PITON Global

EXECUTIVE WHITE PAPER · WP-87

LEGAL SERVICES · PHILIPPINES

The defensible-work standard: the executive economics of legal services outsourcing to the Philippines.

An analysis of why hours billed is a volume vanity metric, how defensibility and attorney-reliance across the legal value chain — never throughput — decide the true cost of an LPO once wrong authority, privilege waivers, filing errors, and attorney rework are counted, and the vendor-selection discipline that delivers legal work an attorney can sign.

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ABOUT THIS SERIES — VOLUME 87

This volume is the industry umbrella for legal services: it spans the whole legal value chain a firm or law department outsources — research, paralegal support, document review, contract management, and litigation support — and it is about the one outcome all of it shares. Every LPO proposal is priced per hour; this paper is about the attorney-reliable, defensible deliverable underneath, the only unit a matter, a filing, and a bar license actually depend on. The full series lives at piton-global.com.

THE PITON-GLOBAL LEADERSHIP TEAM

About the authors

John Maczynski

Chief Executive Officer

John has bought legal capacity for three decades, and learned that the fast LPO that bills every hour and treats research, review, and drafting as interchangeable throughput is the most expensive one a firm can hire — because a memo on wrong authority sinks a filing, a privileged document produced is a waiver, and every deliverable an attorney re-does is billable leverage lost at attorney rates. His standing question ignores the timesheet: of the legal work you paid for, how much could an attorney actually rely on and sign? Applied at PITON-Global, that question is what clients get on every legal-services sourcing decision — personally, with no account layer in between.

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Chief Strategy Officer

Ralf has spent twenty-five years running Philippine legal-process floors across the value chain, and he judges an LPO by its defensibility and attorney-reliance rate, not its hours logged: whether the authority was right, the privilege protected, the deliverable one an attorney could sign — or whether wrong law, a waiver, or a filing error was building underneath. The defensible-work contract in Section 3 codifies what he learned rebuilding teams that billed hours fast and left defensibility behind. He now reads legal providers the way he once ran them — from the rework log and the privilege-error report backward.

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PITON Global

ABOUT PITON-GLOBAL

PITON-Global is a buyer-side advisory practice, Manila-based since 2001, that has never operated a delivery floor or taken a placement commission. Its stock-in-trade is knowing the Philippine provider market at the operating level — 1,000+ mapped operations, re-verified continuously, including each legal team's real defensibility and attorney-reliance rate rather than its hours-billed headline — and converting that knowledge into a shortlist of six to ten genuinely qualified partners per engagement. Buyers from Tripadvisor, Garmin, TSYS, HealthPartners, Yetipay, Workrise, and Norman Disney & Young have run their searches through the practice.

SECTION 01

Executive summary

-61%	99%+	Zero	6.5×
Fully-loaded cost per attorney-reliable deliverable vs. US onshore	Attorney-reliance rate on vetted teams, up from 86–93%	Privilege waivers on vetted teams across the engagement base	First-year ROI, reconstructed case (Section 6)

A legal-services engagement is bought on the hourly rate and paid for on the deliverables it gets wrong. The LPO reports thousands of hours across research, paralegal support, document review, contract management, and litigation support at a fraction of the onshore rate; the firm finds the memos built on non-controlling authority, the privileged documents mis-coded as producible, the contract terms drafted against the playbook, the citations no one Shepardized, and the associates re-doing offshore work at attorney rates instead of relying on it. The operation billed its hours and the firm inherited unreliable work product, a rework backlog, and risk under an attorney's signature. The gap between billing legal hours and delivering an attorney-reliable, defensible deliverable is where the real cost of cheap LPO hides, because work an attorney cannot rely on is not leverage delivered — it is rework acquired and malpractice risk taken on.

The Philippines — a common-law jurisdiction with an English-language, US-oriented legal-education pipeline and a deep, attorney-supervised LPO talent pool — is where legal services are delivered with the most defensibility discipline, because that pool can run the authority analysis, privilege protection, and attorney-ready drafting that defensible work demands across the value chain. Five findings:

1. **Hours billed is the industry's most flattering number.** Any LPO can log time across the chain. Vetted teams are measured on outcome: defensibility, privilege protection, and attorney-reliance. Weak providers quote a low hourly rate the firm repays in wrong authority, waivers, and rework. Section 2 shows the gap.

