

Argyle Conversations

by ARGYLE EXECUTIVE FORUMSM

featuring

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&

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On June 28, 2011, Kimberley Sprouse was interviewed by Alice Delaney, a content associate at Argyle Executive Forum, on the efficient outsourcing and offshoring of legal talent, and the issues involved therein.

Kimberley Sprouse

Kimberley (“Kimm”) is a US-licensed attorney who completed her undergraduate studies at the University of Virginia and legal studies at George Mason University School of Law and

comes with more than 15 years of overall experience. At Infosys LPO, Kimberley is a subject matter expert in e-discovery.

Prior to joining Infosys, Kimberley advised start-up LPOs in the creation of quality and process-driven services and conducted proof of concept testing and pilot projects to validate the workflow designs. As the Managing Director of Litigation at Cobra Legal Solutions, Kimberley was accountable for the recruitment, training, process development and delivery for Cobra’s operations in Chennai, India. Earlier in her career, Kimberley was an associate with the Washington, DC office of Steptoe & Johnson, LLP, where she designed the firm’s toxic tort litigation center in Rockville, MD, and oversaw the transition of a Fortune 50 Company’s toxic tort caseload, which included developing the processes governing the intake of new cases and claims through to claim disposition. As a consultant, Kimberley counseled and supported clients on the selection, implementation and training of computerized support systems for document management, early data assessment, and document review, and ensured that the technology solution was properly suited to provide efficiency, consistency and responsiveness to meet the demands of case specific or national litigation. She has a broad range of legal and project management experience in complex litigation, antitrust and energy matters.

Alice Delaney

Alice Delaney is a content associate at Argyle Executive Forum. In this role, she manages content development, editorial speaker recruitment and execution for 15+ annual business events. Alice joined Argyle Executive Forum in 2010. Prior to joining AEF, she practiced Maritime and Insurance law in New York. Alice holds a Bachelor of Arts from Boston College and a J.D from Fordham University School of Law.

Alice Delaney: How did you come to Infosys, and what is your role there?

Kimberley Sprouse: I had been practicing law in Washington, DC, and worked with a client on an extensive toxic tort case load that required developing a large-scale litigation operation to handle the intake of new cases and claims, and to see the claims through to disposition either by trial or settlement. I really enjoyed developing those processes and workflows, and I decided that it would be worthwhile to take those processes to a larger group of clients. My first opportunity to do so was in 2007 when I moved to India to recruit and train and manage a team of Indian lawyers to support the corporate plan. The concept was to be a cost-effective, repeatable, and defensible process that would benefit the corporate client and provide support for their outside counsel. Being on the ground in India helped me to understand the benefits and challenges around building and training a high-caliber team, and the measures required to instill confidence with the client. It was such an excellent experience that I really wanted to see if it could be successfully implemented on a much larger scale, a global scale. When the opportunity to join Infosys was presented, I knew I could take my learning to the next level.

As for my role, I'm a principal with Infosys LPOs. In addition to providing subject matter expertise for our e-discovery services, I also focus on law department transformational initiatives.

How did your previous experience as an attorney in the U.S. shape your current role?

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I think it has provided an enhanced sensitivity to client concerns. In general terms, the legal field is considered risk-adverse; we're governed by codes of conduct and ethics that need to be incorporated into all of our dealings with clients, parties, and vendors. Within Infosys, I see it as part of my role to instill these same values and ethics into the delivery team. It helps them understand our client's concerns and needs and hopefully exceed

their expectations of quality and confidentiality. I'm positioned to really set the expectations of the Infosys LPO team at a level that I would have expected from a similar vendor when I was practicing. So, from that perspective, it really helps me to bring the team into focus and into better alignment with our client objectives. When you've walked in the client's shoes, you want to service your client at a very high level. I think that's always been a driving force behind lawyers and law firms and we're really trying to bring that quality to the vendor's side as well.

How do outsourcing firms like Infosys play into the recent focus on more cost-effective, efficient solutions?

