

India Business Law Journal's
2011

Legal Process Outsourcing Awards

As the tide begins to turn and LPOs go mainstream
India Business Law Journal reveals the leading service providers

By Rebecca Abraham

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A year after business information giant Thomson Reuters acquired a leading legal services outsourcer, Pangea3, the deal continues to be talked about as the most important recent development in legal process outsourcing (LPO). While Sanjay Kamrani, co-chief executive of Pangea3, says it has enabled his company to deliver “unprecedented hybrid governance and compliance solutions”, others see it as conclusive evidence of the maturing of the LPO sector.

A more telling sign of the coming-of-age of the LPO sector is that the American Bar Association (ABA) and the Law Society of England and Wales are for the first time considering if the rules that govern lawyers need to be tweaked to take account of their increasing use of legal outsourcing.

A commission on ethics established by the ABA is currently drafting proposals on possible amendments to its model rules of professional conduct. This follows on from a formal opinion on outsourcing published in 2008 by the ABA, which had in general given the go-ahead for the outsourcing of legal and nonlegal services. In the UK, on 13 October the Law Society issued a practice note on regulatory issues that lawyers and practices need to consider while outsourcing legal tasks.

Following the sun

A further sign of the deep roots being put down by LPOs is a recent trend to establish onshore delivery centres, which some refer to as “follow-the-sun” workflow models. This has resulted in LPOs racing to set up bases close to their users in the US, to complement their teams of lawyers operating from low-cost locations such as Gurgaon and Cochin in India. Clients in the US – both in-house legal departments and law firms – continue to provide the largest volume of work for LPOs.

On 9 November Integreon, a knowledge process outsourcer (KPO) with a significant LPO business, announced that it had begun operating a “dedicated document review centre” in the Washington, DC, area. Others with recently established delivery centres in the US include Pangea3, which set up shop in June outside Dallas, and UnitedLex, another leading LPO, which moved into a 24,000-square-foot office in Kansas around the same time.

While an onshore presence can significantly reduce

Pangea3 is fast, client-oriented and easy to work with

Till Olbrich

VP Regulatory Policy

Philip Morris International



[To catch up with the big players, smaller players need to be] rethinking and accordingly altering their business model and go-to-market strategy

Vineet Ramachandran
Research Analyst
ValueNotes



margins, it is often vital in winning over clients who may be reluctant to entrust their work to an offshore location.

To staff these onshore centres LPOs have been hiring locally trained lawyers. In doing so, they provide a “glimmer of light” in a bleak employment market in the US, albeit from “a surprising direction”, as the *New York Times* reported a few months ago. Moving out of the shadows and into the mainstream is clearly adding to the growing stature of LPOs.

It is against this backdrop that *India Business Law Journal* unveils its third annual Legal Process Outsourcing Awards.

The awards are presented in six categories – Best Overall LPOs, Legal Support, Litigation Support, Intellectual Property Services, Contract Services and Corporate Services – with five winners of equal standing in each category. An additional award of LPO of the Year has been given to a single service provider.

A description of the scope of each award, along with details of the methodology and judging criteria, is provided on page 43. A full list of winners can be found on page 45.

LPO of the Year

For the third year running, *India Business Law Journal's* LPO of the Year award goes to Pangea3. While excelling in providing cost-effective and quality services, it continues to be the trendsetter for the industry.

Pangea3 received significantly more votes than any other LPO in our client survey and also won glowing endorsements from clients. It is also the only LPO to win an award in each of this year's award categories – a feat which it also achieved during *India Business Law Journal's* inaugural awards in 2009.

The company's impressive list of clients includes Deutsche Bank, which began using its services in February 2008. While commenting that the relationship “continues to grow”, Rose Battaglia, global chief operating officer (legal) for the bank, says Pangea3's work process “logically addresses our concerns and ensures no

time is wasted". She adds the "the value we receive from their MIS and playbooks produced is immeasurable" and that Pangea3 consistently delivers quality service.

Another satisfied client is Philip Morris International. Its VP for regulatory policy Till Olbrich says: "Pangea3 is fast, client-oriented and easy to work with". He adds that he has particularly appreciated "their willingness to listen and learn in order to best adapt to evolving client needs".

