

Third Party Service Providers: Models, Challenges and Solutions

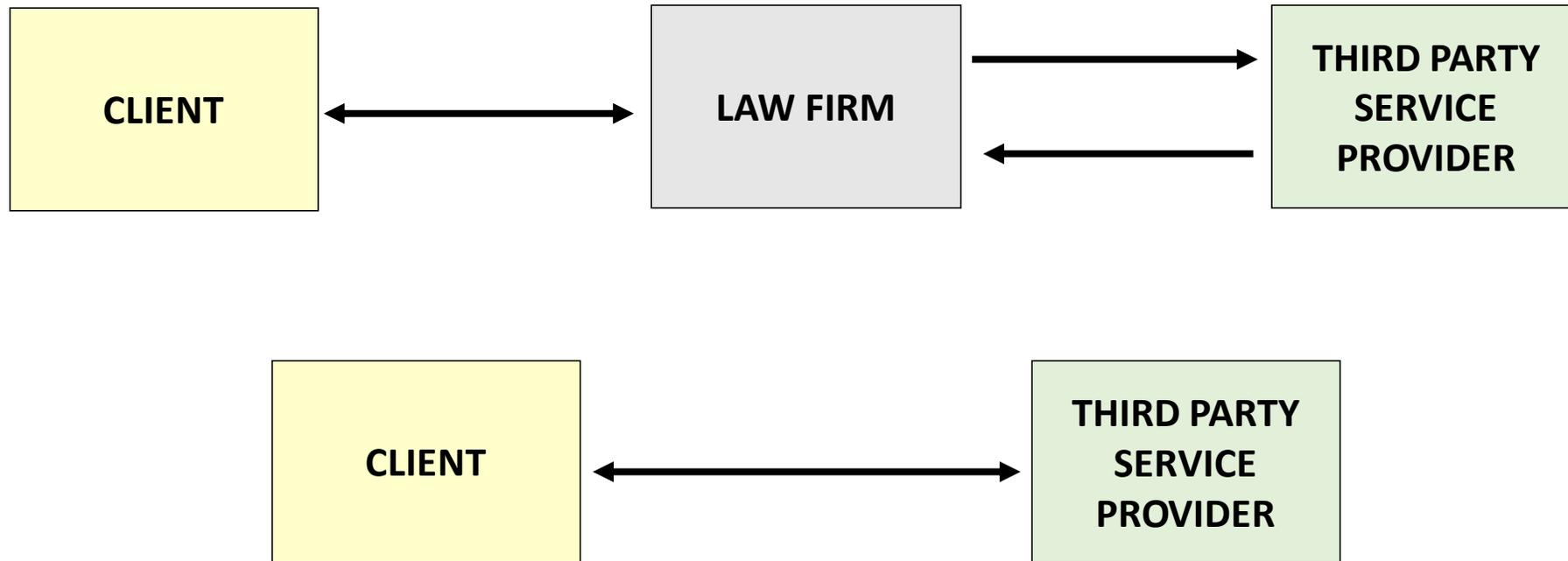
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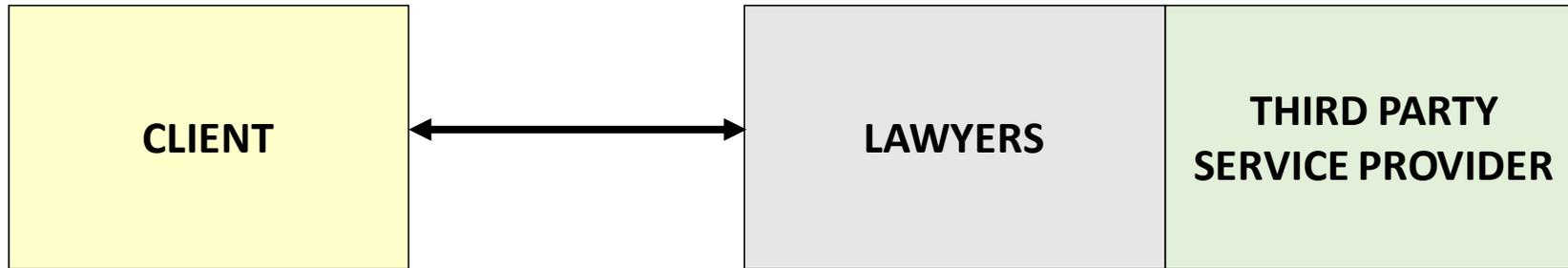
Why?

