LEGALBASE: Spearheading Innovation



One of the largest foreign revenue earners in Sri Lanka, the outsourcing industry has a firm footing in the country’s economy and aims to make Sri Lanka a destination of choice for outsourcing. Legal Process Outsourcing (LPO) is a fairly recent and a relatively unknown category in this sector in

Sri Lanka. A pioneer in the local LPO industry, LegalBase continues to move forward progressively. The International Association of Outsourcing Professionals (IAOP) has recognised LegalBase as one of the global Top 100 outsourcing companies/service providers and one of the “Best 5” legal services (LPO) companies in the world. LegalBase is the only Sri Lankan-headquartered outsourcing company in the IAOP’s top 100 and joins the likes of outsourcing giants Accenture, Infosys and HCL who top the list. Sudath Perera and Ali Tyebkhan, Co-Founders and Directors of LegalBase share their views on the outsourcing industry, the immense potential for LPO and their future aspirations for LegalBase.

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What is Legal Process Outsourcing and how is it similar or different from BPO or KPO?

Business process outsourcing (BPO) is a subset of outsourcing and typically involves the outsourcing of specific business functions (or processes) to a third-party service provider. BPO services do not usually require special knowledge based skills. Examples of BPO services include outsourcing of back office and front office functions such as data entry and call centre services.

KPO or knowledge process outsourcing differs from BPO in that it requires specialised domain knowledge and skills to undertake work. Legal Process outsourcing is a subset of KPO.

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LegalBase is a Sri Lankan-based Legal Process Outsourcing (LPO) provider which aims to provide legal solutions of the highest quality and reliability to its clients. What were the thoughts behind this venture?

When we started this venture, the legal outsourcing industry had been in existence for about 15 years. However, legal outsourcing was not very prominent in Sri Lanka. We met in 2007, and we both saw the potential for the industry based on a number of reasons. One major motive was the presence of a large number of law graduates in the country – according to our estimate about 20,000. There is a significant talent pool of lawyers and legal professionals in this country.

Furthermore, our Commercial Legal System is based on common law with substantial similarities with the law in jurisdictions such as England and the US. This is of great help when providing legal services to clients in such jurisdictions. We identified an increase in demand for LPO services from companies and law firms

around the world, including in Europe, North America and the Middle East. We therefore identified an opportunity to build a successful business to match existing demand.

We believed that setting up such a business in Sri Lanka would be a very positive initiative for the country in terms of employment and foreign currency earnings. Sri Lanka has now begun to emerge as a hub for knowledge services, not just legal outsourcing but also accounting outsourcing and other KPO services.

The work at LegalBase is exclusively international. We work for some of the global Fortune 500 Company in-house legal teams and some of the leading international brands in the world. Many young people today who graduate from our universities are eager to gain experience with international clients and engage in international work.

How would you comment on the outsourcing capacity in Sri Lanka? What unique strengths and opportunities do we hold?

The outsourcing industry as a whole has grown tremendously in the past few years, and there is strong growth locally. Despite the global economic downturn, the Sri Lankan IT/BPO industry generated over USD 400 million in export income, having grown from USD 210 million in 2009. By 2016, the industry aims to grow to USD 1 billion of export revenue with the aim of creating over 80,000 jobs within the country. At the moment, the outsourcing industry is already among Sri Lanka’s Top Five export revenue earners.

Most do not realise that there is already a very strong outsourcing industry here. At the moment, it employs around 30,000 to 40,000 people.

There are also many interested companies as well as local blue chips that have very strong and growing outsourcing operations, and we are all working together as an industry. Through SLASSCOM, the Sri Lankan IT-BPO Industry Chamber, we are promoting the industry in the country in general. Representatives of outsourcing companies collaborate through SLASSCOM to help formulate overall strategic plans to take the industry forward.

Today, We Are Working With Several Well-Known Brands, And As A Result, Marketing Is Much Easier. We Can Market Ourselves With Their Permission And Obtain References.

Via SLASSCOM, legal outsourcing firms have developed a linkage with the Bar Association to further promote legal outsourcing in the country. It should also be mentioned that Sri Lanka was shortlisted out of a few countries as the outsourcing destination of the year for 2012 by the National Outsourcing Association of the UK. Being short listed is a significant achievement. The industry here is very strong and is growing rapidly.

Could you elaborate on the LPO Industry in Sri Lanka? Where does it stand and what potential does it hold?

The LPO Industry in Sri Lanka is relatively small at the moment but has tremendous potential.

