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The Operational Blind Spot: Making Improvements in Back-Office Administration

In today’s competitive legal market, law firms are under increasing pressure from all sides to control costs and boost efficiency while continuing to provide superior legal services. More and more, clients are taking work in-house, and as the legal industry evolves, the increasing number of alternative service providers is putting more pressure on law firms to streamline their internal operations and become more efficient. A challenge exists in balancing a desire to control costs with a need to provide enhanced customer service to retain existing clients and gain new clients for the firm.

UNCOVERING THE OPERATIONAL BLIND SPOT IN BACK-OFFICE OPERATIONS

Recently, BigHand commissioned a survey from legal consultants Altman Weil to better understand how law firms are currently managing their back-office operations. A survey was completed by law firm operations executives, including chief operating officers, chief financial offers, chief human resources officers, executive directors and legal administrators in 45 law firms ranging in size from 100 to 3,500 attorneys.

The results exposed a serious disconnect between the desire to improve back-office efficiency and knowing how to do it. On a scale of 1 to 10, with 10 being the highest priority, the firms ranked improving productivity, efficiency and cost savings among support staff an 8. There is a clear consensus among law firms that they need to optimize their back-office operations and a real intention to implement change in the near future.

Despite the high priority, when asked if they were confident they had the data necessary to be sure work is being delegated away from attorneys to the appropriate administrative support staff, their confidence was only 3.8 out of 10. Their confidence was even lower on whether the right support people were doing the right work (3.6 out of 10). The survey included an interview portion for a subset of respondents, which helped shed more light on how firms are making their operational decisions. Many respondents admitted they determine how busy their back-office staff is by walking the floors and seeing how busy people look. One firm even said that if their secretaries are on the verge of tears, the firm knows they are too busy. These observations are highly subjective, and do not give an accurate view of whether staff are truly busy, and if they are busy, if they are busy with the right work.

We call this the operational blind spot, and it is a real problem. Firms are unprepared to address the increasing pressures they are facing, because they are making decisions without good data to base them on. Absent factual data, firms either make bad decisions — or perhaps worse — no decision at all!

Given the high priority placed on improving back-office efficiency, the operational blind spot is a problem worth addressing. Firms need to make effective changes to back-office operations based on facts. Implementing workflow technology is a growing trend in law firms that are serious about improving back-office efficiency and gaining the information needed to continuously improve operations and remain competitive in a rapidly changing industry.

THE BENEFITS OF WORKFLOW TECHNOLOGY

Back-office costs are one of the top expenses in law firms. With the increase of fixed and alternative fee arrangements, firms getting their staffing model correct is taking on new importance. Getting the right work to the right people at the right cost is paramount. The question is not just whether your staff are busy — it is what they are busy with and does that make sense? With a proper workflow system, you can improve back-office operations and meet market pressure to be more efficient while providing superior service.

The best way to tackle the problem of inefficiency in back-office operations is to attack it from the front end with a seamless, intuitive task delegation and management system. Current processes at most law firms are not set up for this. Most firms are using a shared inbox system for task delegation, which provides no quantification of work in the queue and has no reporting capability.

The right workflow solution will handle all aspects of task delegation and management and should have an intuitive user interface to ensure attorneys and support staff embrace and quickly adopt the technology. By using simple forms configured to capture the relevant information and requirements up front, tasks are routed automatically to the person or team best equipped to handle it with the information they need to complete it accurately. Sharing work among staff, across teams, offices and time zones becomes simple. The ability to accurately track service-level agreements and seamlessly manage work assigned to outside service providers becomes easier.

Once tasks are properly routed, the workflow system will capture analytics to support data-driven decision making on the back end. Of course, it is important to understand your work on the micro level — do you have enough staff to get the work done today based on the total work in the system and the required deadlines? But optimizing back-office operations also requires a system that reports on the macro level. Who is delegating the work and what kind of work is it? Who is the work assigned to, and are they the best person or team to manage that task? Is the work being managed efficiently, or would it be better directed to a centralized team? Which teams are busy, and which have capacity to take on more?

Placing your workflow and delegation process into a proper system is critical to tracking trends and managing your operations more efficiently. Whether your firm has already started implementing changes or has not yet begun a process, having data on which to base decisions is the most effective way to ensure that those decisions will have a real impact on back-office efficiency. The most progressive firms are finding ways to eliminate the operational blind spot through workflow technology that improves processes and provides actionable information. ■

ABOUT THE AUTHORS

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