

*Effective and Profitable Outsourcing: 15 Tips from 15 Years of Experience**

1) **Identify your outsourcing triggers.** Outsourcing is an ideal solution for the following circumstances.

If you anticipate that:

... then consider outsourcing:

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| you don't have the time to complete the work yourself ... | during peak periods or a rush request. |
| you will have to write-off time by completing the work yourself ... | research, travelling out of town, or any task that will keep you from working at your full billable rate. |
| you need a dedicated block of uninterrupted time to draft a factum at night or on the weekend ... | any and all work that impedes your work-life balance. |
| you are not up-to-speed on a particular issue in your case ... | such research e.g. a family law lawyer that has to research the issue of forum non conveniens. |
| you do not have the expertise e.g. a civil litigator who does not have extensive trial experience ... | the assistance of an experienced trial lawyer or retired judge to strategize, provide feedback on written or oral submissions and even co-counsel a trial. |

Once you are comfortable with a particular Legal Process Outsourcing ("LPO") provider, empower your assistant and/or associates to outsource such tasks.

2) **Determine whether on-shore or off-shore professionals are most suitable.** Outsourcing highly repetitive and commoditized work off-shore can benefit your larger clients/matters with significant cost savings. Outsourcing on-shore using properly accredited and insured Canadian lawyers is also cost effective. Furthermore, it will avoid many of the criticisms that have been leveled against outsourcing legal services off-shore, such as quality of the work product, confidentiality issues and lack of insurance. Analyze whether the incremental cost savings justifies the increased risk and/or supervision time.

3) **Be strategic and systematic.** Although outsourcing is incredibly flexible and allows you to delegate tasks on demand, its true power is unlocked when used strategically and systematically. Identify the recurring tasks that you should not or do not want to do yourself and put a policy in place to outsource.

1. travelling out of town
2. legal research
3. _____

4) **Do not procrastinate.** Like with any delegation of work, the more time you can give to the LPO provider, the more likely it can find the ideal contract lawyer to assist you (ideal meaning an available contract lawyer with the appropriate level of experience and hourly rate). Review a list of all of your files regularly to identify projects and contact your LPO provider immediately if you are considering outsourcing the project.

Although not ideal, last minute requests can often be accommodated.



5) **Get your client's consent.** Review your client retainer or letter of engagement to ensure that your client has consented to work being outsourced. If you are going to outsource legal work to on-shore lawyers then obtain your client's consent to gross-up the hourly rate for such outsourced work to the market rate, as permitted by the LSUC. Such grossing-up will make outsourcing a profit centre for your firm. (Note that payment for off-shored work is a disbursement that cannot be grossed up).

6) **Have your client top up the retainer.** Clients are often eager to have you outsource some of their legal work so that they benefit from significant cost savings and turn-around time. Use that opportunity to

have them top up their retainer to not only cover the budgeted cost of the outsourced work but also the work you anticipate contributing to that stage of the file. This strategy will help reduce the amount of your time that you write-off.

- 7) **Ask for references.** It is a good idea to speak to colleagues who have taken advantage of outsourcing, and to confirm how long the LPO provider has been in business.
- 8) **Review the qualifications.** Ask about the depth of your LPO provider's pool of talent to ensure that its lawyers are 'not learning on your client's dime' and that they have experience and practice in the relevant area. This is the primary difference between delegating internally and outsourcing. Ask whether your LPO provider is willing to provide details about its contract lawyers, including: the process they use to select and screen; resumes, transcripts or other background information; years of call; and areas of practice.
- 9) **Confirm quality control and insurance.** Ask whether the LPO provider manages the deadlines and reviews the work product. For example, confirm that as a matter of course the LPO provider has a lawyer reviewing the work product of the contract lawyers to ensure quality before it is delivered to you. Make sure that the lawyer completing the legal work on your behalf is properly and sufficiently insured.
- 10) **Protect the lawyer-client relationship.** Ensure that non-solicitation clauses or similar contractual protections are agreed to with your LPO provider to preserve your client relationship.
- 11) **Avoid conflicts and protect confidentiality.** Ensure that your LPO provider has an appropriate conflicts check system in place, as well as appropriate policies, procedures and technology to protect confidential information.
- 12) **Provide written instructions.** To properly clarify the parameters of the project, set out in writing the relevant facts, scope of the project, expected deliverables (e.g. memorandum of law or just the cases), financial budget, and deadline. If you prefer to provide verbal instructions, ensure that your LPO provider confirms these instructions back to you in writing.
- 13) **Communication is key.** Obtain the LPO provider's commitment to communicate with you during the project, particularly if there are unforeseen complications that may impact on the ability to deliver on time or on budget. Get contact information to enable you to communicate with the LPO provider or contract lawyer in an emergency, outside of typical office hours.
- 14) **Dabble with confidence.** General practitioners can continue to service the diverse legal needs of their clients by outsourcing tasks and/or entire files that are not within their core competencies. General practitioners who are reluctant to refer their clients to competing firms, can use outsourcing to access the needed expertise on demand.
- 15) **Focus on the most rewarding parts of your practice and outsource the rest.** Increase your profitability by spending more of your time on the most lucrative tasks and outsource the tasks that cause you to write-off your time. Increase your career satisfaction by spending more of your time on the tasks that you enjoy and outsource the parts of your practice that you typically put off doing. Properly executed outsourcing can significantly improve your own work-life balance. For example, outsourcing legal work can allow you to truly enjoy your vacations without working frantically before and after them. If you choose to gross-up the LPO provider's fees than you can even make money while on vacation.

