

## LPO: industry overview

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In 2003, industry experts predicted that about 20,000 legal jobs would be outsourced to India from other countries - mainly the US and UK - by 2010. But the country has probably hit that target already, they say.

Although it is a niche sector, Indian's legal process outsourcing sector is seeing its revenue double every year since two years, with four big new firms setting up shop each year. India has two things going for it: its 80,000 English-speaking law graduates who enter the market every year and the common law system it shares with the US and UK.

"A lot of companies in the US and UK have realised that legal work can be done by intelligent and quality lawyers in India at an effective cost," said Mathew Banks, the British senior vice-president of legal services at Integreon Managed Solutions in Powai. "In the past three years, the industry has grown ten-fold due a combination of quality manpower and cost effectiveness."

In 2006, the industry posted revenues of \$146 million, according to data released last year by the Pune-based ValueNotes Research. This is forecast to soar to \$640 million by end-2010. Also, at the end of 2006, the sector comprised 100 vendors employing 7,500 people. The number of employees is expected to reach 32,000 by end-2010.

Integreon, for example, started its LPO services three years ago with just five employees. Today, that number has risen to 400. "There is more exposure and visibility now," said Banks who worked as a lawyer in UK for 10 years before heading to India in 2005.

When Indian lawyers do the same job as an US attorney for less than one-tenth the price, it makes business sense for overseas firms to outsource several tasks. For instance, an entry-level attorney in the US would charge \$250 to \$1,000 an hour, while his or her Indian counterpart will charge \$20 to \$75 an hour.

The US spends an average \$250 billion or Rs 10.25 crore a year on legal services, according to Sanjay Kamlani, who was a successful lawyer in the US and then returned to India to start Pangea3, a legal process outsourcing firm, with David Perla, his best friend from their college days at the University of Pennsylvania. The 250-employee strong company is involved in patent analytics, patent drafting, contract drafting, legal research, and document review services for corporations in US, UK, Europe and even Japan, said Kamlani seated in his south Mumbai office. It has 30 Fortune 500 clients.

With the legal process outsourcing sector booming, lawyers are being viewed with a new respect in corporate India. "From being unnoticed in a company's legal department, lawyers working for a LPO are today revenue generators," said Rohan Dalal, managing director of the Indian operations of Mindcrest India. "They have become the engine of the company's growth, and revenue generators. "Basically, they've moved from the car's back seat to the front seat."