



LPO: what can it REALLY do?

We've all heard about the benefits of Legal Process Outsourcing (LPO), but what can LPO do exactly? The legal profession knows that LPO service providers offer flexible support for a variety of legal needs. Its focus is on improvement, for both the client and the law firm, and efficiency of legal processes through outsourcing of appropriate and carefully selected legal tasks.

LPO has also begun to play an important role in the overall transformation of legal services. Traditionally LPO functioned by the offshoring of rote legal tasks from expensive jurisdictions to lower cost locations, such as India and the Philippines. However, LPO has evolved to include higher value capabilities, like consulting and process reengineering, legal spend analytics, managed legal services, contract life cycle management transformation, and in-house compliance support programs.

These capabilities have enabled in-house legal teams and their outside counsel to effectively reduce cost, while at the same time improve on the quality and overall value of legal services, especially by enabling them to focus on higher value work themselves.

In addition, LPO service providers are increasingly supporting corporate legal departments with more effective information governance. They help reduce turnaround times and better manage risk in connection with contract summarisation and M&A due diligence. LPO providers can support or even lead the implementation of contract life-cycle management systems that leverage technology to facilitate the negotiation, drafting, signing, storage and subsequent management of an organisation's contracts.

Contracts LPO services can include the creation of playbooks that assist organisations by defining reengineered contract review processes and establishing documentation to set out approved templates, negotiating and fall-back positions, and sections outlining standard operating procedures, roles, responsibilities and decision rights.

LPO is more efficient or leaner resourcing. Leveraging

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technology such as automated meta-data abstraction and technology-assisted document review removes the need for maintaining large head counts to perform many non-complex functions and yet still allows for accurate and efficiently delivered results. With the integration of newer and innovative technology available to the legal market today, LPOs are able to assist clients in better utilising their high value employees with only high value work.

LPO consulting is one of the newer and most exciting areas of interest. Here LPO experts can look at legal processes and apply lean six-sigma principles for the creation of more efficient workflow processes right across the legal department, the law firm, and how these stakeholders actually integrate with each other. An analysis of legal spending can also assist in determining the most efficient allocation of resources, both internally and with external service providers, as well as the integration of enabling technologies in support of legal services delivery.

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Growing regulatory burdens in many industries are helping drive the adoption of LPO, which can provide services to establish or bolster compliance functions. Some examples include Know Your Customer/Client/Supplier surveys, as well as engineering of anti-money laundering processes and establishing functions for contract compliance, regulatory and legislative legal research and knowledge management. There can also be investigation-focused document review and general compliance programme support.

None of these services are aimed at the provision of legal advice. It is about creating economies of scale, efficiency and ultimately increased value in legal processes. LPO service providers allow lawyers more time and capacity to focus on their core duties without the burden of mundane legal tasks. ■