

A blurred background image of an office environment with several people working at desks. The image is overlaid with a solid purple rectangle that contains the text and logo.

CASE STUDY:

MANAGED OFFICE SERVICES

A detailed look at how Avalon saved
one firm thousands per month



"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





Introduction

A business's leadership team is pulled in countless directions, which makes managing daily operations challenging. There's also little time available for them to research and implement technology to increase office efficiency and improve profitability.

Avalon's managed office services (MOS) team will not only handle a wide range of administrative tasks for your company – we'll also help save you hard-dollar costs by streamlining invoicing and implementing cost recovery systems and procedures.

Managed Office Services provide the following benefits:

- **Fixed costs become recoverable expenses.** Avalon provides your firm with a new fleet of equipment and state-of-the-art cost recovery system, which allows you 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 your firm is guaranteed to be fully staffed 100% of the time.

Read on to see how our services helped a legal firm just like yours.



If presented with **actual numbers of prints and scans** – and dollars spent for each – these firms would realize **how much more profitable** they could be...

General Issue

Many firms don't have time to focus on managing the administrative side of their business. 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. However, these managers are often pulled in many different directions by the firm's leadership, making it difficult to focus on daily office operations. In those cases, efficiency and profitability can take a hit.

One specific area these firms are suffering in is cost recovery. Some firms do 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, so these copies and prints may not have been recorded. If presented with actual numbers of prints and scans – and dollars spent for each – these firms would realize how much more profitable they could be by evolving with technology and being able to accurately charge back to the client.

Specific Issue

Defense firms that work primarily for insurance companies are under significant pressure to keep their rates low. And, since insurance companies often have so much work that they can dictate their own rates, if a defense firm wants to work with them, the firm must be competitive with their pricing.

An Insurance Defense Firm (IDF) approached Avalon for ideas on how they could reduce expenses, which would allow them to provide the low rates demanded by the insurance companies.

First, 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.



Avalon is a
large vendor
and able to
negotiate the
best possible
rates for
our clients.

- The same office 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 were nearing the end 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.

Here's how we did it all:

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. For IDF, we were able to get special pricing, since Avalon is a large vendor and able to negotiate the best possible rates for our clients.

We 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

We provided the firm with a single point of contact to manage equipment and copy, print, and scan functions.

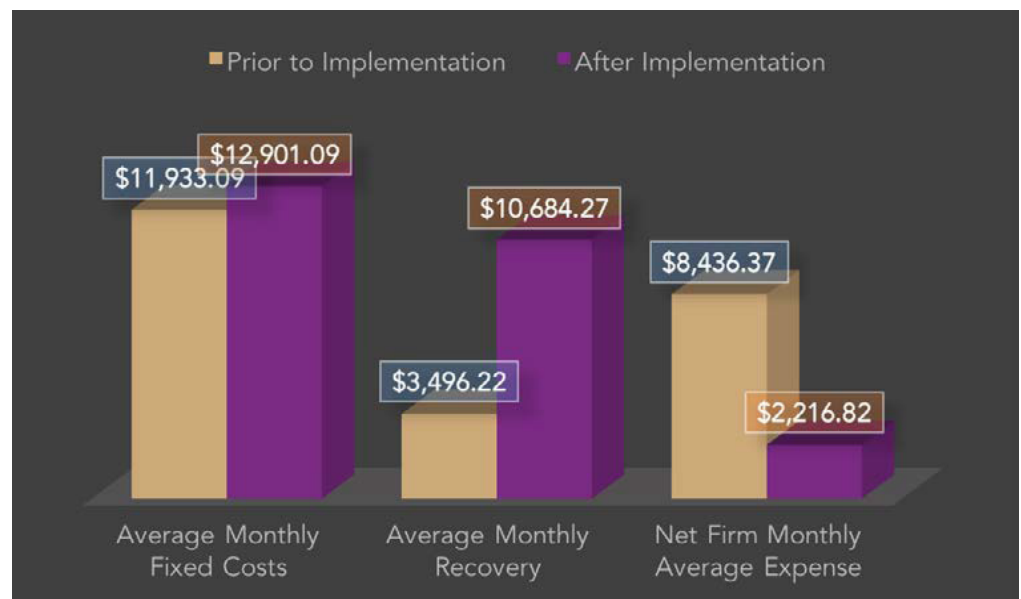
We staffed the firm's office and managed the day-to-day needs of the firm via our seasoned managed office services team members. The onsite manager relied on Avalon's offsite Director of Client Services and Client Services Team to fulfill the firm's docket runs and local messenger requirements. IDF welcomed the behind-the-scenes help that we provided at no additional cost.

NOTE: 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.

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.

Our analysis predicted a potential estimated five-year savings of between \$180,000 and \$360,000 for IDF. The actual savings were:

- Monthly savings: \$6,219.55
- Annual savings: \$74,634.60
- 5-year savings: \$373,173





In addition to **saving the firm hard costs**, IDF experienced the **soft cost benefits...** which allowed them to **focus on their business.**

Benefits

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

- Latest technology – new fleet of equipment and a state-of-the-art cost recovery system to capture copies, prints, scans, and faxes
- Single point of contact for all internal and external needs
- Renewed ability to focus on core business
- Invoice from third-party vendor allowing the firm to easily recapture costs
- Fixed costs turned into recoverable expenses
- Access to Avalon's Client Services Team
- Trained back-up personnel to ensure no interruption of service
- Over 40 years of combined office management experience
- Flexibility to add/subtract office services based on future firm needs
- Holistic pricing and management of outside vendor and supply costs

In addition to saving the firm hard costs, IDF experienced the soft cost benefits of having these services and personnel managed by an outside entity, which allowed 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 code the projects automatically by design.

There is also no filing required, as these invoices are generated electronically using the cost recovery system. Finally, integration into the document management system streamlined previously mundane tasks – and Avalon's staff scanned closed files – allowing IDF to send fewer documents to off-site storage, which would have created an additional cost.

Get a FREE Cost Recovery Analysis

Schedule your free, no-obligation analysis to determine which Managed Office Services would provide the most significant benefit to your firm – and to see exactly how much you could be saving. Prior to our appointment, you'll receive a downloadable sample assessment, so you can learn more about the valuable information our team will deliver. 📎



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QUESTIONS?

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

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