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