Pangea3 has 850 full-time employees in India alone – up from 650 in 2010 and 300 in 2009 – of which around 700 are lawyers. The company has delivery centres in Mumbai and Delhi and is known to attract graduates from India's top law schools.

Pangea3 attributes its success to not getting involved with building the technology and "non-lawyering expertise" that is part of every LPO's products. By partnering with leading providers of such technologies and services it creates "dramatically impactful" products that combine

its "lawyering services with best-of-breed industry leading partner technologies".

This appears to be what Pangea3 has done in combining forces with Thomson Reuters, which boasts "an extensive and market-dominating suite of legal information assets, tools and delivery channels".

But despite Pangea3's spectacular success, it is not all smooth sailing as clients are always looking to get a better deal. There is little respect for the status quo in this industry, which thrives on innovation. As a result at least one client, Sony, has moved on to a more "creative and cost-effective" outsourcer after around five years of using Pangea3's services.

Sony's senior vice-president for intellectual property, Toshimoto Mitomo, says that over the past year or so Sony began making a gradual shift to Evaluateserve, which he sees as "more flexible at customizing their services to accommodate my desires".

Methodology and judging criteria

India Business Law Journal's LPO awards are based on quantitative survey data combined with the qualitative insights of key outsourcing clients

A survey was sent by email to more than 600 prospective and existing clients of legal outsourcing services. Recipients were typically senior in-house counsel at major international corporations and partners at regional and international law firms. They were asked to confidentially score the work of all LPO providers with which they were familiar in the following areas of service provision, each of which corresponds to one of the award categories:

- **Legal Support** includes functions such as coding and indexing; document management; database support; legal billing; preparation of motions, pre-trial briefs, summonses and notices; statutory reports and filings; demand and mediation packages; summaries and timelines; internet research; legal publishing, such as compilation of databases; optical character recognition; and legal transcription
- **Litigation Support** includes functions such as document review and analysis; e-discovery; legal research and analysis; factual research; and the preparation of briefs, arguments, memoranda, summaries, depositions and pleas
- **Intellectual Property Services** includes functions such as literature and prior art searches; patent portfolio analysis and proofreading; docketing services; drafting patent applications and preparing patent drawings; and prosecution
- **Contract Services** includes functions such as contract review, analysis, drafting and management, and the preparation of abstracts
- **Corporate Services** includes functions such as corporate governance, due diligence and compliance management.

In giving their scores, survey respondents were

requested to consider five key performance criteria that are often used to benchmark LPO providers: quality of service; consistency and reliability of service; the level of innovation demonstrated by the service provider; the service provider's ability to customize its services to meet client objectives; and value for money.

In addition, survey respondents were invited to provide qualitative comments on their level of satisfaction with each LPO service provider. All such comments were taken into account by our editorial team during the judging process. Some have also been quoted in the awards coverage, but a significant number of respondents requested anonymity.

A separate survey was sent to more than 50 LPO providers. Each was invited to support its candidacy for the awards by submitting details of notable achievements, client references and a concise explanation of how it strives to attain the five key performance criteria listed above.

LPO providers were also asked to indicate which of their competitors they judged to be leaders in each of the awards categories.

In reaching its final decisions, *India Business Law Journal's* editorial team used a combination of objective data and subjective analysis. The numeric data collected from the two surveys formed the basis of the results, but was considered alongside the subjective comments and insights received from LPO clients around the world. The submissions received from LPO service providers were also considered as part of this process, as were the references provided by their clients.

Five winners of equal standing have been announced in each of the service area categories, while an award for Best Overall LPOs is shared between the top five all-round performers. An additional award of LPO of the Year has been given to a single service provider.

[QuisLex is] one of the true premier providers for document review

Rose Battaglia
Global COO (Legal)
Deutsche Bank



The LPO 'magic circle'

Four of this year's winners in the category of Best Overall LPOs are receiving this award for the third successive year: CPA Global, Mindcrest, Pangea3 and QuisLex. The fifth winner, Integreon, received the award in 2009.

Larger LPOs such as these consistently outperform the smaller players. This does not surprise industry watchers. Vineet Ramachandran, a Pune-based research analyst at ValueNotes, a business research and intelligence provider, sees little chance of the smaller players catching up without "rethinking and accordingly altering their business model and go-to-market strategy".

