Mark Trepanier, EVP, Managed Services, Client Delivery for Axiom

Axiom is a new category of firm leading the transformation of the half trillion-dollar legal industry. With a radically reduced cost-structure and deep expertise in the business of law, the firm helps General Counsel solve problems and manage their departments more effectively.

Founded in 2000, Axiom is a 1,000 person firm serving nearly half the Fortune 100 through 11 offices and 4 delivery centers across the US, UK and Asia. The firm focuses on areas where it can break the stalemate that exists in the client’s mind between quality and cost by simultaneously improving both.

Unlike traditional firms, Axiom is purpose-built for a new era in legal services. The firm has an almost unfair cost-to-serve advantage when compared to traditional firms and real economies of scale when compared with in-house law departments. Axiom practices in a wide-range of industries and specialties through three forms of engagement:

**Insourcing**: Axiom secondees enable GCs to make smart resourcing decisions that reduce fixed investment or an over-reliance on more expensive law firms. Secondments range from part to full time, remote to onsite.

**Outsourcing**: When clients need efficiencies across bigger pieces of work, Axiom develops solutions for their largest area of ‘inside’ spend. Specifically, the firm provides end-to-end management and delivery of complex legal processes like commercial contracts, derivatives agreements and compliance activities. Axiom’s multi-person teams take on entire functions for their clients and are on the hook for delivering process efficiencies, hitting SLAs and often for deploying technology. Combining real process disciplines with smart technology and tools increases quality and accuracy and lowers risk while dramatically reducing costs.

**Projects**: Axiom uses a process-led, professionally project managed approach to tackle discovery for litigation (from early case assessment through first and second level review) and complex contracts projects (from contract collection through assessment, reassignment and renegotiation). Combining real process disciplines with smart technology and tools increases quality and accuracy and lowers risk while dramatically reducing costs.

**LJ: Please share with us your role and responsibilities at Axiom.**

**MT**: As EVP Managed Services, Client Delivery for Axiom, I have ultimate accountability for ensuring that we consistently meet or exceed our outsourcing and managed project client commitments in a sustainable way, creating a positive experience for our team members and at acceptable rates of return for our shareholders.

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LJ: You have been in Outsourcing for a number of years initially in IT then HRO and as an advisor with EquaTerra and KMPG, how is Legal Process Outsourcing different?

MT: My first experience in outsourcing dates to 1984 so it has been a long time! First, it is important to be clear on the definition of LPO. Traditionally (dare I say that for such a new industry), LPO has primarily consisted of labor arbitrage with little in terms of service enhancement. So to some degree it is much like the early generations of IT and HRO, where it was largely a “your mess for less” scenario.

The main problem with that model – and there are many – is that it only addresses cost mitigation (and because of the necessary oversight and rework, poorly at that). It in no way mitigates risk – in fact a traditional LPO play would serve to increase risk. If a GC feels that they’re being asked to make a zero-sum trade-off between cost-mitigation and risk-mitigation, they will always choose risk-mitigation; hence why traditional LPO plays have failed to live up to their efficiency and transformational promises.

One of the things that attracted me to Axiom was a very different vision for outsourced services. Instead of cost savings as the primary driver, the Axiom model is built around risk mitigation, efficiency and creating value added services (with cost savings a critical, but ultimately, supplemental benefit). Imagine a customer oriented legal department, where things like ease of doing business and speed or responsiveness were the key measures of success. That is what we are offering to the market.

Going back to your question about the difference between industries: The embedded legal industry notion that decreasing cost means increasing risk has served to impede innovation in the legal industry for decades, which is part of why the legal industry is so far behind industries such as finance, IT and human resources in the way it conducts its business.

