

# Doing More with Less: The Librarian Approach

Law firm librarians have emerged as strategic assets as they continually right size collections, budgets, and staffs, and align library strategies to those of their organizations.

BY MONICE M. KACZOROWSKI AND HOLLY PINTO



*American Association of Law Libraries*  
MAXIMIZING THE POWER OF THE LAW LIBRARY COMMUNITY SINCE 1906



The economic downturn of the past year reveals the important role librarians play in overseeing an indispensable, but potentially costly department within law firms. As financial resources continue to shrink, library directors have taken long, hard looks at collections, staffs, and budgets.

In March 2009, the American Association of Law Libraries (AALL) conducted a survey of law library directors to ascertain how the current economic crisis is affecting the profession. The survey was intended to help determine how law library staffs have been affected by layoffs, furloughs, reductions of benefits, and budget cuts. AALL surveyed academic, court, and county law libraries, as well as law firm libraries. Of all the types of libraries surveyed, private law firm libraries were the hardest hit. Firms had reduced library staffing by 30 percent, and 72 percent

the need to run libraries like businesses. Librarians do not prepare budgets in a vacuum. Savvy librarians and law firm administrators sit down with their finance departments to discuss what their firms hope to accomplish in terms of profitability and where the libraries fit in. The line item budget ideally reflects library operations, with revenue projections for cost recovery of client-related online research and billing of librarians' research time.

Experienced librarians continually reassess their budgets. They perform annual budget audits in order to

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had hiring freezes in place. More than 73 percent of law firm libraries had experienced budget cuts, and about one-quarter had cut budgets more than 15 percent. (For full results of the AALL survey, visit <http://aallnet.pbworks.com/AALL-Survey-Results>.)

These days, the frame of reference for law firms has shifted from aspiring to a listing on the AmLaw 100 Highest-Grossing Law Firms to hoping to avoid a listing on the American Lawyer Layoff List or in an alert from the Above the Law blog. In order to survive in the current world of law firm economics, librarians have stepped up to the challenges.

### **BIG RESPONSIBILITIES**

Some legal professionals may be surprised to learn that many law librarians administer budgets larger than those of most small businesses in the United States. According to Altman Weil, library expense is one of the top five expenses for a law firm. Librarians long ago recognized, however,

identify and measure cost savings. Sharp library directors make it their business to keep abreast of their firms' growth strategies and new practice areas in order to adjust budgets according to the firms' shifting priorities.

Administering a library's budget calls for yet another set of skills requiring librarians to communicate clearly and concisely with firm management. Librarians must articulate to legal administrators how hard-earned dollars are spent and must keep track of financial variances on a monthly basis. These days, many librarians are asked to track expenses by practice groups so that practice group managers can understand better the costs to support each group. Many librarians take advantage of tools available to track subscription costs, office copies, database usage, write-offs, unbilled librarians' research time, and even the real-estate expense to house collections with breakdown by practice areas. Astute librarians remain vigilant in terms of financial oversight and cost recovery in order to provide necessary information to management.

## **COST RECOVERY BENCHMARKS AND TRACKING**

As law firm administrators and librarians struggle to do more with less, many librarians put in place systems to track return on investment to justify costs of online services and expensive electronic subscriptions. The benchmarks for cost recovery have changed as more clients push back on the expense of online charges and research. The time may have arrived for firms to ask major vendors to come in and discuss national and local trends in cost recovery for firms of comparable size. Both Lexis and Westlaw will provide this data, along with billing solutions using Power Invoice and Quickview, to assist in cost recovery. These powerful online billing tools can help librarians track online expense and streamline billing processes.

To reduce write-offs and unauthorized use of databases, firms may consider installing client matter validation systems so that research time is billed as it is performed. By working with finance departments, librarians can establish policies for billing clients for database time. If a firm negotiates special contracts and volume discounts are passed on to clients, engagement letters should reflect these terms. As robust as special pricing contracts are, some databases cannot be discounted and will always be outside the contracts. These costs will be charged above and beyond what a librarian has budgeted. Researchers should use out-of-contract databases only with valid client matter numbers. If a researcher needs to conduct non-billable research, he or she has the option to wait until a vendor representative visits the firm to take advantage of free training time. These established cost recovery policies should be reinforced by management and become routine parts of orientation programs for new associates and laterals joining the firm.

As library real estate shrinks, many librarians have turned from the print format to electronic subscriptions to better serve their user populations. Electronic subscriptions are expensive. The costs are even greater if access is through a library portal and administered with IP authentication so that access is seamless. With the print format, monitoring circulation cards and quantifying the number of users on periodical routing lists, for example, are easy. With electronic subscriptions, however, usage is more nebulous, and many vendors are unwilling to furnish usage data.