Ramachandran says that 80% to 85% of a smaller LPO's business can come from a single client. And with limited financial resources, which make it difficult to establish an onshore presence, there is little these LPOs can do to broaden their client base.

CPA Global, which has its headquarters in Jersey in the Channel Islands, has come a long way since it was founded in 1969 to manage patent renewals. While intellectual property (IP) services continue to be an area of strength for CPA, it excels also in other areas of legal outsourcing. In 2007 it set up a delivery centre in Noida, outside Delhi, to provide services such as document review and contract management.

CPA Global is the least US-centric of the large LPOs. Either on its own or through partner companies, it has offices across Europe and the Asia-Pacific region. It opened an office in Korea earlier this year.

Among its clients is Nokia, where its director for patenting, legal and IP, Hari Honkasalo, says: "In general we are very happy with the service, both consistence and reliability. Our services are customized for our company and bring good value for money spent." CPA Global was highly rated by survey respondents, and wins a second award in the IP Services category.

Mindcrest, another winner in the Best Overall LPOs category, has its headquarters in Chicago but has delivery centres in Mumbai and Pune. In India alone it has over 500 employees. Mindcrest also wins awards in the Legal Support and Corporate Services categories.

Since its inception in 2001 Mindcrest has delivered both document review and contract management services, and for the past five years it has also done compliance-related reviews. It is currently reviewing 1.5 million documents for

privilege, responsiveness, confidentiality and 17 other issues for a tort claims dispute.

Teju Deshpande, vice-president for client relations, says there has been a "significant shift" in Mindcrest's client profile. While two to three years ago most of its work came from corporations, "50% of our work this year has been from law firms".

New York-headquartered QuisLex wins another of our Best Overall LPOs awards. Now in its eighth year of operation, QuisLex expanded its capacity in Hyderabad by opening a new delivery centre earlier this year. As a result, while it currently has over 500 employees in India, it has the capacity to accommodate 300 more. According to the company this signals a "maturation both for us and our industry".

Deutsche Bank, which also uses the services of Pangea3, is a client of QuisLex. Battaglia at Deutsche Bank labels QuisLex "one of the true premier providers for document review". She says the LPO, led by Ram Vasudevan, not only recruits smart, talented lawyers with an interest in law, but also employs process specialists to ensure that it offers a true value service.

"We have been very fortunate to work with them since February 2008 and often see similar names on our review teams," says Battaglia, adding that QuisLex has been able to "optimize our use of various hosting and review platforms while maintaining costs".

Typical of some of its recent work, QuisLex assisted a *Fortune 100* company and its external counsel on a comprehensive early case assessment. As a result, QuisLex says the client's counsel was better prepared than opposing counsel, and was able to leverage the information QuisLex provided to drive a favourable settlement.

QuisLex is currently assisting a *Fortune Global 500* corporation in designing and implementing a comprehensive compliance programme that is to be used in over 80 countries and in several languages. Additional awards in the Litigation Support and Contract Services categories reflect the LPO's growing experience and expertise.

The list of Best Overall LPOs is rounded off by Integreon, which provides legal, business and research services. It wins awards also in the Litigation Support and Contract Services categories.

On 27 October Integreon announced that it had become the preferred supplier of LPO services to Mallesons Stephen Jaques, a leading law firm in Australia. Commenting on the deal Mallesons' managing partner, Tony O'Malley, said: "This Australian first signals a watershed in the way legal services in corporate Australia are provided."

This is a significant achievement especially as in April CMS Cameron McKenna, a leading European law firm with over 2,800 lawyers in 29 jurisdictions, began outsourcing its legal support functions to Integreon under a 10-year contract that was announced in 2010.

Integreon has two delivery centres in India, where it has over 1,000 employees. It has a considerable presence in the US, where in addition to its new document review centre outside Washington, it has similar facilities in four other cities and a digital forensics lab in Atlanta. Integreon also has an onshore presence in Bristol in the UK.

Legal Support

In the category of Legal Support, awards are presented to Clutch Group, Mindcrest and Pangea3 – all previous winners in this category – and two new winners: Manthan

Legal/Legatech and SDD Global Solutions.

