A Guide to Legal Process Outsourcing for Law Firms

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There are only so many hours in a day. No matter how hard you and your team work, the list of must-do tasks when running a successful law firm is extensive. You can, however, tackle that list in a faster, smarter, and more efficient way—by using legal process outsourcing to scale your operations.

In this guide, we'll explore the foundations of legal process outsourcing, why more law firms are using it, and industry trends for 2020. We've also compiled a handy list of best practices for getting the most out of legal process outsourcing. With the information you learn here, you'll be able to build a more profitable practice sooner than you think.

What is legal process outsourcing for law firms?

Legal process outsourcing for law firms is the practice of delegating legal tasks or processes to external service providers to increase efficiency and reduce costs.

With legal process outsourcing, discrete legal services are transferred to external companies, local lawyers, or paraprofessionals instead of to a dedicated internal resource. Think about all the mundane, routine tasks that can be done by outside help. By leveraging the strength of other experts, you save time, cut costs, and reduce your workload. This allows you to focus on what you do best—bringing in new business for your firm and offering top service to existing clients.

To make practicing law more profitable, it's important to really understand and use your strengths. Unfortunately, running a law firm, just like any business, involves plenty of tasks that compete for your attention. This is where legal process outsourcing can be leveraged. There are plenty of professional outsourced legal services available, as well as freelance lawyers, and lower-cost practitioners.

The difference between legal process outsourcing and offshoring

A common point of confusion arises from the word “outsourcing”. So, it’s important to recognize the distinction between legal process outsourcing and offshoring. Below are brief definitions.

- **Legal process outsourcing** is using local lawyers and professionals to take on certain tasks like document review, scanning, and non-substantive court appearances.
- **Offshoring** is the process of employing cheap overseas labor to complete tasks remotely.

Industry trends for legal process outsourcing

Legal industry trends for 2020 show that clients expect law firms to go above and beyond the traditional offering of services and support. More law firms are turning to legal outsourcing to stay competitive and profitable. In fact, the global legal process outsourcing market was estimated to expand at a compound annual growth rate of 31.8% from 2019 to 2025. The market is projected to reach $35.9 billion by 2025.

Here are some other factors that indicate the industry’s growth:

- $6.2 billion is spent annually with legal process outsourcing, e-discovery, and document review service providers, according to Thomson Reuters and the Georgetown Law Center for the Study of the Legal Profession.
- The same study on alternative legal service providers also finds that $900 million is spent annually with contract lawyers, in-sourcing, and staffing services.
- 48% of law firms in the 2019 Altman Weil Survey say they use contract lawyers, 57% report using part-time lawyers, and 24.1% report outsourcing non-lawyer functions.

5 benefits of legal process outsourcing for law firms

At its core, legal process outsourcing is a convenient way to increase capacity, focus on the strengths of your law firm, and increase profitability. In fact, 62.1% of law firms in the 2019 Altman Weil Survey report that shifting work to contract lawyers “resulted in significant improvement in firm performance.”

The top five benefits to legal process outsourcing for law firms include:

1. Expanding your practice area expertise.

There are so many different types of law practice that your law firm can't be an expert in all fields. By outsourcing specific law services to contract lawyers, you meet all the needs of your clients without having to hire a full-time employee.

2. Enabling flexible staffing for your client cases.

Freelance attorneys provide their services only when your law firm needs the help. By going freelance, you can find qualified legal help at any skill level for any kind of project or case. And a bonus? Hiring a lawyer in a freelance capacity is a great way to try out the working relationship before committing to a full-time hire.

3. Moving towards flat-fee billing.

Outsourcing via LAWCLERK lets you engage talented lawyers to assist you with discrete projects or entire cases on a flat-fee basis. You can charge your clients a set fee or provide blended fee caps for legal work. Learn more about law firm billing in our comprehensive guide.

4. Lowering the cost of your legal services.

LAWCLERK, for example, doesn't charge its users any sign-up or monthly fees just to be a part of the marketplace. You only pay the flat fee price you set when you hire a freelance lawyer through the site. In the end, your clients benefit from these savings.

5. Finding work-life balance.

Solos and firms are under more pressure than ever to work constantly to make a profit. Freelance lawyers bring in extra help when you need it, without the overhead of a full-time associate. Use the extra time to recharge with your friends, family, and hobbies.

What outsourced legal services are the most beneficial to a law firm?

There's a seemingly endless list of potential activities your firm could outsource. In addition, new companies are constantly coming onto the market that provide innovative ways to outsource.

To determine the best outsourcing companies for you, consider the following:

1. Evaluate your firm's needs.

There are plenty of options when it comes to legal process outsourcing. However, not all of them will be useful to your firm. A good way to start is to ask yourself these questions:

- What tasks take up a lot of staff time, but don't necessarily need to be completed in-house?
- Does the person need to be physically in your office?
- Do you need someone to go to court?
- Is remote working acceptable?

2. Explore outsourcing legal work options that match your needs.

Once you understand the areas for improvement within your law firm, identify the numerous legal process outsourcing companies available. If costs are a significant concern, consider outsourcing legal services where vendors can provide flat fees versus hourly rates.

Common types of areas for legal process outsourcing

Not sure where to start? Here are just a few specific areas where legal process outsourcing can help your firm be more efficient:

Court appearance for appearance counsel and per diems

At a non-substantive court appearance, you may spend five minutes in front of the judge, an hour waiting for your matter to be called, and over an hour in travel time. Although you spent hours working on the case, from your client's perspective, you provided five minutes of value. This can lead to disputes over billing, Additionally, this time can consume a sizable chunk of a flat fee.