- Bigger may be better?
 - More cases – better client engagement – design better client processes – lower pricing – more cases – better talent management
- Scalability/Flexibility – quickly ramp up/down
- Limited or no commitment – lower fixed cost
- Drives focus to higher end of value chain

Conventional Work Flow



Current Trends (Hybrid)



India

- Law firms under constant pressure from TPS
 - Search and analytics
 - Drafting
 - Filing patent applications
- Safe zone:
 - Prosecution, oppositions, appeals (for now)
 - Litigation

Models

- On-demand
 - Send work to TPS as and when required
 - Fee fixed up front for types of projects, or
 - Case by case basis
- Full Time Employee
 - Have a fixed number of people working only for you

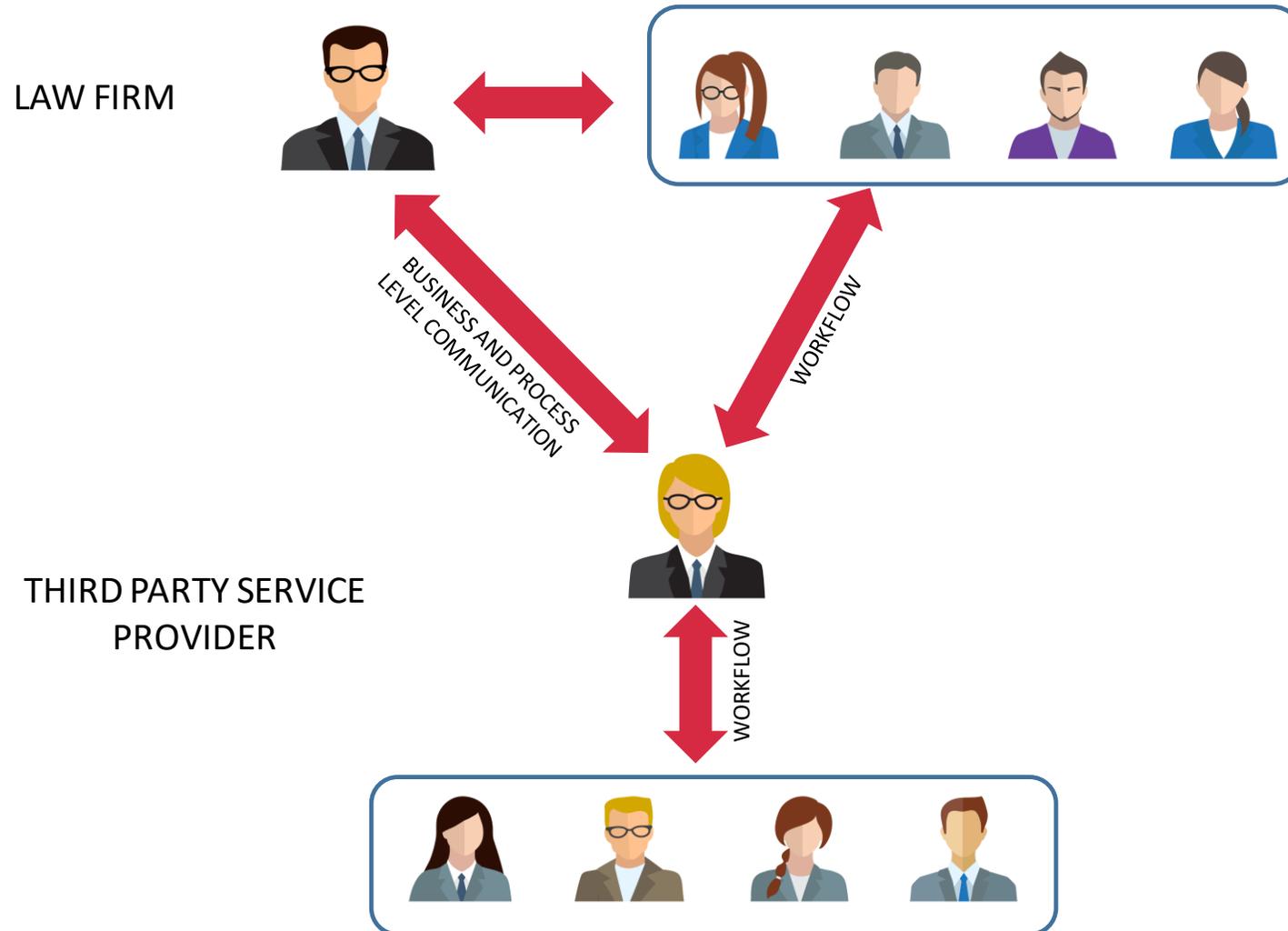
On Demand (Pay as you go)

