



LPO: Creating African value



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How will Legal Process Outsourcing (“LPO”) create value within the South African legal environment and the greater African one too?

The Department of Trade and Industry has specific goals to make SA an offshore LPO Hub to service the UK, US and Australian markets. This will provide an alternative employment stream for law graduates and lawyers alike but does not solve the burning question of how to provide value in the South African legal environment.

Leverage economies of scale

With its unique employment parameters and challenges, South African LPO service providers cannot simply rely on the offshore model to create value out of labour arbitrage.

In-House legal departments, outsourcing provides the perfect solution to allow for the ramping up of capacity without having the headcount and the quality burden associated with mass document review.

It will leverage on the expertise, dedicated teams and use of technology offered by LPO service providers to create reduced turn-around times and increased efficiencies.

LPO service providers are uniquely positioned to assist their clients with their growth into other African markets. The risks associated with foreign legal systems and practices can be effectively negated with appropriate legal research, compliance, contract and document services from a trusted LPO service provider without having to rely entirely on local lawyers with whom no relationship exists.

In order to service South African law firms and in-house legal departments, economies of scale in process driven areas must be leveraged to ensure sustainable value.

This requires some element of organisational transformation to jettison expensive and inefficient processes to allow the LPO services to fully shine. Without derogating, the adoption of an LPO service provider and the value created should be embraced by all service providers as a real and genuine option as it fosters real value for the end client.

Outsourcing perfect

LPO will have its greatest application in the South African and African markets in mass document and contract review for M&A, compliance and other due diligence requirements. With the ever increasing regulatory burden and constant requirements of change, for Law Firms and

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Cherry on top

LPO is the proven solution, as demonstrated in the US and the UK, which will help mitigate risk in relation to legal burdens. The fact that it operates in an efficient and cost effective manner is really the icing on the cake.

LPO solutions will provide not only the end client, but the user, with real value in an environment where little has existed before. ■