



India's legal outsourcing industry has grown in recent years from an experimental endeavor to a small but mainstream part of the global business of law. Cash-conscious Wall Street banks, mining giants, insurance firms and industrial conglomerates are hiring lawyers in India for document review, due diligence, contract management and more.

Now, to win new clients and take on more sophisticated work, legal outsourcing firms in India are actively recruiting experienced lawyers from the West. And U.S. and British lawyers — who might once have turned up their noses at the idea of moving to India or harbored an outright hostility to outsourcing legal work in principle — are re-evaluating the sector.

The number of legal outsourcing companies in India has mushroomed from 40 in 2005 to more than 140 at the end of 2009, according to Valuenotes, a consulting firm in Pune, India. Revenue at India's legal outsourcing firms is expected to grow to \$440 million this year, up 38 percent from 2008, and should surpass \$1 billion by 2014, Valuenotes estimates.

"This is not a blip, this is a big historical movement," said David B. Wilkins, director of Harvard Law School's program on the legal profession. "There is an increasing pressure by clients to reduce costs and increase efficiency," he added, and with companies already familiar with outsourcing tasks like information technology work to India, legal services is a natural next step.

So far, the number of Western lawyers moving to outsourcing companies could be called more of a trickle than a flood. But that may change, as more business flows out of traditional law firms and into India. Compensation for top managers at legal outsourcing firms is competitive with salaries at midsize law firms outside of major U.S. metro areas, executives in the industry say. Living costs are much lower in India, and often, there is the added allure of stock in the outsourcing company.

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