- Advantages
 - No commitment
 - Flexibility
 - Small to mid volume work
 - Individual attorneys
- Disadvantages
 - Difficult for designing processes
 - Not suitable for scaling up
 - TPS view: too much uncertainty

Full Time Employee

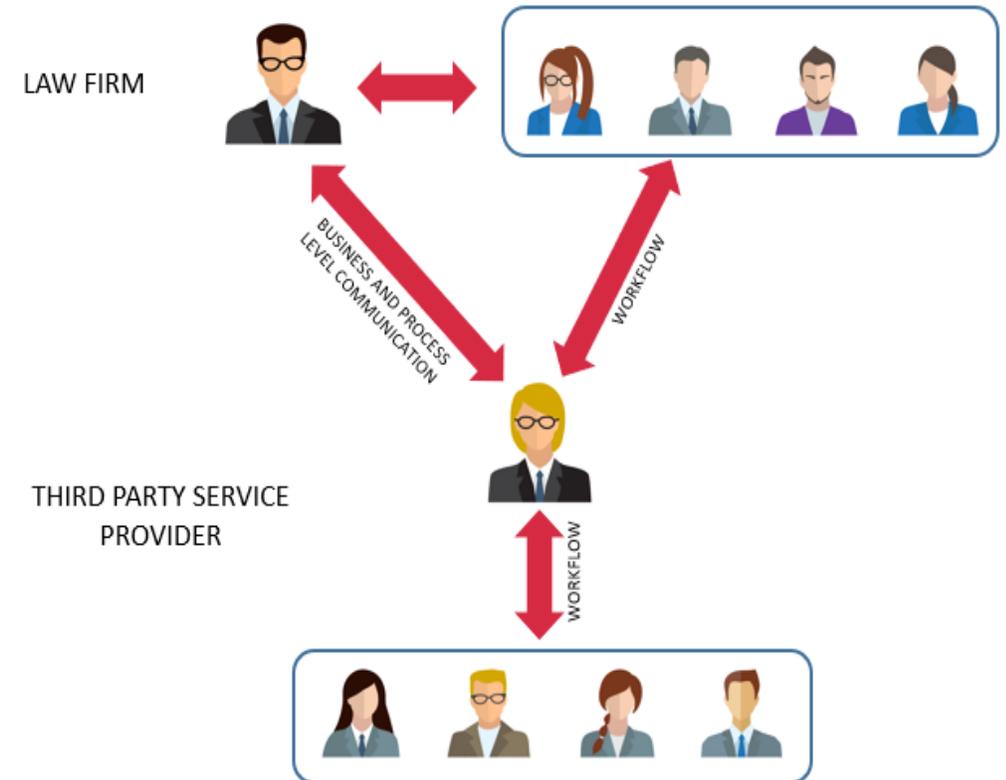
- Commit to a certain number of employees
- One employee is typically 150-175 hours a month
- Typically hourly rates: USD 30-45/hour
- Typical Search: 12-15 hours
- Typical Draft: 50-70 hours
- FTE Cost: USD 4500-6000/month
- Minimum FTE: 3