2. **The attorney-reliable, defensible deliverable, not the billed hour, is the product.** Work a lawyer can sign comes from getting the authority right, protecting privilege, and drafting to the firm's standard — not from logging hours. Teams that deliver defensible work return leverage to the attorney; teams that bill loosely return rework and risk that cost more than the hours saved.

3. **The chain is only as strong as its weakest link.** Flawless research behind a review team that leaks privilege still risks a waiver; perfect paralegal work behind a contract drafted off-playbook still exposes

the client. Vetted teams hold defensibility across every link precisely because one failure anywhere surfaces as a sanction, a waiver, or a bad filing.

4 **The rework and the risk, not the hour, are what cost.** A deliverable done wrong costs the attorney's re-do at attorney rates, the missed-authority or waiver exposure, and the malpractice risk — many times the hourly saving. Teams that deliver defensible work free attorney leverage and de-risk the matter, and that reclaimed leverage — not the offshore rate alone — is where the case study's return is built.

5 **Contract on the attorney-reliable deliverable, not the billed hour.** The contracting failure of LPO is paying by the hour and hoping the work is defensible. Vetted deals price against attorney-reliance floors, privilege-protection standards, and defensibility targets, making trustworthy work product the team's problem, which is where it belongs.

The intended reader is a general counsel, law-firm managing partner, or director of legal operations buying legal services by the hour and paying for it in wrong authority, waivers, and rework. Sections 2–4 separate the teams that deliver defensible work from the teams that bill hours; Sections 5–7, the method and the proof. Individual functions — research, paralegal, review — have their own volumes in this series; this paper is the umbrella that ties the legal value chain together.

