

Welcome to the Spring, 2006 edition of Mattern Matters. My name is Rob Mattern and I am the President of Mattern & Associates, LLC.

Good Bye and Congratulations:

I just want to take a minute and say good bye to Don Knerr, Executive Director of Fox Rothschild,LLP based in Philadelphia. Don has been a long time customer and a good friend. We all wish him well in his retirement. Ed Gillespie has been selected as Don's replacement and we all wish him the best of luck in his new position.

Contract Escalation Language:

One question that is often asked during contract negotiations is how do we monitor and measure escalations. One common method is the use of the Consumer Price Index also known as the CPI. The next question that is always asked is where do I get the necessary information on the CPI. Well you can find everything you ever wanted or need to know about the CPI at www.bls.gov/cpi/home.htm. The site also has information of the ECI (Employment Cost Index) which is another index used in contract escalation language and is the one being used Pitney Bowes Management Services in their outsourcing contracts.

On the Road and Talking Your Ear Off:

By the time you read this we will have completed speaking engagements at the Law Firm CFO in Las Vegas and the ALA Montreal Conference. We will also have exhibited at the Law Firm Leaders Forum in San Francisco and are on tap to exhibit and possibly speak at the ED/CFO Law Firm Forum in NYC this fall. If you need a speaker for your group please contact Dan Ayars of Mattern & Associates at 302-475-7004 or email him at dayars@matternassoc.com.

National versus separate contracts:

In the next issue of Mattern Matters we will explore the pros/cons of national versus separate contracts for each of your offices. Do they make financial and operational sense? Can one vendor service your organization nationally? What if one vendor is weak in a certain geographical region?

Until next time – have a safe and healthy Spring.

Rob Mattern 



2207 Concord Pike #396
Wilmington, DE 19803



The Old Model vs. the New Model
Developing a Strategic Plan for your
Support Services

Support Services – The way your firm manages it's records, makes it's copies, collects its reimbursable soft costs, is probably the third highest budgetary item of your firm after salaries and leases. Under the old model of managing these areas, if you wanted to set-up a centralized support services area for your copying, mail, facsimile and records, you would lease some copiers, buy a few shelves, hire a couple of full and part-time workers and be ready for operation. Those days are long gone.

Under the new model, in order to add value and profitability to your organization, you are being forced to choose a strategic direction for these services that align with the operational goals of your firm. As part of the tactical implementation of this strategy, you must choose whether to maintain these services in-house (have the firm manage the operation) or have an outsourcing provider manage them for you. You must choose a platform (Xerox, Canon, Océ, etc.) for your multi-functional units that will handle your copying, printing, faxing and scanning. As part of this decision you will be choosing a workflow platform (Accuroute, QuikTag, eCopy) to manage

your digital images. Your workflow solution may interact with your document and records management software along with your cost recovery systems. Key questions must be decided, such as will the organization be charging for prints and scans that the new model will generate? How will the firm replace the billable copy and facsimile revenue that is being lost due the introduction of printing and scanning?

Probably the biggest and most important question to answer, and one that lays the foundation for all the others is whether to manage the support services in-house or outsource these functions. Another aspect of this decision, if you are a national firm with multiple offices, is do you select just one company for all your offices or separate companies depending upon their geographical strengths, local presence and the desires of your local office administrators. There are countless stories about organizations choosing one national vendor and having certain offices unhappy with the services levels being provided by the vendor. It is very easy to blame the vendor in these types of situation, however the fault should be shared between the vendor and the

(continual inside)

Old Vs. New (continued from page 1)

client. These “failures” can usually be traced to a poorly structured purchasing decision (lack of or weak RFP, disjointed decision making process, lack of performance standards, etc.), which has resulted in an outsourcing contract that lacks the strength to support these types of arrangements. Will outsourcing be less expensive for the firm? Not necessarily so. If you are paying your people competitively, procure your equipment and supplies intelligently; you can be just as cost-effective as any outsourced operation.

If the outsourcing or in-house decision addresses the heart of your organization, then the multi-functional selection is the backbone. An entire article can be done on the choice of the right platform for your operation however the key decision criteria are: service and technical organization behind the product, compatibility with your management (document and records) and workflow systems, and the terms of your contract (flexibility, assumption, etc.).

Other than the in-house/outsource decision, the workflow decision in my opinion, is probably the most important decision you will make. Not to beat the human body vs. support services comparison to death, but it is the brains of your support services. These systems, if chosen properly and implemented well, can have a significant impact on your operation both from an operational (headcount) and financial point of view. The key decision to be made in choosing a system is whether to have it just be a point of entry (scanning to desktop or email) into your system or have

it scan into your document management system. This will usually determine whether you want the documents profiled at the multi-functional units, or at the end user desktop.

Last but not least are the cost recovery questions that are raised by the new model of support services. With billable copy revenue declining due to the increase in printing and facsimile billable revenue also declining due to the increase of scanning, what steps should a firm take to recoup these lost revenues. The obvious, yet somewhat controversial answer is to charge for prints and scans. However, are “prints” originals or are they copies? Do you charge for scans, if they generate prints? Do you capture scans through your workflow solution or through your cost recovery system? These are just a few of the questions that must be analyzed and answered as part of putting together a comprehensive new model support services system.

