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Legal Process Outsourcing
a Game-Changer for Canadian Lawyers

Like so many other piecemeal services required for doing business, legal services are now being outsourced in greater volume than ever before. The trend is significant, both in Canada and worldwide. As a result, a diverse range of service providers are rushing in to serve the evolving needs. They include legal researchers, writers who draft legal arguments, experts who offer second opinions on complex issues, and even agents who attend distant court proceedings to argue someone’s case.

Statistics suggest that over 20% of companies are working with law firms that engage in outsourcing, and that the size of the Legal Process Outsourcing (LPO) market internationally is approaching $3 billion. Forecasters anticipate that the global LPO market will grow by more than 25% in the next three years.

Little has been documented before now about the drivers of this trend, and the economic patterns that accompany it. Forensic research firm CorbinPartners Inc., together with Taran Virtual Associates, set out to assess the extent of legal process outsourcing in Canada and its potential growth. Through a national survey of Canadian lawyers practicing in law firms, corporations, and governments, CorbinPartners found that more than a third of them use outsourcing.

According to the CorbinPartners study, legal process outsourcing is used to access a wide range of support services, including legal consultation or opinion and legal research. There are two primary factors fueling the growth: the need for increasingly specialized expertise, and the attractive cost-effectiveness to access these services only as needed. As one participant stated: “Using an outside agency saved me four hours of traveling time, and commensurate costs... with fully satisfactory representation in court by the agent I hired. The time I saved allowed me to focus on other client files, and I could apply the retainer money I saved to further work.”

Lawyers’ attitudes are divided. Those currently outsourcing are wholly satisfied, and look forward to continuing their reliance on outside legal services in the future. Those not employing this approach are more apprehensive, noting the unknown quality of outside providers, concerns toward confidentiality and a perceived loss of control. Where corporations have in-house resources, they feel obliged to turn to them first.
Whatever their personal attitudes, the majority of lawyers surveyed concede that there will be continued growth in outsourcing. The volume of legal work is unabated as laws become more onerous to apply. Plus, there is ongoing internal and external pressure for cost efficiencies. As one participant noted, “...For sure outsourced services will be used more frequently as clients become used to them. In the long run, they are cheaper.”

In summary, the legal profession now recognizes the entrenched practice of legal process outsourcing. The trend is an industry game-changer. Its growth will likely accelerate further once the concerns about quality control and confidentiality are overcome, and corporations prove willing to reduce their staff of in-house lawyers. The trend is already established. The early adopters have declared themselves. It is now up to non-users to decide when they’re ready to jump into the game, before we can know the full potential for the LPO industry in Canada.

About CorbinPartners Inc.

CorbinPartners is an established provider of precise and reliable business intelligence, statistical measurement, and forensic market research. CorbinPartners’ work products form part of essential due diligence for high-stakes business decisions, risk analysis, regulatory matters, negotiation and litigation.

For this study, CorbinPartners recruited practicing lawyers working as part of a law firm and those working for corporations (or the government) who utilize in-house counsel. Recruitment was assisted with notification from the Canadian Bar Association and various provincial law bodies, as well as participation from members of established Internet-based panels. The study was conducted during a two-month period between May and July of 2016.

For more information on this study, please contact:

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