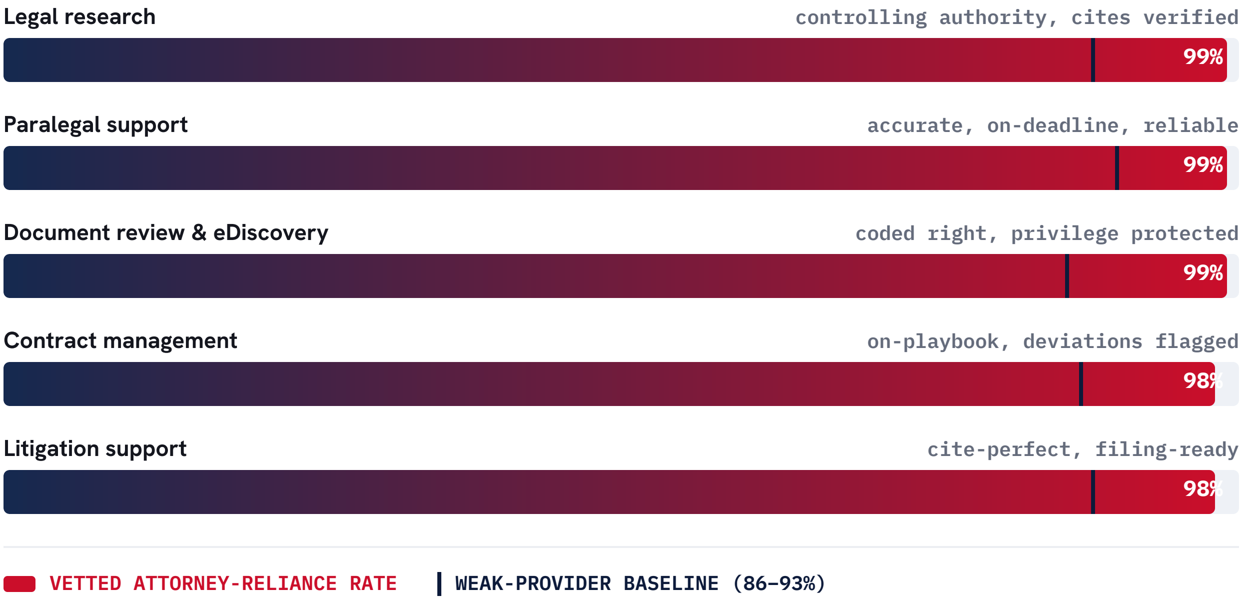
SECTION 02

The volume mirage: hours billed versus attorney-reliable deliverables

Figure 1 walks the legal value chain link by link — research, paralegal support, document review, contract management, litigation support — and shows each one two ways: the hours-billed headline a weak LPO invoices, and the attorney-reliance rate the firm's matters and filings actually experience. The headline is identical in spirit to a chatbot's containment rate — engineered to look like output while wrong authority, waivers, and rework accumulate underneath.

FIG. 1 — THE LEGAL VALUE CHAIN: ATTORNEY-RELIANCE RATE VS. REPORTED HOURS, LINK BY LINK

Each link bills at "100% of hours worked." The green bar is the share an attorney could actually rely on and sign — right, privilege-safe, defensible — on a vetted team; the hair-line marks the weak-provider baseline.



Source: PITON-Global legal-process engagement instrumentation, 2025–26, defensibility- and reliance-audited across the value chain under supervising-attorney review. Weak-provider baseline is a composite of pre-engagement vendor reporting reviewed in diligence.

The economics follow the attorney-reliance rate, not the hour count. On a vetted operation every link clears around ninety-eight to ninety-nine percent attorney-reliable, so research rests on controlling law, privilege stays protected, and filings hold — and because the chain holds end to end, nothing risky reaches a court. On a weak one, each link bills 100% of hours worked while sitting six to fourteen points lower on reliance, and those gaps compound: a research miss becomes a bad brief, a review slip becomes a waiver, a contract deviation becomes exposure. A low hourly rate that is not defensible is not a saving; it is rework and risk, delayed and sometimes catastrophic. The defensibility audit across the chain is the cheapest due-diligence instrument in this paper.

SECTION 03

The defensible-work contract: get it right, protect the privilege, make it attorney-reliable

Figure 2 lays out the three clauses of a working legal-services contract — the machinery a floor read verifies across every link before any hourly rate is believed.

FIG. 2 — THE DEFENSIBLE-WORK CONTRACT, AS OPERATED ON VETTED TEAMS

GET IT RIGHT

Research runs to the controlling authority, citations are verified, contract terms are checked against the playbook, and every deliverable is done to the firm's standard — with an ambiguous question escalated to the supervising attorney rather than guessed. The work is made correct at the source, so it does not become an attorney's problem downstream.

PROTECT THE PRIVILEGE

Privilege and confidentiality are safeguarded on every task — identified, logged, and withheld under a defined protocol, with conflicts screened and client data secured — so no privileged document is produced and no confidence is breached. Privilege is the one call where a single miss is catastrophic, which is why it carries its own review layer across the chain.

MAKE IT ATTORNEY-RELIABLE

Deliverables arrive drafted to format, inside deadline, and ready for the supervising attorney to rely on and sign rather than re-do — with a defensibility report the legal team can read across the chain. Attorney-reliable means the lawyer's leverage is returned to judgment-grade work, which is the only outcome a firm's economics and a client's matter actually feel.

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THE ATTORNEY-RELIABLE DELIVERABLE

99%+ ATTORNEY-RELIANCE | PRIVILEGE PROTECTED | DEFENSIBLE

Work rests on the right authority, privilege is protected, and every deliverable is drafted so an attorney can rely on and sign it across the value chain — so wrong authority and waivers disappear, rework falls, and attorney leverage returns to judgment-grade work. The operation gets cheaper per attorney-reliable deliverable and de-risks the matter at the same time, which is the entire promise of outsourcing legal services to people who measure defensibility, not hours billed.

Operating parameters from PITON-Global legal-process engagements, 2025–26. All work is performed under supervising-attorney review and never substitutes for licensed legal judgment.

