

The advantages of legal process outsource (LPO)

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Abstract

Every business needs a legal support and it means that there is a need to keep a personnel lawyer. Legal support of business must be constant and cover all aspects and stages of business activities. A personnel lawyer often can not keep up with all legal process therefore quality of the legal support goes down and this implies big risk for business. Legal support of business, instead of salaried lawyer, has the guarantee of quality legal services considering all peculiarities of business activities. Outsourcing allows firms quickly to scale up for a case or project, leveling the playing field with larger firms. Flexible staffing also reduces firm overhead; by outsourcing to external vendors, law firms can avoid the fixed costs of salaries and benefits associated with full-time, permanent personnel. This article is an attempt of investigation all the nuances of this issue.

Keywords: Legal Services Outsourcing (LSO), Legal Process Outsourcing (LPO), legal support.

1 Introduction

Legal outsourcing, also known as legal process outsourcing (LPO) related with the practice of a law firm or corporation obtaining legal support services from an outside law firm or legal support services company. This phenomenon has been a part of the legal experience since the 1950s, where it was restricted only with patents. The legal industry has experienced a global paradigm shift in the delivery model for legal services. This new model, involves the transfer of the work of attorneys, paralegals and other legal professionals to external vendors located domestically and overseas. Legal outsourcing is growing in popularity as law firms and corporate legal departments seek to minimize costs, increase flexibility and expand their in-house capabilities. Below are several key advantages of

outsourcing legal work domestically or to overseas providers, also known as offshoring).

The concept of legal process outsourcing, which based on the division of labour principle, widespread in law firms, where various time consuming and onerous processes like due diligence are delegated to paralegals and document reviewers. This allows the firm to solve the various legal issues that arise on a daily basis while being able to streamline productivity.

Among the leading proponents of this process, there have been corporate clients, worried with rising legal expenses. Nowadays, the market could be described in Figure 1 [1].

The process includes a contract with due to consideration between both firms. Below, there are the various methods, when the process could be initiated, in Figure 2.



Figure 1 LPO structure

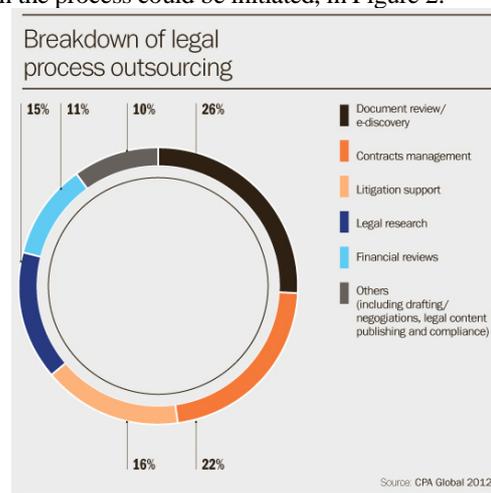


Figure 2 Breakdown of LPO duties

It presupposes making a contract for complex corporate legal services provided under the terms of the contract. Available options include distant advice and physical presence of the lawyer when it necessary. Subscribing legal service for business is the guarantee of prompt legal support of your business and perfect keeping of internal and external records of the company.

2 Overview

In this article:

- discusses the different types of possible collaboration with law firms
- adduces proofs of benefits
- analyses the flaws
- shows the comparative characteristics of the salaries of staff lawyers and law firms
- additional advantages, not related to the financial side (such as flexibility and similar) are given.

3 Decision

As a demonstration of the advantages of LPO to personal lawyers, will be given the comparative characteristics of the services costs and salaries. What is emerging from the most progressive law firms and LPO providers is a multi-layered

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approach in which organizations lay to their strengths. Employing a combination of external talent allows law firms and organizations to tailor their capabilities in response to workload and client demands. Workflow challenges are particularly prevalent for small and mid-size firms. These firms may find it more difficult to spread variability due to a smaller number of attorneys, support staff and clients. Outsourcing legal work allows firms to quickly scale up for a case or project, leveling the playing field with larger firms. Flexible staffing also reduces firm overhead; by outsourcing to external vendors, law firms can avoid the fixed costs of salaries and benefits associated with full-time, permanent personnel.

4 Conclusion

The pent-up potential in the legal industry for improved productivity through better infrastructure, workflow and employment systems is off the charts [3]. A more intelligent allocation of work is not just a cost cutter, but it is also a business builder. And it is the part played by legal process outsourcing (LPO) in this new scenario which will prove vital. Thinking strategically about how best to configure all the options to maximize the benefits while minimizing the risks is now a key challenge.

Firm's Future

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