library could be more efficiently run but that it would not happen with the current head of library (Law firm 4).

Two of the law firms revealed that prior to outsourcing their business support services, they had collaborated to create a separate company to supply legal support services to their own and other legal firms.

We were talking about a shared service model with another legal firm and we had pretty much done about nine months of work to see if, together, we could set up a separate company to actually outsource all of these non-legal services of the firm (Law firm 1).

These law firms were motivated to create their own business support services company because they were unable to find an existing provider of multiple services in the market place.

We had started to wonder whether we should just go and create this company ourselves, so we went out and got some consultancy advice from [name provided], and asked, if we were to set up this company, would other firms be interested to buy? The market research that came back was that there was interest in outsourcing multiple services to one provider, providing it was a credible one (Law firm 3).

These two law firms did not proceed with their plans to enter the business of providing support services for law firms, believing it wise to devote their time and talents to the practice of law. Instead they tendered these services to existing providers of outsourced services in the market place.

We put IT, document production, facilities management, library and knowledge services, events management, customer relationship data and database management and learning and development management [out for tender]. We went to various IT providers, document production providers and facilities management providers who were really the only players in the market then and asked them to consider these services, knowing that it would require them to come out of their core areas. The IT providers never got it at all, but we got offers from document production people and facilities management people and while we went with [name provided], there were three that were prepared to take it on (Law firm 1).

We never did that in the end, but I think the idea would have been something that we would have taken onboard if a third party like [name provided] did not take on the business. We were comfortable with taking it on ourselves, although I think with hindsight, that it would have been very difficult taking on an outsourcing business from scratch, without anybody actually having the skills to do it (Law firm 1).

The fact that these two law firm competitors co-operated, and invested considerable time and energy in considering the ways in which they could outsource their support services, including becoming providers themselves, demonstrates the strength of the commitment to structural change in these particular law firms.

5.4.4 Specialist Research Skills

Access to additional specialist research skills was considered by five out of six law firms to be a benefit of outsourcing and was a motivation for the outsourcing decision. The law firms reported that they wanted a broader range of skills than was available in the in-house law library. The specialist research skills reported as particularly desirable by the law firms included, commercial research skills, business intelligence research skills, and marketing support skills.

5.4.5 Longer Hours of Service

Two of the six law firm interviewees mentioned the extended hours of an outsourced library service to be a reason for outsourcing the library. One law firm reported receiving an additional two hours of library services per day in the outsourcing arrangement while another law firm had negotiated 24/7 library service coverage.

5.5 Services Outsourced

All six law firms had outsourced all library and legal research services.

In all cases, ownership and control of the electronic and print resources of the library remained with the law firm and the physical assets of the library such as the books and journals remained at the law firm. It was still possible for lawyers to conduct research within the firm using those resources and some law firms reported that they were used by lawyers within the firm who were primarily engaged in high level research or knowledge management roles. One law firm reported that, as part of transition planning for the

external service, it had reviewed the use of the library's print resources and opted to remove a large quantity of rarely used material into storage.

In all cases, responsibility for procurement of information resources, including the renewal of contracts for access to electronic resources and the renewal of serials had been transferred to the external provider. In some instances, because the physical resources of the library remained in the law firm offices, routine collection management tasks such as shelving and loose-leafing continued to be conducted in-house by receptionists. In other cases, outsource librarians travelled to law firm offices as part of their duties to perform these tasks.

5.6 Transition Process

All law firm interviewees were asked to comment on the transition process from an in-house library service to an external service. All law firms invested considerable time on the transition process. In some cases, law firms had spent up to 18 months in negotiating the terms of the service agreement, transferring responsibility for processes and tasks and the documentation and transfer of organisational knowledge to the outsource provider. Many of the interviewees explained that they had under-estimated the amount of time that the transition to the new service would take.

Never under-estimate how much management time is involved in the transformation. I would probably spend more time and money on backfilling the 'business as usual' part of their role earlier on to enable them to focus on the change transformation, especially in the design stage. Change and change management is hard (Law firm 2).

Most law firms had utilised the existing in-house library staff to transfer the library processes to the outsource service provider, and this was considered to be the key to a smooth transition process.

It all went smoothly because the same people were involved in it (Law firm 3).

What we did well with the move to (name of outsourcer) was that I got to talk to the head of library early on to explain to him what we were trying to achieve for the business and to ask for his help with the transition and it

worked very well because he got his troops together, himself together, and was motivated to make it work and the transition was very painless, very smooth (Law firm 1).

The head of library worked with me through the whole transition period. We did what every management team should be doing – people – process – systems. This is nitty gritty stuff that I cannot know about myself because I am not an information specialist, but the head of library is and he knows about information resources, processes and people intimately, and if you can get him onboard during this process then it will be in the position for success (Law firm 1).

5.7 Service Delivery Model

Both outsource service providers interviewed offered a range of library service models for law firm clients. Each model was designed in accordance with the needs and budget of the client law firm. As a result, there was no single, universal library and research service model that was offered to law firms as a product.

One service provider operated a dedicated library and research service from the premises of the law firm client. The outsourced staff therefore continued to work alongside their former employers. This service provider did not offer a shared research service but reported that it was under consideration. Another service provider provided the research service from their own premises and library staff provided most of their services from there. Some research work was further outsourced and performed offshore at service centres owned by the outsourcing company.

The law firms interviewed had signed outsourcing contracts for different periods of time. Seven year, three year and one year contract periods were all reported.

One service provider reported providing three models of service delivery. In the most basic form, a law firm could have its enquiries met by a library team that is shared with other law firms. A dedicated research team could be provided for a client but this came at a higher cost. In between these two service models, a hybrid service of the shared and the dedicated service could be provided. In such cases, some librarians were exclusively employed to meet the information needs of one client and had access to the knowledge systems of the law firm while other low level enquiries were provided by a shared team.

The hybrid model varied between law firm clients. A hybrid model of service provided the opportunity to law firms to have a librarian provide services on a part-time basis at their offices. One law firm reported that one of the librarians transferred to the outsourcer under the outsourcing arrangement continued to work at the offices of the law firm 'as required' under such a hybrid arrangement, and to provide training in legal research skills for the firm's lawyers at the offices of the law firm.

This service provider reported that the service model for some clients had been modified during the contract period in order to better meet the needs and expectations of that law firm. Therefore the variety of service models had changed over time and would continue to develop in accordance with the needs of each law firm client.

When asked if managing the variety of service models impacted negatively on the ability to deliver savings to the client and profits for the service, one service provider responded,

The tailoring is, as you say, very time consuming. The pricing is something that will have to change.... We are moving to transactional pricing (Service Provider 1).

While most law firms did not disclose the financial details of their outsourcing arrangements, two indicated that transactional pricing applied to their contracts. As previously noted, the ability to pay only for the services used by the law firm was seen as a particularly desirable financial benefit of outsourcing.

5.8 Reference Process

The reference process is the method by which the information request is communicated by the lawyer and answered by the law librarian. All six law firms reported that the reference process was conducted by telephone or by email. Most law firms reported that this was a continuation of the method most frequently used while the library was in-house. In one case, the fact that most enquiries were made by phone or email was a significant factor in determining the appropriateness of an external library service. The location of the researcher has become irrelevant in the reference process.

We had reduced fee earner traffic in the physical library. What actually happened was that 95% of the queries we had were by phone or email, so I thought if it was going to be by email (Law Firm 5).

Most law firms reported that they had retained the same telephone extension number and email address of the in-house library for use by the lawyers in order to retain what was invariably described as the ‘touch and feel’ or the ‘touch points’ of the original in-house library service. All the firms believed that the lawyers had not experienced any change in the way they made their information requests. At one firm, the telephone reference process was demonstrated to me to illustrate the fact that the telephone was answered by the outsource provider in the name of the law firm as if the library were still located in the building.

5.9 Client Satisfaction

All law firm interviewees were asked if they were satisfied with the quality of the outsourced library service. They each defined the meaning of quality in their own way, according to what they valued. Quality was usually described in terms of a product of accurate information and a timely response. Satisfaction was measured either by a low level of complaints or positive feedback from lawyers.

When we have our business services survey, information services is one of the highest performing services. The level of complaint is very low – four complaints in three years. Four complaints in three years from an organization of more than [number provided] people is remarkable³ (Law firm 1).

The quality of the research service has been excellent. Feedback from fee-earners has been positive (Law firm 6).

The one dissatisfied law firm interviewee reported a suspicion that lawyers had not been satisfied with the quality of complex research.

More complex research is being done in-house and we think this is because fee-earners have not been impressed with the quality of this level of work (Law firm 4).

Satisfaction was also expressed with the provision of additional services gained from the outsourcing agreement.

³ The number provided to describe the size of the organisation has been removed from the quotation to protect the identity of the law firm.

The additional business intelligence service has been well received

(Law firm 6).

For one of the law firm interviewees, the level of satisfaction reflected the extent to which all the expected benefits of outsourcing had been delivered rather than a reflection of the quality of the research service.

