

Of Counsel, Realizing Greater Value Through Consistency: The Impact of Single-Source Outsourcing, (Jan. 1, 2025)

Of Counsel

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In a constantly evolving corporate landscape, businesses constantly explore ways to enhance productivity, curtail expenses, and accomplish their overarching objectives so as to enhance value. Outsourcing, particularly single-source outsourcing, often appears at the top of their lists of initiatives to accomplish that.

Single-source outsourcing is a strategic approach that can significantly enhance consistency in business operations by centralizing processes, improving communication, and enforcing standardized quality controls. It is all about consolidating multiple services under one roof. By removing the need to collaborate with several service providers, single-source outsourcing reduces administrative hassles and frees up internal resources to concentrate on essential skills and on the organization's more strategic business objectives rather than administrative processes.

Single-source outsourcing acts as a driving force facilitating consistency in work product, improved consistency, quality, reduced costs, streamlined processes, and stronger partnerships. By centralizing external services for a company in one firm, it also heightens and firmly places responsibility in that firm and creates the environment for greater accountability within that firm for its service delivery.

Corporate law departments, which often have broad responsibilities within their organizations, including compliance, overseeing transactions, and managing disputes and litigation, need consistency in all their areas of responsibility. In fact, consistency constitutes a core element by which to measure the value of the legal service by a law department and by a company's external service providers. All those areas require a multidisciplinary approach to issues and the ability to marshal information and data from disparate sources to prepare plans, to make recommendations, and to implement courses of action.

Single-source outsourcing ensures that in-house lawyers get consistency among multiple legal matters.

1. In handling of litigation matters such as e-discovery, document review, legal research and case management, and other litigation support.
2. A single service provider can implement uniform case management systems, document management protocols, and communication channels, leading to predictable workflows and reduced errors.
3. To ensure alignment with the business's overall legal objectives, a unified approach to litigation strategy can be developed and implemented across all cases.
4. With an aim to reduce misunderstandings and delays, a single point of contact facilitates efficient communication between the in-house team and the external provider.
5. The service provider can develop a centralized knowledge base of litigation best practices and procedures that reflects the preferences and needs of the client, benefitting both the in-house team and the external provider. Consistent implementation of those procedures can pay nonmonetary dividends in the form of better results.

6. Economies of scale can be achieved through consolidated billing and contract management.

Legal Research Project

A U.S. attorney (the “Client”) retained SKJ Juris to prepare an Issue, Rule, Application, Conclusion (IRAC) Memo exploring a future course of conduct in relation to a property matter concerning the validity of the exercise of testamentary power of appointment.

The Client represented grandchildren of a testator (the “Ultimate Clients”) whose estate was to be bequeathed as per the dictates of two trusts created for such estate. The trust agreements created testamentary power of appointment in favor of the testator with a caveat, that a will created in exercise of the given power of appointment was to be offered for probate within 60 (sixty) days of testator’s death. A failure to observe that condition would constitute a default in the exercise of the power of appointment.

The daughter of the testator was named as the primary executor of the will. Following the death of the testator, the daughter filed a petition for probate after passage of the sixty-day period. The Client desired the IRAC Memo to include case law laying out a proposed course of action to seek dismissal of the petition for probate on the grounds that the appointment had lapsed.

It was a complicated project with a short deadline with significant hurdles to overcome. The Client approached SKJ Juris, which commenced a rigorous review of documents and other information provided by the Client.

At the outset, the Project Manager thoroughly familiarized himself with the various facets of a project based upon the review and then instructed the execution team about the intricacies and nature of legal issues to be researched. After satisfactory completion of the legal research, the team commenced drafting.

In order to ensure the highest quality of the work, SKJ Juris applied a two-tier quality-control process. The execution team analyzed the documents including the trust agreements, affidavits, petition for probate, will, and others. This exercise assisted the team to determine the type of the power of appointment, i.e. whether it is presently exercisable, testamentary, or postponed.

