

Why In-house Legal Departments Should Consider Outsourcing Certain Administrative Tasks

Mar 6 • Written By Virginia Griffith

Businesses have been outsourcing all kinds of services for many years, a trend that dramatically risen during the COVID-19 pandemic. Not surprisingly, corporate law departments are increasingly outsourcing legal work, a practice commonly referred to as legal process outsourcing (LPO). Legal outsourcing refers to the practice of outsourcing certain tasks to alternative service providers (in addition to outside counsel) to lower costs and improve efficiency.

Although the pandemic is often credited with spurring the increase of legal outsourcing, it is a trend that is expected to continue. Legal departments remain under unrelenting pressure to function more proficiently, control costs, and improve communication with other departments within the organization. According to the *Legal Process Outsourcing Global Market Report 2022*, after growing from \$9.42 billion in 2021 to \$11.78 billion in 2022, the legal outsourcing market is anticipated to reach \$30.26 billion by 2026.

Advancements in technology represent a critical trend that is becoming more popular in the legal process outsourcing market. Technological advancements such as the integration of cloud technology, e-billing, and legal bill review enable in-house departments and law firms to provide better customer service.

Benefits of Legal Outsourcing

department strategy, fast-tracking plans for updating digital capabilities, and reviewing operating models.

Although many assume that legal process outsourcing can only be done by the largest in-house legal departments at the largest companies, legal departments of all sizes can benefit from outsourcing certain tasks. Some of the benefits include:

- **Cost Savings.** Outsourcing administrative tasks can help control an in-house team's staffing and overhead costs while enabling them to continue to provide internal clients with high-quality services.
- **Scalability.** Scaling an in-house legal team can be easier with outside providers. When enterprises outsource work to service providers, they can resolve their companies' legal issues as their companies and their legal needs evolve.
- **Expertise.** An in-house legal team can supplement its knowledge and abilities by partnering with service providers who have expertise in specific areas of the law that your colleagues need legal assistance with.
- **Efficiency.** Because many service providers are located across the globe, outsourcing can shorten delivery times. As U.S.-based in-house legal teams go home for the day, workers around the world are heading to work. This time difference means less time is wasted.
- **Practicality.** Outsourcing enables in-house legal teams to farm out non-substantive legal work that prevents them from focusing on tasks related to their company's core business and legal issues that they are uniquely qualified to handle.

Outsourcing can also reduce the risk of hiring another team member. In-house teams that are looking to expand can "try before they buy" by outsourcing to third parties before making a formal offer to a permanent staffer.

How Do I Decide Who to Outsource Work To?

- Experience in the substantive practice area that the work falls within
- Assurance that privileged or confidential information will be protected
- Experience in completing the anticipated work correctly and efficiently
- An established track record of success with other outsourced tasks
- Transparent pricing and an easy-to-understand process
- A detailed procedure for relationship management to keep everyone informed

Outsourcing can significantly improve the efficiency of a general counsel's office that faces many challenges and is continually expected to complete more work, despite shrinking resources. However, communication is key, and miscommunications can lead to mistakes and delays. Also, some eDiscovery vendors might offer their services in a particular package, but then charge extra for other desirable features or services

What Types of Work Can My Department Outsource?

In-house legal teams can outsource portions of their workload that require time and resources they do not have, allowing them to reduce expenses, enhance efficiency, and avoid lawyer burnout. For example, repetitive tasks, data entry, legal research, and legal bill review can take significant resources, which is why in-house legal teams often choose to rely on third-party providers to perform those tasks. Here are some specific types of work that corporate legal departments can outsource:

- **Litigation-related tasks** – collecting litigation materials (court documents, deposition transcripts, witness statements, exhibits, etc.)
- **Regulatory compliance** – organizing draft responses to an inquiry or investigation by a regulatory agency
- **Contract review** – reviewing the sales department contracts for typical problems.

- **Legal bill review** – reviewing invoice from outside counsel to ensure that they are free of issues like block billing, duplicative work, and other errors.

Although the pandemic presented many challenges for the legal industry, corporate legal departments are ready to move forward on critical business initiatives. Over half of the legal departments who responded to a 2020 [Deloitte survey](#) said they expected to “continue to be focused on technology investments and operating model changes that will help them move forward and emerge stronger from the pandemic.”

Legal Bill Review

In-house legal departments can outsource the review of law firm invoices to [third-party bill review services](#) to review them for errors and miscalculations. Some such services use U.S.-based attorneys to analyze every charge on every legal bill received from outside counsel – not only ensure that each line item adds reasonable value but also because they have the ability to negotiate bill adjustments when necessary – which allows in-house teams to sidestep difficult billing conversations with their law firms. Once the friction surrounding billing issues is removed, in-house counsel can focus on improving their relationships with law firms and making solid legal arguments instead of wasting time scrutinizing legal bills for discrepancies.

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Entertaining) Legal
Billing Stories**

**Are Corporate Legal
Departments Dragging
Their Feet When Paying
Their Law Firms, and if
So, What's Causing the
Delay?**

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Info@legalbillreview.com

(484) 430-4000

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