

Session Number & Title

901 Outsourcing Legal Services to Foreign Countries

**The Basics,
DuPont and Beyond**

W. Andrew Ziarno, Esq.

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Why “Outsource” Legal Services?

- Do “push” down tasks to lower cost providers
 - Cost savings: no different activity than R&D or Finance
 - DO NOT think there are plug and play solutions
- Do consider currency differentials
 - Euro vs. dollar (30-40 %), vs. SEA currencies, vs. new EU member country currencies
 - DO NOT expect long term certainty here
- Do follow your businesses to BRIC countries
 - Expanding activity will require BRIC legal support
 - Platform to meet these needs already in place

Where to “Outsource” Legal Services?

- Do consider SEA/EE BUT
 - Consider time differential/plus or minus
 - Cultural fit with your law firms or law department
 - Language needs (European languages) may dictate other lower cost locations in new EU countries
 - Factor in management time/travel/cost/focus
- Do not expect
 - A perfect fit (expect long ramp up time)
 - No learning curve (both sides will have it)

Models

- Do consider a “hybrid model”
 - A team: Western law firm/in-house lawyers plus outsourced team
 - A team educated and trained in the West, but practicing in the East plus “local” talent
- Do not consider throwing work “over the fence”
 - Talent/experience base only starting to develop

Common Problems

- Overheating economies (India and China)
 - Employee turn over
 - New hires are recruited but simply do not show up
 - Even minimally experienced employees offered better paying positions move after training
 - Work ethic differences
 - May be better or worse than in home countries
 - Differences in work product expectations

DuPont

- Lower level commodity tasks (US litigation related)
 - Electronic document conversion
 - document coding
 - basic document review
- Upside
 - Relatively commodity type tasks being performed by well educated labor force
 - Some Western educated labor being utilized

Beyond DuPont

- The Future: what to expect
 - Global market pricing for commodity legal services
 - Prices driven down in the West “to compete”/driven up in the East to market median pricing
 - Global talent pools and centers of expertise
 - New “law firm” business models more aligned with client business models

W. Andrew Ziarno, Esq.
Director of Intellectual Property
The Sorin Group