

Offshoring of legal services to India slated to grow ten times by 2010

ValueNotes Database, December 2005

With the increasing acceptance of India as a preferred offshoring destination, a large number of non-CRM and non-transaction related services are being offshored. Among these, a range of higher-value services, like legal services, requiring not just skill, but "knowledge" are rapidly gaining traction.

Successful offshoring in the legal services space began as early as 1995, pioneered by American law firm Bickel and Brewer. Around 2001, GE began offshoring legal services to its captive center and has been accruing huge savings since then. These early initiatives have developed into a full-fledged industry with over 50 service providers, which fall into the following categories:

- Captives of law firms: dedicated centers of international law firms like Lexadigm, Intellevate and NewGalaxy.
- Corporate Captives: in-house legal departments of companies like GE, Cisco, Oracle, DuPont.
- Third party "niche" vendors: such as IP PRO, Patent Metrix, Pangea3, Mindcrest and Quislex, focusing on providing only legal services.
- Third party Multiservice BPOs: such as Evalueserve, Datamatics, WNS and Manthan, offering legal services among others.

Apart from the lure of huge cost savings, the drivers for offshoring to India are primarily an availability of law graduates and the similarity between legal systems of India and major English speaking countries like USA and the UK. About 95% of the business offshored to India is generated by these two countries.

In a recently released report "Offshoring Legal Services to India", ValueNotes estimates that the sector employs around 1,800 professionals and expects this to grow to 24,000 by 2010. Currently, revenues from legal services offshoring in India are \$61 million; and are expected to grow ten times to reach \$605 million by 2010 and cross \$1 billion by 2015.

According to Tejal Padwale, analyst at ValueNotes, "Law firms and in-house legal departments are the largest contributors to the revenues and will dominate the industry for quite some time".

Adds Arun Jethmalani, CEO of ValueNotes, "Much of the high-end, high-priced work flows to captives rather than third-party vendors, due to reasons of confidentiality and security. We expect captives to grow much faster than third-party vendors over the next few years."

About ValueNotes

ValueNotes Database is a leading provider of business intelligence and research, with expertise across selected domains and types of customer needs. Our work with clients all over the world have led us to a significant understanding of international markets.

About ValueNotes Outsourcing Practice

The ValueNotes Outsourcing Practice is one of the largest information providers on the outsourcing industry. Our Outsourcing Practice uses a comprehensive, analytical framework providing fresh insights into the fast emerging and yet, complex outsourcing space. We extensively track the outsourcing space in-depth through a regular analysis of news and events and continuous primary research and contact with the industry.

To learn more about the ValueNotes Outsourcing Practice, see samples, order reports, or provide us with your feedback on this research, please go to www.valuenotes.biz or write to bporesearch@valuenotes.biz. You can also call us at 91 20 6601 0423 / 6601 0424