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Key Note

Starting LPO a big challenge

INVESTMENT IN INFRASTRUCTURE, TECH & TALENT

STARTING an LPO in India is challenging. Despite the BPO boom, the outsourcing of legal work has been slower to catch on in the country for various reasons. But that doesn't scare Sanjay Kamlani, co-founder and co-CEO of legal outsourcing firm Pangea3, who is aggressively expanding his company. The firm, a legal talent company, is about to hire 150 lawyers this fiscal for its Delhi operations, in addition to the 165 it already has there, and another 500 in Mumbai. In an interview with ETs Almas Meherally, Kamlani discusses what it takes to work for an LPO and how rewarding it can be. Excerpts:

What makes working for LPOs attractive?

A recent survey says about 60% of students from top law schools do not want to work for LPOs. I turned that on its head, and took it that 40% do want to, which is a large number. In fact, we are flooded with resumes of lawyers from the US and the UK, besides here. There is definitely a different advantage when working for an LPO. It gives lawyers an international platform to learn the best practices in their field which may not be possible when working with a law firm. Lawyers at LPOs are constantly dealing with Fortune 500 companies as clients, which make them experts at drafting contracts for international deals, ediscovery, M&A due diligence and such.

This experience is quite important when a person thinks of a career change, since there is better scope in placements with MNCs as in-house counsels and in foreign law firms. In fact, we have a few people who are working as full time lawyers with firms in the US and Australia, after having worked with Pangea3.

Second, the working hours at LPOs are also flexible and depend on the goal of the employees. If they want to work for 2,600 hours a year and perform well, they are rewarded for it. At the same time, those who are not very ambitious, can do their nine-to-five shift and go home with a decent package. And third, lawyers at LPOs get the opportunity to travel abroad and stay there, from a few months to a year, visiting client's onsite.

What are the recruiting criteria for LPOs, and what kind of compensation can one expect?

About 40% of our recruitments are from law schools in Jodhpur, Bangalore, Kolkata and Chandigarh, among others. We also make lateral hires from other LPOs and law firms. I cannot elaborate on our compensation packages but in the industry, the top ten freshers from the best law schools can expect anywhere between Rs 7-12 lakh. The next level of students from the best schools can look at packages from Rs 4-7 lakh, and the other graduates can expect about Rs 2-4 lakh per annum. In case of experienced lawyers, their compensation can range from Rs 7-20 lakh, depending on the number of years they've worked, their specialization, their speaking and writing skills, and productivity.

What is the difference in the work culture, as compared to a law firm?

In an LPO, a person has to have an open mind. Here, designations are not proportional to age but only to merit and performance. A 40-year-old may have to report to a 27-year-old, depending on their individual experiences and performance in the company. Likewise, promotions are based on merit and not seniority. It's more like the work culture in the West.

Why are there so few large LPOs in India?

Starting an LPO is a big challenge. The investment is huge for infrastructure, technology and legal talent. There are many LPOs with about 50 or less lawyers, who cater to individual practitioners and small companies. But big LPOs deal with big corporate house and huge volumes of work that is outsourced. There has to be a proper match of services between those needed and those offered. Otherwise, this will only lead to huge losses. A mismatch of capabilities is the main factor for a firm failing, and this has to be managed quite carefully.

What's the reason for Pangea3s decision to expand?

Functions, which do not come within the core practice of a law firm or a corporate, are generally outsourced to Indian teams, which specialize in that particular job. However, the work flow almost froze for the first three months last year, after the downturn. But in the last few months, we have found that international firms want to grow and are waiting to outsource work as soon as Pangea3 is able to set up the required infrastructure. Hence, the expansion.

Which markets are you looking at?

Pangea3 does a lot of work with clients in the US, Europe and Japan. The latter has a lot of scope for legal outsourcing. Recently, we also tied up with an Australian firm, Advent Lawyers, which has a team of lawyers that visit clients onsite for specialized functions, and use our resources to handle the jobs almost single-handedly. We've also been told that there is a need for our services in Canada, but we haven't explored opportunities there yet.

SANJAY KAMLANI

CO-FOUNDER AND CO-CEO PANGEA3