Full Time Employee – Centralized

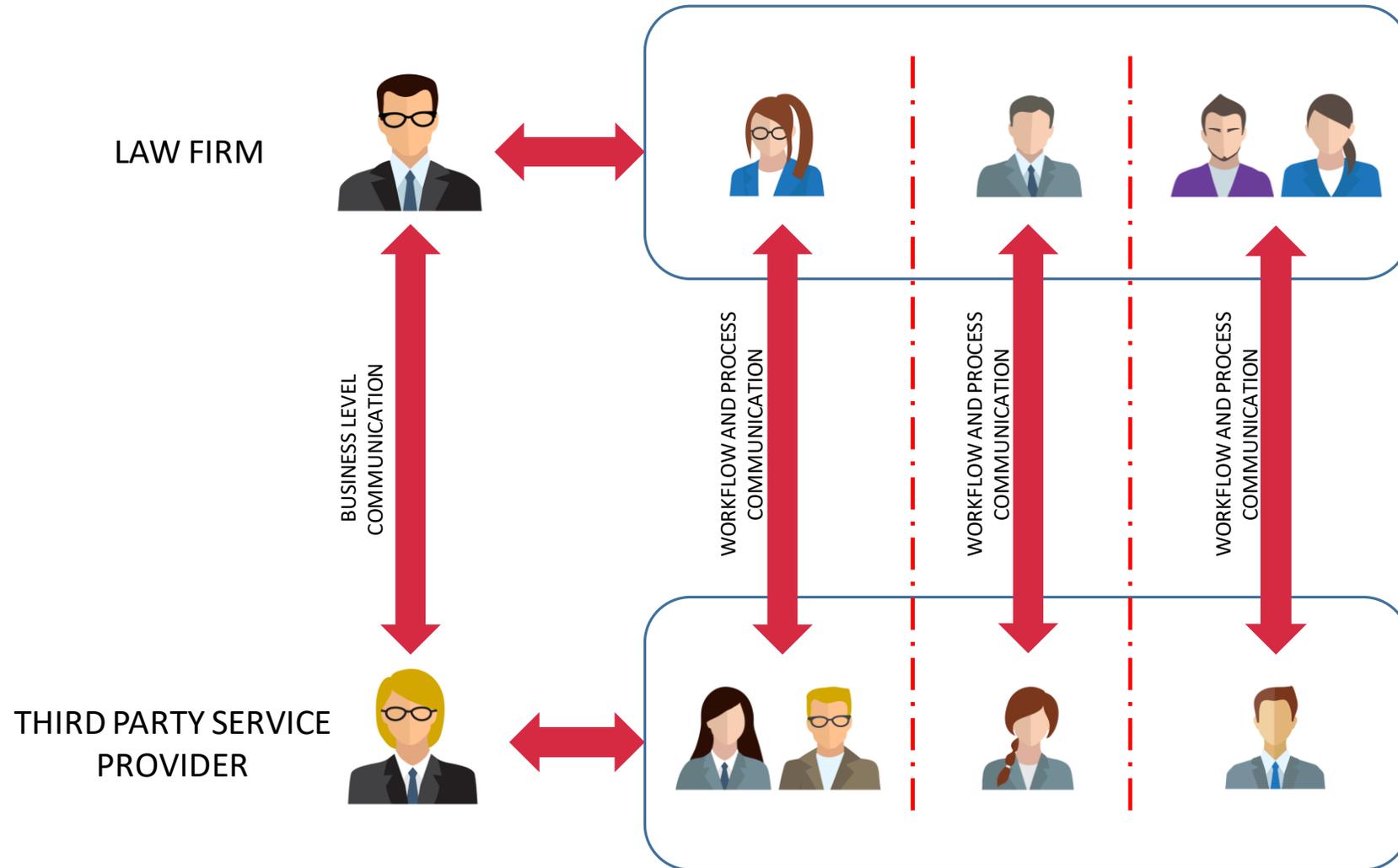


Full Time Employee – Centralized

- Advantages
 - Better attrition management
 - Easy to scale up
 - Cheaper than on demand
 - Builds technical expertise
- Disadvantages
 - Common process for all attorneys
 - Limited attorney control on who works on the matter