Probably a six or seven out of ten. The firm uptake has been slower than we would like. We want more law firms to take it up so we can all benefit. We generally receive stronger feedback for the services that are offered to all law firms and mixed feedback to those that are required to be provided in bespoke form to us We would have expected more law firms to be buying the service and what we get out of it is wholly reliant on more law firms buying the service (Law firm 3).

The 'six out of ten' rating given by the lawyer in this context referred to the fact that the expected financial benefits of outsourcing, as a result of economies of scale, had not yet been realised.

The critics of outsourcing raised concerns in the literature, that the quality of the outsourced research service could be compromised by the use of researchers offshore in lower cost economies such as India. None of the law firm interviewees raised this as a concern. In fact, it was only raised to note that offshoring was part of the service delivery model. One law firm interviewee considered the offshoring of some work as essential to the ability of the service provider to obtain a respectable return on investment. He did not believe it impacted on the quality of the service,

The only way [name of outsourcer] could make money was to have fewer people providing the same level of service to their customers. That's the only way you can do that and if you outsource some of the work to a lower cost economy like India During the trial we found it to be seamless so it can be done (Law firm 1).

5.10 Benefits of Outsourcing

In this section, the validity of the claimed benefits of outsourcing, for law firms and for law librarians, as outlined in *Chapter 2. Literature Review and Critique*, are explored in turn, in the light of information gathered from interviews conducted in the UK with the providers and users of outsourced law library services and law librarians who are opposed to law library outsourcing.

5.10.1 Savings on Staff Costs

Outsource providers claim that the outsourced service model can deliver savings to clients by sharing the costs and the skills of law librarians. Law firms are said to benefit from gaining “access to highly specialized researchers that they could not afford to hire on their own” (Friedmann & London, 2006).

All law firms reported that fewer staff in the outsourced service model were meeting their information needs. This was reported to be the source of the majority of the savings delivered by the outsourcing arrangement. Examples of staff reduction experienced by the six law firms interviewed follow.

We used to have a team of eight working for us and this has been reduced to two (Law firm 1).

The library has had varying numbers of staff over time. The biggest the library got to was about 20 in the 1990s and now the dedicated team is about 9 (Law firm 2).

We had a library manager and four part-time staff. We now have one part-time (Law firm 4).

Four part-time staff, one was retained (Law firm 6).

Three staff and a couple of temporary staff who would come in and do loose-leafing – none were transferred despite being offered jobs (Law firm 5).

5.10.2 Sharing Information Resources

The literature revealed some confusion about whether outsource service providers had created libraries for the shared use of their law firm clients.

One law firm interviewee, who decided not to outsource the law firm library, reported that she had been led to believe, by the outsourcer, that outsourcing would provide access to additional resources.

I had expected this arrangement to provide the firm with access to materials that we currently don't have access to (this was something that outsourcers had mentioned as being a benefit). However, because of copyright issues this wasn't possible. (Law firm 7)

The interview data suggests that no such shared law libraries were ever created. The outsource service providers interviewed both reported that they did not circulate books or journals between clients. One service provider indicated that this had been an early hope of outsourcing that was yet to be realised.

I think initially with shared libraries, the hope was that you could have one central library and you could all borrow those books, share the databases and so on. It is still an idea but when you look at the public lending rights, the copyright situation, this has just not proven to be economic ... it is very expensive to have the logistics of moving these around the country (Service Provider 1).

As noted previously in this chapter, all six law firms using outsourced library services reported that ownership and control of their library resources remained with the law firm for their own exclusive use.

5.10.3 Savings on Electronic Resources

Outsourcers have claimed that they can negotiate better prices for electronic resources on behalf of their clients because of their bigger buying power. Law librarians claim that publishers are not providing discounts to outsourcers because they perceive them as a threat to their pricing model. There has been confusion and some controversies over claims that outsourcers can provide access to electronic resources to which the law firm clients do not subscribe. Law librarians assert that such an arrangement would violate current licensing restrictions imposed on the use of these resources by publishers.

Law firm library outsourcing in the UK commenced nearly four years ago, and the claims made concerning the savings that these companies can achieve in respect of electronic resources have changed during this time. The current versions of the websites of Integreon, Evalueserve, LAC Group and Isential make no specific claim to be able to reduce the cost of electronic resources. The claims of savings are expressed in terms of the overall service model and in general terms only. During the past four years however, senior employees of outsource providers have claimed in various publications that they could negotiate better prices for clients because of their greater spending power. The details of the claims made by outsourcers over the past four years with respect to the cost of and access to information resources were discussed in *Chapter 2. Literature Review and Critique*.

All the law firms who participated in the research reported the expectation that outsourcing would result in lower overall costs for electronic resources. All reported that the expected savings have not been delivered. One law firm manager referred to the cost of electronic resources as being “the one area of outsourcing that we just can’t crack”.

It was believed that savings would be made in the procurement of resources as a result of better buying power in a shared library service, however these savings have not been evident. The savings delivered are equivalent to what was negotiated in-house under the previous library model (Law firm 4).

The two outsource providers interviewed admitted that they had been unable to provide clients with the anticipated savings in respect of electronic resources. Both believed however that they had been able to deliver some additional savings for law firm clients and both were optimistic that in the future, vendors would be persuaded to alter their pricing policies in response to the greater buying power of outsourcers.

I think it is a matter of time. We are kind of on the crest of a wave within the legal sector about service provision and outsourcing and the more effective service provision across the board whether that be libraries, facilities or anything else and I think suppliers are going to have to wake up, just as the law firms are having to use their initiative more in terms of how they sell their services to their clients, so too will the publishers have to be in terms of how they sell to their clients (Service Provider 2).

Electronic is still a hard nut to crack. The publishers of electronic resources view outsourcing as a threat whereas I would like to see it as an opportunity so I am talking to all the publishers. We are trying to interest publishers in having us as a 'pay-as-you-go' service to our clients. Some of the smaller publishers are very interested in that but others are not. So this is a work in progress (Service Provider 1).

5.10.4 Savings on Print Resources

It is a common claim of outsourcers that their bigger buying power can deliver cost savings for print resources, such as books and journals. Both outsource providers interviewed provided the same example of being able to save 50% on the classic textbook on contract law, *Chitty on Contracts*.

None of the law firms interviewed cited the cost of print resources as being a factor in the decision to outsource. Only one law firm interviewee mentioned hard copy resources and noted that they had been able to purchase some additional print materials with their budget as a result of obtaining a discount through the outsourcer.

5.10.5 Reduced Library Management Time

Outsource service providers and their advocates claim that outsourcing the non-core services of a law firm frees up management time spent on managing the library service, thereby enabling lawyers to concentrate their time and energy on servicing the needs of their clients and earning income for the law firm. This was an expectation of outsourcing for all the law firms. The interviewees mentioned some additional benefits from outsourcing the management tasks of the library. One law firm manager believed that the outsourcer would bring expertise in library services to the management task and that this would improve the quality of the service.

The lawyers are concentrating on selling their own personal services. They are very good at knowing whether someone else is a good lawyer or not but they are not good at knowing whether a different service is good or not. The idea is to partner with someone who has these as their business and they will care about the quality of their services, leaving the partners to focus on their own business – selling legal services (Law firm 2).

The law firm interviewees were asked who in the firm was responsible for managing the outsourced service and how much time this took. All law firms had appointed a staff member to manage the outsourced library service. This staff member was responsible for arranging the payments due under the contract and for managing any service quality issues that arose. A staff member responsible for managing the performance of the firm's service contracts undertook the management of the library service contract. One of the larger law firms reported that the management of the library service contract was divided between the firm's contract manager and supply manager. The difference between the two roles was explained as follows,

We break all our major contracts down into contract management and supply management. Contract management is all about the money, checking that we get delivery, checking the bills, checking that we have transparency. Supply management is about the delivery of the service which is more my area - are they delivering the KPIs and so on (Law firm 1).

All law firms agreed that management of the library service contract did take up some staff time. The law firms that expressed satisfaction with the outsourced library service did not consider that this management time was unreasonable or burdensome. One law firm considered that the time gained from outsourcing the management tasks of an in-house library outweighed the time taken to manage the outsourcing contract.

There are certain advantages. You do not have the HR issues, appraisals, and time wasted because of poor performers and getting them out of the business, which can take forever in the UK and the EU (Law firm 1).

Most law firms reported that more management time had been spent at the beginning of the contract period as both parties adjusted to new processes and procedures. One law firm interviewee provided examples of confusion about the way in which invoices were to be processed and reported to the law firm as the main "hiccoughs" with the transition to the new service.

Another law firm noted that the biggest challenge had been in documenting the inclusions of the service.

The biggest challenge was in documenting the service provided by all the service areas so that we were clear what we would be getting and they were clear with what they would be providing. When the firm is paying for everything, these things are never documented (Law firm 3).

In a number of cases, the interviewee credited the skills of the account manager of the service provider with making the management task easier.

Our account is managed by [name provided] and she is really, really good and this makes my life a lot easier (Law firm 5).

They have in [name provided], a very talented lady. She is a considerable professional to work with and I have a lot of time for her abilities (Law firm 1).

The law firm that was not satisfied with the outsourced service reported that the management of the outsourced library contract was taking up considerable amounts of staff time.