Chicago-based Clutch Group was created in 2007 following the merger of a US legal staffing company and an Indian LPO, JuriMatrix. It provides document review, contract management, compliance and legal research services and has a delivery centre in Bangalore.

Clutch was recently hired by a global retail bank to determine if it could reassign contracts which it had executed with its numerous affiliates to a single legal entity. Using a Bangalore-based team Clutch reviewed over 150 documents in a week and presented recommendations for each contract. It also developed a tracking method for the bank

to use internally to manage the transition.

Manthan Legal, recently renamed Legatech, has 125 employees at two delivery centres, in Bangalore and Hubli. It provides document processing and reviewing services, and also medico-legal services such as medical and deposition summaries. In addition, it drafts motions, pleadings, contracts and other legal documents. Manthan Legal/Legatech also wins an award in the Corporate Services category.

The company does not bill by the hour. Instead it uses alternative fee arrangements that link billing to the value and results the client receives.

Among its many clients is an attorney in New York who

Winners at a glance

India Business Law Journal's 2011 LPO Awards

LPO of the Year

Pangea3

Best Overall LPOs

CPA Global
Integreon
Mindcrest
Pangea3
QuisLex

Intellectual Property Services

CPA Global
Evalueserve
Pangea3
SDD Global Solutions
Wipro

Legal Support

Clutch Group
Manthan Legal/Legatech
Mindcrest
Pangea3
SDD Global Solutions

Contract Services

Bodhi Global
Integreon
Pangea3
QuisLex
WNS

Litigation Support

Cobra Legal Solutions
Integreon
Pangea3
QuisLex
UnitedLex

Corporate Services

Infosys LPO
LegalEase Solutions
Manthan Legal/Legatech
Mindcrest
Pangea3

Award winners in the above tables are listed alphabetically, not in rank order. All winners in each category are of equal standing.

We are very happy with the service, both consistence and reliability [of CPA Global]

Hari Honkasalo

Director (Patenting, Legal and IP)

Nokia



says “they are true professionals” and “I have the highest regard for Manthan”. Having worked with the company for almost seven years he says he has had the “pleasure of recommending Manthan to many law firms here in New York and in fact in the United States”.

Another satisfied client is a Canadian law firm that specializes in personal injury and class action claims, which says Manthan Legal/Legatech is an “integral part” of their infrastructure.

Describing their relationship with the LPO a spokesperson for the law firm says: “When we began working with Manthan Legal in 2006, outsourcing was an unexplored opportunity for most law firms in our market. Since then, as we have become increasingly comfortable with outsourcing as part of our business model and, as Manthan has demonstrated its ability to always keep pace, we continue to expand the scope of work performed by Manthan.”

A third client – a civil trial lawyer in Florida – is also happy to comment on Manthan Legal/Legatech. Having used the LPO for two years he says: “I have been consistently impressed with their professionalism, accuracy and ability to make the practise of law easier.”

Anonymous endorsements like these are not unusual in the LPO industry. Leakage of data is a constant risk and as a result both LPOs and users are often keen to stay below the radar.

Another new winner in the Legal Support category is SDD Global Solutions, which is based in Mysore, south of Bangalore. It revels in its role as a small, niche LPO provider to a host of clients from Hollywood.

SDD, which also wins a second award in the IP services category, has achieved this feat through its strong connections with a New York-based law firm, SmithDehn, which established the Mysore company. Having done so, SmithDehn prides itself on “being at the forefront of what promises to be a positive paradigm shift in the way that legal services will be provided in the twenty-first century”.

SmithDehn’s client list includes HBO, Twentieth Century Fox and Sony Pictures. Many of its clients need legal services that are ably provided by SDD in Mysore.

Litigation Support

Almost every LPO provides litigation support. However, only the top five can be recognized here: Cobra Legal

Solutions, Integreon, Pangea3, QuisLex and UnitedLex.

Cobra Legal Solutions is among the youngest LPOs in our list of winners. Formed in 2007 as a company registered in Delaware in the US, its founders’ mission was to be responsible global citizens, to revolutionize the delivery of legal support services and to explore the dynamics of globalization. It provides document review and management solutions, litigation technology consulting, legal research and contract management.

