

Third-party invitation

Smaller firms can save money without sacrificing service quality

Most articles I read about outsourcing leave me feeling frustrated. Nearly always I am left with the erroneous impression that a monstrous infrastructure project is required to get it off the ground. An equally erroneous conclusion is inevitable - that it is only large firms which can benefit given the investment required. But I contend it is small firms that need to consider the need for outsourcing the most. I will debunk some of the myths as to how difficult the process actually is.

Firstly, what is outsourcing? Simply, the use of a third party to provide a service or business process which you are currently undertaking in-house. It does not have to be offshore – although it often is.

Secondly, why consider outsourcing? Answer: because the service or process can be improved or provided more cheaply by a third party. For example, an outsourced receptionist can provide a better service than the answerphone that many firms use to cover lunchtimes. An outsourced typist can provide a more economical service than employing a full-time secretary.

It is clear that many small firms are cutting back on back office support because of the economic imperative to do so. However, to cut back on support that you need will reduce the level of service. Outsourcing is the win-win solution. You can maintain and even improve service levels at a fraction of the cost.

Now, what are the perceived drawbacks? I suspect (in relation to typing services) there are fears relating to quality. I imagine also that many are concerned with the potential complexity of the regulatory issues. No doubt also most have not had time to investigate the actual cost and are therefore unaware of the extent of the potential savings.

When lawyers raise the issue of quality of typing it always makes me smile. There always has been and always will be one main determinant of the quality of transcription by a secretary; the quality of the dictation itself. We routinely deal with any complaint about the quality of typing by playing back the audio to the invariably contrite fee-earner concerned. If they cannot understand what they are saying, they tend to be more forgiving of a legal secretary who cannot understand them either.

The regulatory issues largely revolve around confidentiality and proper processing of data. It is important that the company being used is reputable. However, firms seeking outsourcing services now are not trailblazers. The use of outsourced services is well established, as are the standard contractual provisions which all reputable companies will possess to provide the legal framework for adhering to the statutory and regulatory requirements of the Data Protection Act and Solicitors Code of Conduct.

That just leaves the issue of cost. In London, the average salaries being advertised for High Street secretaries are between £20,000 and £25,000. In addition, you need to consider the extra office overheads associated with another member of staff. The cost of an outsourced secretary can be less than £9,000 per annum. Even for small firms the maths can become quite obvious, very quickly. There are also big savings to be made in relation to the costs of storage of archived files. Why not have an electronic archive of files that have been scanned for a fraction of the cost of storage facilities for retaining physical files?

Duncan Lewis has found, with our outsource partner, that there are significant cost savings in outsourcing secretarial functions, with minimal drawbacks. The system provides for two-way email communication in relation to individual documents, functionality with regard to the scheduling of urgent dictation and full reporting of turnaround times so that we can monitor the effectiveness of the service. The only hardware that is required to make it work is a £10 headset.

The main barriers to outsourcing certain back office functions are myths about the difficulty of getting started. But if small firms wish to remain profitable, particularly in the legal aid sector, then administrative costs have to be reduced while service levels are maintained.

Hopefully, the reality of how easy it is to achieve these savings through outsourcing will start to seep through to firms of all sizes so that they are able to remain competitive in the future.

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