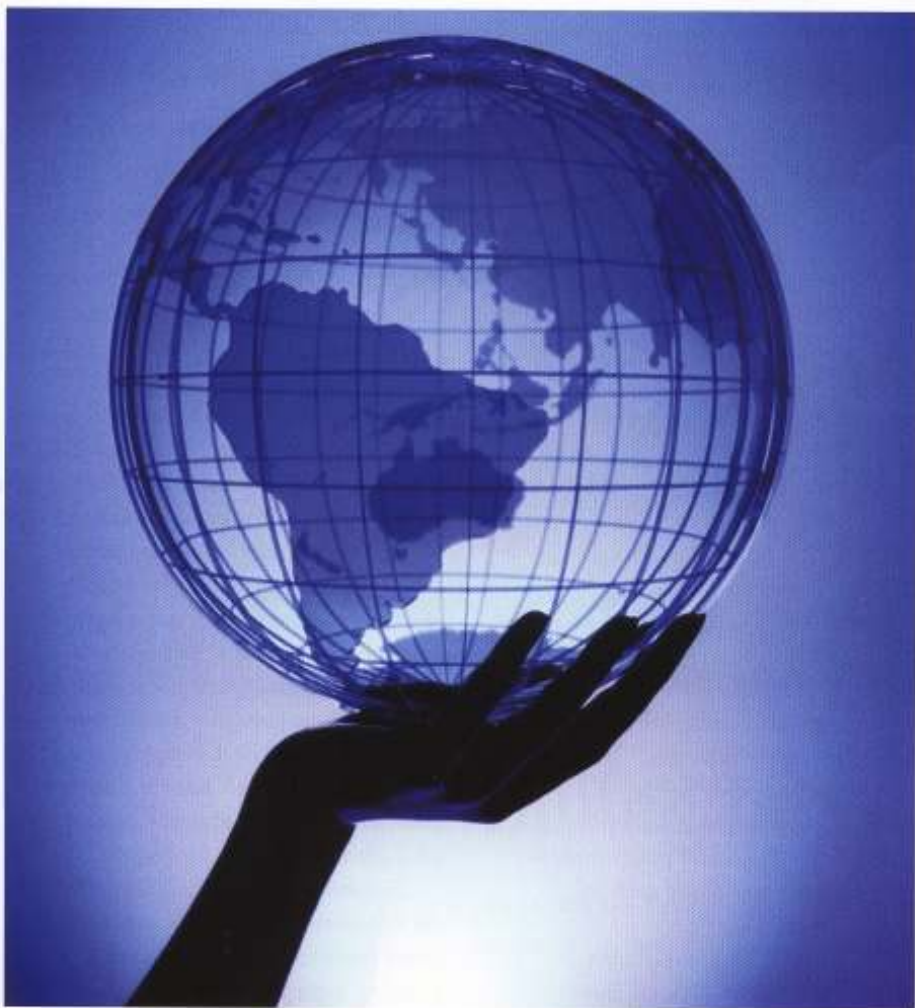


## Outsourcing

## Going out

In June 2007 CMS Cameron McKenna LLP entered into a £10m, five-year agreement to outsource IT infrastructure management, support and application development to one of India's leading outsourcing vendors, HCL Technologies Ltd.



**C**MS Cameron McKenna operates a portfolio of over 80 business applications for over 1,600 employees in the UK and Eastern Europe. Before a recent outsourcing agreement was made, IT operations were well run, having resolved major stability issues in the past. However, ongoing support of the increasingly complex environment posed significant challenges, while the

internal climate called for significant cost reductions within practice support.

As a result, in July 2006 CMS Cameron McKenna's director of IT, Philip Rooke, decided to make an assessment of the outsourcing market to understand what options were available to the firm to address the cost-cutting issues. A feasibility study conducted for him by princeOMC, a management consultancy specialising in providing tailored sourcing advice to law firms, suggested significant cost benefits were available by changing the IT service model to incorporate an offshore service delivery centre.

