

# THE LEGAL PROCESS OUTSOURCING INDUSTRY

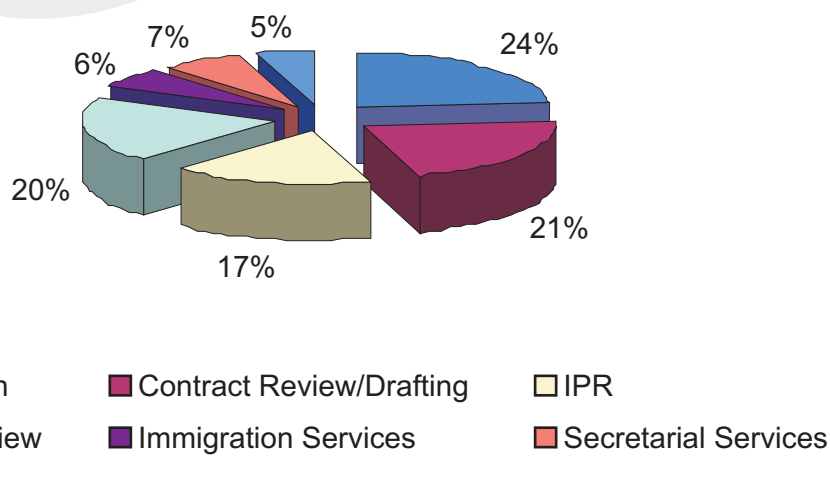
Gaining efficiency and staying profitable for any company today is not just a necessary but also a sufficient condition for growth. Evident enough, today most law firms in UK and US opt outsourcing rather than doing the work- in -house to remain competitively lucrative.

Legal Process Outsourcing industry, or LPO as it is more commonly referred to as, provides legal solutions to law firms, solicitors, business organizations, and government agencies. The most sought after services of an LPO are Document Review, Contract Review & Management, Legal Research, IPR services, Legal Transcription and Due Diligence.

The rising legal costs in the US and European countries is one of the main factors driving a diverse portfolio of legal work to India. Outsourcing of legal work to India costs the law firms around 65% less, relative to getting the same work done in US or UK. In the past three years, the legal outsourcing industry has grown about 60 percent, with the projected addressable potential (demand) in the United States alone being \$3 billion by 2015. Interestingly, the recession in US & UK has triggered a boom in the Indian LPO industry, resulting in a 200% increase in this outsourcing business in the last 12 months alone.

Today, one can clearly see a rising trend in the demand for services like Bankruptcy document drafting, Contract Drafting & Management, Document Review, Legal Research, Litigation and Intellectual Property Services. This is evident from the pie chart below which reflects a survey conducted by a famous research website:

Most Outsourced Services in 2008



The chart above reflects the order in which the services have been demanded by the LPO clients in 2008. In the coming future it may not be wrong to say that the drift will mainly be on high value services such as legal research and drafting of documents.

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But what is it about India that has brought such a transition in the way legal services are executed internationally today?

To start with, it was the “e-Discovery Laws” of US Regulations, 2006, which brought to fore the need to find solutions to the problem of non-availability of affordable attorneys and the management of the enormous workload owing to these Regulations. Largely the problems faced by the law firms were:

“affordable attorneys” and “enormous workload”.

So the obvious answer to this was to outsource these services to a country with relative cost advantage and with no compromise of quality of work.

India became an answer to this owing to, first the similarity between the legal systems of India to that of US & UK, second, due to the availability of inexpensive but highly educated and experienced attorneys and above all, because of its high quality standards of work.

Additionally, the time difference and the availability of 24x7 support staff fostered outsourcing. This meant that the in-house counsel could concentrate more on core legal issues while delegating the legal support services to an LPO. Also for an attorney heading home, this implied that he could assign the work to an LPO and be rest assured that the work would be finished, as per his expectations, before he reaches office the next day.

The technological advancements in today's world have implied increased threat to the privacy of any kind of data. It goes without saying that legal information should be safeguarded with utmost responsibility. To counter these threats, the legal outsourcing providers have taken serious security measures. This confidentiality in the Indian LPO sector is maintained at both the human level as well as the technology level. It includes signing of confidentiality agreements by all employees, limited or no access to internet, installation of hack-proof servers, using firewalls, providing electronic access control for all areas so as to prevent unauthorized personnel from entering the floor or building, putting security cameras and ensuring 24x7 security. Companies themselves sign non-disclosure agreements with all their customers. Value Notes (a renowned research company) has well acknowledged these above efforts by the Indian LPOs as follows:

“...vendors(LPOs) have invested significantly in systems and processes to ensure data security - often to a greater degree than their overseas clients...”

Most LPOs today are ISO certified which represents the world's highest standards for information security and quality management systems.

Every sector in the Legal Off shoring industry, as it also known as, is growing dramatically which includes the lower end services such as document coding and legal transcription. The continued boom in the industry will lead to continuously improved and efficient services.

The growth and development of the legal off shoring industry in India will help bringing a change in the way legal services are delivered in the West. It will also help in improving the economies of different countries making people to deliver THE BEST.

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