

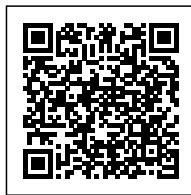
WHY ALTERNATIVE LEGAL SERVICE PROVIDERS ARE ON THE RISE

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Category: [Legal Industry](#)

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Putting together some different **2019's surveys** results, the outcome is similar: alternative legal service providers are globally on the rise and often use used by in-house legal functions. According to [Thomson Reuters latest report](#), in just two years, revenues for alternative legal services providers have grown from \$8.4 billion in 2015 to about \$10.7 billion in 2017. This represents a compound annual growth rate (CAGR) of 12.9% over that period. This would also corresponds to an in-house counsel slowdown since 2016, after the great rise beginning in 2010.

Last **EY global survey** [points out another aspect](#): legal functions must change their operating models to maximize value from digital transformation. 1,058 senior legal practitioners from businesses around the world had been surveyed showing the pressures that legal functions are currently under and how these may ultimately drive a change in operating models. "Results showed that while 33% of businesses are already outsourcing a wide range of legal function processes, a further 41% would consider doing so. This indicates a sizeable proportion of in-house legal functions looking to modernize their operations", **Cornelius Grossmann**, EY Global Law Leader, says.

At the same time, 82% of respondents is planning to reduce legal function costs over the next 24 months, the survey underlines. This is of course a global trend, Switzerland included, but it particularly exacerbates in the United States, where alternative legal service providers market is expected to grow at a CAGR of over 23% during the period 2019-2025, according to a more recent market research [carried out by Arizton](#). The **smart resourcing model** is therefore becoming the reference point in a changing market condition.

The reason could be summed up in two simple concepts: **technology** adoption and **multidisciplinary** approach. In particular as tech field evolves rapidly, organizations need guidance and expertise. It's not a case if "around a quarter of the ALSPs interviewed reported using technologies that involve an element of artificial intelligence (AI)", Eric Laughlin, EY Global Legal Managed Services Leader explains [in a blog interview](#). At the same time, being more structured and targeted ALSPs show more readiness on expected solutions. This would probably make clear another gap shown in a 2019 [survey by Gartner](#), which found that 64% of general counsels are giving more guidance on unfamiliar business opportunities, and 64% are giving more guidance on unfamiliar risk areas.

Finally, it is important to consider that the current worldwide emergency situation due to **coronavirus pandemic** could play an important role in the market. It would be unfair making predictions without having the bigger picture on a daily evolving situation, but technology and flexibility would probably be two key tools of this crisis. Already in the hands of ALSPs. That's why law firm [should invest now on technology](#) and in-house lawyers should seek collaboration and experience a transition of their tasks, as Parley Pro CEO Olga V. Mack [points out in a Bloomberg opinion piece](#).