Do not underestimate the time involved in-house in managing the service. There are teething problems that do take time to work through. The commercial services librarian would spend between a quarter to a third of her workday on managing the service (Law firm 4).

5.10.6 Career Opportunities for Law Librarians

Outsourcers have claimed that their companies can provide law librarians with better career opportunities than the smaller law firm environment. Law librarians disagree and have argued that outsourcing has resulted in unemployment for information professionals.

One of the outsource providers interviewed and one of the law firm interviewees expressed the view that law librarians would have better career opportunities in an outsourced law library. The law firm interviewees recognised the limited opportunities for career advancement for law librarians within the confines of a law firm library.

If you do have a good person there is generally only one head of department and if that person wants to get ahead they have to move for career progression (Law firm 3).

There was a belief that the outsource service provider would be able to provide a better or more varied career path for law librarians than the law firm.

This would offer a better career because, with scalability, as the service grew, there would be more opportunities than we could offer them (Law firm 3).

One law firm pointed out that the outsourcing arrangement provided their librarian with a number of enviable benefits, including the opportunity to perform some work from home.

The firm considers that the librarian has been able to gain additional skills and experience as a result of her exposure to working with the wider (name of outsourcer) library team and from training and development provided by them. She has also benefitted from having the ability to specialize in training and in research. She also enjoyed a greater variety of research tasks. The new arrangements have also enabled her to have the opportunity to perform some of her work from home (Law firm 6).

One service provider reported that it had invested considerably more in the professional qualifications of its staff than most law firms did and this was to the benefit of those librarians.

We have a larger team of professional librarians and our reputation is based on having good professional qualifications, and so the professional development for a librarian can be better with us than it is with some firms. We have taken on several firms where the librarians were not chartered, they were not members of professional bodies, did not have a lot of training - probably since they had first got their job - so they are now part of a bigger professional team taking on a lot of challenges - they can learn and share from each other - the training and development is there and it is more collegiate. We insist on membership and involvement and development and training (Service provider 1).

Employees, or former employees of outsource service providers were not contacted for interview for ethical reasons and none sought to become involved, so it was not possible to verify any of these claims with those with personal experience.

5.11 Disadvantages of Outsourcing

In this section, the validity of the claimed disadvantages of law library outsourcing as outlined in *Chapter 2. Literature Review and Critique* is discussed in the light of the information gathered during interviews conducted in the UK with the providers and users of outsourced law library services and law librarians who are opposed to library outsourcing.

5.11.1 Breach of Confidentiality

One of the significant criticisms of outsourcing is that there is a greater risk to the security of both client information and commercially valuable information when a third party is involved.

None of the law firm interviewees considered that outsourcing posed a greater risk to the security of their information or client information. On the contrary, all six law firms believed the outsourced service model reduced the risk of breach of confidentiality and client privacy because security procedures had been introduced for the first time.

We live by confidentiality and if lawyers don't provide it they will be out of business and the same is true of outsource providers. People think the risk is greater with a third party but actually you could argue that the risk is less because there are processes built around it (Law firm 3).

We deal with security a lot more that when it (the service) was all ours. We have examined it and made rules for it and we review it more now than when we had a more 'trusting' system (Law firm 2).

None of the law firm interviewees considered that the librarians were entrusted with information of a confidential nature in order to respond to information enquiries. The work performed by the outsourced law librarian was variously described as "information retrieval", "just research", "not strategic", "not of competitive advantage", "not IP" and this view underpins their perception of risk. One law firm interviewee described the library information as follows,

Library is looking at case law and so on – publicly available information. Business intelligence is where we use information about whether to use a client or not work for a client and so on, so that is competitive information, but not part of the library service (Law firm 1).

An anecdote was told by a number of law librarians about an instance where the client of an outsourcer had received information in response to a request from another law firm client. This example was offered as evidence that the outsourcer was not taking due care with the information of the law firms. This incident was raised by one of the law firm interviewees, seemingly the ‘victim’ of this mistake, not as an example of breach of confidentiality, but rather as an example of how outsourcers are not entrusted with confidential information as part of the information request.

These issues are not of great concern. We did have an issue where information was sent to the wrong client because the wrong email template was used, but this was not an issue because it was only basic information retrieval involved (Law firm 4).

5.11.2 Unemployment

Law librarians have claimed or expressed the fear that library outsourcing will create unemployment within their profession. In the words of one, “regardless of what is promised, if work is outsourced, jobs go” (Alcock, 2012). Even if there were statistics for the employment of law librarians before and after the introduction of library outsourcing, this claim would be difficult to assess.

UK law librarians advised that Integreon had retrenched some senior librarians who had been transferred to them from law firms pursuant to outsourcing agreements. They spoke of rumours that the retrenched librarians were not replaced because the outsourcer needed to reduce the cost of staff in order to return a profit. There were also rumours that they were being replaced by less experienced staff on lower salaries.

The outsource service providers both stated, that in all cases, they were able to provide employment for all the staff transferred to them, however some law librarians would not accept the offer because they did not wish to work for an outsourcer.

In some cases we might take a new client on and we would offer people a position with [name of outsourcer] and they would not want to take it and they would go and join another firm because they have a negative view of it [outsourcing], but the nice thing is that we, just last week, employed someone who had done that, but then realized that they would have a more interesting role with us. We have taken on several people who were made redundant when the client came on (Service Provider 1).

We are not a company that comes in and takes away people's jobs. That may be an aspect of it but in many cases we transfer people to us and this was a feature of our engagement with a 'Magic Circle' law firm where we saw a significant number of people being transferred to us. I actually ran the information services team for about nine months or so and we had no unwanted attrition as a result. There was a real concern from the client that people would leave in droves because they would not want to work for us, but no one did and no one has (Service Provider 2).

5.11.3 Professional Cooperation

The outsourcing of law libraries has been said to have a de-stabilizing effect on cooperation within the legal information profession, which has traditionally taken pride in the degree to which advice and information are generously shared between colleagues. While the law librarians interviewed admitted a fear for the future of their employment, none mentioned that the collaborative spirit of the profession itself had been damaged. The professional association of law librarians in the UK, the British and Irish Association of Law Librarians, (BIALL), has employees of outsource providers amongst its membership as does the professional association for law librarians in the City of London, City Legal Information Group, (CLIG). A law librarian in a leadership position within CLIG, revealed in an interview, that it had been suggested that membership of the group be restricted to law firm librarians but that the suggestion did not have widespread support. One of the conference organisers for the BIALL Conference in 2013 is Gillian Watt, co-founder of outsource library service provider Isential, and this would indicate that the involvement of outsourcers in BIALL is wanted by both parties.

One outsource provider expressed the view that the lack of co-operation and ill-will is on the part of the law firm librarians rather than outsource providers.

I am on the 'dark side' and no longer get asked to networking talks and so on (Service Provider 1).

5.12 Predictions for the Future

During the course of the interviews, the interviewees revealed their concerns or expectations about the future of library outsourcing. The law firm interviewee who expressed dissatisfaction that expected additional services have not been delivered, was asked if the law firm would consider re-establishing an in-house library when the outsourcing contract period expired. The interviewee responded that this would not be considered. The law firm believed that the outsourcing model could deliver the services it wanted and it would either consider another service provider or work towards a better understanding with its current service provider.

There is little competition in the market for outsourced law library and research services. There are only two providers in the UK with a proven track record. When asked if this made the law firms vulnerable should a service provider withdraw from the market, all the interviewees remarked that it created an incentive for all parties to work closely to ensure that the service and the partnership was successful.

Both service providers were optimistic about the future for the services they provided to law firms. Both considered that law firms were under increasing pressure from clients to look at alternative service models and reduce the costs of delivering their services. In the words of one,

The old-fashioned law library will definitely be cut and won't be growing even if boom times come again (Service Provider 1).

The law librarians interviewed expressed the opinion that the growth in law library outsourcing had stalled. This would appear to be so. There have been no media announcements of new library outsourcing arrangements in the UK since 2011. Various theories for this were raised. One considered that Integreon might be making a loss on the library service and wished to exit the market, and pointed to recent rumoured retrenchments as evidence of this. The variations in the business model of the service

providers and the changes that had been perceived to occur to the model over time were mentioned as evidence of a flawed business model. Another law librarian expressed the view that one service provider in particular, might not be actively pursuing new business because they had reached 'critical mass' following a period of rapid client growth. All the law librarians expressed the view that the large law firms, who might consider such a change to their libraries, were pre-occupied with the current flurry of law firm mergers of UK law firms both at a national and international level.

Conversely, the lawyers who were interviewed considered that law firm mergers would result in the future uptake of outsourcing services, mergers providing the impetus to review all business services in the new merged law firm. One managing partner expressed the opinion that mergers would merely slow down the inevitable uptake of more outsourced services.

There is a lot of consolidation going on at the moment and this seems to be the priority for now and this [change] is down on their wish list, but at the end of the day you still have the same issues (Law firm 3).

An interview with one of the service providers revealed the possibility that the lack of growth in the sector may be because the service providers are concentrating on the quality of the service they are providing to current clients and on planning and investing in the future direction of the service in order to be able to service more clients. This service provider explained some of the challenges faced by a start-up company in growing the business as follows.

