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A Guide to Outsourcing Your Legal
Back Office

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The list of necessary tasks to run a successful law firm is extensive, and no matter how hard your team works, it can become overwhelming. By outsourcing your legal back office and administrative tasks, your firm can tackle that list faster, smarter and more efficiently.

In this guide, we will explore what back office and legal process outsourcing is, industry trends for 2022, and benefits of outsourcing your law firm's back office. We will also cover some best practices to help your firm get the most out of legal back office outsourcing. With the information in this guide, you will be able to build a more efficient and more profitable law firm.

What is Legal Process Outsourcing for Law Firms?

Legal process outsourcing replaces dedicated internal resources with external companies, local lawyers and paralegals, or paraprofessionals. Essentially, your firm outsources all of the mundane, routine, or administrative tasks to a skilled agency or service provider.

Some examples of back office tasks that law firms outsource include:



Reception &
Client Intake



Law Firm Marketing
& SEO



Billing & Collections



Trust Accounting



Virtual Document
Clerks & Paralegals

By outsourcing these tasks and others like them, your firm can leverage the strength of other experts to save time, cut costs, and reduce your workload.

This allows you and your lawyers to focus on what you do best: practicing law, bringing in new business for your firm, and offering top service to existing clients.

Back Office Outsourcing vs. Offshoring

People commonly confuse “outsourcing” with “offshoring”, and there’s a big difference! So, it’s important to recognize the distinction between back office outsourcing and offshoring:

- Back office outsourcing involves using local lawyers and professionals to take on certain tasks like document review, scanning, and non-substantive court appearances.
- Offshoring is when you hire cheap overseas labor to complete tasks remotely.

2022 Industry Trends for Legal Process Outsourcing



More law firms are turning to legal back office outsourcing to stay competitive and profitable. In fact, the global legal process outsourcing market was estimated to expand at a compound annual growth rate of 31.8% from 2019 to 2025. The market is projected to reach \$35.9 billion by 2025.

Other factors that indicate the industry's growth:



is spent annually with legal process outsourcing, e-discovery, and document review service providers



is spent annually with contract lawyers, insourcing, and staffing services



report outsourcing non-lawyer functions



In total, about 70% of law firm leaders reported outsourcing some or all of their back-office and/or administrative functions, up from 56% in 2018 – a 14% increase year over year.

Top 5 Legal Industry Trends for 2022

Law firms are feeling the pressure to adapt to new ways of working and the changing expectations of both their clients and their employees.

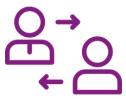
Three important legal industry trends will shape the landscape for law firms in 2022 and beyond:



Legal Workflow Automation – Workflow automation continues to be one of the most compelling developments in the legal industry. McKinsey estimates that [23% of a lawyer's work](#) can be handled by automated technology. Indeed, [50% of lawyers](#) are already using a form of artificial intelligence (AI).



Increased Collaboration Within Law Firms – The pandemic has highlighted the importance of collaboration within law firms. Law firm teams require efficient and effective tools to collaborate digitally in real-time. Law firms that can figure out how to collaborate effectively reap the rewards, such as [earning higher margins and increasing client retention](#). It's an area where workflow automation can make a very meaningful difference, allowing law firm teams to collaborate much more easily in real time.



Flexible Options for Client Communication – Legal practice management systems with client management capabilities allow firms to streamline their communication processes, ensuring no query ever goes unanswered—while reducing the time lawyers need to spend compiling emails, texts, and so on.

5 Benefits of Outsourcing Your Law Firm Back Office

At its core, legal process outsourcing is a convenient way to increase capacity, focus on the strengths of your law firm, and increase profitability. In fact, 62.1% of law firms in the [2019 Altman Weil Survey](#) report that shifting work to contract lawyers “resulted in significant improvement in firm performance.”

The top five benefits to legal process outsourcing for law firms include:

- 1 Expanding your practice area expertise** – There are so many different types of law practice that your law firm can't be an expert in all fields. By outsourcing specific legal back office services, you meet all the needs of your clients without having to hire a full-time employee. Expert legal process outsourcing partners have the experience and technical know-how that go beyond standardized offerings. They also offer consultancy services and recommendations for a wide range of challenges that your business might encounter.
- 2 Enabling flexible staffing & 24/7 customer service** – Freelance attorneys provide their services only when your law firm needs the help. By going freelance, you can find qualified legal help at any skill level for any kind of project or case. Additionally, outsourcing gives you not only flexibility but also constant support around the clock. This 24/7 service lets you access skilled experts exactly when you need them the most so that you can easily scale up or condense your operations.
- 3 Reduce turnaround time & increase efficiency** – The automation of repetitive tasks in legal, and future-ready technological solutions that provide more process visibility, results in a time-efficient legal process.

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Lowering the cost of your legal services – When you make processes more efficient, they help reduce operational and overhead costs in return. Eliminating the need for in-house resources, legal process outsourcing helps streamline workflows and reduces the cost of doing business.

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Achieve better work-life balance – Solos and firms are under more pressure than ever to work constantly to make a profit. By outsourcing, your firm can bring in extra help when you need it, without the overhead of a full-time associate. Use the extra time to recharge with your friends, family, and hobbies.

Should My Law Firm Outsource?

There's a seemingly endless list of potential activities your firm could outsource. In addition, new companies are constantly coming onto the market that provide innovative ways to outsource.

To determine the best outsourcing companies for you, consider the following:



Evaluate Your Firm's Needs – There are plenty of options when it comes to legal process outsourcing. However, not all of them will be useful to your firm. A good way to start is to ask yourself these questions:

- What tasks take up a lot of staff time, but don't necessarily need to be completed in-house?
- Does the person need to be physically in your office?
- Do you need someone to go to court?
- Is remote working acceptable?



Explore outsourcing legal work options that match your needs – Once you understand the areas for improvement within your law firm, identify the legal process outsourcing companies available, for example, Back Office Legal. If costs are a significant concern, consider outsourcing legal services where vendors can provide flat fees versus hourly rates.

Types of Legal Process Outsourcing Examples



A reliable LPO provider can take over tasks that are often repetitive and time-consuming to process in-house. These are the following services or functions you can outsource to an LPO provider.

- E-Discovery
- Document Review
- Discovery (e.g subpoenas)
- Legal Research
- Legal Writing
- Drafting (e.g. Briefs and/or Pleadings)
- Appearance counsel and Per diems
- Patent Services
- Summaries Writing (e.g Case, Deposition)
- Demand Letters
- Document Writing (e.g. Wills, Leases, and Trusts)
- Corporate Documents
- Data Entry & Management
- Billing & Financial Services

These functions and services are often outsourced to a third-party provider to save on time, cut costs, and reduce the workload of the in-house legal team.

Increase Law Firm Profitability by Outsourcing Your Back Office

With more law firms leveraging legal process outsourcing to increase capacity and lower costs, [legal process outsourcing is on the rise across the globe](#). This is especially when considering the emergence of virtual law firms and new types of law firms such as subscription-based law firms.

If you're looking for viable ways to differentiate your firm and increase your capacity without increasing firm overhead, legal back office outsourcing may be the way to go.

You're able to outsource more than ever imagined with the technological advancements now available. You can add expertise and capacity to your practice while cutting down on costs and workload.

The bottom line? Outsourcing the time-consuming and mundane tasks allows you to get more meaningful work done. It's a win-win situation. You have more time to dedicate to providing top-notch service to your clients, and generating stronger profits.