In diligence, the contract is tested from the attorney's side: assign a blind deliverable from each link and re-check its authority, privilege handling, and draft quality against the sources and the firm's standard; read the rework, waiver, and sanction logs; interview on how they handle unsettled law and a close privilege call. Perhaps one team in ten survives it cleanly across the whole chain. Steps 3 and 5 of the framework exist to find that one before the contract does — because everything in Table 3 of Section 6 depends on defensibility, not hours billed.

SECTION 04

Cost and performance: cost-per-attorney-reliable-deliverable economics and benchmarks

TABLE 1 — FULLY-LOADED COST PER ATTORNEY-RELIABLE DELIVERABLE: THREE OPERATING MODELS (2026)

OPERATING MODEL	COST / DELIVERABLE	VS. US BASELINE
US onshore associate / in-house legal team	$690	baseline
Low-cost offshore LPO mill (per-hour)	$455	–34%
Vetted Manila team — defensible, attorney-reliable	**$269**	**–61%**

Basis: PITON-Global engagement pricing 2025–26; cost per attorney-reliable deliverable = fully-loaded operating cost (including supervising-attorney review, privilege QC, and defensibility overhead) divided by deliverables an attorney relies on and signs (wrong-authority, waiver, and reworked deliverables excluded); the LPO mill looks cheap per hour but rework at attorney rates, missed authority, and privilege exposure lift its true cost per reliable deliverable; US comparator fully-loaded associate/in-house cost. Blended across value-chain functions; function-level economics appear in the dedicated volumes.

TABLE 2 — LEGAL-SERVICES BENCHMARKS, VETTED VS. BASELINE (2025–26)

METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
Attorney-reliance rate	99%+	86–93%	The only number leverage follows
Privilege waivers	Zero	>0	Protected, or a waiver in the wild
Attorney rework vs. baseline	–64%	baseline	"Get it right" — held or not
Turnaround vs. baseline	–46%	baseline	In hand for the deadline, or late
Attorney leverage reclaimed	+31%	baseline	Time on judgment, or on re-checking

Source: PITON-Global legal-process engagement data 2025–26; baseline = typical pre-engagement operations billed on hours.

The strategic read: the LPO mill's –34% per hour is a false economy — rework at attorney rates, missed authority, and privilege exposure lift its true cost per attorney-reliable deliverable far above the hourly gap, and a filing sunk by bad law or a waived privilege is a cost no rate recovers. The vetted Manila team's –61%

is real because it is measured where the value is: the deliverable an attorney relies on and signs, across the chain. Buy on hours billed and you buy the weak column of Figure 1; buy on cost-per-attorney-reliable-deliverable and you buy defensibility — the same discipline every volume in this series keeps arriving at from a different door.

SECTION 05

Sourcing discipline: the 7-Step Vendor Vetting Framework, applied to legal services

Legal-services diligence adds one hard requirement to every step: an hourly rate is real only when the defensibility behind it survives a blind re-check of authority, privilege, and draft quality across the value chain. The funnel below is representative of a 40–100-seat multi-function legal-services search.

FIG. 3 — THE 7-STEP FRAMEWORK AS A LEGAL-SERVICES FUNNEL

	STEP	WHAT IT ELIMINATES IN A LEGAL-SERVICES SEARCH	FIELD REMAINING
1	**Requirements definition**	Hours-first scoping: fixes the attorney-reliance floor, the privilege-protection standard, the defensibility target, and the turnaround the operation must meet by legal function	1,000+
2	**Market mapping**	LPO mills: operations that bill hours and treat wrong authority, waivers, and rework as the client's problem, and generalist floors with no law-trained staff or practice depth	~40
3	**Capability screening**	Teams without the machinery: law-trained staff, audited defensibility history, a privilege-QC and supervising-attorney-review workflow, and coverage across the legal functions you outsource	~12
4	**Compliance & security audit**	Weak governance: client-confidentiality and privilege protection, conflicts screening, access controls on research/DMS/review systems, SOC 2 scope covering the legal stack	~7
5	**Operational diligence**	The blind test: assign deliverables per function and re-check authority, privilege, and draft quality against the sources; read the rework/waiver/sanction logs; interview on unsettled law and a close privilege call	4–6
6	**Competitive RFP & negotiation**	Hourly pricing: finalists bid against attorney-reliance floors, privilege-protection standards, and defensibility targets — all carrying credits for deliverables that come back on wrong authority or reworked	2–3
7	**Transition & launch governance**	Cold start: the team calibrates against your practice areas, citation standard, and playbooks on a sample before it takes live matters, with the reliance floor certified before steady state, PITON-Global embedded buyer-side	1

Field-remaining counts represent a 40–100-seat multi-function legal-services search, PITON-Global engagements 2024–26.

