Legal Process Outsourcing: The Savvy Law Firm’s Strategy for Driving Growth, Revenue, and Cutting Costs

State Capital Group International Meeting
June 26, 2012
Agenda

• What is Outsourcing?
• What is Legal Process Outsourcing?
• Why is Legal Process Outsourcing Part of the Menu?
• What types of services can a LPO provider offer?
• Benefits to Law Firms
• Legal Services Outsourcing Trends and Marketplace
About CPA Global

• For more than 42 years, a recognized world leader in outsourced legal and intellectual property services
• Clients in over 100 countries
• Global scale with 15 offices in 10 countries, more than 1,500 employees and 400 contract staff worldwide
• Leading player in LSO market since 2006
• Global Financial Strength & Stability
• Multi-shore approach with leading delivery facilities in UK, Germany, US, India and EMEA
• Highest position of any pure play LSO provider for 2nd year running on IAOP 2010 Global Outsourcing 100 list; Winner of 2010 Innovation in Outsourcing Award from European Outsourcing Association
What is Outsourcing?

• Outsourcing: An extension to a corporate department
  • Cafeteria
  • IT
  • Finance
  • Mailroom
  • Copy room
  • Legal

• Outsourcing does not necessarily equal Offshore
  • Lower cost areas on-shore in the USA, UK, etc.
  • Mixed, blended model of on-shore and off-shore
  • Offshore with relationship and senior management on-shore
What is Legal Process Outsourcing?

CPA Global creates value by taking on legal support work for clients, freeing them to focus on more challenging, business critical work and generating cost savings.

- Strategic Legal Advice
- Technical Legal Advice
- General Legal Work
- Repeatable Legal Work

- In House Legal Team
- Law Firm
- CPA Global
LSO can help disaggregate activities among providers based on their core competencies and business strategy

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<thead>
<tr>
<th>Characteristics</th>
<th>Examples</th>
<th>Value drivers</th>
<th>Solution</th>
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<tbody>
<tr>
<td>High legal complexity</td>
<td>Legal strategy &amp; analysis</td>
<td>Experience-driven judgment</td>
<td>Traditional law firm</td>
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<td>Low volume</td>
<td>Applying law to facts</td>
<td>Deep legal expertise</td>
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<td>Judgment-based</td>
<td>Risk assessment</td>
<td>Intense focus</td>
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<td>Priority focus on legal substance</td>
<td>Opinion &amp; advice</td>
<td>First-hand knowledge of courts, agencies &amp; officials</td>
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<td>More “art” than “craft”</td>
<td>Persuasive writing</td>
<td>Academic research &amp; writing skills</td>
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<td>Argument</td>
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<td>Negotiation</td>
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<td>Investigation strategy</td>
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<td>Gathering, synthesizing facts</td>
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<td>Objective legal research</td>
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<td>Sifting, funneling &amp; managing information flow</td>
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<td>Negotiation support</td>
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<td>Drafting, editing, adapting contracts, motions, etc.</td>
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<td>Scale economies</td>
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<td>Legal services provider</td>
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<td>Standardization</td>
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<td>Process engineering</td>
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<td>Continuous improvement</td>
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<td>Technology</td>
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<td>Broad legal expertise</td>
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<td>Vendor management</td>
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Characteristics Value drivers
- High legal complexity
- Low volume
- Judgment-based
- Priority focus on legal substance
- More “art” than “craft”
Why is Legal Process Outsourcing Part of the Menu?

Client is now at the centre of the legal universe

Why is Legal Process Outsourcing Part of the Menu?  
*Pressure on Corporate Legal to Reduce Costs*

- Increased pressure on Law Firms to reduce costs and increase efficiency
- Trend: Corporate Legal and Procurement now requiring Law Firms to incorporate LPO into their service delivery model.
  - Barclay’s Legal Panel Selection – Fall 2011 - $150 million annual spend
  - GC Mark Harding: Wants law firms for more than top notch legal advice, but also wants them to develop cost-effective service delivery models and value added extras, like outsourcing.
    - *Source: Fronterion Forefront, November 2011*
  - Royal Bank of Scotland Legal Panel Selection – Summer 2012
    - Review of entire law firm panel
    - Weaker financial position – GBP 45 Billion Government Bailout
      - “The bank is putting an emphasis on legal process outsourcing (LPO), with law firms seeking positions on the panel required to demonstrate they have sufficient capabilities in place.”
        - *Source: Legal Week, 8 June 2012*
  - Lloyd’s Bank Legal Panel Selection – Late Summer 2012
    - *Source: Legal Week, 8 June 2012*
Why is Legal Process Outsourcing Part of the Menu?

**Direct Benefits to Corporate Counsel**

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<th>Traditional Approach</th>
<th>Tasks</th>
<th>CPA Global</th>
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<td>Platform and Charges Vary by Firm; No Post-Case Data Access by Client</td>
<td>Technology Platforms</td>
<td>Single Platform; Competitive Pricing; Data Repository Owned by Client</td>
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<td>Junior Attorneys or Non-Attorneys</td>
<td>Project Management</td>
<td>Experienced, Dedicated Attorneys</td>
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<td>Different Teams for Each Different Matter</td>
<td>Review Resources</td>
<td>Ability to Use Single, Consistent Review Team for Multiple Projects</td>
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<td>Unpredictable, Hourly, Rates that Vary by Law Firm</td>
<td>Pricing</td>
<td>Predictable Pricing Across All Matters</td>
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Why is Legal Process Outsourcing Part of the Menu?

Maturation of the Industry and Resolution of Past Issues

Historical concerns

• Security
• Confidentiality
• Quality
• Ethical Implications
• Client relationships

Industry Responses

• Acquire certifications
• Strong processes
• Build strong SLAs
• Educate & Explain
• Adopt hybrid models
What can be outsourced to an LPO?

CPA Global provides a broad range of support services tailored to each client.

**CRITICAL DELIVERY CAPABILITIES**
- Expertise
- Multi-shore
- Multi-lingual
- Quality focus and metrics

### Document Review
- Litigation
- Government investigations
- Fraud and internal investigations
- Regulatory Matters (SEC, DOJ, FTC, etc.)

### Transaction Support
- VDR preparation and maintenance
- Document review and summarisation
- Contract review and analysis
- Redaction
- Q&A process
- VDD support

### Legal Research
- Multi-jurisdictional surveys and updates
- Case law research, and drafting of legal papers (memos, motions, etc.)
- Legislative tracking and analysis
- Regulatory analysis

### Contract Solutions
- Drafting bespoke contracts
- Template drafting
- Contract review and analysis
- Contract comparisons
- Contract summarisation
- Contract management

### Staff Legal Insurance
- Motion drafting
- Legal research
- Document summary/analysis
- Document review
- Witness interviews

### IP Outsourcing
- Paralegal
- IP Litigation
- Prior Art Search
- Docketing
- Proofreading
- Patent Invalidity Studies
Benefits to Law Firms

- Demonstrate commitment to clients’ business objectives
- Offer alternative fee arrangements
- Increase the value of $-£-€/hour
- Focus on core expertise
- Upscale and upskill Associates & Partners
- Improve attorney satisfaction
- Flexible staffing arrangements
Questions?
Contact Us

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Thank You