

# THE BUSINESS\$ OF THE LAW FIRM LIBRARY

## The value of a law firm library's manager and staff

By Mark Gediman



The law firm library is like a business within a business. As in most businesses, costs are expected to be offset by revenue. Marketing is important to expand your client base while at the same time cement your brand firmly in their psyche. There are contracts to be negotiated, time to be billed, payroll to be approved, and employee mentoring to be done. Servicing the demands of the library's client base also includes crafting policies and processes that maximize the firm's return on its investment in resources and personnel. A comprehensive library allows the firm to practice law, and a good library staff can magnify that value exponentially. It is the job of the library manager to maximize this value.

In this article, we are going to look at a few ways the library manager and staff make the library an integral part of the firm and a profitable one, as well. The library's functions can simply be separated into two parts: attorney support and administrative management. One of the most important examples of the former is the library's involvement in recovering a portion of the costs associated with access to online research services, otherwise known as Cost Recovery (yes, with capital letters).

### Cost Recovery Policy

Crafting a good cost recovery policy is a problem that challenges every firm. The goal of any cost recovery policy is to offset the cost of the online research services as much as possible, keeping in mind that ethics prohibit the firm from exceeding 100 percent of these costs. This prohibition usually results in firms setting the goal at somewhat less than 100 percent, with the majority of firms falling between 41 and 80 percent, according to ALM's 2011 Law Librarian Survey. Because the responsibility for crafting and enforcing this policy usually falls to the library manager, he or she should take into consideration several factors that other firm departments wouldn't be familiar with:

- How do the attorneys in the firm work?
- What percentage of online research is billed to clients? Are the responsible/billing attorneys more or less likely to write off online expenses?

- Because cost recovery policies should be crafted with the relevant ABA model rules and formal opinions in mind, what is the percentage of online expenses (or costs) the firm would like its budget goal to be? What is the firm currently recovering?
- Are the various types of research treated differently? In other words, are searches the same as case retrievals? Treatises the same as searches? Public records recovered at a different rate than searches?
- Does each practice group treat recovery differently?

A successful cost recovery program (i.e., near 100 percent) can mean the library will basically have a revenue stream covering a significant portion of its budget.

For those interested in a more detailed discussion of this subject, I recommend taking a look at the following articles and blog posts:

- Cable&Clark's "SLA Program: Cost Recovery vs. Cost Prevention" on the Law Firm Bottom\_Line blog ([lawfirmbottomline.wordpress.com/tag/cost-recovery/](http://lawfirmbottomline.wordpress.com/tag/cost-recovery/))
- Lajeane Humphries' "Cost Recovery for Online Research" ([www.llrx.com/features/costrecovery.htm](http://www.llrx.com/features/costrecovery.htm))
- Greg Lambert's "Legal Research Cost Recovery - The Movie" on 3 Geeks and a Law Blog ([www.geeklawblog.com/2010/07/legal-research-cost-recovery-movie.html](http://www.geeklawblog.com/2010/07/legal-research-cost-recovery-movie.html))
- "A Perfect Match: Cost recovery and the librarian," which I authored for the March 2010 issue of *Spectrum* ([www.aallnet.org/main-menu/Publications/spectrum/Archives/Vol-14/pub\\_sp1003/pub-sp1003-perfect.pdf](http://www.aallnet.org/main-menu/Publications/spectrum/Archives/Vol-14/pub_sp1003/pub-sp1003-perfect.pdf))

### Print Versus Online Treatises

Library budgets are on the decline. AALL reported in the 2011 Salary Survey that respondents reported an average decrease of 13.3 percent in private firm library budgets from 2010-2011. There seems to be a constant tension with allocating money between print and online resources.

Several factors should be taken into account when making the decision about what format to purchase for treatises:

- Consider your cost recovery policy
- Consider how and where these resources will need to be accessed. For example, some courts limit the use of electronics (laptops, cell phones, tablets) in the courtroom. Some locations (courts, client sites) have poor cell phone reception, making it difficult for the attorneys to access the firm's electronic resources. And certain print materials are actually more efficient for the attorneys to use than their electronic versions (see my article in *Legal Assistant Today*, "Books vs. Bytes: Which works best in today's law firm library," Volume 22, Issue 5).
- Compare the cost of the item online with the cost of print. For online, include the contract cost and potential for recovery; for print, include the cost to house, purchase, and maintain it, and multiply by the number of locations.

You may be surprised by the answer you get. On a strictly cost basis, my experience has shown that replacing certain online resources with print can result in savings between 80 and 90 percent (no, this is not a typo). Could this be the reason why some vendors are phasing out the print? To paraphrase Bugs Bunny: "Mmmm ... yeah ... could be."

