

# THE LPO revolution!

Legal Process Outsourcing (“LPO”) is a burgeoning field in the South African legal landscape. While not yet a fully accepted part of the overall legal eco-system in this country, LPO providers have long delivered a range of process-oriented legal services in other parts of the world, notably to clients in the US, UK, and Australia.

**T**hese services typically enable large corporations and innovative law firms to benefit from resulting cost and process efficiencies, economies of scale and the technological innovation that the leading LPO providers bring to the table.

Over recent decades the more traditional providers of legal services in SA, the major law firms, have become increasingly expensive. However, their business model and methodologies for how they deliver legal services remains largely unchanged. While the business world in SA evolved through the application of “lean principles”, the legal profession stood still.

## Offshore legal work?

The LPO model historically relied on cost arbitrage between jurisdictions with high legal costs and those with lower costs. This often translated to offshoring legal work to countries such as India and the Philippines, where an abundance of highly qualified legal expertise was readily available at cost-efficient rates.

LPO further pioneered the use of technology to drive efficiencies into the performance of certain legal functions, including e-discovery, document review, due diligence, legal research and regulatory tracking and contract management.

But LPO work needn't take place

offshore. LPO providers apply a wide range of delivery models. For example, on-site outsourcing ensures that legal resources are available in the same building as the client, while onshore outsourcing provides local resources within a specific jurisdiction.

Companies even use near-shore and offshore options for large scale project capability; others employ a blend of delivery models to offer around-the-clock “follow-the-sun” services.

## Providing employment

Recently in SA, the government's policy directions have been aimed at creating local LPO capability, to serve as an offshore resource for LPO firms supporting clients in foreign markets.

With our high-quality system of legal education and well-trained pool of graduates and lawyers, building this industry will provide important employment opportunities for both graduates and qualified lawyers alike, and will further foster alternative career options outside of the traditional legal employment job streams.

The advantages of using LPOs include improved turnaround times, rapid capacity scaling on an “as and when needed” basis, improved process efficiencies, detailed management information metrics, alternative fee structures (such as fixed/unit pricing) and the ability to leverage the latest technology without the need to purchase, install or manage that technology.

Behind all of this, the primary driver for using LPO is to create value. Assimilating an LPO provider into an in-house legal department or law firm can bridge the value gap, something that cannot so easily be achieved in SA's traditional legal environment.

With LPO's proven ability to reduce costs and create value, the increasingly global legal sector in South Africa appears set to see growth in the adoption of LPO. ■

By **Rian Hancock**  
LPO Delivery Manager: South Africa  
Integreon  
Rian.Hancock@integreon.com