To monitor usage and better negotiate seat licenses, many librarians have turned to an electronic resource management (ERM) system. Running seamlessly behind the scenes, products like Onelog, LookUp Precision,

and cost recovery tools from Lexis and Westlaw, allow subscribers to monitor any electronic subscription by user. Therefore, at renewal time, librarians can already have gathered statistics to show researchers how many times they accessed particular resources within certain periods. Subscribers can collect actual usage statistics to combat the “I use it all the time” mentality. In terms of seat licenses, librarians can accumulate hard data to show to vendors and help negotiate the accurate number of licenses for the firm. The cost of an ERM system can be recouped by what librarians save on cancelled subscriptions and fewer seat licenses.

Staffing is another area that library directors routinely examine for better efficiencies. Cutting an already lean-staffed library often means negatively impacting library services. If such a shortage has a measurable impact on service, a library director may be able to provide a sound and reasonable argument to upper management for reinstating a position. This can be done through gathering of statistics.

## **COLLECTING AND ANALYZING DATA**

To better measure and justify a library's value, librarians collect and analyze statistics that reflect tasks completed by library staff. A librarian's ability to produce meaningful data demonstrating the value of a library's services to firm management is crucial. Examples might be as simple as providing the percentage of a firm's attorneys who used the library or how many requests were answered in a given time period. Billable hours is also a key statistic that will interest C-level administrators when considering any type of staffing or budget increase or decrease.

Once gathered, these statistics will assist in allocating staff resources. The actual collection of data need not be time intensive or intrusive; data collection simply needs to track who uses the library and for what purposes. Additionally, software specifically designed to collect statistics is available in the marketplace. Some of these software packages may already be in use by law firms' IT departments. A firm's existing software can be customized to meet the library's needs at no additional expense to the firm.

A focus on billing librarian's time when supporting attorneys in their research needs is another way that library departments can contribute to the bottom line. Professional, specialized staff should bill for their time and expertise, especially if they provide discreet, cost-effective,

time-sensitive research. Using librarians for these types of tasks allows attorneys to focus on client work and maximize their billable hours. Librarians bill at lower rates and can also be much more cost efficient than attorneys because of their training and familiarity with legal resources and systems. Librarians can keep research costs low – a practice benefiting both firms and clients.

Librarians are experts at both print and electronic tools. They are trained in the most effective ways to find information. They in turn can train young associates in the art of legal research. By taking advantage of librarians' research expertise, firms benefit by enabling attorneys to become more efficient and effective researchers. Another benefit of training is that once attorneys become accustomed to the best tools, they can better assess those resources for content. Experienced law firm administrators have discovered that mandatory, comprehensive research training programs are wise investments.

## REVIEWING CONTRACTS

Finally, in these uncertain economic times, librarians are very vigilant when negotiating major contracts with online database vendors. Times have changed. Clients are asking for discounted services and alternative fee arrangements. Understanding this new pattern is crucial to a firm's bottom line when law firm administrators and librarians collaborate to negotiate new or renewal contracts.

For years, a standard database contract would run anywhere from three to five years. These days, shorter contracts may be in line until law firm economics become more predictable. Law firm finance directors are painfully aware of clients' demands in terms of billing for services. Having directors of finance join administrators and librarians in contract negotiations brings a perspective and credibility to the table that vendors need to hear and understand.

## LIBRARIANS AS STRATEGIC ASSETS

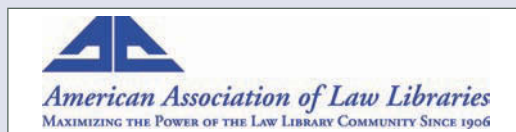
Law firm administrators will always focus on cost savings and efficiencies while endeavoring to strike the correct balance with the needs of their attorney populations for services and resources to meet client needs. As evidenced by the AALL survey, law firm librarians do their part to achieve the same goals. They continually right size collections, budgets and staff. As the economy improves, librarians will remain alert to their fiscal responsibilities and align library strategies to those of their organizations. ♦

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### ABOUT THE AMERICAN ASSOCIATION OF LAW LIBRARIES



The American Association of Law Libraries was founded in 1906 to promote and enhance the value of law libraries to the legal and public communities, to foster the profession of law librarianship, and to provide leadership in the field of legal information.

Today, with more than 5,000 members, the Association represents law librarians and related professionals who are affiliated with a wide range of institutions: law firms; law schools; corporate legal departments; courts; and local, state, and federal government agencies.

#### For More Information

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