We are a start-up and we don't have big established IT systems and the clients won't pay for that so that is a challenge when you get to a certain size and you can no longer manage on the systems that you have in place - and so we are at that stage and we are addressing that internationally Developing for the future is really quite hard and something we are biting the bullet on We have been looking at investment in the business globally (Service Provider 1).

This service provider also flagged a problem with the capacity in the company's infrastructure when discussing the timing of an expansion into the Australian market.

We will learn from the rest of the business and it will be – it won't be a start-up that is looking for clients without the infrastructure to support the service. It will be one that will have a full infrastructure from the start (Service Provider 1).

5.13 Plans for Australia

Both outsource service providers expressed interest in providing services in Australia. One indicated that Australian law firms had expressed an interest in their library services when asked to respond to the view, expressed to me, that library outsourcing would never be adopted in Australia.

I am smiling, slightly sadly, that the opinion has been expressed that it will not happen over there because we have had a lot of really good conversations with Australian law firms who are looking at exactly this and who are asking if we will open premises there We are not quite ready with the infrastructure and the expertise to set up there. We have turned down some opportunities there because we were not set up there (Service Provider 1).

Another service provider anticipated that expansion to Australia would come as a result of mergers and acquisitions between British and Australian law firms.

We are a global organization and we are interested in any new client or prospect. Australia may come – more as a result of the merger and acquisition that is going on between law firms at the moment. We do have Australian clients, but we don't have Australian premises, and we do not have an Australian law firm that we work with directly (Service Provider 2).

5.14 Conclusion

In this chapter the providers and users of outsourced law library and legal research services have been identified. The reasons for law library outsourcing, service delivery models, client satisfaction, and claims made for and against law library outsourcing have been examined in the light of those who are providing and using outsourced law library services in the UK. A number of findings have been drawn from the interview data. These findings provide answers to the research questions which are the focus of this research.

The majority of the law firms that outsourced their libraries had outsourced other support services of the law firm, in addition to the library service, as part of a business strategy, to lower the cost structure of delivering legal services. All law firms considered that their library services were appropriate for outsourcing.

All the law firms that participated in this research considered that their in-house law libraries could be more efficiently run using an outsourced shared library service model. As a result of the rising costs of operating a law library, and particularly because cost increases of electronic resources was outstripping the ability to pay, these law firms could not afford the library service that they needed within their budgets.

An in-house law library was not considered to be of strategic advantage to the law firms, however law firms wanted access to the best information skills and resources that they could afford.

The outsourcing decision demonstrated a desire to collaborate and share with other law firms, the costs and benefits of a shared research service. An outsourced shared library service was considered to be an appropriate model for library service provision because most information requests were processed remotely, while in-house, through the use of information technology and electronic information resources. As a result of this, the location of the library staff was not considered to influence the quality of the research service.

Law firms were motivated by expectations of obtaining more information resources and a broader mix of research skills, including specialist research skills, for their library budgets. It was expected that significant savings in the cost of information resources would be achieved because of the bigger buying power of the outsource service provider. Some law firms were motivated by the need for extended hours of library support up to and including 24 hours a day, seven days a week.

All of the law firms which outsourced their law libraries had outsourced all of the functions of the library. Ownership and control of the information resources remained within the law firms. It was possible for research to be conducted within the law firm, using those resources, by lawyers and the staff of the outsource provider.

There was no single model of library service provision. Each law firm had negotiated the terms of the service agreement. In some cases the service model had been altered during

the contract period with the agreement of the parties. The willingness of outsource service providers to tailor a service to the needs of each law firm client has been to the advantage of law firms. There is evidence that the lack of a standard service delivery model has been to the detriment of the service providers in developing and growing their business.

In most cases, the in-house law librarians had been transferred to the employment of the outsourcer and continue to provide services for their former employers. They were responsible for the transition of the library service to the external service provider.

Outsourced library and research services have met the needs of the majority of the law firms who participated in this research. The one law firm that was not satisfied with the external service reported that it would not reinstate an in-house library, but would endeavour to work through its problems with the outsource provider. The majority of the law firms are satisfied with the quality of the research services provided to them.

The anticipated large savings in the cost of information resources has not been possible because of the exercise of market power by legal information publishers. The early promise of access to a shared library of both print and electronic resources was not possible because of licensing and copyright restrictions imposed by legal information publishers. The greatest savings resulted from a reduction in the cost of staff salaries. All law firms reported that fewer staff were now meeting their information needs. The introduction of transactional costing delivered further savings to some law firms.

There was evidence that the rapid growth in law library outsourcing experienced between 2009 and 2011 had stalled. There have been no further media reports of library outsourcing contracts in the UK since 2011. The reasons for this lack of growth are unknown. It has been suggested by some law librarians that one of the outsource service providers may have reached 'critical mass' in meeting the needs of its current clients. There is supporting evidence in the interview data from an outsource provider that supports this theory. Others speculated that the failure to deliver significant reductions in the cost of electronic resources had resulted in a fatal flaw in the service model. Whatever the reason, law library outsourcing remains one of the possible solutions available to law firms to balance the need for quality information services with the ability to pay for them.

In the next and concluding chapter, the research questions will be revisited and answered. The significance of the research findings for the future of law library outsourcing in the UK

and Australia will be discussed followed by some recommendations for the stakeholders of law libraries and some suggestions for further research.

CHAPTER 6. SYNTHESIS, RESEARCH FINDINGS AND RECOMMENDATIONS

The aim of this concluding chapter is to present the answers to the research questions which were at the heart of this research and then to consider the significance of those findings beyond the immediate circle of outsource service providers, law firms and law librarians who participated in this research. Connections are made between the research findings, additional recent documentary evidence, and observations made of the existing legal landscape in the UK and Australia with the broad aim of considering the future of law firm libraries and law library and legal research in those countries.

This chapter provides a brief overview of the motivation for, relevance and importance of the research, the gaps in the current state of knowledge about outsourced law library and research, the usefulness of the research questions and the methods used to collect and analyse the information to answer them. The current state of knowledge relating to the 'how?' and 'why?' research questions is briefly re-stated and the findings of the research are outlined. The broader research problem regarding the future prospects for outsourced law library and legal research in the UK and Australia are discussed followed by some recommendations for lawyers, law librarians and others responsible for the funding and management of law libraries and some suggestions for further research.

6.1 Research Overview

This research was motivated by knowledge of the entry of the global outsourcing service provider, Integreon, into the Australian market in October 2011. At that time a number of large and leading UK commercial law firms had outsourced their in-house law libraries to Integreon. I was curious about the extent and success of law library outsourcing in the UK and the ramifications for the future of law firm libraries in Australia if Integreon offered law library and legal research services in Australia. I soon discovered that many others were similarly interested in these questions.

I began reading everything I could find about law library outsourcing in legal industry media, journal publications and on social media forums. I wanted to know how many law firms had outsourced their law libraries, which companies were providing library and legal research services to the legal profession, how outsourced services were delivered, why

law firms had chosen to outsource their libraries and whether lawyers were satisfied with the service provided by the external providers.

My reading revealed the existence of complete law library outsourcing in the UK and the USA. The outsourcing of some law library responsibilities appears to be commonplace in the USA in law firm libraries and law firms are served by a combination of outsourced library services, external law libraries including private subscription law libraries and in-house law libraries. There was no evidence of law library outsourcing in Australia although providers of these services in other countries have entered the Australian market and are providing other outsourcing services to Australian law firms.

The research was confined to the UK experience with law library outsourcing, rather than the experience in the USA, primarily because of the close historical links and continuing similarities between the Australian and British legal systems, legal professions, law library structures, organisation of legal information, and practice of law librarianship. These similarities between the legal systems of the UK and Australia reinforced the relevance of research in the UK experience with law library outsourcing. The broad objective of the research was to discover the extent of law firm library outsourcing, examine the reasons for the outsourcing of existing law firm libraries to external providers and the level of law firm satisfaction with the outsourced services and consider what this might mean for the future of law firm libraries in both the UK and Australia.

A review of the literature revealed considerable gaps in the knowledge of law library outsourcing. I was unable to locate a published overview of law library and legal research outsourcing and as a result it was not readily known how many law firms were using these services or which companies were providing them. There were two broad theories for the increased use of outsourcing of all forms by law firms and these are discussed in the answer to research question 3. A few press releases and media interviews revealed the expectations that some lawyers had of outsourcing. The claimed benefits of outsourced library services by service providers were advertised on their websites and promoted in business and legal industry media. There was however very little published information about how these services were delivered and whether law firms received the claimed benefits. I was unable to locate any published reports regarding the level of law firm satisfaction with the outsourced services.

Social media revealed that this lack of knowledge was causing concern among law librarians in the UK and in other common law countries. There was a real fear that outsourcing might replace the jobs of in-house law librarians. Some law librarians in the UK stated that the outsourcing of law libraries and the subsequent fear and suspicion was destabilising the collaborative practices of the legal information profession. Research into law library and legal research outsourcing appeared to be of important practical value to both the legal profession who may consider using such services, and to law librarians who might be affected by those decisions.