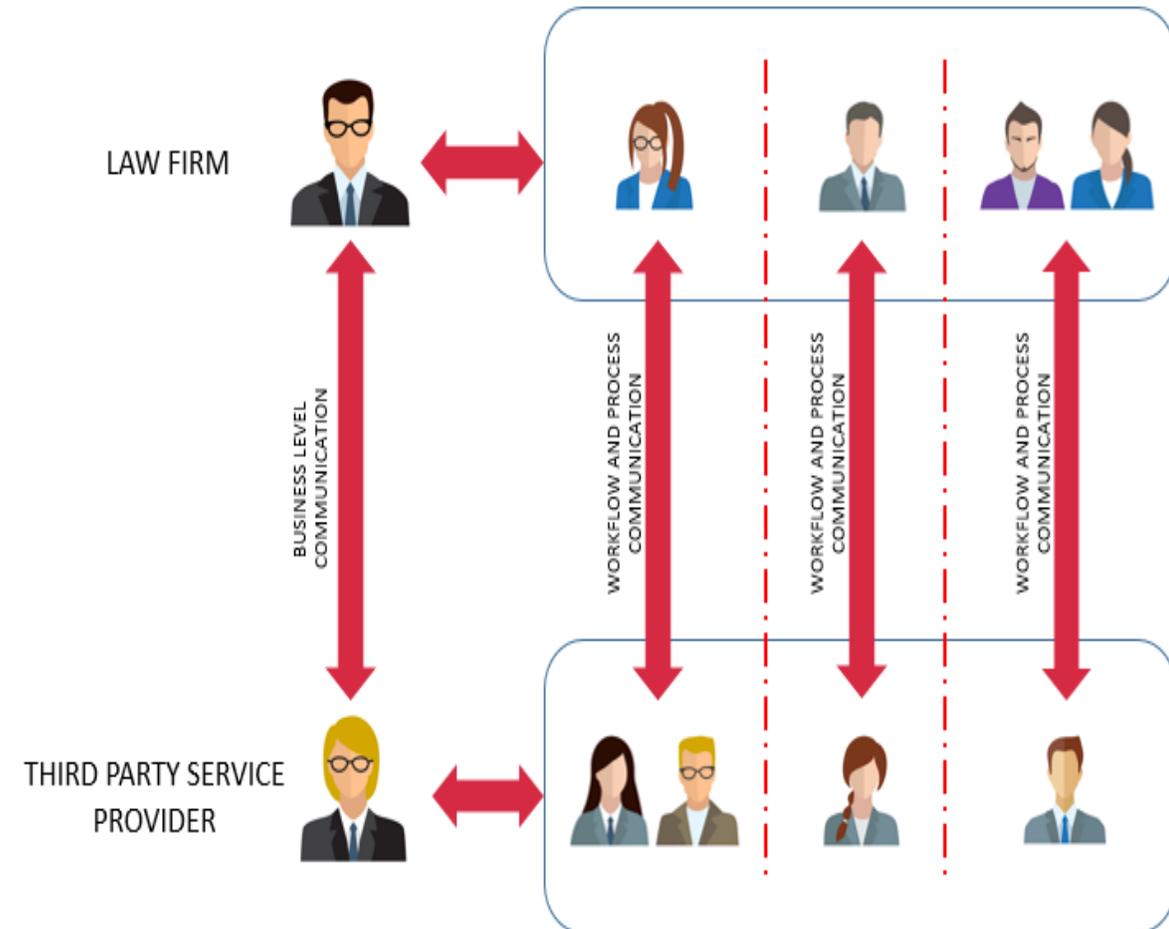


Full Time Employee - De-centralized



Full Time Employee- De-centralized

- Advantages
 - Attorney personalization
 - Individual Processes
 - Choice in FTE selection
- Disadvantages
 - Attrition
 - More challenges in scaling up
 - Requires more effort in setting up and management



Suggestions?

- Try viewing it as a partnership
 - Invest time/money in aligning strategic goals
 - Avoid the race to the bottom – price only one factor
- Understand your own process requirements and focus on getting the process right
- Important to have a good interface at your end
- Important to build a relationship of trust with your TPS
 - Fix routine bugs
- Build communication channels
 - Two way communication channels
- Discuss cultural differences

Thank You

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