The team was able to determine the nature of the power of appointment and whether it was imperative or discretionary, among other things. Next, the team conducted legal research. The team bifurcated this stage into two segments, first, it did legal research on the general stances taken by parties and the courts in the required jurisdiction; second, it proceeded to identify a position suitable for the project at hand and identified the most applicable case law.

After additional analysis, the team uncovered favorable cases for inclusion in the IRAC Memo. They expanded the legal research into additional jurisdictions and provided the Client with factually similar cases from another jurisdiction to gain valuable insights. After completing those preliminary steps, SKJ Juris’s team drafted the IRAC Memo. The team then put the memo through first-line review and final quality check by the Project Manager before delivery to the Client.

An insightful research memo, delivered within time, was the culmination of the skilled efforts of the interdisciplinary team assembled by SKJ Juris to meet the client’s need. The Result: The research and analysis were well thought out and rules were placed precisely. The final product was a review of disparate sources and information reflected in a memo that represented the coordinated effort by distinct team members from disparate disciplines.

Legal Drafting Project

A U.S. law firm (the “Client”), retained SKJ Juris to draft two memoranda of law in support of a motion to dismiss in a case involving conspiracy for market manipulation through a commercial bribery scheme.

The firm’s corporate client (the “Ultimate Client”) was alleged to have conspired with various other market players in a commercial bribery scheme to rig bids. The plaintiff alleged that a multibillion-dollar market was impacted and the plaintiff injured by the bid-rigging and commercial bribery conspiracy.

The complaint had identified quite a few defendants. The court allowed the named defendants to file a joint memorandum of law in support of their motion, as well as individual motions, if the individual defendants so wished. The Client favored filing the joint memorandum with the co-defendants as well as an individual memorandum with respect to its own position in the case.

The drafting of the individual memorandum was a formidable challenge, as the memorandum was limited to eight pages, even though the complaint ran to 65 pages. The challenge: To draft an eight-page brief that would adequately highlight all the defects in the allegations against the Ultimate Client and an all-encompassing joint motion brief of 30-40 pages, within a tight deadline.

SKJ Juris believes in initiating any project with an aim of maintaining consistency throughout. Accordingly, the Senior Coordinator briefed the Team leader about the intricacies and nature of the case, who in turn shares the details with the team members. After having understood and analyzed the details, the trained research team engaged in in-depth legal research. The drafting team begins drafting the memos upon satisfactory completion of legal research.

The execution team rigorously reviewed the documents provided by the Client: the complaint, the attached affidavits, and the record in the State Court. After reviewing and analyzing the documents, the research team researched the identified legal issues and then commenced drafting the individual memorandum of law in support of motion to dismiss and a joint memorandum of law.

Later on, the two memoranda of law were put through first-line review and final quality check by the Senior Coordinator to ensure that best-quality work is delivered to the Client. Despite the complexity of the complaint and supporting material and the short timeframe, the team delivered two memorandums within the given deadline drawing on the complementary talents of a multidisciplinary team.

In corporate compliance matters such as data privacy and security, environmental, social, and governance (ESG), anti-corruption and bribery, export controls and sanctions, and financial reporting and disclosure, the variety of situations in which these issues arise create a paradigm for the application of cross-issue treatment and for a multidisciplinary approach.

How can single-source outsourcing improve a business' efforts in those areas?

1. A single provider can implement a uniform compliance framework across different regulatory areas.
2. A unified approach to risk assessment that takes into account a variety of disparate inputs can be applied consistently across the organization.
3. Centralized data management ensures consistent data collection, storage, and analysis, regardless of which channel receives the information and which corporate unit works with it.
4. Any investigation triggered by a compliance issue or matter that arises can tap into the expertise of team members with complementary expertise.
5. The service provider can monitor regulatory changes and implement updates consistently across the enterprise.
6. Consistent compliance training programs can be delivered to employees.
7. Consolidated contract administration and billing can result in cost reductions through economies of scale.

Two Client Spotlights

A leading software company in the United States faced significant challenges in complying with the complex privacy regulations that applied to its work and products within the European Union and in the United States. The company approached SKJ Juris for assistance solving the challenges faced with respect to data privacy measures, risks, and protection of customer data.