A list of research questions was formulated in order to address the gaps in the knowledge of law library outsourcing. The answers to the research questions were within the knowledge and experience of the providers and users of outsourced law library and research services in the UK. This information was obtained indirectly from publications by or about the participants and directly from personal interviews with participants in law library outsourcing. Interviews were conducted with representatives of two outsource service providers in the UK, six of the nine law firms who outsourced their law firm libraries to external providers, a law firm which had considered outsourcing the in-house library but did not proceed, and a number of law librarians, some in leadership roles with professional associations of legal information specialists in the UK.

6.2 Research Questions Revisited

Before the ramifications of in-house law library outsourcing could be considered, it was necessary to learn the extent of in-house law library outsourcing, the providers and users of outsourced law library and research services, the reasons why law firms had outsourced their in-house libraries and whether they were satisfied with the quality of the services provided. Only then could the claims and counterclaims made by the advocates and critics of outsourced library services be evaluated and the future of in-house law libraries and outsourced law library services be considered. The six research questions outlined in *Chapter 3. Research Design and Methodology* are now revisited and answered.

Research Question 1. Who are the providers of law library and legal research services in the UK?

While the majority of LPO providers offer legal research services to law firms as part of their service offerings, few have attracted clients for a complete outsourced law library and

legal research service. In the UK, there are two outsource service providers who have clients for such a complete service. They are Evalueserve and Integreon. Two other service providers, LAC Group and Isential offer a broad range of services to law firms in the UK and have the potential to provide a complete outsourced service. Details of the locations of these service providers and the services they offer to the legal profession are provided in Table 5.1.

Research Question 2. How many law firms have outsourced their in-house law library in the UK?

Nine law firms in the UK have outsourced their in-house law libraries to external service providers since 2009. These law firms are London-based firms, Osborne Clarke, DAC Beachcroft, CMS Cameron McKenna, Farrer & Co, and Freshfields Bruckhaus Deringer and regional law firms, TLT, Morgan Cole, Foot Anstey, and Thomas Eggar. These law firms are all commercial law firms. Details of the location and size of these law firms are provided in Table 5.2. These nine law firms are a very small proportion of the number of law firms in the UK according to any measure. Nevertheless it is the significance of the reasons for their decision to outsource their in-house library and the effectiveness with which outsourced law library and legal services have met their information needs that provides the focus and value of this research.

It is unknown how many professionally staffed law firm libraries exist in the UK and because of this it is not possible to calculate what proportion of in-house law libraries these nine law firms represent. The leading professional association of law librarians in the UK, BIALL, does not collect statistics on law libraries. It also does not collect statistical information on its membership and was unable, when requested, to provide the number of BIALL members who are employed in the libraries of law firms. It is therefore not possible to know how many law librarians might be impacted by the outsourcing of law firm libraries.

Law Society statistics provide some indication of how many such law libraries may exist in England and Wales. In 2011, the Law Society reported that there were 10,202 law firms in England and Wales (The Law Society, 2013). Most of these law firms were too small to justify a professionally staffed law firm library. Single partner law firms accounted for 45.10% of these law firms and a further 41.16 % had fewer than five partners. Only 1.81% of the law firms had more than 26 partners. It is in this 1.81% of the 10,202 law firms,

representing the largest law firms that law firm libraries might be found. Even if all law firms with more than 26 partners had in-house law libraries, based on the Law Society figures, there would be no more than 185 law firm libraries in England and Wales. In all likelihood there are significantly less than that. The law firms that outsourced their law libraries in the UK had significantly more partners than 26 partners; partner figures provided from that group range from 78 to several hundred. It is unknown how many professionally staffed law firm libraries there are in Scotland and Northern Ireland, beyond the jurisdiction of the Law Society.

Research Question 3. How does the outsourced library service work in practice?

There was an assumption in the literature that outsource service providers were offering and providing standardised services. The benefits and disadvantages of outsourced library services were discussed and debated on the basis that all clients of outsource providers were using outsourced law library and legal research services in the same way. The literature review revealed considerable confusion amongst law librarians and media commentators about what the service model of the outsource providers actually was, but all appeared to believe that whatever the model was, it was a standard model.

The research found that outsourced law library and research services are in general provided on a shared services model. The shared services model is a common model for the provision of law library services throughout the legal profession. In such a model, law librarians are employed to provide information services to a number of users and are not directly employed by those users. The shared services model used by outsource service providers is a commercial one. The law librarians are employed by the outsource service provider and provide services to a number of different law firm clients mainly from a service centre operated by the external service provider. These service centres may be located either onshore or offshore or a combination of both. The cost of employing law librarians and the infrastructure of the law library and research service is shared between the clients of that service.

There was evidence that providers of outsourced law library and research services did have plans to operate and share the resources of a central law library, including electronic resources, between its clients. This had not occurred because of licensing and copyright restrictions imposed by legal publishers and the practical difficulties in moving hard copy resources between law firms, particularly those located outside central London. Both

service providers were optimistic that in the future a solution to these restrictions would be found and that clients would be able to share in the cost of the information resources and enjoy the use of a central shared law library.

The research found that each of the two outsource service providers in the UK was providing a different service to each client. One of the outsource service providers only provided bespoke 'information solutions' to its clients. This service provider did not provide an onshore shared legal research service for its clients but reported that it was under consideration. The second service provider offered a number of service delivery options to clients ranging from a basic shared service model to a dedicated service model and hybrid models in between. Each of the six law firms participating in the research using these outsourced services was receiving a service that was tailored to their needs and budget. The contract period for outsourced library services varied between law firm clients. Changes to some of the initial models had been negotiated during the contract period in response to the changing needs of the law firm client or the service provider. These changes related to the way in which services were delivered and also to pricing. Some law firms reported that they had moved from fixed-price contracts to transactional cost contracts.

The various service delivery models did share some common features. All six law firms had outsourced all law library and legal research services, retained ownership, physical control and access to all their information resources, and shared access to the skills of the law librarians employed by the outsource service provider. In the main, the same law librarians who once were directly employed by the law firms were providing these services to their former employers. Some legal research was being performed in offshore service centres operated by the outsource service provider.

The reference process was conducted by telephone and email, a continuation of the most frequently used method of communication within the former in-house law libraries. In many cases, the phone numbers and email addresses of the former in-house library had been transferred to the external service provider to ensure the continuity of the 'touch and feel' of the former library service.

A number of law firms had negotiated individualised services such as access to a dedicated team of researchers and placement of staff within their offices on a part-time basis for collection maintenance and to provide research skills training to lawyers. One of

the contributions to knowledge of this research has been to reveal the complexity and flexibility of these service delivery models. The research has found that the willingness of outsource service providers to tailor a service for clients in order to launch a new business, has been to the benefit of law firms. There is evidence that the lack of a standard service delivery model has been to the detriment of the service providers in developing and growing their business.

Research Question 4. Why did law firms choose to outsource their law library and research service?

The literature review revealed two broad theories regarding the reasons why lawyers were outsourcing their support services. One view, best represented in the writing of Professor Richard Susskind, is that law firms in the face of unprecedented competition from alternative legal service providers (LPOs, alternative-model law firms and alternative business structures registered pursuant to the Legal Services Act 2007), and pressure from their corporate clients, are re-structuring their law practices to lower-cost models in order to compete and survive. According to this theory, outsourcing of non-core services of the law firms, including legal research, has reduced the overheads of legal practices. The other view, generally expressed by law librarians, is that outsourcing is a cost-cutting measure by law firms. Both theories concern costs but differ in their understanding of what the lawyers were hoping to achieve in outsourcing the library. Law librarians who are critical of the outsourcing decision have overlooked the fact that in most cases the library was only one of several support services outsourced in order to permanently re-structure the legal practice to a lower-cost model.

Four of the six law firms outsourced the library as part of a broader strategy to outsource non-strategic business support services in order to lower the cost structures of their businesses. Two of these four law firms outsourced multiple business support services to one single service provider. The other two law firms outsourced their support services to a number of separate service providers. The remaining two law firms that were not outsourcing other business support services outsourced the law firm library solely because of the perceived benefits of the outsourced library service.

The research therefore found that the most common reason for the outsourcing of in-house law libraries was the desire to acquire more information resources and research skills for the law firm for the available budget rather than a desire to cut the cost of the

existing library service. Although the details varied between law firms, in each case, the existing level of library service was not meeting the needs of the law firm and, in no case, did the law firms outsource their law libraries to obtain a cheaper version of the existing library service. The law firms were motivated by expectations of obtaining more information resources and a broader mix of research skills, including specialist research skills, for their library budgets. Two of the six law firms were also motivated by the opportunity for extended hours of library support up to and including 24 hours a day, seven days a week.

All six law firms wanted a flexible, scalable library and research service without the cost of managing it as an overhead. All the law firms expected that significant savings in the cost of information resources would be achieved because of the bigger buying power of the outsource service provider.

An in-house law library was not considered to be of strategic advantage to the law firms, however law firms wanted access to the best information skills and resources that they could afford. The outsourcing decision demonstrated a desire to collaborate and share with other law firms, the costs and benefits of a shared law library and research service. An external shared law library and research service was considered to be an appropriate model for library service provision because information requests were already being remotely processed in the in-house library service through the use of ICT and electronic information resources. As a result, the location of the library staff was not considered to be relevant to the quality of the research service.

