

Philippines Expands Legal Process Outsourcing Service

Posted on [April 24, 2011](#) by [eli](#)



The Philippines is one of the emerging players in the legal process outsourcing industry. Legal process outsourcing services range from clerical to high-skill tasks. LPO pioneers originally offered legal transcription, document review, and writing of pleadings and briefs. [Now, many legal process outsourcing providers are capable of performing high-end tasks such as legal research, document analysis, contract drafting, financial reporting, and patent process outsourcing.](#)

LPO clients experience the same benefits enjoyed by other types of businesses that outsource their operations – lower costs, higher productivity and scalable operations. [Attorney fees in the US range from \\$150-\\$350 dollars per hour for routine service, whereas LPO providers in the Philippines charge only a fraction.](#) Law firms can reduce their overhead expenses related to administration, accounting, information technology and clerical salaries by tapping on Philippine outsourcing providers. This will significantly impact their bottom line considering that 17% of average firms' total expenditures are overhead expenses.

According to a study conducted by Trestle Group, legal firms are faced with growing calls to decrease their service fees. Legal departments of financially troubled corporations are the likely targets of cost-cutting since they are not revenue-generating business units. This is another factor that fuels demand for legal process outsourcing.

[Law firms will enjoy higher productivity rate by outsourcing legal paperwork.](#) Due to economy of scale, better technological skills and trained staff, LPO firms can process paperwork faster and more effectively than a law firm, says Amanda Carpo of consulting firm Kittelson & Carpo Consulting.

[The global LPO industry is growing at rate of 20% a year and is estimated to be worth \\$1 billion.](#) KPO industry revenues are projected to grow to \$17 billion by 2013-14. In 2010, there were 5,200 professionals in the LPO industry in India and the Philippines, with revenues reaching \$300 million. LPO is projected to grow to 18,000 workforce and \$960-million market by December 2015. The global recession had positive net impact on the LPO industry. Although real estate paperwork dropped significantly due to poor market condition, demand for document review, litigation and services pertaining to compliance increased.

Why law firms prefer to outsource their paperwork and professional jobs to the Philippines? The Philippines has a large college-educated population. Around 400,000 students graduate from college every year. In 2010, [4,847 law graduates took the bar exam](#), 20.26% of whom passed. In the preceding year, there were 5,903 graduates who

took the bar exam, with a passing rate of 24.58%. Aside from the highly educated workforce, the Philippines has a large network of BPO operators that run KPO accounts alongside other BPO services.