



2016 Evolving Libraries Survey for Law Firms

EXECUTIVE SUMMARY

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HBR Consulting's inaugural **Evolving Libraries Survey** was designed to gain insights into emerging trends across law library staff, resources, technology and services. The survey included 47 law firms with diverse demographics across key areas such as firm size, globalization and profitability. Unique to HBR's survey strategy, both library leaders and c-suite leadership ("stakeholders") were surveyed separately to provide insights into how views of the library vary based on role.

KEY INSIGHTS

Libraries have been undergoing a holistic shift. Environmental changes – including further movement away from analog towards digital media, advances in technology, generational distinctions in technological preparedness and support needs, and economic pressures on both firm and suppliers – are driving libraries further down the path they have been on in recent years. While the foundation of these evolving libraries varies substantially, the commonality is a shift towards information resource centers wherein library users can obtain both tangible information (i.e. print and digital media), as well as services (i.e. research and training).

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In its current state, there is concern about the library being able to support the law firm of the future. Nearly 70 percent of library leaders and stakeholders feel that the library's current structure will not be able to meet future demands. Library budgets that are reduced or remain static will further impact the ability to improve service. Changes to resources, services offered and roles of library staff will be necessary to meet the evolving needs of law firms in the future.

One of the key takeaways from the survey is that there is increased demand by firms for research. Research not only defined as legal research but inclusive of practice-specific research, competitive information, business development, conflicts and other niche but non-legal research activity.

Legal research specifically, while representing 1/3 of time spent collectively by the library is not seen by all groups as the most valued service. Stakeholders ranked current awareness and competitive intelligence ahead of legal research in terms of value (Figure 1). While each of these three services rank highly in terms of value across both stakeholders and library leaders, shifts are anticipated as 88 percent of library leaders expect to increase competitive intelligence services in the next three years (Figure 2).

Ranking	Stakeholders	Librarians
1	Current Awareness	Legal + Non-Legal Research
2	Competitive Intelligence	Competitive Intelligence
3	Legal + Non-Legal Research	Current Awareness

Figure 1. Legal research specifically, while representing 1/3 of time spent collectively by the library is not seen by all groups as the most valued service. Stakeholders ranked current awareness and competitive intelligence ahead of legal research in terms of value.

In the near future, respondents expect to do more:

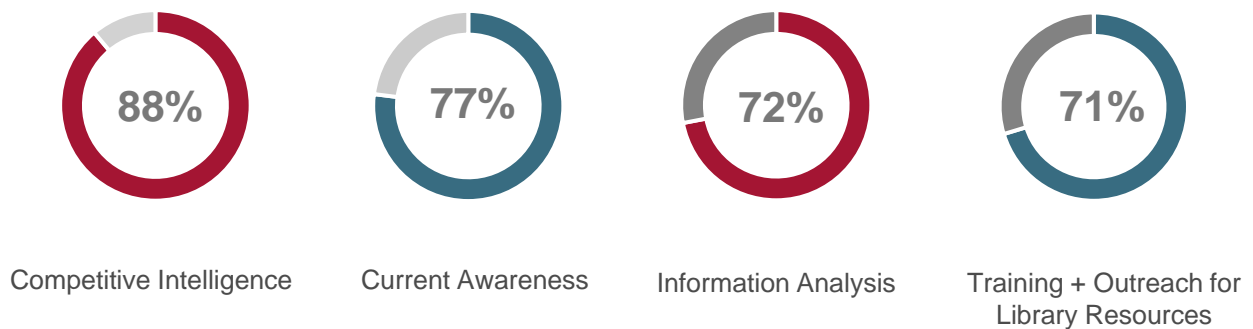


Figure 2. The survey found that 88 percent of library leaders expect to increase competitive intelligence services in the next three years.