### Other Back Office Functions

When looking at library operations, sometimes the most important are overlooked for various reasons. However, some of the most significant savings are realized in these commonplace functions:

- Reconciling invoices with received products prior to payment using the library management system. Paying invoices without performing this vital step can result in the firm paying for items never received or, worse, never ordered.
- Checking in material as it arrives to confirm that you don't miss an update or volume; that the firm's practice resources are current; and that the firm's attorneys are kept up to date regarding new developments in their practice.

- Keeping the print materials up to date. Not doing so means the attorneys are relying on potentially outdated material—not the best situation from a risk-management point of view.
- Negotiating the best contracts for the firm. Librarians’ unique knowledge of the various online services, their partnerships with existing vendors, and the unique requirements of each firm give them the ability to get the best deal tailored to the needs of the firm. For example, your firm might appreciate having regular office hours, or your firm’s cash flow may require a unique payment schedule.
- Setting up and maintaining the library management system. The person responsible for the library management system performs one of the most important functions in the library. If this isn’t done properly, it would be difficult, if not impossible, for the library to complete the first four bullets on this list. This is also the repository of the catalog, as well as electronic resources.

The importance of this list needs to be communicated often to firm management. You can provide examples of incorrect invoices caught along with the amount saved, no matter how small; keep your firm management apprised of the status of contract negotiations; periodically roll out cool new ways to use the catalog; and make sure the library lets people know when their favorite treatises have been updated.

## Reference Services

This is the first item we’ll discuss that addresses the client support side of library operations. Reference services is one of the most taken-for-granted aspects of library operations. The prevalent thinking is: “They know what I do; they’ll let me know when they need me to do it.” A more accurate statement would be, “Out of sight, out of mind.”

The fact is that most firms don’t know what a librarian does from day to day. It is up to the librarian to communicate to the firm exactly what his or her unique skills and abilities are. Here are a few suggestions to address this imbalance between reality and perception:

- The first is simplest: create a single call number and email box for the library. One of the greatest sources

of frustration is when you have to work your way through the phone book trying to find someone to assist you. Sending an email to someone who is out can be even worse because the requestor thinks he or she is being ignored. “One call does it all” is usually pretty popular. IT uses it for its help desk for a reason.

- Let them know what you can do for them. Let’s face it—your firm has no way of knowing what specialized skills or knowledge you may have. I once was sitting in a practice group meeting when the practice group leader asked for some specialized knowledge on regulation of electric utilities. I then mentioned my past experience as a competitive intelligence analyst for a Fortune 500 utility holding company. The group was pleasantly surprised to find the knowledge they needed in the library. Thereafter, I received a steady stream of work from this group. If they don’t know you can do something, they often won’t ask you to do it.
- Participate in practice group meetings and retreats. Occurrences like the event described above have taught me that being present at these events helps me better understand and, in some cases, anticipate attorneys’ needs. These events always generate work for the attending librarian. In fact, there have been occasions when the library representative has been asked to present on a specific topic or give some high-level training.
- Send out practice- or subject-specific news clips daily. Leverage the information you get from attending the meetings to provide targeted current awareness products. In some cases, an internally produced product can be more valuable to a group than the canned vendor-produced reports because it isn’t necessary for them to wade through several items they don’t need or want to see to find what they’re looking for. These can be pretty easy to put together using Google Alerts or purchased products like Lexis Publisher, Westlaw Watch, and BNA Convergence.

It can be relatively easy to keep people aware of the library’s knowledge and abilities. The librarians in these cases

are adding value just by being in the room where questions are asked that they can help with.

## Training

Training is an area where the library can be highly visible and leverage its expertise. A training session reinforces in the attendees’ minds the librarian’s subject matter expertise. One of the best ways to offer this service is through the famous elevator conversation. If I happen to meet practice group leaders in the hallway, elevator, break room, or coffee nook, I ask them whether there is anything they would like me to train their groups on, or I offer to speak at their meetings. I’ve found practice group leaders appreciate someone who is willing to assist their groups and usually know exactly what they would like their groups to receive training for. Some possible topics include legislative terminology, using an esoteric resource, and the proper use of Google in legal research.

The library can also take advantage of the firm’s vendor relationships to bring additional training into the firm. This can be a great way to supplement the library’s limited resources while reminding the attendees that this was brought to them courtesy of the library. It doesn’t hurt that the vendor’s tchotchkes and raffles together with the paid meal usually result in higher attendance for these events than for events put on by the firm.

## Raising Visibility

All of the items I have discussed are a form of library marketing. Being visible and looking for opportunities to assist attorneys can help every member of the library staff raise the visibility of the department in a helpful, collaborative way. This helpful attitude exemplifies the type of work ethic that is at the core of the law firm library.

Everything that has been discussed has one thing in common: the library exists to ensure that firm attorneys and paralegals have what they need to excel in their fields. It may sound trite, but the firm’s success and the library’s success are one and the same. The library manager’s function is to see that the business within a business—the library—thrives. ■

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