

CANADIAN Lawyer

OCTOBER 2000 • VOLUME 24, ISSUE 10

LEGAL RECRUITMENT AND OUTSOURCING

Also, contract work hasn't yet caught on in Canada the way it has in the United States where law firms routinely recruit experienced hired guns to act as counsel on a consulting basis for short-term projects. "We still have the stigma that if you want to work contract, you can't find a job," Lepofsky observes. But it's only a matter of time before it catches on here as well because it makes economic sense, he adds.

Instead of getting on the treadmill of overstaffing then letting staff go, firms can fill staffing holes in the mid-range level with contract staff, he says. Some Canadian firms are doing this now, but not to the extent that U.S. firms do.

For those firms that do decide to hire on a project-basis, there are resources available. Taran Virtual Associates, The Legal Outsourcing Network, is doing brisk business with sole practitioners and small law firms handling various aspects of litigation files, ranging from research and drafting documents to motions and trials.

Stephen Taran, who started the legal outsourcing business when he was called to the bar in 1997, has seven lawyers, one articling student and two law students working with him. In that respect, it does not function like a traditional temping agency — all of the work goes through his office, he says, in order to preserve quality control.

The concept is also more flexible than going the traditional temping route, he adds. Taran and his staff don't use the overhead or office space of the firms that hire them.

He developed the business concept in response to the problem of lawyers writing time off on files. For example, sole practitioners and small law firms experience peaks and valleys in their practice, making it difficult to add another full-time person. Adding someone on a project basis means lawyers don't have to stress themselves or any associates out when things get busy, and they don't have to write time off on a file if they can't justify charging certain clients their \$200-an-hour rate for something like research.

Larger firms hire him for big projects. "It makes sense when big projects come in [because] they would have to pull their associates off bigger projects. It makes sense to pull us in."

The financial arrangement mimics the economics of hiring associates in large firms, says Taran. "I charge my client below market rates and encourage my clients to charge their clients at the market rate and they still profit off of our time." It's the equivalent, he explains, to paying an associate a salary and billing them out at a higher rate.

The bulk of Taran's work is in litigation and it ranges from basic research and motions to taking carriage of a file. "One of my clients is a corporate-commercial lawyer and I do all of his litigation work," he says. "I've done trials for him."

Taran technically acts as agent for the hiring lawyer who is the solicitor of record and stays involved with the file on issues like strategy, depending on what the client wants. Clients like the arrangement, he adds, because they get the benefit of the hiring lawyer's experience and expertise on strategy while taking advantage of lower hourly rates.

FOCUS ON

He hired staff after realizing that the business was about to grow, but he couldn't continue to do all of the work himself. His staff include freelancers as well as some lawyers with practices of their own who work as independent contractors. But even though more of the work is being parceled out — his business, he says, has been growing 30 to 40 percent a year — he still manages the work to ensure that lawyer-clients stay happy with the service.

From his vantage point, the legal services market is getting busier, especially in litigation and corporate-commercial work. Even the move to simplified rules of civil procedure and the increasing use of mediation and alternative dispute resolution has not slowed things down, he observes. "Lots of times lawyers are still involved," he points out. "They're just appearing in front of an arbitrator. It's just a different forum."

The biggest barriers, says Taran, is getting lawyers over their reluctance to delegate. The comfort level usually increases, however, after they try the firm on one assignment.

"There is always that reluctance, but we overcome it because it's so easy to use us. It's a pretty common characteristic; lawyers are a conservative bunch of people and delegating is something that is new to some of them, especially sole practitioners. But once you've converted them, you've converted them for life."

As for the appeal of practising on a freelance basis, Taran says it suits lawyers who appreciate flexibility while still being part of a network of professionals.

"You're your own boss, you can have other interests," he says. "It's very difficult to practise law part time; this way you can still practise part time." **CI**

Beverly Spencer is a Toronto lawyer and journalist.