BUSINESS PLAN · INDIA

Legal Process Outsourcing (LPO)

Scalable contract review, research & litigation support

LEGAL

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August 2026

1. Executive Summary

This plan sets out a **Legal Process Outsourcing (LPO) Business** in India — a service company delivering scalable, technology-enabled legal support to law firms, corporate legal departments and clients (domestic and overseas): contract abstraction and review, legal research, document review and e-discovery support, litigation support, due-diligence support, compliance documentation and paralegal services.

India is a leading global LPO hub, offering skilled legal talent at a fraction of Western cost. As legal work grows and firms/corporates seek efficiency, demand for reliable, secure outsourced legal support is strong — domestically and internationally. This is a headcount-leveraged, recurring-contract business with strong margins once utilisation scales.

The promoter — a lawyer/legal-operations professional — seeks total funding of **₹8.0 lakh** (₹3.0 lakh promoter + ₹5.0 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹42 lakh** revenue in Year 1 and **₹1.1 crore** by Year 3 as the delivery team scales.

2. Business Description, Vision & Legal Structure

Concept: A reliable legal-support engine — accurate, secure, scalable legal work delivered on time — that lets law firms and legal teams do more, faster and cheaper.

Vision: To be a trusted LPO partner for firms and corporates in India and abroad.

Mission: Deliver high-quality, secure, cost-effective legal support at scale, with rigorous quality control.

Legal structure options

- **Private Limited** — recommended: credibility with corporate/overseas clients, scalability, and data-security posture.
- **LLP** — acceptable for a smaller start.

> **Model note:** LPO is a service/BPO business (not law practice) — it provides support work to lawyers/legal teams who retain professional responsibility. It does not give legal advice to end-clients or appear in court. Data security and confidentiality are the core value proposition, especially for overseas work.

3. Promoter & Ownership

Led by a promoter with legal and operations experience. Delivery uses a team of law graduates, paralegals and reviewers under quality leads. Year-one ownership rests with the founder(s); the model scales by adding trained delivery staff. Ownership and profit-sharing are editable inputs.

4. Market Analysis — India

The global and domestic legal-support market is large and growing, and India is a preferred LPO destination for its skilled, cost-effective legal talent and English proficiency. Law firms and corporate legal teams increasingly outsource routine, volume work to focus on high-value tasks, and technology (AI-assisted review) expands what LPOs can deliver.

Demand drivers

- **Cost arbitrage:** skilled Indian legal talent at a fraction of Western cost.

- **Volume legal work:** contract review, abstraction, research and e-discovery.
- **Efficiency pressure** on firms and legal departments.
- **Technology enablement:** AI-assisted review scaling throughput.
- **Domestic growth:** Indian firms/corporates also outsourcing.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Global + domestic legal-support outsourcing market	Very large
SAM	Reachable law firms & corporate legal teams (domestic + select overseas)	Large
SOM (Yr 1–3)	Active client engagements	8 → 30 clients

Target segments

- Law firms (domestic and overseas) needing support at scale.
- Corporate legal departments outsourcing routine work.
- Businesses needing contract abstraction and due-diligence support.
- Legal-tech companies needing legal annotation/review.

5. Competition & Competitive Advantage

Landscape: established LPOs, in-house teams, and freelancers. The firm competes on quality, security, turnaround, and technology-enabled efficiency.

The firm's edge

- **Rigorous quality control** — multi-level review and accuracy.
- **Data security** — certifications and controls (ISO 27001-style, secure infra).
- **Technology-enabled delivery** — AI-assisted review for speed.
- **Domain specialisation** (e.g., contracts, IP, compliance).
- **Flexible, scalable capacity.**

6. Services & Pricing

Service	Model	Indicative commercials
Contract abstraction / review	Per document / hourly	Volume-based
Legal research & memos	Hourly / per project	Hourly rate
Document review / e-discovery	Per doc / hourly / FTE	Volume / FTE
Due-diligence support	Project	Project-based
Dedicated FTE / managed team	Monthly per FTE	Monthly retainer
Compliance & documentation support	Retainer / project	Recurring

> Dedicated-FTE and managed-team retainers provide predictable recurring revenue; volume and project work add scalable income.

7. Go-to-Market — Marketing & Sales

- **Direct outreach** to law firms and corporate legal departments (domestic + select overseas).
- **Referrals & partnerships** with legal-tech vendors and consultants.
- **Proof-of-value pilots** demonstrating quality and turnaround.
- **Security credentials** as a sales differentiator.
- **Thought leadership** on legal-ops efficiency.

Sales approach

Pilot engagement → quality & security proof → managed-team/FTE contract. Land-and-expand within accounts; build long-term retainers and referrals.

8. Operations Plan

- **Location:** a secure office with controlled access; delivery is team-based with strict data governance.
- **Delivery model:** trained delivery staff work under team/quality leads; standardised workflows, checklists and multi-level review.
- **Technology:** secure document/review platforms, AI-assisted tools, time-tracking, and a secure client-data environment.
- **Security & compliance:** access controls, NDAs, ISO 27001-style controls, and (for overseas work) client-specific data-protection requirements.
- **Capacity:** the model scales with trained headcount and utilisation; quality leads maintain standards.