General Counsel have been outsourcing to law firms for a long time to gain experience, scalability, and insights; outsourcing, from a general counsel perspective, is actually a longstanding tradition. Now they are able to achieve a similar result with the LPO services available on the market. LPOs do not engage in the practice of law, but we support the overall effort in a time of unprecedented growth of information, whether it's contract management or e-discovery and document review. The digital age

has given corporate legal document departments more data and more information to manage than ever before. While Infosys is not in a position to advise clients on the best risk mitigation strategies for contracting—that's counsel's job—we can support a chosen strategy by tracking contract terms and obligations to ensure better enforcement within those contracts. We support a wide variety of contract management, research, and e-discovery services, and we also offer value-added IT enhancements for our legal support. Larger players, such as Infosys, are positioned to support shared service delivery capabilities, and like similar BPO services, our LPO team can use FTEs or on-demand resources integrated within the client's delivery center to support the corporate legal department.

What is most important for a client to consider when choosing a vendor of legal resources?

Each general counsel has to seriously look at their budget, their requirements, and the types of cases and matters where they can make an investment without taking on additional risk. Factors that corporate legal departments and outside counsel should consider when seeking to outsource would include: the infrastructure and security of the vendor's technology; resource training and experience; strong client communications; scalability; and the business continuity of the vendor. It would also be important to understand the financial standing of the outsourcing vendor, and whether they have invested in dedicated and secure infrastructure—as well as investments in the quality of the team from experience and training perspectives.

So it's important to take a measured approach to selecting outsourcing providers. Outsourcing can result in tremendous benefits, but it's also important to do pilot projects with service providers before investing in a long-term relationship. Everyone gets to take a 'test drive,' and while that may seem costly upfront, pilot projects are very useful in good decision-making around the outsourced work—right-setting expectations and identifying the proper structure of the engagement—which leads to improved win-win relationships.

How do organizations ultimately gauge the return on investment of an outsourcing choice?

ROI is really dependent on the nature of the outsourced legal work. Sometimes we find that clients don't understand the underlying metrics of the work that's being performed, as it is performed today. A very proactive general counsel should understand existing metrics around their business processes and have a baseline in mind before they even consider outsourcing. That's really

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critical when you're trying to get return on your investment, because understanding your baseline is the first step in understanding what that return is going to be. A comparison can be done of billing rates between what's being billed by outside counsel versus onshore resources or offshore resources, looking at it from a cost-to-cost perspective. Most counsels are looking at that now. However, billing rates in isolation provide an incomplete picture around service delivery. We recommend that clients take a more holistic approach by assessing people, process, and technology.

Another measure that reflects in return on investment is the quality of the process. Many processes are not documented by general counsel offices or their outside counsel offices, so one of the material benefits of working with a service provider such as Infosys, whose focus is on processes, is obtaining clearly documented processes that are translatable from project to project. The transparency, accountability, and reporting that comes from using a process-driven service provider is a return on investment that may not initially seem like a financial gain but over the long term it allows you to build improvements in processes year-over-year. It's not just taking work and shifting it someplace else. It's thinking about and refining the process and coming up with better ideas about how to manage work. The returns on investment may not be immediate net financial gains, but you'll see the cost savings in the downstream, over time. Some immediate gains from process improvement are accuracy, accountability and accessibility of information.

Can you give us some examples where outsourcing worked especially well for a client?

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Infosys has a history of success in offering shared services models to our clients. We have begun offering legal services as part of this integrated approach. We recently had a client that decided to bring collections and ESI processing in-house. They had purchased an enterprise solution to address this, but they had concerns

around staffing for large-litigation projects and they needed on-demand services for ESI processing. Because Infosys already had a dedicated delivery center based in Bangalore, where we were supporting other services for the client, we were positioned to plug in behind the client's firewall and perform these services remotely. We could offer to staff full-time employees to meet day-to-day requirements, and coordinate with in-house personnel to understand the routine needs of ESI processing and also provide scalable, on-demand support for larger projects. Many of our existing clients have dedicated service centers in India, and it is just about plugging in a few legal resources for supporting contracts administration, conflicts checks and matter management, and corporate paralegal services.

