

The World Masters Of Law Firm Management

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Legal Process Outsourcing – the real story

Four Seasons Hotel, Sydney
Thursday 11 October 2012

Presented by:



Law Council
OF AUSTRALIA
Legal Practice Section

With the support of:



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THE LAW ASSOCIATION FOR
ASIA AND THE PACIFIC

The World Masters of Law Firm Management

Yesterday - Today - Tomorrow

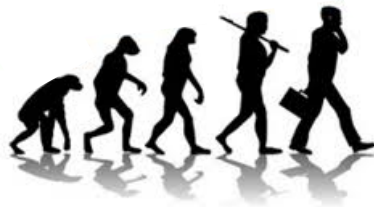
2012 ACLA In-house Counsel Report
Confidential Preview



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Trish Hyde CEO Australian Corporate Lawyers Association

Evolution




- Legal profession evolving
- In-house legal function continues to evolve
- Exploring current trends:
through the eyes of the leaders of in-house practice

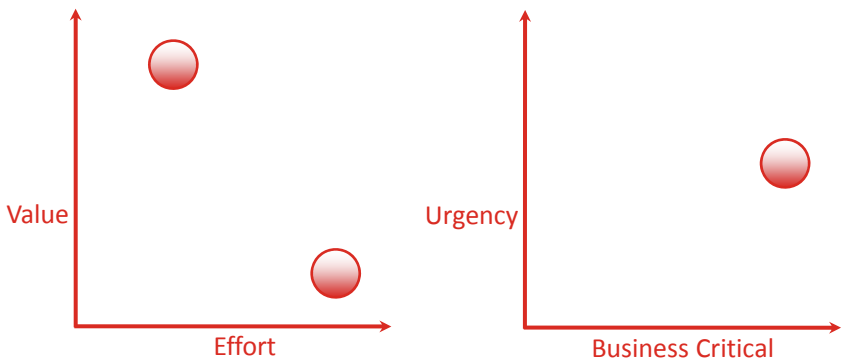
In-house Leaders



- How do we know who the leaders are?
- What do they do that is different from the rest?
- Will these behaviours catch on?
- What's the impact on the rest of the profession?

Insourcing - Outsourcing 

The decision: What to insource and outsource?



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Trends 



- 1. Insourcing:**
Building expertise and capacity
- 2. Upskilling:**
Increasing skills & developing tools

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Trends 



3. Outsourced value

Who can provide the service?

- Top-tier
- Mid-tier
- Boutique
- Barristers
- LPO
- Contract Labour

Who delivers best value for effort?

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Trends 



4. Informed purchasing


Project Management ***74%**
Scoping / Quotes / Managing / Evaluation **importance**


Panels
Value adds that add value

5. Partnering

Law firms and in-house collaborating to show value to the business


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Satisfaction 



- 78% agree** main firm provides commercially applicable advice
- 62% agree** main firm is upfront and transparent about pricing
- 57% agree** main firm provides realistic quotes
- 46% agree** main firm provides advice at a reasonable price
- 21% agree** main firm offers alternative billing methods that work


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The Future 

- Workflow**
91% forecast increased workflow
- Workflow management**
35% have some form of workflow management
23% plan to adopt some form in the next 2 years
- Budget**
50% forecast increased legal budget - **14%** forecast a decrease

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The Future



Staffing
48% forecast increased staffing - **9%** forecast a decrease

Costs
61% under pressure to reduce costs
64% of which under pressure to reduce spend on external firms

Legal Process Outsourcing
6% current use
7% forecast they will use LPO in the next 2 years

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2012 In-house Benchmarking Report

Case Studies



NZ Qualifications Authority: Buying the time at the right price

Woolworths: Frank discussions on value delivery incl. use of LPO

Grain Corp: Cost management
 Accountability / flexible arrangements / close to business

Telstra: All you can eat - putting the onus on law firms
 "I need to save money but won't compromise on the quality"


National Conference roundtable:
 Issues of ethics / issues of value / availability to all

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Conclusions

1. Changed marketplace
2. Change continues
3. Those law firms that can find a way to adapt will thrive
4. In-house are not waiting and more are willing to go direct
5. LPO has a place in the mix - a valuable part of the tool kit




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Questions

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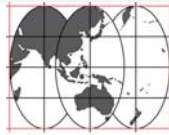
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