Research Question 5. What is the level of law firm client satisfaction with the outsourced library service?

Of the six law firms which participated in the research, five were satisfied with the quality of the outsourced library service. Quality was described by the law firms in terms of the accuracy of the information provided and the timeliness of the response for that information. Satisfaction was measured either by a low level of complaints or positive feedback from lawyers. One law firm interviewed was dissatisfied with the level of service provided by the service provider it was using. The dissatisfaction was primarily with the non-delivery of specific library services such as a library management system and current awareness updates, that it anticipated receiving pursuant to the outsourcing contract. At

the time of the interview, it was seeking an alternative service provider and had no plans to re-instate an in-house law library.

Law firms reported that they had experienced considerable short-term and long-term cost-savings on staff costs by outsourcing the in-house library. All law firms reported that fewer staff met their information needs and this fact was reflected in the cost of the service. The scalability of the outsourced services provided additional financial benefits to those law firms who were paying a transactional cost for the outsourced services.

The law firms which had outsourced their law libraries believed that they had benefited from being relieved of the responsibility for managing the law library. This confirmed the claim of outsource service providers that outsourcing support services, such as the library service, freed up lawyers from management responsibilities to focus on their fee-earning role; providing legal services to their clients. Each law firm had appointed a staff member to manage the performance of the contract with the outsource service provider but reported that this was not an onerous responsibility and did not equal or exceed the time previously taken to manage the in-house library and its staff.

Law firms also expressed satisfaction with the access to additional research skills in the outsourced service model. The valued specialist research skills included commercial research skills, business intelligence skills and marketing support skills.

The four law firms that outsourced the in-house library as part of a broader strategy to reduce the cost structures of the legal practice reported that they could not have achieved their goals without outsourcing their support services, including the library service.

Research Question 6. Do the outsource service providers in the UK have plans to offer law library and research services in Australia in the future?

Both service providers stated that they would be providing services to Australian law firms in the future. One service provider believed that this would occur indirectly as the result of merger between UK law firm clients with Australian law firms. The other service provider revealed that there was existing demand for their law library and research services in Australia. This service provider claimed to have turned down opportunities in Australia because it did not have the infrastructure and expertise in place to commence operations.

6.3 Reflections on the Future

There is evidence that the rapid growth in law library outsourcing experienced between 2009 and 2011 has stalled. There have been no further media reports of library outsourcing contracts in the UK since 2011. The reasons for this lack of growth are the subject of speculation.

It was suggested by some law librarians that one of the providers of outsourced law library services in the UK might have reached 'critical mass' in meeting the needs of its current clients. There is supporting evidence in the interview data from an outsource provider that supports this theory. Others speculated that the failure to deliver significant reductions in the cost of electronic resources had resulted in a fatal flaw in the service model. The research finds however, that despite the failure to deliver significant savings in the cost of electronic resources, law library and legal research outsourcing services are satisfying the information needs of law firms, providing increased access to research skills and producing cost savings.

Law library outsourcing has been part of the response of law firms to competition from alternative providers of legal services with lower cost structures and pressure from corporate clients demanding better value for their legal spend. The law firms which outsourced their libraries and other support services did so to lower their cost structures in order to compete and survive. The law firms reported that doing so resulted in considerable savings to the law firm. The competitive pressures that provided the impetus for this structural change within law firms in the UK are in their infancy. It is foreseeable that more law firms in response to market forces will consider their own cost structures in the future and may consider outsourcing non-strategic support services including the library service. Law firms and legal departments of corporations which are currently without the benefit of an in-house library service are also potential clients of outsourced library and research services and may provide a source for future growth in the sector.

The law firms which outsourced their law libraries did so because they believed that an in-house library service was non-strategic to the business; it did not provide a competitive advantage over other law firms. Regardless of the necessity to have exclusive use of the library staff and resources, all law firms wanted the best information resources and research skills for their budget. The outsourcing law firms could not afford the library and research services they needed within their own budgets. All the law firms described their

in-house libraries as being the library service that they could afford rather than the library service they aspired to. By outsourcing their law libraries to external providers, which provide services under a shared services model, these law firms have demonstrated a desire and a willingness to collaborate with their competitors to share in the costs of providing information services. The increasing availability and use of digital legal information and the use of information and communication technology as a common means of communication between lawyers and law librarians has made the use of an external law library service feasible.

The criticism of outsourced law library and legal research services by in-house law librarians is primarily based on the fact that these services are provided by staff that are physically remote from the law firms for whom they perform work for. In short it is criticised because it operates on a shared services model and the law librarians are not directly employed by the lawyers they perform work for.

In-house law librarians claim that the loyalty of the law librarian to a law firm employer plays a key role in the quality of the library service that is delivered. The location of the librarian within the law firm is argued to be essential to an understanding of the importance and context of the research request. The personal relationship between lawyer and law librarian is argued to be vital to choosing resources for the lawyer and determine the most appropriate way of responding to the research request. The research found that the outsourcing law firms did not believe that the location of the staff was relevant to the quality of the law library and legal research services they wanted. The law firms valued the professional skills of the law librarians who worked for them rather than the personal relationship.

The shared services model that is used by the leading provider of outsourced law library services in the UK (and elsewhere globally) is undeserving of the criticisms levelled at it. It is arguably the most common law library service model used by the legal profession in Australia and there is no evidence that personal loyalty and location influence the quality of the services provided by these libraries. It has been the norm for years. The quality of the services provided is determined by the adequacy of the funding of these libraries and the skills and priorities of those managing them.

Most Australian legal practitioners do not have an in-house law library and must rely on services provided by law libraries which were created to meet their information needs. In

most states of Australia, court law libraries are shared by members of the judiciary and the legal profession; solicitors share the services of the libraries of state law societies; barristers share the library services of various Bar libraries; and government lawyers share the library services of government departments. Depending on the state or territory in which they exist, these libraries are funded and managed either by professional associations of the legal profession or publicly by state or commonwealth governments or a combination of both.

In-house law libraries developed in the 1980s and 1990s because the law libraries that were intended to provide services to the legal profession were not meeting the information needs of all law firms and those that could afford it invested in their own private library services. Outsourcing has simply introduced the opportunity for law firms to share in the benefits of a shared law library service which is designed for their needs albeit on a commercial basis.

In Australia, law firms are beginning to be exposed to the competitive pressures that have provided the impetus for law firms to adopt outsourcing practices in the UK. The fact that a number of large Australian law firms have in the past eighteen months been persuaded to use LPO by corporate clients is evidence of such pressure. There is also evidence that the challenge to balance the need for legal information services with the ability to pay for them is present in the Australian legal profession. Anecdotally, Australian law librarians have published numerous articles in their professional journals about budgetary challenges and the continuing challenge to justify and prove the value of the law library to their employers.

The most recent Australian example of the pressure on law libraries to provide needed services and resources within existing budgets is the decision to merge the separate law libraries of the Victorian Supreme Court, County Court, Magistrates Court, Victorian Civil and Administrative Tribunal, Law Institute of Victoria and the Victorian Bar into one new law library that will provide services to all these institutions. This is also the most recent Australian example (in a series) of the adoption of a shared services library model as a solution to the financial challenges of providing law library services. In announcing the establishment of the Law Library of Victoria, in August 2012, Justice Macaulay of the Supreme Court said:

We were facing the challenges, as all libraries do, of shrinking financial resources with increased costs. We thought the better way to tackle this

was to re-imagine the library into something bigger and grander (ABC News, 2012).

The amalgamation of the libraries into one shared law library was not just motivated by the financial pressures of funding the level of service existing in those libraries but by the need to establish “a modern 24-hour library” and “enhance existing library resources and improve access to legal information for judicial officers and practitioners throughout Victoria” and “provide a sophisticated gateway to digital content” (Law Library of Victoria Project, 2012).

In Australia there is no service provider who is currently offering onshore law library and legal research services that might serve as a viable alternative to an in-house library service. There is evidence however that the budgetary challenges of operating an effective in-house law library service and the pressures on the cost structures of law firms which provided the impetus to law library outsourcing in the UK are present in Australia. One of the service providers of outsourced law library services in the UK revealed that it had been approached by Australian law firms for such services and that it was interested in entering the Australian market. It is possible therefore that law library and legal research services will be provided in Australia in the future.

In the UK, the future of outsourced library services is more complicated. The fact that it would appear to be effectively meeting the information needs of its law firm clients does not guarantee its future growth and business success. On the supply side, future growth partly depends on the willingness of service providers to continue to provide these services. That willingness depends on the profitability of the services provided to the legal profession and reasonable expectations for growth in the market. While the profitability of these services remains unknown, predictions cannot be made with any confidence.

