

Legal Process Outsourcing (LPO)

1. What is Legal Process Outsourcing (LPO)?

Legal Process Outsourcing (LPO) is one of the value added BPO services which involves legal work that companies outsource to more economical offshore destinations. Legal outsourcing has gained tremendous ground in the past few years in the US. LPO firms, primarily from India, have had success by providing services such as document review, legal research and writing, drafting of pleadings and briefs and providing patent services.

2. What functions does it cover?

Legal outsourcing consists of various processes which can be classified into low skilled quantitative tasks or high end qualitative tasks. Low skilled quantitative tasks includes paralegal services and legal coding, corporate secretarial services, legal memo development, transcription, document management, litigation support and data entry.

High end qualitative tasks include intellectual property rights (IPR), patent search and application drafting, trade mark and copyright registration, legal research, document review and analysis and intelligence services.

3. How big is the sector globally?

In the past three years, the legal outsourcing industry here has grown about 60% annually. According to a report by research firm ValueNotes, the industry will employ about 24,000 people and earn revenue of \$640

million by 2010.

4. The India advantage:

Law firms across the globe can greatly benefit from offshoring legal services to India. Along with saving, a great number of dollars each year, it will also provide easy access to highly skilled legal professionals in India.

LPO firms in India have reached a higher maturity level. Currently many tasks like IP processes, legal research, pre-litigation documentation, document analysis, preparing software licensing agreements is outsourced to India. Professionals are providing patent related services with a resulting fee as little as \$2000 as against \$8000-\$12000 charged by US firms.

The Indian legal system is similar to the legal systems of the UK, US, Canada, and parts of Europe.

Indian litigation and dispute resolution methodologies are well founded on the classic Constitution of the biggest Democratic Republic in the world and are understood universally. Indian legal system is one among the most researched and informed legislations which ensures uniform and practical interpretation of the legislation throughout the breadth and depth of this land of unique diversity.

5. Challenges in legal outsourcing to India

Along with a wide range of advantages listed above, legal offshoring also brings some major challenges, which must be taken into account before law firms embark upon outsourcing legal work at full-scale to India.

- Cutback in the domestic legal jobs in the US and UK
- Risk of loss of maintaining an attorney
- Client confidentiality
- Initial cost of training the respective Indian lawyers to maintain quality
- Regulatory Scrutiny under varying privacy laws
- Malpractice / Practice law without license
- Conflicts of interests and ethical considerations
- Very difficult to determine when the LPO vendor has the liberty to accept work from any client
- Unpredictability in regular flow of work
- High attrition – Many firms switch at last minute due to minor changes in fees
- Complete quality assurances from firms are difficult to get
- Performance and quality issues while delegating work to somebody who is more than 10,000 km away in terms of monitoring and control