We needed help finding new opportunities for firm efficiencies and cost savings. Avalon not only opened our eyes to the possibilities, but also **made them happen**.

— Managing Partner, Insurance Defense Firm

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CASE STUDY:
MANAGED OFFICE SERVICES

INTRODUCTION

Avalon established its Managed Office Services division to make your life easier. Yes, you, specifically. And also your co-workers and your firm as a whole. Our team does this by providing cost-saving alternatives to your daily operations. Sounds clichéd, doesn't it? Clichés can be a positive thing, though, if they're saving you a sackload of money.

Managed Office Services provide the following benefits:

- **Fixed costs become recoverable expenses.** Avalon provides the firm with a new fleet of equipment and state-of-the-art cost recovery system, allowing the firm to capture copies, prints, scans, and faxes.

- **Renewed ability to focus on core business**. Avalon provides a site manager to oversee daily activities.

- **Fully staffed at all times**. Avalon provides document experts and trains back-up staff to ensure no interruption of service, so the firm is guaranteed to be fully staffed 100% of the time.

Read on to see exactly how our services helped an office just like yours...

Case Study: Insurance Defense Firm

General Issue

Many firms don't have the time to focus on managing the administrative side to their business. Sure, there is likely an office manager who makes decisions regarding leasing copy equipment and an accounting manager who reviews invoices prior to sending to clients. But these managers are being pulled in many different directions by the firm's leadership, making it difficult to focus solely on daily office operations. In those cases, efficiency and profitability can take a hit.

One particular area these firms are suffering in is cost recovery. For example, some firms capture the number of photocopies they make for each client so they can recoup those costs via their monthly invoices. But in many cases, people are making quick copies or hitting print on a PDF without cost recovery in mind; therefore, these copies and prints are not always recorded. When presented with actual numbers of prints and scans and dollars spent for each, these firms realize how much more profitable they could be by evolving with technology and charging back to the client.

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Specific Issue

Defense firms that primarily work for insurance companies are under significant pressure to work for low rates. Insurance companies often have so much work that they can dictate their own rates, and if the defense firms want the work, they have to be competitive with their pricing while remaining profitable.

In order to service insurance companies at typically low rates, Insurance Defense Firm (IDF) was in need of reducing expenses elsewhere. They came to us for ideas. Good thing for them because cutting costs is, like, our thing.

To get started, we offered to analyze their entire back office copy/print/mail and messenger process.

Our detailed analysis yielded the following figures:

- IDF's operation is run by one full-time employee and one part-time employee.

- There are 36 local desktop printers in one office that are not connected to the network and are unable to capture potential billable prints.

- The same office has recently acquired three new copiers from its equipment vendor.

- There are three additional copiers, two fax machines, and a copier in another office (currently offline) that are nearing the ends of their leases.

IDF has a limited cost recovery system in place, which only captures copies made if a client code is entered in the copier at the time the copies are made. The system does not allow the firm to capture prints, scans, or faxes.

We monitored IDF's basic cost recovery software for a month and found the following results:

- Average sheets of paper used: 95,000

- Captured for recovery: approximately 27,000 copies

- Not captured: approximately 68,000 prints to printers/copiers

- Not captured: all scans, prints, and faxes

Solution

Avalon implemented a program to upgrade equipment while offering IDF the ability to convert fixed costs into recoverable firm expenses.

As a large vendor, many equipment vendors want to work with us, so we often get the best possible rates. Our experience allows us to decide on the best solution for each particular firm. For IDF, we were able to replace machines with varying lease termination dates with a new fleet of equipment under our contract that all end co-terminously with our contract.

We also implemented Copitrak, a state-of-the-art cost recovery system, to achieve the following:

- Capture copies, prints, scans, and faxes

- Integrate with the firm's existing document management system to make scanning easier

- Provide reporting by employee and matter

- Upgrade technology for greater efficiency

Avalon also provided the firm with a single point of contact to manage equipment and copy, print, and scanning functions.

A seasoned managed office services team member staffed the firm's office and managed the day-to-day needs of the firm. The on-site manager relied on Avalon's off-site Director of Client Services and Client Services Team to fulfill the firm's docket runs and local messenger requirements. IDF welcomed the behind-the-scenes help that didn't cost them any extra.