The company struggled to comply with a patchwork of federal and state privacy laws, balancing data collection with user trust, managing user consent, and keeping pace with privacy regulations. The company approached SKJ Juris to effectively navigate the complex data privacy landscape faced by the company.

SKJ Juris created a centralized, comprehensive privacy management platform and invested in robust security measures to protect user data from unauthorized access, breaches, and misuse. SKJ Juris consulted with the client to establish a cross-functional privacy team solely responsible for monitoring regulatory changes, conducting risk assessments, and implementing compliance measures.

SKJ Juris' team of professionals resolved the compliance issues by developing a robust privacy framework. This approach involved creating dedicated privacy teams, conducting thorough risk assessments, and implementing comprehensive data management policies. By staying abreast of evolving regulations, SKJ Juris' team, working closely with the client, developed and refined strategies to align the company's operations with legal requirements.

In document review under e-discovery:

1. A single provider can implement consistent review protocols, ensuring uniformity across all documents and productions.
2. A centralized quality control process can be established, maintaining high review standards.
3. Streamlined workflows and standardized processes can accelerate the review process.
4. A single provider can implement robust security measures to protect sensitive information consistently.
5. By consolidating contract administration and billing, economies of scale can result in cost savings.

A midsized U.S. law firm (the "law firm") represented a client in a class action wherein the purchasers alleged that the client's particular product had an inherent design defect and that the client continued to sell the machines despite knowledge of the defect. The design defect rendered the product unusable for its intended purposes.

The client pursued e-Discovery in order to prove to the court that the product's design defect had not caused immeasurable problems to the purchasers. The challenge: to analyze and review over 300,000 documents for responsiveness, privilege, and multiple issue categories.

These documents included emails and their attachments, engineering drawings (TIFF images), spread sheets, PDFs. The law firm approached a Relativity® platform provider to be its partner for the purposes of the said document review project. The law firm approached SKJ Juris for document review.

SKJ Juris deployed a team of 30 reviewers for the document review project, led by the Project Manager. The Project Manager coordinated with the Relativity® platform provider to obtain sufficient logins for the needed number of reviewers. The law firm sent related documents, discovery requests, and instructions to SKJ Juris.

The Project Manager followed up with the law firm's point of contact through frequent, periodic phone calls and other communications every so often, for receiving instructions and/or resolution of queries, if any. Once review was complete, the documents underwent quality check and redactions were applied, wherever necessary. The project was delivered by the Project Manager before the approaching deadline.

SKJ Juris' IT manager ensured confidentiality of the documents by deactivating the external drives in the reviewers' PCs. The IT Manager also installed proper anti-virus software for securing optimal performance of those PCs, and firewalls on SKJ Juris' server for thwarting phishing attempts by unknown sources.

Using Relativity® for reviewing documents, the review team tagged the documents as responsive (including hot documents), non-responsive, attorney-client privileged, and confidential documents. The team was also able to flesh out unexpected details that helped the law firm substantiate its argument in favor of the client.

Multiple services to a single provider enables a business to achieve significant advantages.

1. **Cost Efficiency:** The service provider can often offer discounted rates for multiple services. Dealing with a single provider enables the provider to simplify its internal administrative process, including contracting, and simultaneously streamlines financial management.
2. **Improved Efficiency and Productivity:** By creating seamless workflows across different services, the service provider acts as a single point of contact for all services. This improves communication and reduces misunderstandings. A single provider is more likely to prioritize that client's business due to the larger service relationship.
3. **Enhanced Focus on Core Competencies:** By outsourcing multiple peripheral or administrative functions, businesses can concentrate on their core competencies. This allows them to focus on expansion and innovation within their businesses.
4. **Risk Mitigation:** The service provider is responsible and accountable for the overall performance of multiple services. This focus aids businesses with vendor management, ultimately reducing their administrative burden.
5. **Access to Specialized Expertise:** The provider can offer insights into the latest developments related to its core areas of expertise, allowing businesses to benefit from its expertise across multiple domains.
6. **Improved Quality and Consistency:** The provider can implement consistent quality standards across all contracted services by way of streamlined processes and experienced staff. This can reduce the occurrence of mistakes.
7. **Scalability and Flexibility:** The provider can easily scale services up or down based on business needs in order to adapt to new challenges or opportunities. While single-source outsourcing offers many advantages, it is important to evaluate the provider carefully to ensure they have the necessary expertise and capacity across all required services. After all, putting all of a business's "eggs" in one "basket" might suggest a greater risk than does spreading those services around. By carefully selecting a reliable and capable service provider, businesses can reduce that risk and realize significant benefit by consolidating multiple services within a single partnership.

