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Legal Ops Pros Embrace Next Generation Of Outsourcing

By **Melissa Maleske**

Law360, San Francisco (May 3, 2016, 11:39 PM ET) -- When it comes to legal services outsourcing, the iron is hot, according to two pioneers in the legal operations industry who have each developed offshore operations to support their respective businesses.

When Connie Brenton was hired as the senior director of legal operations at NetApp Inc. in 2010, one of the first things she did was move contracting offshore, she told attendees of the Corporate Legal Operations Consortium's 2015 Corporate Legal Operations Institute on Tuesday in San Francisco.

"[The initiative] crashed and burned ... because the industry was not mature enough at the time, so the resources were not put in place and the processes were not put in place, and we had to back off," said Brenton, a co-founder of CLOC and chairman of its board.

Things have changed. In the ensuing years, the legal services outsourcing industry has reached a tipping point, Brenton said. Trained talent exists, service delivery is consistent and operations have been developed to the extent that legal operations professionals like Brenton are now finding huge value in outsourcing legal services.

In the contracts world, this represents a step beyond the first iteration of legal process outsourcing, CLOC panelists said. If the initial goal of legal process outsourcing, or LPO, was simply to reduce costs by moving the low-level work offshore, they're now aiming a little higher. What they call legal services outsourcing is LPO 2.0, focused not only on augmenting staff and lending legal support to procurement, but also on developing and collecting metrics to prove its worth to the business and, over time, to keep improving processes and building efficiency.

Not one to be deterred by the initial failure, Brenton tried again. This time she moved slowly, focusing on the legal operations team's projects. A benefit of the approach was that it helped her develop partners in the endeavor. Andy Banquer, director of managed contract services at legal service provider Elevate Services Inc., said that what tends to create the most problems for its clients is getting people on board with a new way of doing things — a key piece of change management. Fail to get people on board, he said, and they will likely become detractors who stand in the way of a goal.

"Most of this will be dependent upon your LSO being integrated — fully integrated — into your legal department," Brenton said. "That means they need to know who, how, what systems to use, who to call, how to get people onboarded, and who leads what group within your legal department. That takes time."

With a newly matured industry at her fingertips, on this attempt Brenton was able to make the program work. Starting gradually, her team now has 14 offshore full-time equivalent employees around the world and an additional 41 who contribute when needed. Setting up the system and the metrics that track its effectiveness was an undertaking. Brenton is something of a beta tester for the legal ops community in that regard, and she's making her company's process available through the CLOC website, she said.

"Once the beta testers are done creating a product, there is no reason for anybody in this room to tweak it to any significant degree," she said. "[Using an existing workable model] will create an evolution for the industry that we're looking for."

That is not to say that every law department should use an identical approach. Stephanie Corey, another CLOC co-founder and the chief of staff and legal operations senior director at Flextronics International Ltd., established an outsourcing program to support her company's legal team and said it made more sense to create a captive LSO of full-time Flex employees. Because Flex already had an office in Chennai, India, it made more sense for the company to start there.

Flex now has about 20 offshore full-time employees supporting legal alone, and 11 people supporting Flex's contracts group, she said, and she works with an outsourcing provider to supplement the team.

The India team is talented and highly qualified, Corey said, but a challenge arose from operating out of different countries. Stemming from cultural differences, there was a disconnect that prevented Corey's U.S. team from properly communicating to the Indian team exactly what was needed.

Flex found a training solution by turning to the outsourcing provider that now provides supplemental personnel to the India team, Elevate Services Inc. Elevate-provided training has been rolled out to a few pilot groups and is ongoing, Corey said.

"What we've found is sometimes Americans are different than Indians," Corey said, "so to make sure we're speaking the same language, being as efficient as possible when we work with each other and getting the best results from each other, we're doing this cultural training."

If Brenton was the "lone nut" legal operations director adopting LSOs, Corey told attendees, then she was the first follower — and once the first follower arrives, a solitary action starts to become a movement.

Brenton and Corey urged other legal operations professionals to start somewhere and to start slowly. Accruing small victories will help, they said.

"Start with building blocks — start small," Corey said. "Get those quick wins upfront, and then you build everyone's confidence. You build confidence in the team that you're using, you build that trust and then we see things starting to move faster and faster. And that's when we make more progress."

--Editing by Mark Lebetkin.