Another effective outsourcing model combines onshore and offshore resources for large scale managed review. We found recently that one can implement certain early-case assessment tools and perform relevancy ranking to a document collection prior to undertaking the actual review. These relevancy rankings help you to understand which documents may be more closely related to the substance of a particular litigation early on. We recommend what we call a “right resourcing” of a review, where we use one of these tools to rank documents by relevancy and then allocate the review between outside counsel, our resources here in the U.S., and our offshore resources. Using this model, the client spends money where it can get the most value from the information contained in the documents. By keeping the most significant documents with outside counsel for them to build the case quickly – identify the themes and focus review very early in the process; keeping other highly ranked documents with onshore resources where clients continue to have comfort; and sending documents that are in the collection set but don't seem to have much

value to offshore resources at a much lower cost, all documents are reviewed but they're reviewed by the right resource at the right value and risk-tolerance for the client.

Much of this work can be done anywhere in the world, but it really is a question of how much money do you want to spend, and making sure that you don't overspend in areas where you can reduce cost by applying the right risk metrics and process. While some of our LPO services can be transformational for legal departments, sometimes success is measured by providing clients with practical, cost-effective options for handling work more effectively.

There's been significant business growth abroad recently, particularly in India and China. How do firms such as Infosys help organizations grow globally?

Infosys has an unwavering focus on guiding principles like client delight, flawless risk management, predictability, transformation, and a positive impact on business metrics. I think these will continue to keep us in good stead with our LPO business. We can leverage the same strengths we leverage in our other businesses: our global infrastructure, our ability to track and retain some of the best talent not only in India, but also in the EU, the UK, and the U.S. Our data security is uncompromising and we really place a high value in confidentiality in our business management practices. This helps keep our focus and keep an emphasis on global growth. We're sensitive to it because we are a global player and we are extremely sensitized to the needs of other large players and those looking to grow.

Talk a bit about the Infosys LPO Academy and its role for new employees.

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The LPO Academy gives a primer for our new joiners and inculcates them into our system. The Academy supports our team to better understand business and the U.S. legal norms. The LPO Academy takes into consideration client

requirements, not just abstract theory, and courses are designed to enhance our team's understanding of contracts management, the e-discovery process, research and writing. It teaches them about how service providers can add value to clients. It really raises an awareness within each new joiner at Infosys about what their role within the organization is. They don't feel like a “cog in the system,” but instead like a contributor to an overall environment. I think part of what makes working at Infosys important and special is that you really feel part of the team and everyone is a valued contributor.

Finally, how is Infosys positioned for the current economic environment?

I think Infosys is well-positioned to offer clients choices. In the present economic situation, on-shore temporary legal resources are much more readily available than they previously were and at a lower cost. When one is looking for a cost savings, clients don't have to go off-shore and outsourcing should not necessarily be synonymous with off-shoring. Many of the best LPO service providers, Infosys included, can bring to bear cost-effective on-shore US or UK resources. It really is “right shoring.”

Sometimes resources can be based here in the U.S. Or they can be based in India. The decision is driven by good, repeatable, defensible processes, and that should be an organization's particular decision making point when it is looking to work with an LPO service provider.

There are some matters that simply can't leave the U.S. or the UK, and so those things have to stay there. A full-service provider will understand the specialized requirements of working within those jurisdictions. Where not constrained by jurisdictional requirements, operations can certainly be done from India, and probably should be done from India, where you can get lower cost and highly qualified and very skilled resources with great processes around them. But some things should stay on-shore and can be done cost effectively here, and we can offer clients that choice. Due to our global presence, shared service centers, and focus on process, Infosys is ideally positioned to help clients to right-source their requirements in the current economic environment. ■