Global Capability Centers (GCCs), which offer a centralized center for shared services and expertise, have emerged as critical assets for global organizations. GCCs are essential for improving efficacy, uniformity, and efficiency for in-house legal teams.

In essence, by housing multiple services provided by one organization, they can provide the consistency within and across services that can make a critical difference in today's fast-paced business environment.

1. **Standardization of Legal Processes:** GCCs can implement standardized legal platforms and software, ensuring consistent data management and workflow. Creating and managing standardized legal templates and documents can reduce inconsistencies. A shared knowledge base can ensure consistent access to and use of legal information, business data, and precedents.
2. **Centralized Legal Expertise:** GCCs can house specialized legal teams with expertise in various areas, ensuring consistent legal advice. By centralizing legal experts, GCCs facilitate knowledge sharing and best practice transfer among them, further ensuring consistency in approach and implementation of the company's procedures and its compliance with discovery and other requirements. Consistent training programs can be implemented to develop legal talent across the organization to further that goal.
3. **Risk Management and Compliance:** GCCs can conduct standardized risk assessments, ensuring consistent identification and mitigation of legal risks. Implementing a unified compliance framework can ensure consistent adherence to regulations. Centralized audit and monitoring functions can identify and address compliance issues consistently.
4. **Cost Efficiency and Resource Optimization:** By centralizing legal functions, GCCs can achieve economies of scale and reduce costs. Consistent resource allocation across legal teams can optimize utilization. GCCs can leverage technology to automate routine tasks and improve efficiency.
5. **Improved Collaboration and Communication:** A shared communication platform can facilitate efficient information sharing and collaboration. Defining clear roles and responsibilities within the legal team can reduce misunderstandings. Consistent reporting on legal metrics can improve decision-making and

accountability and ensure that the GCC pursues the client's law-related goals in litigation and other contexts in accordance with the client's expectations.

6. Enhances Integration: A GCC can significantly enhance the integration of a company's information management procedures and protocols with its e-discovery protocols, including identification of potentially privileged information by centralizing and standardizing processes, and providing a strong foundation for aligning information management and e-discovery. Such organizations can significantly improve their ability to manage legal risks, reduce costs, enhance compliance and efficiency, and improve data quality thereby providing stronger competitive advantage.

Ultimately, for businesses looking to streamline their legal activities, Global Capability Centers and single-source outsourcing offer complementary approaches. Businesses can save expenses, increase overall legal performance, and realize considerable economies by centralizing legal expertise and combining services within a single, expert provider.

These models are expected to become more crucial in assisting organizational success as the global business environment changes. The consistent collection and use of information and other data in meeting an organization's legal needs represents a value-related quality of that service, one that furthers the business's goals and needs in multiple ways.

To sum up, the correlation of single-source outsourcing with consistency is analogous to taking care of a plant. Similar to how a gardener adjusts to shifting weather patterns, businesses need to be ready to modify their outsourcing plan to take into account changing customer demands and market circumstances.

Single-source outsourcing can significantly improve project consistency and efficiency by fostering a deep understanding of clients' needs, expectations, and the business metrics that meet its requirements, all leading to streamlined operations and reduced errors. Through the establishment of a cooperative atmosphere and transparent communication, a business can develop a robust and long-lasting alliance with a single-source provider, benefiting from uniformity and efficacy.

—Steven A. Lauer, with the assistance of the SKJ Juris team represented by Saby Ghosh