



Law firms identifies further IT outsourcing opportunities

Benchmarking itself against outsourced application services exposes weaknesses and identifies opportunities

1: Client Background

As one of the world's leading law firms (Magic Circle - global top 5) the client has significant depth and breadth across five continents. It is a fully integrated global partnership whose clients include corporates from across the commercial and industrial sectors, governments, regulators, trade bodies and not-for-profit organisations. The firm provides the highest-quality advice and legal insight, combining the firm's global standards with in-depth local expertise.

2: Business Challenge

Against a backdrop of perceived underperforming services, and concerns regarding high attrition in its captive offshore centre, the law firm wanted to assess the capabilities of the offshore market.

The aim was to benchmark the law firm's current capabilities, and to identify opportunities where further outsourcing could improve service and mitigate risk. The services that were measured included:

- Application Support
- Application Development
- Application Testing

3: Approach

Camford Management Consultants (Camford) determined that the market assessment should be conducted

through a Request for Information (RFI) exercise. A key concern for the client in this approach was the impact upon staff morale in its existing captive centre should staff get wind of its intentions. In order to mitigate this risk vendors invited to respond to the RFI were not made aware of the client, or even the client's precise market sector.

This represented a challenge to both Camford and the responding vendors which was overcome, firstly through the trust Camford built up with the outsource vendors, and secondly through a very carefully designed RFI.

A set of a 12 quality criteria were agreed with the client upon which to evaluate responses to the 84 question RFI. The focus was to identify opportunities to deliver the strategy quicker and/or more effectively, and to determine any best practices or ideas that could be leveraged with the existing team.

At the same time that this review was taking place, the client was in the midst of implementing a new strategy. In order to fairly evaluate the market, Camford defined a current baseline that represented the existing environment and capabilities of the law firm, as well as a target baseline, which represented the future environment expected to be achieved once the strategy was delivered.

Upon receipt of the vendor responses a detailed analysis was undertaken that included:

- Evaluating, scoring and comparing each question response from each vendor
- Each service type – support, development, testing – was individually scored and compared
- Costs comparison was undertaken, utilising benchmarking data from industry analysts. Costs were mapped out over a 3-year period to take account of the cost of change. A RAG (Red, Amber, Green) status table was created to clearly demonstrate the differences in costs across the responding vendors, the baselines, and the benchmarks.

Vendors were also invited to provide new service ideas to help identify opportunities to exploit. These ideas were assessed for appropriateness in the law firm's target operating model.





4: Outcome

As an outcome from this exercise the law firm gained:

- An improved understanding of the target operating model being achieved by the strategy
- Deep understanding of the current baseline vs. the target baseline vs. the outsource market
- Clarity of costs – in line with a report at the time from industry analysts The Everest Group, it was determined that the captive centre provides the lowest costs
- Identification of opportunities where outsource services would provide an enhanced service capability
- A clear understanding of the market offerings, and of the approaches preferred by the outsource marketplace – there was a strong preference from the vendors to take on all services
- Awareness of the different commercial models that can be provided by the market – for example, fixed price, outcome based pricing (on a story or function points), team based pricing, etc.
- Exposure to new market offerings and approaches, such as staff augmentation, testing as a service, and co-working

From Camford's analysis and recommendations the law firm's IT Leadership Team was able to understand the impact further outsourcing would have on the current strategy being implemented, and whether it was the right time to engage in further outsourcing.

As an outcome of this engagement the law firm now has a well defined and tested process in which to assess the outsource market on a regular basis



Camford Management Consultants was formed to help Business Leaders identify where and how technology can resolve business challenges, and to help IT Leaders to determine strategy, procure technology and services, deliver change, and shape the IT organisation to sustain change. Focusing on mid-large sized businesses in knowledge-based industries, Camford provides 4 core services: IT Strategy, Procurement, Change Leadership, and Virtual CIO.

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