Rooke was encouraged to move forwards with an outsourcing project, but had lingering doubts about service quality, performance issues and loss of flexibility. "End users of in-house IT services were accustomed to an ethos of very high levels of service delivery, and no reduction in service level could be accommodated in any transition to a third party," he explains.

Nevertheless, an in-house IT project team led by a princeOMC IT outsourcing practitioner began work almost immediately by shortlisting a set of global IT service providers.

**The project**

During the autumn and winter of 2006, the team progressively defined the new operating model and decided on HCL Technologies as the vendor of choice. The company was primarily selected for its 'co-sourcing' model, which sees areas of functional IT work being offshored to dedicated HCL teams, but with key management remaining with the client. This approach offered a new, alternative model of managing and supporting CMS Cameron McKenna's IT, a new level of flexibility and scalability while providing the cost reductions one would expect of an outsourced relationship.



By Ian Prince, CEO,  
princeOMC

Once HCL was chosen, 2007 saw work begin on fleshing out the contractual, commercial and technical details to allow for a three-month service transition during the summer.

#### Business benefits

Although outsourcing and offshoring aren't new to the legal industry, the CMS Cameron McKenna agreement is notable in several respects. First, the scope of the outsourcing is probably the most extensive to date. Management, customer liaison, business analysis, training functions and overseas support have been retained by the firm, but all other aspects of the IT service are now handled by HCL.

Second, and perhaps even more significantly, is the extent to which IT roles have been offshored – with roughly 40 per cent of IT work now being performed at HCL's Chennai service delivery centre in southeast India.

Third, the firm's approach to service level agreement (SLA) development also stands out. Typical outsourcing SLAs can often damage service by forcing vendors to be less flexible than in-house staff. For example, a vendor won't usually be receptive to a re-allocation of resources if they believe this will even slightly risk them not meeting an SLA metric such as system uptime. The alternative approach, taken by CMS Cameron McKenna, was to focus on processes, quality and staff performance. As an example, one of the SLA metrics penalises vendors for failing to follow documented process without explicit approval. This approach gives the firm's managers the flexibility to make judgements on risk and prioritisation, and allows the vendor to follow CMS Cameron McKenna's requests without fear of incurring a financial penalty.

#### The results

The new partnership with HCL is delivering cost savings of more than



Typical outsourcing SLAs can often damage service by forcing vendors to be less flexible than in-house staff. For example, a vendor won't usually be receptive to a re-allocation of resources if this will even slightly risk them not meeting an SLA such as system uptime.

30 per cent within IT, but Rooke notes additional benefits of the new partnership with HCL. "Expanding our service hours to 24/7 was a major added benefit that has made a real difference to our service delivery. Alongside that, the new arrangement also allows us to access HCL's pool of more affordable project and development resources quickly – to accelerate delivery of new value to the business." With a staff of approximately 45,000, HCL also brings access to industry best-practice processes and performance-improvement standards such as CMMI and Six Sigma.

And those lingering doubts on service quality? "We are now beginning to see the fruits of our HCL partnership through improvements to our service levels" says Rooke. In the past, service performance was rarely measured, but performance management is at the heart of the strong relationship being forged with HCL.

"The core challenge of a project of this type and scope lies in the service levels. Fee-earners at a firm such as CMS Cameron McKenna expect, and deserve, a level of

service above and beyond what might be expected in other environments - if they ask us to jump, we need to ask how high! By focusing on that aspect of the project we've been able to overcome many of the internal reservations about an outsourced relationship. This, combined with the co-sourcing approach, means that the relationship is working, not just at a financial level, but at a practical and technical one as well," says Ashish Kumar Gupta Associate, vice president of sales at HCL Technologies.

Summing up his final thoughts on this project, Rooke observes that other industries, notably financial services, have led the way and smoothed the path taking other professional-service firms to global service-delivery models. "The quality of support and advice we have had are a strong indicator that in actual fact, although we are pioneers in legal services, many other firms have gone before us and we can reap the benefits of their experience," he says. ■

*Ian Prince is CEO of princeOMC. He can be contacted at [ianprince@princeomc.com](mailto:ianprince@princeomc.com)*