On the demand side, the actions of lawyers will be influenced by their perceptions of the professional skills and business strengths of the service providers. The legal profession is a conservative one. Law firms are partnerships of individuals with a personal financial stake in the future of their law firms and a cautious approach to a change in business practices is understandable. The decision makers of the law firms who outsourced their law libraries referred to themselves as innovators and risk takers but they expressed confidence in their outsourcing decisions. The probability of other more conservative lawyers making similar decisions will depend to a large extent on the confidence they have

in the professional abilities of the external service provider and the viability of their business model. Recent events in the UK are unlikely to produce this level of confidence. In December 2012, it was announced in the media that a majority share in LPO provider Evalueserve was to be sold (Shivapriya & Barman, 2012). The ramifications of such a sale for the future direction for Evalueserve are unknown. Even more significantly, in April 2013, two of the largest law firm clients of Integreon withdrew from contracts with that outsource service provider for the provision of business support services. Osborne Clarke withdrew all business support services with the exception of the law library and legal research services and announced that 65 of the 75 staff who were outsourced to Integreon would be returning to the law firm (Freedman, 2013). CMS Cameron McKenna has withdrawn its facilities services contract (Byrne, 2013). While these two examples do not relate to the library and research services provided by Integreon the news is unlikely to instil the confidence required to encourage new law firm clients for its services.

Following the announcement of Integreon's loss of business, those who had been directly affected by the outsourcing of their jobs, took to social media to express schadenfreude. Others, such as David Holme, of rival outsourcer Exigent, offered possible explanations for the retraction of the outsourcing contracts with Integreon (Holme, 2013). He wrote,

Reasons for failure I suspect are:

- 1) Work staying in a high cost location.
- 2) Scale – each support function is too small on its own unless skill sets are shared amongst functions
- 3) Scale – no other firm really wanted to add scale and therefore efficiencies in a series of small functions

The accuracy of this explanation in relation to the importance of scale and the use of a shared service model to delivery efficiencies for clients was confirmed by Simon Beswick, Managing Partner of Osborne Clarke who wrote:

Yes, it is correct that the library and research functions will be left with Integreon. They are the only two services provided on a shared service centre basis, the others were dedicated to us and so we weren't getting

the benefits we had hoped would come through a shared service concept (Private communication, S Beswick, March 31 2013).

The legal landscape within which law library outsourcing operates is fluid and rapidly evolving. Law firms of a size large enough to operate in-house law libraries are currently engaged and pre-occupied in a fresh era of national and international mergers both in the UK and Australia. At the same time law firms are facing new competition from alternative legal services providers and are reducing their cost structures in response. Current providers of law library and legal research services may exit the market and new entrants may emerge. Legal publishers may play an important role in the future prospects of outsourced law library and research services. Their pricing structures impact on the ability of service providers to truly share the costs of a law library service. Legal publishers themselves may become more involved in providing legal research as a value added service to the legal information resources they already supply to the legal profession. Thomson Reuters, one of the world's largest suppliers of legal information is already a supplier of legal research services through its subsidiary company, Pangea3. In the midst of all this change, the demand for more affordable services and flexible access to specialised research services will remain. The use of outsourced law library and legal research services will remain one of the possible solutions available to law firms to balance the need for quality information services with the ability to pay for them.

6.4 Recommendations

Law librarians, lawyers, and those with responsibilities for the funding and management of law libraries can all gain valuable insights from the UK experience with law firm library outsourcing. The reasons for the outsourcing of in-house law libraries, which were once effectively meeting the information needs of the law firm can serve as a warning to law librarians and inform future law library management practices. Lawyers can benefit from the experiences of their peers and will be better prepared to consider value of outsourced law library and research services for their law firms. Knowledge of the challenges facing the private legal profession in privately funding their information needs will be valuable to those responsible for the funding and management of law libraries that provide services to legal practitioners. Some particular recommendations arising from the research findings for each of these groups follow. These recommendations are tempered by recognition of the fact that law firm libraries are privately owned and controlled by the lawyers who use

them and they alone have the power to determine the future of their libraries and other business support services and will do so in accordance with their own financial interests.

Law Librarians

The outsourcing of law firm library services to outsource providers of law library and legal research services created a great deal of concern amongst law librarians when it first occurred in the US and more recently in the UK. Some of that concern resulted from a fear of change and dislocation from a workplace that had contributed to an individual's sense of status and self worth. From the defensive responses seen in the literature, it is also clear that many believed that the decision to outsource the library service to an external service provider overlooked the quality of the work performed by in-house law librarians and many law librarians felt under-valued and betrayed by the decision to transfer their employment to an outsourcer. This research finds that law firms outsourced their library service in order to gain flexible access to a broader range of research skills including specialist research skills and this was an endorsement of the value of a skilled law librarian. Law firms reported that they valued the work of the law librarians who worked for them but they did not consider that the location from which they provided the determined the quality of the research performed. In most cases, the outsourced law librarians are still performing work for their former employers albeit from a different location. It is arguable that this fact explains why the law firms are satisfied with the quality of the services they are receiving from the outsourced library service.

In the past, law librarians have demonstrated the value of their libraries with usage statistics and metrics showing the rate of return of investment in library resources. These are valuable metrics in demonstrating that a library is used and is valuable to lawyers. This research finds that lawyers recognise the value of the services provided by their law library but do not find a strategic value in owning and operating their own private law library and directly employing law librarians. Outsourcing had provided a cost efficient and alternative means of receiving the services valued by them. Therefore law librarians who wish to influence an outsourcing decision must do more than simply demonstrate the value of the law library. They must also demonstrate the strategic value of the law library in the way that lawyers understand strategic value. That is that they are contributing directly to the intellectual property of the law firm and providing a service that provides their employers with a competitive advantage against other law firms and legal service providers. They

must also successfully demonstrate the benefits of receiving these services from employees rather than external service providers.

It is also recommended that law librarians writing in defence of law firm libraries in the outsourcing debate should publish their opinions in publications and online forums produced for lawyers and law practice managers in addition to journals and online forums produced for law librarians. Currently their opinions are not reaching the lawyers who are making investment choices about law firm library services.

This research did not investigate the morale or work experience of the law librarians who were working for outsource service providers and makes no recommendations about these matters. Notice of the research and my visit to the UK in 2012 to interview participants in law library outsourcing was publicised by BIALL but I was not contacted by any employees of outsource service providers. There is very little data on which to base an opinion about the experience of law librarians working for outsource service providers. Very little of their experience is found in social media, where it might be expected to be found, and anyone posting positive comments about their work experience is quickly accused of being an imposter. Future research into the impact of outsourcing on the work experiences and morale of law librarians may shed some light on this very emotive issue.

In-house law librarians can learn from the UK experience with law library outsourcing and, if concerned, take some steps to minimise the risk that their library will be outsourced. The law firms in the UK which outsourced their law libraries did so in order to obtain more services for their library budget than they were currently receiving. All law firms wanted access to a broader range of specialist research skills particularly business intelligence research and marketing skills. Law firm library managers therefore should be pro-active in discussing the research requirements of their employers and ensuring that those skills are obtained either through recruitment or training. An audit of the skills of the existing library team would be a useful starting point for this discussion. Some of the law firms wanted more hours of service up to and including 24 hours a day, seven days a week. The hours of library service desired by the law firm may require a consideration of shift work and the sharing of research responsibilities between library teams of the law firm located in different time zones. Where this is not possible, the outsourcing of research tasks required out of usual library hours to external providers could be considered.

Law librarians in the UK reported that the providers of outsourced law library services commonly approach the managing partners of law firms about the benefits of outsourcing the library without their knowledge. The outsource service providers effectively tender for the library service and 'undercut' the cost of the existing library service. In-house law librarians should therefore be well prepared to defend the library service they provide against an alternative provider. At a minimum this requires a detailed knowledge of the skills and services provided by the library staff and metrics on the costs and use of all information resources.

In the main, the libraries, which were outsourced, were 'traditional' law firm libraries where law librarians responded to requests for information from lawyers. This made them more suitable for outsourcing than libraries where law librarians were working within practice groups and were more strategically involved in the firm's information and knowledge management. While law firm libraries that were of more strategic importance to the law firm have been outsourced, the service model required the more direct involvement of those staff members within the work of the law firm. Library managers of more traditional law firm libraries have incentive to take a pro-active role in ensuring that the library is offering the services which the law firm wants or run the risk that outsource service providers have that conversation with their employers first.

Law Firms

The lawyers who are using outsourced law library and research services reported that the benefits of outsourcing would increase with if more law firms were sharing in the costs of the outsourced library service. In particular they believed that outsourcers would be more successful in their negotiations with legal publishers if they represented a larger number of law firms. It is in the best interests of those law firms to publicise the benefits they are receiving from outsourcing and to encourage more law firms to use these services. This should be a priority for the law firm clients of Integreon which has suffered a reversal of fortune in the UK in recent weeks. A vote of confidence in the outsourced law library and legal research skills might assist in providing confidence in the ability of Integreon to effectively provide those services to law firms. Law firms might also consider the benefits of collaborating with other law firms to establish a shared library service on a not-for-profit basis that would serve the information needs of the owners at a lower cost than the existing in-house library.

Law firms who are under financial pressure from the increasing cost of the legal information resources have a vested interest in supporting the development of open source, free access legal information resources such as the Australasian Legal Information Institute (AustLII). The presence of an alternative and comparable source of legal information will reduce or end the market power of legal publishers.