The standing guarantees hold: **vendor neutrality** — PITON-Global operates no legal floors, drafts no deliverables, and takes no placement economics, so the shortlist reflects audited defensibility performance, not inventory; **right-sizing** — teams for whom your operation is a flagship account. Six to ten genuinely qualified providers, delivered within 48–72 hours, free to the buyer, competing through a fully transparent, fair, comprehensive, and highly competitive RFP.

SECTION 06 · ANONYMIZED CASE STUDY

Re-basing the operation on defensibility: a 70-seat legal-services rebuild, reconstructed

Engagement LS-072 is a US law firm and corporate legal department — running roughly 130,000 billable deliverable-hours a year across research, paralegal support, document review, contract management, and litigation support — that had offshored legal services to a per-hour LPO. The hourly rate was excellent; the defensibility was not: the attorney-reliance rate sat near 90%, a privilege near-miss had surfaced in a review, memos were bouncing for wrong authority, and associates were re-doing offshore work at attorney rates. The general counsel wanted the leverage without the wrong authority and the risk. Identifying details are anonymized under NDA.

SELECTION (WEEKS 0–9, BLIND TESTS)

Requirements fixed a 99% attorney-reliance floor, a zero-waiver privilege standard, and a defensibility target, with a mandatory privilege-QC and supervising-attorney-review workflow across every link. Mapping produced 40 claimants; the machinery screen — law-trained staff, audited defensibility, value-chain coverage — left 12; the confidentiality-and-conflicts audit left 7. Blind tests across the chain, re-checked against the sources, shortlisted 5. A Manila team won priced against reliance and defensibility, with the blind re-check written into the reporting spec.

TRANSITION (MONTHS 2–7, CALIBRATED FIRST)

The team calibrated against the firm's practice areas, citation standard, and playbooks per function before taking live matters; the reliance floor was certified in month 3. The privilege-QC-and-review loop fed calibration from day one. By month 7 the attorney-reliance rate reached 99.2%, privilege waivers held at zero, rework fell 64%, and turnaround dropped 46%. PITON-Global chaired the defensibility review board to steady state.

TABLE 3 — LS-072 FIRST-YEAR VALUE BUILD-UP (US$)		
VALUE COMPONENT	YEAR 1	BASIS
Labor arbitrage on the 70-seat operation	$2.90M	130.0k deliverable-hrs × ($32.20 – $9.90)
Attorney leverage reclaimed (rework removed)	$0.94M	Senior-attorney hours returned from re-work
Privilege & malpractice exposure avoided	$0.46M	Waiver and bad-authority exposure removed
Turnaround & matter-throughput value	$0.20M	Faster deliverables and higher matter throughput
Gross value created	**$4.50M**	
Less: engagement & transition costs	($0.69M)	Calibration, privilege-QC build, DMS/citation integration; advisory fee $0 (provider-paid model)
Net value ÷ cost = first-year ROI	6.5×	$4.50M ÷ $0.69M

Figures rounded; reliance, privilege, and rework effects audit-verified. Method in Methodology & notes.

Sixty-four percent arbitrage, thirty-six percent from reclaimed attorney leverage, avoided privilege exposure, and faster turnaround — a typical split for the series, earned because the operation was re-based on defensibility rather than billed hours. Every line traces to a diligence step: the reliance floor to Step 1, the defensibility-based pricing to Step 6, the privilege-QC workflow to Step 3's contract. The general counsel's line at the year-one review: "The rate barely moved. What moved is that I trust the work now — my attorneys stopped re-doing it, and nothing's bad-lawed or waived its way into a matter."