Core service lines

Line	Work	Model
Contracts	Abstraction, review	Volume/FTE
Research	Memos, analysis	Hourly/project
Litigation support	Doc review, e-discovery	Volume/FTE
Due diligence	Data-room review	Project
Compliance	Documentation support	Retainer

9. Regulatory, Licences & Compliance (India)

- **Business registration:** Private Limited (preferred) or LLP; MCA incorporation.
- **Udyam (MSME)**, PAN/TAN, **GST registration** (services; export of services may be zero-rated with LUT), professional tax and Shops & Establishments as applicable.
- **Data security & contracts:** ISO 27001-style controls; client MSAs/DPAs; DPDP and (for overseas clients) their data-protection requirements.

- **Note:** LPO is a support service, not legal practice; end-client legal responsibility rests with the instructing lawyers/legal teams.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Founder / Delivery Head	1	1	1
Quality / Team Lead	1	3	5
Legal Associate / Reviewer	4	10	16
Sales / Admin / IT-Security	1	2	3
Total	**7**	**16**	**25**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–2	Entity, secure infra, workflows, first team, security posture
Launch	Month 2–5	First clients & pilots; quality & SLA proven
Traction	Month 5–12	Managed-team contracts; break-even nears
Scale	Year 2	Team growth; overseas accounts; certifications
Growth	Year 3	30 clients; large managed-team book

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results.

12.1 Project cost & means of finance

Capital requirement	₹
Secure office & fit-out	1,80,000
Computers & secure IT (7)	2,40,000
Review platforms & security tools	90,000
Branding, website & BD	60,000
Deposits & pre-operative	80,000
Working-capital buffer	1,50,000
Total project cost	**8,00,000**
Promoter contribution	3,00,000
Term loan (Mudra / CGTMSE)	5,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Managed-team / FTE retainers	26,00,000	52,00,000	72,00,000
Volume & project work	16,00,000	26,00,000	38,00,000
Total revenue	**42,00,000**	**78,00,000**	**1,10,00,000**
Salaries & delivery team	22,00,000	40,00,000	56,00,000
Rent & utilities	2,80,000	3,40,000	4,20,000
Platforms, security & IT	2,60,000	3,80,000	4,80,000
Marketing & BD	2,40,000	3,40,000	4,40,000
Admin, travel & misc	3,00,000	4,40,000	5,80,000
Interest on term loan	55,000	40,000	22,000
Total expenses	**33,35,000**	**55,40,000**	**75,42,000**
Net profit (before tax)	**8,65,000**	**22,60,000**	**34,58,000**
Net margin	20.6%	29.0%	31.4%

12.3 Unit economics & break-even

- **Per delivery FTE:** billed well above fully-loaded cost at good utilisation — the core LPO economics.
- **Utilisation is key:** margins scale sharply as the team is kept billable.
- **Break-even:** a few managed-team contracts plus volume work — reached around month 9–12 as utilisation builds.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	1,50,000	95,000	1,30,000	2,55,000
Collections	6,50,000	9,50,000	12,50,000	13,50,000
Operating outflows	7,05,000	8,85,000	10,95,000	11,80,000
Loan EMI	45,000	40,000	30,000	30,000
Closing balance	**95,000**	**1,30,000**	**2,55,000**	**3,95,000**

> Cash builds as managed-team contracts ramp and utilisation improves; the buffer covers the initial team-loading before full billing.

12.5 Key Performance Indicators to Monitor

- **Utilisation:** billable-hours %; FTE utilisation (the key margin driver).
- **Quality:** accuracy/error rate; SLA adherence; rework.
- **Growth:** clients; managed-team seats; revenue per FTE.
- **Security:** incident count (zero); certification status.

13. Funding Requirement & Bankability

Total ask: **₹5.0 lakh term loan** against ₹3.0 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹8.65 lakh against annual debt service of ~₹1.7 lakh gives a **DSCR above 3.0** — bankable, with strong operating leverage as the team scales.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, secure infra, platforms & security	3,30,000	41%
Office setup & deposits	2,60,000	33%
Branding & business development	60,000	8%
Working-capital buffer	1,50,000	18%
Total	**8,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Data breach / confidentiality	ISO 27001-style controls; access management; NDAs; audits
Quality lapses	Multi-level review; QA metrics; training
Client concentration	Diversify clients; land-and-expand across accounts
Utilisation / bench cost	Pipeline management; flexible staffing; cross-training
FX / overseas dependence	Domestic + overseas mix; contract terms

15. SWOT Analysis

Strengths Cost arbitrage; scalable headcount model; recurring managed-team revenue; India talent pool.	**Weaknesses** Utilisation-dependent margins; data-security burden; client concentration risk.
Opportunities Global & domestic outsourcing growth; AI-enabled throughput; specialised lines; certifications.	**Threats** Established LPO competition; automation commoditising basic work; FX/geo risk.

16. Recommended AiSevak Tools for This Business

This firm would use AiSevak's Legal vertical productivity tools in delivery:

- **Contract & review:** Contract Review, Clause Explainer, Document Index, DD Checklist.
- **Paralegal productivity:** Paralegal Procedure, Case Brief, Research Framer, Billing Narrative, Client Intake.
- **Practice:** Business Plan and Unit-Economics tools to model and price the LPO.

17. Key Assumptions & Notes

- ~8 clients in Year 1 growing to ~30 by Year 3; delivery team scales from 7 to 25.
- Managed-team/FTE billing above fully-loaded cost at target utilisation — adjust to rate cards.
- Export of services may be zero-rated under LUT; term-loan interest ~11% p.a., 5-year tenure.
- Figures exclude GST where applicable; utilisation is the key margin driver.

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