Implementation of this program greatly enhanced the capability of the firm to recover expenses through the cost recovery system and by generating third-party invoices on a client-by-client basis.

The billing guidelines for many insurance companies state very clearly that they will refuse to pay the firm for any copies they make themselves; however, they will pay for outside vendors to make copies. To prevent IDF from experiencing any pushback from the insurance companies, Avalon produced a monthly invoice for each client based on the case number that was entered into the recovery system.

Avalon's analysis predicted a potential estimated 5-year savings of between $180,000 and $360,000 for IDF. The actual savings was as follows:

- Monthly savings: $6,219.55

- Annual savings: $74,634.60

- 5-year savings: $373,173

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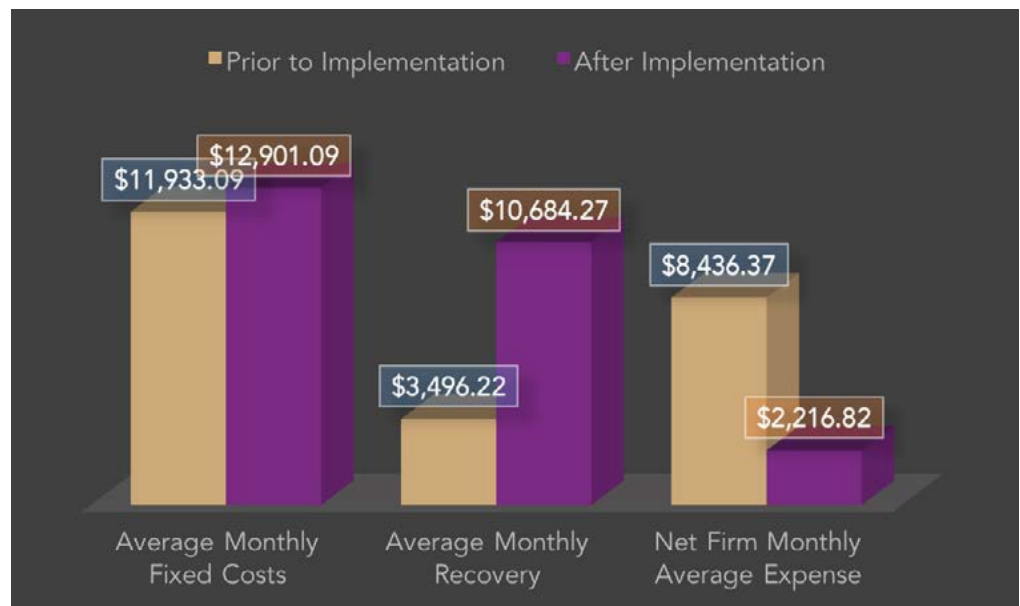
Benefits

IDF gained the following efficiencies by implementing Avalon's Managed Office Services program:

1. Latest technology (new fleet of equipment and a state-of-the-art cost recovery system to capture copies, prints, scans, and faxes)

2. Single point of contact for all internal and external needs

3. Renewed ability to focus on core business

4. Invoice from third-party vendor allowing the firm to easily recapture costs

5. Turned fixed costs into recoverable expenses

6. Access to Avalon's Client Services Team

7. Trained back-up personnel to ensure no interruption of service

8. Over 40 years of combined office management experience

9. Flexibility to add/subtract office services based on future firm needs

10. Holistic pricing and management of outside vendors and supplies costs

In addition to saving the firm hard costs, IDF will experience soft cost benefits of having these services and personnel managed by an outside entity allowing the firm to focus on their business.

For example, instead of IDF's accounting department having to spend time coding incoming vendor invoices to be charged to a certain case or filing invoices from outside vendors, Avalon and the cost recovery system in place codes the projects automatically by design and there is no filing needed as these invoices are generated electronically using the cost recovery system.

Another example is that the integration into the document management system streamlined previously mundane tasks, and Avalon's staff scanned closed files, allowing IDF to have to send fewer documents to off-site storage, which obviously isn't free.

Get a FREE cost recovery assessment

Schedule your own free, no-obligation assessment to see exactly what you could be saving. You'll also receive a downloadable sample assessment ahead of time to see what kind of valuable info we'll be delivering.

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QUESTIONS?

For more information on managed office services or any of our offerings, please contact:

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