Law Library Administrators/Policy Makers

The outsourcing of in-house law libraries in the UK demonstrates that some large law firms are either struggling to privately fund or justify the cost of the information services they need. These law firms utilise a commercial law library and legal research service because there is no other library service available that is capable of meeting their information needs. This is despite the fact that they contribute to the cost of law libraries that purport to do so through professional fees, and the payment of taxes. Those responsible for the funding and management of publicly funded law libraries have a responsibility to ensure that those libraries are adequately funded, resourced and managed to provide for the information needs of all intended users.

This research demonstrated that there is a gap between the level of service provided by the law libraries which are funded to provide information services to the legal profession and the level of service which is required. In Australia there are a number of law libraries providing information and research services to the legal profession. These law libraries are operating under a variety of funding and service models and the effectiveness with which they are meeting the needs of all the intended users varies accordingly. There has been no national survey of law libraries and their funding and services since the *National Survey of Law Libraries In Australia*, jointly funded by the Commonwealth Attorney-General's Department, Law Foundation of New South Wales and the Victoria Law Foundation), was released in 1984. A national survey of law libraries conducted by the Australian Law Librarians' Association would be a useful starting point for further study into the most cost effective means of providing legal information services to the legal profession. Such study would be very valuable in ensuring the efficient use of the private and public funds, which are expended in Australian law libraries, and improving the level of service to those who are dependent on them.

6.5 Concluding Remarks and Suggestions for Further Research

This thesis contributes to the knowledge of outsourced law library and legal research outsourcing by documenting the extent of its use in the UK and providing details of the providers and users of the outsourced services. It finds that law firms outsourced their law libraries in the face of budgetary pressures in order to acquire flexible access to a broad range of research skills. The research revealed that outsource service providers were providing tailored information and research services to law firms. The diversity and flexibility of these services was of benefit to law firms but impeded the ability of outsourcers to develop and grow their business. Law library and legal research outsourcing was successfully meeting the information needs of the law firms using these services and was delivering significant savings overall. The future prospects for the success of a commercial law library and legal research service are unknown. The research revealed that there is willingness and a desire to collaborate and share the costs of a law library service with competing law firms and outsourcing has provided the vehicle for them to do so.

Outsourced law library and research services are commercial versions of the shared law libraries that provide information and research services to a variety of users, often with different needs, throughout the legal profession. Outsourced law library and research services deliver information services primarily to users through the use of information and communication technology. In the future, this method of service delivery will become more prevalent. All law libraries are exploring the most effective means of providing information services remotely to clients using information technology including mobile technology. Further study by any stakeholder into the effectiveness of these methods to determine 'best practice' would be valuable to all law libraries.

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Websites

Outsource Service Providers

Evalueserve. <http://www.evalueserve.com/site/>

Exigent. <http://www.exigentipo.com/>

Integreon. <http://www.integreon.com>

Isential. <http://www.isential.co.uk/>

LAC Group. <http://www.lac-group.com/>

Law Firms

AdventBalance. <http://www.adventbalance.com/>

Axiom. <http://www.axiomlaw.com/index.php/overview>

Clearspire. <http://www.clearspire.com/>

Marque Lawyers. <http://www.marquelawyers.com.au/>

APPENDIX 1. EXPLANATORY STATEMENT

This is the Explanatory Statement of the research project provided to potential interviewees at the time of the request for an interview. A signed and dated copy of the Explanatory Statement was also provided to each interviewee at the time of the interview. The Explanatory Statement provides an undertaking by the researcher to protect the identity of the research participants.

Explanatory Statement

Date

Title: Outsourced Legal Research by Law Firms and Corporate Legal Departments

This information sheet is for you to keep.

My name is Fiona Brown and I am conducting a research project with Graeme Johanson, Associate Professor in the Faculty of Information Technology and Dr Kerry Tanner, Adjunct Senior Research Fellow in the Faculty of Information Technology, Monash University towards a Master of Information Management and Systems (Research) at Monash University. This means that I will be writing a thesis of approximately 40, 000 words.

You are invited to take part in this study. Please read this Explanatory Statement in full before making a decision.

The participants in the research project have been identified as having knowledge of outsourced legal research or shared law library services either as service providers, service users or as employees of service providers engaged in service delivery. Participants may also include those who considered using such services but decided not to proceed. The contact details of the participants have been obtained from the public domain.

The aim/purpose of the research

The aim of the project is to identify the providers and users of outsourced and shared law library services in Australia and other common law jurisdictions and the size and growth of these services. The project will explore factors assisting or hindering the growth of these services. The project aims to determine the level of provider, customer and staff satisfaction with these services and the impact that they have/will have on traditional law library services in law firms and corporate legal departments. Some account will also be given to the way that information is shared generally within these organisations over and above outsourcing ventures.

Possible benefits

To date, there has not been a thorough study of the advantages and disadvantages of outsourcing legal processes either onshore or offshore. Much of the literature on these services is produced by the service providers themselves and is therefore not impartial. Concerns of commercial confidentiality by the legal profession have inhibited the sharing of knowledge between lawyers about the use of these services.

Participants in the study have the opportunity to anonymously contribute to and share in the opinions and experiences of their professional peers with these services. This knowledge will inform their decision making in relation to outsourced legal services.

What does the research involve?

Participation in an interview.

How much time will the research take?

It is estimated that the interviews may take 50 minutes.

Inconvenience/discomfort

Participation in this study should not result in any inconvenience or discomfort greater than any experienced in everyday life.

You can withdraw from the research

Being in this study is voluntary and you are under no obligation to consent to participation.

However, if you do consent to participate, you will be provided with a transcript of the interview for approval before it is included in the write up of the thesis.

You may withdraw from further participation at any stage but you will only be able to withdraw data prior to the publication of the thesis.

Confidentiality

Participants will not be named or identified in the thesis or in any publication arising from the research.

Storage of data

Data collected will be stored in accordance with Monash University regulations, kept on University premises, in a locked filing cabinet for 5 years. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report.

Use of data for other purposes

The data may be used in other publications or conference papers however because it is anonymous data, no individual will be named or identified.

Results

If you would like to be informed of the aggregate research finding, please contact Fiona Brown on 0421108706. The findings are accessible for 12 months.

<p>If you would like to contact the researchers about any aspect of this study, please contact the Chief Investigator:</p>	<p>If you have a complaint concerning the manner in which this research CF12/0891 2012000406 is being conducted, please contact:</p>
<p>Graeme Johanson Faculty of Information Technology P.O. Box 197 Caulfield Victoria Graeme.johanson@monash.edu</p>	<p>Executive Officer Monash University Human Research Ethics Committee (MUHREC) Building 3e Room 111 Research Office Monash University VIC 3800 Tel: +61 3 9905 2052 Fax: +61 3 9905 3831 Email: muhrec@monash.edu</p>

Thank you. Fiona Brown

APPENDIX 2. CONSENT FORM

This is the Consent Form sent to each interviewee prior to the interview. A signed copy was obtained from the interviewees who participated in the research project.

Consent Form

Title: **Outsourced Legal Research by Law Firms and Corporate Legal Departments**

NOTE: This consent form will remain with the Monash University researcher for their records

I agree to take part in the Monash University research project specified above. I have had the project explained to me, and I have read the Explanatory Statement, which I keep for my records. I understand that agreeing to take part means that:

I agree to be interviewed by the researcher Yes No

I agree to allow the interview to be audio-taped Yes No

I agree to make myself available for a further interview if required Yes No

and

I understand that my participation is voluntary, that I can choose not to participate in part or all of the project, and that I can withdraw at any stage of the project without being penalised or disadvantaged in any way.

and

I understand that any data that the researcher extracts from the interview for use in reports or published findings will not, under any circumstances, contain names or identifying characteristics

and

I understand that any information I provide is confidential, and that no information that could lead to the identification of any individual will be disclosed in any reports on the project, or to any other party.

and

I understand that I will be given a transcript of data concerning me for my approval before it is included in the write up of the research.

I understand that data from the interview will be kept in a secure storage and accessible to the research team. I also understand that the data will be destroyed after a 5 year period unless I consent to it being used in future research.

Participant's name

Signature

Date

APPENDIX 3. INTERVIEW TOPICS

These are the interview topics raised with the interviewees who participated in this research.

Table 3.1 Interview Topics: Law Firm Clients of Outsourced Law Library and Legal Research Services

Description of the in-house library and research process prior to outsourcing
Use of other outsourcing services
Reasons for outsourcing the law library
The reference process
Location and ownership of information resources
Internal research process following outsourcing
Transition considerations
Management of the outsourcing contract and service level agreement
Level of satisfaction with the outsourcing service
Advantages and disadvantages of outsourcing
Client confidentiality, privacy and legal liability considerations
Lessons learned from the outsourcing process

Table 3.2 Interview Topics: Outsource Service Providers

Business model and profitability
Service model
Client confidentiality, privacy and legal liability
Benefits of outsourcing for clients
Challenges in delivering service in commercial model
Challenges in attracting new clients

Table 3.3 Interview Topics: Law Librarians

Knowledge of outsourcing practice
Advantages and disadvantages of outsourcing for clients
Impact on law librarians
Defensive strategies for the profession