With the right marketing and infrastructure, we undoubtedly have the capacity to take it to a different level within a very short period. There are increasing opportunities in many markets, including the US and UK, to provide legal outsourcing services. At LegalBase, we represent many multinational brands and have the potential to create high-end employment opportunities for lawyers. We encourage other lawyers also to get involved with this. There is no competition. However, you have to be very professional. You cannot just simply set up a company and wait for success. We should create many more LPOs in Sri Lanka. There is plenty of work. Not many are taking that initiative.

What services does LegalBase undertake as a LPO company? Who are some of the significant clients?

We handle a wide range of legal work ranging from commercial contracts, banking, corporate, intellectual property, litigation and document review. We specialise in high-value addition specialist legal work which requires deep domain specific expertise; as well as commoditised volume based work and projects.

Our high profit clients include leading global banks, FMCG, luxury goods, IT and fashion sector companies; many with leading global brands and products. We also have an important and growing client base of small to medium size business.

Competing in the global LPO industry what are some of the challenges that the Company has had to face? How were they overcome?

Cost certainly is a challenge. At the same time, you cannot also compromise on

quality. These are some of the important factors we had to consider.

We started work in 2008, prior to that I attended many conferences and met many international clients who were very difficult to convince. One reason was the security risk. It was a massive problem. Some clients want to monitor the teams working on their cases and requested CCTV coverage. They want to know who has access to the room with their documents and data. We have enhanced our infrastructure, and we have our own servers. Through experience we have learned. We have addressed all these challenges.

The first two years were very tough in terms of the enormous task of marketing ourselves. Today, we are working with several well-known brands, and as a result, marketing is much easier. We can market ourselves with their permission and obtain references.

There are still challenges today, but we have managed to minimise them as the pioneers of the LPO industry in Sri Lanka. We certainly did not anticipate growth of this magnitude.

Is there room to further improve the LPO Industry? How would you comment on the Government's support in the development of this industry?

The right infrastructure is vital and it is important to see developments in this area.

Secondly, for the outsourcing industry as a whole, we need Government support to help brand the country internationally. Tea for instance is very well marketed outside the country, and Ceylon tea is world famous. Outsourcing has not reached that level. We need to do more at the country level in order to mark Sri Lanka on the map as an outsourcing destination.

We believe it would also help if the Government were to create an appropriate and dedicated policy and regulatory body for the outsourcing industry. If you take tea or tourism there is a dedicated body (e.g. the Tea Board). Dedicated government branding and oversight could serve to affectively promote the industry as a whole.

The International Association of Outsourcing Professionals (IAOP) is the global, standard-setting organisation and advocate for the outsourcing profession. Can you elaborate on its role in the LPO Industry?

The IAOP is an organisation for the outsourcing industry as a whole. It is highly recognised and high profile.

It has a global community of more than 120,000 members and affiliates and aims to be the global standard setting organisation and an advocate for the outsourcing industry.

The IAOP Global Outsourcing ranking is a very rigorous award system, and we are judged against a wide variety of measures. For example, the application process requires client references and detailed information about the projects we conduct. We have to pull together a large volume of supporting documentation for the awards submission and the references from our clients are instrumental. As we have built solid relationships with our clients, they are happy to provide us with strong recommendations. This has been a key factor in our rise up in the IAOP rankings.

SLASSCOM (Sri Lanka IT BPO industry chamber) acts as the catalyst of growth for the Sri Lankan IT and BPO industry. Can you explain how it helps further drive the LPO Industry in Sri Lanka?

SLASSCOM is a critical forum and voice for the IT/BPO industry in Sri Lanka. Through SLASSCOM, company members aim to facilitate trade and business, increase education and employment, encourage research and innovation, and formulate a rational national policy framework. It actively engages with all stakeholders, including the Government, in encouraging sensible, sustainable growth with world class quality.

SLASSCOM attempts to raise awareness locally through presenting training sessions, conducting roundtable discussions, and hosting networking opportunities for SLASSCOM members and the broader business community. SLASSCOM also is very focused on capacity building. Members have engaged with local schools and trade associations to raise awareness of the IT/BPO sectors and inform students and young graduates of the opportunities available and skills required to participate successfully. SLASSCOM’s entrepreneurship forum encourages young entrepreneurs to foster their innovative ideas for the outsourcing industry.

We Have Experienced A Very Steady Growth And Are Aiming To Expand Further Within The Next 24 Months. We See Great Potential In The Industry.

At the broader policy level, SLASSCOM actively engages with the Government to discuss key governmental policy initiatives, including country branding and infrastructure support. We are certainly pleased that the Government appears to be considering the needs of the outsourcing industry.

What are your future aspirations for LegalBase?

We have experienced a very steady growth and are aiming to expand further within the next 24 months. We see great potential in the industry and look forward to expanding our relationships with our existing clients and bringing in new clients going forward.