SECTION 07

The executive playbook: governance for the first 180 days

A legal-services transition succeeds when the team is measured and paid on defensibility and attorney-reliance — client in command throughout.

DAYS 0–30

Define defensibility, contract on it

Set the attorney-reliance floor, the zero-waiver privilege standard, and the defensibility and turnaround thresholds with legal leadership before launch, and document the privilege-QC and supervising-attorney-review workflow per function. Contract against defensibility and attorney-reliance — never per hour alone — with floors and standards carrying credits. Stand up the blind re-check as the program's arbiter of truth.

DAYS 30–90

Calibrate per function, prove the floor

Calibrate each function against your practice areas, citation standard, and playbooks on sample deliverables before it takes live matters; certify the reliance floor and privilege-QC loop across the chain. Switch on the review-and-feedback loop from day one. Publish the defensibility dashboard: attorney-reliance rate, privilege waivers, rework, turnaround, leverage reclaimed — by function and end to end.

DAYS 90–180

Take live matters, certify steady state

Route live matters to the team only after it holds the reliance floor and zero-waiver standard across every link, always under supervising-attorney review. Review the defensibility board monthly with the rework, waiver, and sanction logs on the table. Certify steady state on two months at floor across practice areas; hand over on documented criteria; keep the quarterly blind re-check standing.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Paying by the hour while work rests on wrong authority · logging hours instead of getting the law right · letting one weak link leak a waiver or a bad filing downstream · treating privilege protection as optional · taking live matters before defensibility is proven. All five are settled at selection and contract.

The legal-services argument, in one sentence: a billed hour is time and an attorney-reliable deliverable is work a lawyer can rely on and sign across the whole value chain, and a vetted Philippine team delivers −61% cost per attorney-reliable deliverable with a 99%+ reliance rate, zero privilege waivers, and rework cut by nearly two-thirds — for buyers who audit the defensibility instead of counting hours billed, and compete the finalists through a fully transparent, fair, comprehensive, and highly competitive RFP. Anyone can bill a legal hour. We make sure you buy the team whose work an attorney can sign.

METHODOLOGY & NOTES

How the numbers were built

Defensibility and reliance figures (Fig. 1, Table 2) derive from engagement instrumentation in PITON-Global legal-process engagements, 2025–26. The attorney-reliance rate is measured by re-checking sampled deliverables per value-chain link for correct authority, privilege handling, and draft quality against the sources and the firm's standard; privilege waivers, rework, turnaround, and leverage reclaimed are measured against the client's pre-engagement baseline. The weak-provider baseline is a composite of pre-engagement vendor reporting reviewed in diligence, shown for contrast.

Cost-per-attorney-reliable-deliverable figures (Table 1) are fully loaded — wages, benefits and statutory charges, facilities, technology, and management, plus supervising-attorney review, privilege QC, and defensibility overhead — divided by deliverables an attorney relies on and signs, with wrong-authority, waiver, or reworked deliverables excluded from the denominator; US comparators reflect fully-loaded associate/in-house cost. Figures are blended across value-chain functions; function-level economics appear in the dedicated volumes of this series.

The case study (LS-072) is anonymized under NDA; volumes and dates are generalized, figures rounded. Reliance, privilege, and rework effects are audit-verified; the leverage-reclaimed line reflects senior-attorney hours returned, and the exposure-avoided line is a conservative estimate. ROI = net first-year value ÷ all engagement-related client costs. PITON-Global's advisory fee is provider-paid and appears at $0 in the client cost base; neutrality safeguards are documented at piton-global.com.

Market context draws on IBPAP reporting and PITON-Global's proprietary provider mapping (1,000+ operations; defensibility and reliance performance re-verified May 2026). All legal work is performed under supervising-attorney review and never substitutes for licensed legal judgment. Estimates and projections are PITON-Global analysis and should be cited as such. The full series is available at piton-global.com.

Would your provider's rate survive a defensibility re-check?

Forty-five minutes with John will tell you. Free to buyers, strictly vendor-neutral — a defensibility-verified shortlist within two to three business days.

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