In March, Cobra Legal announced a partnership agreement with a San Francisco-based fixed-price e-discovery managed service, SFL Data. Cobra Legal’s CEO, Candice Corby, said the agreement will give SFL Data’s clients “the option of using offshore attorney review that will work seamlessly with the e-discovery process”. SFL Data’s clients include Oracle, TMobile, and Yahoo!, as well as more than 100 prominent US law firms.

Kansas-headquartered UnitedLex has more than 650 employees in seven global offices, two regional data centres and a delivery centre in Gurgaon. It provides an e-discovery solution that blends facets of the litigation lifecycle: early case assessment, data collection and forensics, document processing, online data housing, attorney document review and document production.

UnitedLex made news earlier this year when co-founder Ajay Agrawal sold his stake in the company to Helion Venture Partners, Canaan Partners and Sequoia Capital. The three together are reported to have invested about US\$17 million to pick up Agrawal’s shareholding.

Intellectual Property Services

This category includes two LPOs that are first-time winners: SDD Global Solutions and Wipro. The other three – CPA Global, Evalueserve and Pangea3 – have won awards in this category for three years running.

While Pangea3 has capabilities across all categories of LPO services, CPA Global has a distinct IP focus. The capabilities these two LPOs have been described above.

Evalueserve is a knowledge process outsourcer that also performs legal functions and has substantial IP capabilities. It has 2,500 employees in offices across the globe, two delivery centres in Gurgaon and others in Shanghai, Valparaiso in Chile, and Cluj-Napoca in Romania. Its IP

We have started outsourcing more sophisticated work to Evalueserve, which we had not outsourced to Pangea3

Toshimoto Mitomo

Vice-President (IP)

Sony



I was impressed with [Bodhi Global's] professionalism, their commitment to quality and their creative flexibility

Charles Cummings
Partner
Baker & McKenzie



services include patent searches and patent analytics.

Its clients include Sony, which began moving its IP work from Pangea3 to Evalueserve about a year ago. Mitomo at Sony says: "We have started outsourcing more sophisticated work to Evalueserve, which we had not outsourced to Pangea3."

"My best choice at this moment is Evalueserve," adds Mitomo.

Wipro, a giant in business process outsourcing (BPO), is a first-time winner of an *India Business Law Journal* LPO award. Wipro began providing legal services by running LPO operations for large customers in fields such as healthcare, manufacturing and oil and gas. It employs more than 100 people in its facilities in Chennai and Noida.

Over the past year it has improved its delivery model for LPO services to make it "more process dependent than people dependent". As a result Wipro says it can "deliver customer delight with lesser-skilled but well-trained associates".

While recently providing filing and docketing for patent applications for a large technology company, it achieved an accuracy rate of 98% and 100% of its turnaround goals.

Wipro has recently established a legal centre of excellence. In addition it is continually looking to expand its portfolio of LPO services. While it began primarily with patenting and e-docketing services, it now also offers contract management.

SDD Global Solutions provides "almost every variety of intellectual property work". Apart from handling trademark and copyright registration, it assists "inventors and the R&D community in developing and crystallizing their ideas into patentable inventions".

In addition, SDD can help companies overcome the challenge of understanding and identifying "their IP portfolio and then optimize its latent value".

Contract Services

India Business Law Journal's awards for Contract Services go to Bodhi Global, Integreon, Pangea3, QuisLex and WNS. Three of these LPOs – Integreon, Pangea3 and QuisLex – are also winners in the Best Overall LPOs category.

Bodhi Global won an award for Contract Services during *India Business Law Journal*'s inaugural awards in 2009.

Since then the company, which was founded by a small group that included three senior lawyers from AZB & Partners, has gone from strength to strength.

While in 2010 it employed 46 people, it currently has 90 employees at its facilities in Pune, 75 of whom are qualified Indian lawyers. At the beginning of this year it established a new service: medical chronology for medical litigation support.

Bodhi Global is one of the few LPOs that has clients in India. It has provided on-site legal support for the Pune-based facility of an international agribusiness company and also due diligence on acquisitions being made by the Indian subsidiary of one of the world's largest media conglomerates.