Instead, take advantage of the growing market of appearance counsel (or per diems) available. They will appear at hearings in your place for a flat fee or reduced rate. Appearance counsel can save valuable time. Time that can be spent completing more work and billing at your full rate.

Companies that offer court appearance services:

- AppearMeoffers a smartphone app that lets attorneys schedule another attorney to make a court appearance for them with very little lead time. This service has no ongoing commitments.
- CAP-Court Appearance Professionals allows attorneys to schedule another attorney to appear for them based on the practice area they need—including civil, criminal, collection, or bankruptcy hearings.
- Attorneys On Demand provides hearing coverage across the country. You submit the details of your appearance counsel needs, and then Attorneys On Demand assigns an attorney to make the appearance.

Case and written work

Specialized legal outsourcing companies are replacing traditional staffing companies. They provide flexible staffing for specific areas, including experienced freelance lawyers.

This means that whether you need a lawyer to work in your office to assist with a particular case, or a lawyer to work remotely on a discrete project, skilled freelance lawyers are easy to find and just a click away.

Companies that offer this service include:

- Hire An Esquire provides not only traditional attorney staffing and placement, but also access to contract attorneys who can work remotely or in your office at an hourly rate for any duration.
- LAWCLERK is focused on solo practitioners and small firms, and provides access to a vast network of freelance lawyers available to assist with research and written projects (memos, pleading, agreements, etc.) at the flat-fee price you set.
- Montage Legal provides access to vetted freelance lawyers from your jurisdiction, who are available to provide contract and project-based services at an hourly rate.

It's easy to get your work done with the help of external attorneys. For example, attorney networks like Hire An Esquire or LAWCLERK integrate directly with Clio Manage, allowing lawyers to avoid duplicate data entry and keep track of what needs to be done. Key documents for cases can be securely shared via secure co-counsel communication portal, Clio for Co-Counsel.

E-discovery for easier document review

Don't waste your valuable resources scanning, coding, and completing document review. Countless companies provide inexpensive scanning and coding services.

There are also companies that provide access to a vast pool of contract lawyers if you want to outsource document review. In addition, you'll only pay a fraction of what you would pay a full-time employee. Some companies provide the option of on-site lawyers while others provide off-site lawyers that manage document reviews digitally.

Consilio, Integreon, and QuisLexare a few of the many independent legal process outsourcing and e-discovery companies available to assist you.

Even better, Clio integrates with technological solutions such as Logikcull to help you complete the e-discovery process quicker and more cost effectively.

Other areas for legal process outsourcing

Luckily, you can outsource any type of work to a contract attorney or other service provider. Here are a few more tasks that you may want to consider outsourcing:

- Summary of the cases cited in an opposing party's brief
- Legal research and memos
- Motions
- Pleadings
- Discovery, including subpoenas, RFPs, RROGS, and RFAs
- Discovery responses and pleadings like motions to compel/quash/protective order
- Document review
- Deposition summaries
- Leases
- Wills
- Trusts
- Powers of attorney
- Agreements
- Legal articles
- Demand letters and other correspondence
- Corporate documents like operating agreements, by-laws, and corporate resolutions

For more information on the do's and don'ts of legal process outsourcing, be sure to register for our webinar with LAWCLERK. You'll learn how to find and effectively delegate research and writing assignments to outsourced professionals.

What's next for the legal process outsourcing industry?

With more law firms leveraging legal process outsourcing to increase capacity and lower costs, legal process outsourcing is on the rise across the globe. This is especially when considering the emergence of virtual law firms and new types of law firms such as subscription-based law firms. Additionally, outsourcing legal services helps support creating a legal operating system that serves everyone.

As the industry grows, here are three legal process outsourcing trends worth watching:

1. Artificial intelligence and automation

Streamlining processes and creating more efficient workflows for high-volume stages, such as client intake, make a big difference to a law firm's success. Using artificial intelligence (AI) or automation software is especially useful for lawyers looking to move away from manual tasks.

Check out Clio's app directory for tools that can outsource manual work for your firm. Areas include e-discovery, legal research, document management, and much more. And the best thing is that they're already set up to increase productivity because these integrations are linked to Clio.

2. Hybrid outsourcing

As law firms look at the most efficient ways to tackle routine tasks, some are experimenting with using a hybrid combination of legal process outsourcing and offshoring. Firms can create round-the-clock efficiency by using both onshore and offshore outsourcing. No matter what time zone you're in, you can get any task completed at any time of the day.

3. Rise in e-discovery

Recent amendments to the Federal Rules of Civil Procedure making electronically stored information such as emails, e-calendars, and voicemails discoverable on handheld devices in litigation mean the market for e-discovery services is growing. With more need for e-discovery services, more firms can turn to the convenience and cost effectiveness of legal process outsourcing.

Create a more profitable law firm with legal process outsourcing

If you're looking for viable ways to differentiate your firm and increase your capacity without increasing firm overhead, legal process outsourcing may be the way to go.

You're able to outsource more than ever imagined with the technological advancements now available. You can add expertise and capacity to your practice while cutting down on costs and workload.

The bottom line? Outsourcing the time-consuming and mundane tasks allows you to get more meaningful work done. It's a win-win situation. You have more time to dedicate to providing top-notch service to your clients, and generating stronger profits.

About Clio

Clio is the global leader in legal AI, powering legal work across the profession, from law firms of every size to corporate legal teams, government agencies, and courts. Its Intelligent Legal Work Platform unites the business and practice of law, connecting the people, information, and processes behind legal work. Clio's AI brings the context together with legal sources drawn from Clio Library, a growing collection of more than one billion legal documents. Over 400,000 legal professionals in more than 130 countries rely on Clio to run their legal world. Learn more at www.clio.com.