In terms of the actual work that is outsourced, that is quite different as well: in the legal industry the nature of the work, while somewhat high in volume, is less “transactional” (i.e. there tend to be fewer matters in the work queue, but the work is more complex). So on average the level of expertise required, in our case qualified attorneys, is much higher as compared with IT support desks, or HR transaction centers where there may continue to be a volume of relatively straightforward transactions to be processed. So, in engineering services, getting the complexity mapping right is key to ensuring the appropriate processes, templates and tools are put in place to support sustainable service delivery.
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LJ: Now that we have established the differentiators in the LPO sector, what are the similarities from the client side in terms of the sales process and the delivery models?

MT: One lesson that became very clear to me in my previous role as an advisor, especially when remediating difficult outsourcing relationships, was the importance of clarity from the client in what they wanted to buy, and clarity from the provider on capability. Then it was all about finding the optimal alignment of the two. I think in LPO you have exactly the same challenges. I would encourage clients to see what is out there, and really challenge their thinking on what is possible. And then on the provider side, this continues to be a new industry, so some capability may continue to be aspirational, but like in ITO and BPO in the past, there were rewards for those earlier adopters, both in terms of commercial arrangements, and in terms of influencing delivery platforms.

LJ: In reviewing some information about your delivery centers, they are located in Belfast, Chicago, Gurgaon and Houston. Are there pressures from your clients to keep services on shore?

MT: As a former consultant, I will give the standard consultant answer – it depends. The regulatory environment in which we operate is more likely to do the dictating. There are limitations on what can be done in India for example, so again this is an area where engineering an optimal solution is key. Depending on the requirement, the locational delivery strategy might be very different. And there is, and will always be, a segment of the market that is less comfortable with a global approach. We are fine with that, which is why we are taking a regional approach to building out our service network – we are agnostic either way. A multi-shore approach allows us to serve clients from multiple locations – allowing us to deliver services that feel on shore, but have the economic benefits of blending the cost opportunity. We encourage clients to consider this blended model carefully. It can be a nice compromise to meet regulatory and service requirements, while optimizing the spend.

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LJ: Since LPO is a newer aspect of outsourcing, are you (Axiom) measured any differently than the work that was delivered in the HRO sector?

MT: In terms of measurement, there is similarity on things like service levels, usually around timelines and a quality standard. However beyond that, while you can create only so much value in getting very good at payroll, you can create a lot of value by getting very good at drafting, negotiating and closing sales contracts, to the extent they are done in a more standardized way (to ease administration and provide the risk management assurance) as well as more quickly (to start the revenue cycle sooner). And part of achieving the speed is providing clients with analytics, for example, around out-of-market contract positions which serve only to slow a closing process.

LJ: As Axiom looks to acquire talent, what do you look for when evaluating a perspective candidate?

MT: As you may have heard, we have an extensive recruiting process. So while we are growing quickly, it is important we attract and retain the right kind of people for our organization. Firstly, we evaluate substantive issues in terms of qualifications, experiences and acquired skills. Then we evaluate for cultural fit. Axiom is an aggressive organization but with a culture based on innovation and empowerment, and providing these kinds of services in a fundamentally different way that is more effective for our clients, and for our people.

So we evaluate people against our core values, look for people who are committed to what we do, have a fresh outlook with new ways of thinking, possess an irresistible energy and passion, and are thoughtful in a genuine and memorable way. We hire something like 5% of the candidates who apply, so these are foundational issues for us about which we are very careful.
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LJ: Final question, what has made you successful?

MT: A facilitator at a meeting I attended a number of years ago, as an ice breaker, asked us to describe ourselves as a chocolate bar. The first couple of participants described themselves in the context of a complex amalgam of ingredients with a sophisticated result. I described myself as a Hershey bar – what's on the inside is on the outside, and what is on the outside is on the inside. I think that I have always tried to be principle-based in my dealings, and worked very hard to meet the commitments I made. I think I learned early in my career that tactical gains at the expense of the long-term strategy come back to haunt you, so have always tried to maintain the strategy through effective execution of the tactics. Pretty basic stuff, but I have found it to be the best way to work with colleagues and clients, and build relationships that have stood the test of time.