Charles Cummings, a New York-based partner at Baker & McKenzie, has used Bodhi Global's services since 2008. He says: "I was impressed with their professionalism, their commitment to quality and their creative flexibility in approaching projects."

The other winner in the Contract Services category, WNS, is a BPO with over 23 delivery centres across the world, which has branched into LPO work. Its legal services include contract management, litigation support and legal research. It also provides property law-related services.

Bangalore-based Amba Research is another outsourcer that received endorsements from clients. Amba Research is a knowledge process outsourcer which boasts over 600 analysts and provides services for the financial services industry. Its recognition in an LPO survey points to the phenomenal success it has achieved since it was set up in 2003 by senior research experts from Goldman Sachs, Deutsche Bank and JP Morgan.

Corporate Services

This category covers functions such as corporate governance, due diligence and compliance management. The award winners are: Infosys LPO, LegalEase Solutions, Manthan Legal/Legatech, Mindcrest and Pangea3.

Infosys LPO is a newcomer to this list. Its facilities in Pune, Bangalore and Gurgaon employ over 500 people. The company says that it is constantly looking at ways to "transform how their clients work and usher them towards the 'law office of the future'" through technology interventions and process reengineering. In doing so it draws upon

[LegalEase] are simple to deal with and incredibly timely

Scot Patriquin
Barrister, Solicitor and
Trademark Agent
Toronto



LPO has allowed me to reduce operational costs while continuing to aggressively manage my legal department

Samir Khan

General Counsel

Russell Investments



the strong technological capabilities of its parent company, Infosys, a global technology services provider.

Recognizing that clients may be reluctant to move to offshore delivery models, Infosys LPO has moved towards offering “hybrid on-offshore delivery solutions”. Its strong roots in BPO culture have meant that it focuses on the processes and practices it designs to ensure it can consistently and effectively meet and exceed service targets.

One of many projects Infosys LPO was involved with this year was legal content analysis for a US-based *Fortune 500* financial data and legal services provider.

LegalEase Solutions, a much smaller LPO based in Kerala, has 36 employees in its facilities in Cochin and Chennai. It provides document review services and also customized compliance and corporate services for the financial industry, which includes prospectus drafting and review, privacy and security audits.

Scot Patriquin, a Toronto-based barrister, solicitor and trademark agent, has used the services of LegalEase since 2007.

“They are simple to deal with and incredibly timely,” remarks Patriquin. He has not considered using the services of any other LPO provider “in light of their continued desire to customize their product offering to our firm’s needs, and they clearly understand the needs of US law firms with respect to their service delivery mechanisms”.

Another satisfied LegalEase customer in Canada is Russell Investments, where general counsel Samir Khan simply says: “Excellent. Great value for money and levels of service. Great attention to detail.”

Clearly, the smaller LPOs have as big a fan-following as their larger counterparts.

A clear win for users?

A total of 17 LPOs have received well-deserved recognition in this year’s awards. Other notable LPOs include Aphelion Legal Solutions, which has a facility in Chennai and employs 30 to 60 people. It was founded four years ago and provides document reviews tailored to the demands of discovery-intensive litigation or regulatory compliance matters. It also identifies data for inclusion in databases.

Another LPO of note – for the sheer spunk and vision of its founders, if nothing else – is Kolkata-based Offshore Research Partners. The idea to set it up grew out of a successful legal research project carried out by Ashish Arun – then a student at the National University of Juridical Sciences in Kolkata – for Northwestern University in Chicago.

Today the LPO which 26-year old Arun set up in December 2009 while in his last semester of law school, employs 25 lawyers and boasts exclusive vendor relationships with two providers of expert witness profiles in the US: Expert Witness Profiler and Daubert Tracker. It plans to hire another 25 lawyers in the next six months and also launch a case law research service for law firms.

“It will be a customized product for law firms that will take off their intellectual load,” says Arun. “We are not looking to just take on their grunt work.”

That there are ambitious firms of all sizes and descriptions in the LPO sector is good news for users.

Few would disagree with Khan at Russell Investments when he says: “LPO has allowed me to reduce operational costs while continuing to aggressively manage my legal department.” ■



DRIVING THE LPO BOOM: Clients in the US – both in-house legal departments and law firms – provide the largest volume of work for LPOs.