Although responses surrounding research indicate a need to bolster these services with greater depth and specialization, it is our observation that a growth of overall library staff is not specifically required. Today, there is a 1:80 attorney ratio for legal and non-legal research staff with only one or two library staff members dedicated to competitive intelligence. Within the research staff, adjustments should be considered given survey findings around the prevalence of research related media, technology and tools already acquired by most firms.

In contrast, the survey results demonstrate a significant opportunity for efficiency within library operations (administration, management and technical services). This finding is based upon responses surrounding a wide range of staffing ratios across firms, technologies used and time spent on related tasks. Assessing and evolving current tools, competencies and processes within this area can create meaningful efficiencies and allow firms to refocus on priority services.

KEY FINDINGS

In addition to the viewpoint formed at a macro level based on the survey results, here are key takeaways from the survey.

- **Continued focus on service.** Nearly half of library leaders are strategically investing in areas that will improve services for their customers. This includes firm-wide communication strategies to educate users on the library's capabilities, as well as exploration of new models for service delivery.
- **Larger firms spend more.** Measured strictly as a cost per attorney the larger and more profitable the firm the greater the spend on both products and services and on personnel. \$10,000 – \$13,000 in combined spending appears to be a sweet spot balancing expense and service. Am Law 50 firms for example have a 1:65 ratio dedicated to research in contrast to the 1:80 overall average. Large firms also indicate current and ongoing product investment. In 2016, 80 percent of library leaders are planning technology purchases. When segmented, only 50 percent of Am Law 100-200 firms indicate similar investments. With smaller firms more likely to select a single provider, that remains to be the largest distinction in terms of overall cost.

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- **Technology investments support research and workflows.** The most prominent investments in technology (past, current and planned) are centered around supporting attorney work through current awareness, docket research, workflow management and research analytics. Libraries are investing in technologies that improve the efficiency of research functions within their firms. 25 percent of firms plan to purchase workflow management solutions in 2017; 16 percent plan to purchase research analytics tools.
- **Single provider is a continuing trend.** Although HBR believes the results of this survey to be anomalous in this area (in our work with clients, we see 25-30 percent of firms as single provider in contrast to 40 percent firms as shown in the survey results), other related questions are consistent. That is, over 60 percent of firms who are not single provider today are moving in that direction with specific content being the top impetus for change.
- **Outsourcing is prevalent in the library, but not in terms of research services.** 87 percent of firms are outsourcing traditional functions, such as shelving and loose-leaf filing. There is at least some degree of outsourcing among respondents for all services and functions within the library with the exception of research services.
- **Consultants remain focused on supporting cost.** With few exceptions, consultants are primarily leveraged to assist with contract negotiations. As firms increase focus on improved services operations, consultants can bring an outside perspective on leveraging current resources before more extreme measures are considered by the firm.
- **Higher-value research supports opportunities.** The service offerings of libraries are shifting towards higher-value research support through an increase in information analysis, competitive intelligence and expanded current awareness. Legal and non-legal research, competitive intelligence and current awareness are the top ranked valuable services.
- **Specialization impacts staff qualifications.** As firms streamline operations, library staff are becoming more involved in delivering specialized research services. Information analysis, embedded research and competitive intelligence require more expertise. Staffing levels indicate the importance of research activities.

The key findings shared here point to a shift for law libraries to deliver high value, specialized research services. As operations and management activities undergo further streamlining and alternative service models are implemented, library leaders and their staff create opportunities to innovate and deliver the high quality research services their firms demand.

Through our direct work with clients and ongoing surveys, HBR sees a wide variance in firm-wide strategy directing the evolution of the library. While addressing cost is a priority for most firms, improving service can range from disjointed and unsupported to integrated and highly evolved. It is our expectation that in contrast, where all libraries historically maintained roughly the same content and provided similar services, a transition has begun which creates a competitive advantage for select firms. Libraries that offer high-quality legal research services and products, augmented by practice-specific research and business development support, and do so in a cost-effective and efficient manner, will create that distinction.



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