In summary, is it worth it? Is implementing the new model of support services worth the analysis and time to make these decisions. Is there really a tangible payback? There are two very distinct answers to this question – the first you really don’t have a choice. If your firm is going to be a vibrant, growing organization, then these questions and issues must be addressed. In terms of payback, the return will be there if you make and implement the right solutions for your organization. M

MATTERN MATTERS is a quarterly publication offering business and support services information. Should you have any questions about your support services, or if you have any comments on this newsletter, please do not hesitate to call us at (302) 475-7004. You can e-mail us at lschneider@matternassoc.com or contact us through our websites at: www.matternassoc.com or www.supportquestions.com
© May 2006

Centralized Duplicating Services

If you work in an office with few employees, it is possible that you and your staff handle a lot of “office services” duties yourself, including copying. However, as your office grows, you may begin to consider creating a centralized duplicating operation. The following outlines steps to take to create a “Copy Center”:

Do we need it?

Usually there are two main things that will determine if a company should have a centralized duplicating center:

End users spending significant amounts of time making copies instead of more productive, core-competency related work

Significant amounts of copy work being sent to outside commercial centers such as Kinko’s, Ikon or Mailboxes, Etc.

The best way to determine the answers to these two questions is to develop and conduct a brief survey. Also, access to accounts payable records can provide a dollar amount for copy work completed at commercial centers.

Okay, we need it. Now what?

First, you will need to conduct a cost analysis. If this is new territory for you, you may want to consider hiring a professional consultant with expertise in this area. Some of the key information you will need to do a proper analysis will be:

- ◆ Average monthly volume for all copiers
- ◆ Total monthly cost for copier leases and maintenance
- ◆ Volumes and dollar amounts of work that is being sent off-site to a commercial centers.

You will also need to be sure you have the appropriate space and staff, or a plan to

acquire them either through hiring or use of outsourcing.

A Request For Proposal (RFP) should be written and sent to appropriate equipment and/or outsourcing vendors. Include all relevant information, but do not include any of your current costs.

When analyzing the responses to your RFP, be sure you are comparing on a like-to-like basis.

When hiring or outsourcing staff, look for people with experience, particularly if you have none in this area. Copy work is not difficult to learn, but an experienced person can help speed up the implementation process.

Okay, we have a vendor and the equipment is coming. Now what?

Policies and procedures need to be drafted. Forms need to be made. Keep the following issues in mind when developing these:

- ◆ Hours of operation
- ◆ Capabilities of the machines being installed
- ◆ Distribution schedules and deadlines
- ◆ Record keeping
- ◆ Quality Control
- ◆ Finishing requirements (velo-binding, GBC binding, etc.)

You may want to create a manual for end users, introducing the new service and outlining the policies and procedures. Try to keep policies to a minimum at first. If people feel that they have a lot of rules to follow to utilize your services, they may display more resistance and continue to do things their own way.

If you decide to outsource, your selected

vendor will play a vital role in developing and documenting policies and procedures.

We’re ready to go. Now what?

Probably the toughest part of a new copy center will be getting people to use it. Your staff and equipment will have to prove themselves. Market your new services in the company’s newsletter or intranet page. Conduct tours. If the staff is performing internal mail sweeps, have them solicit copy work.

You will also want to get control of the documents that go out to commercial centers. You will probably need to use a service like this on occasion, for work that cannot be handled by your equipment or to meet deadlines. The goal is to have control. You want your end-users to send ALL copy work to your new department and allow you to decide whether it can be handled on-site.

Conclusion

Every company is looking for way to increase efficiency. Be pro-active and take the appropriate steps to see if your company can benefit from developing a copy center. In many cases, significant savings and increased efficiencies can be realized by centralizing copy work.

Also, be patient with your end-users. They should be seen as customers and will need time to adjust.

Finally, be prepared for problems. Problems and mistakes will happen. It is important to have the right attitude and procedures in place for handling problems. Don’t let the mistake be remembered by your end-user, let them remember how you and the department handled it to their satisfaction. M

Hey, do you know...?

Ever wonder how your cost recovery rates compare to other firms?
How many firms are charging clients for print or scan?
How does your billable percentage rate compare?

Mattern & Associates is conducting an on-line survey of cost recovery rates and procedures to answer these very questions. The survey addresses various recoverable items such as:
Duplicating • Facsimile • Telephone • Print • Scan • Legal Research

More than just rates and percentages, the survey will benchmark the various methods firms utilize to calculate their rates.

Sound interesting? Well, it cannot be completed without your input!

Please contact Lisa Schneider via e-mail at lschneider@matternassoc.com. Lisa will provide you with a link to the survey, and a printable version. It is recommended that you review the survey, gather the data and then complete it.

All participants will receive a summary of the results. M