

**REGULATION: despite hurdles, Kerry Underwood predicts offshoring will be 'huge'**

## Pioneering solicitor claims offshore work will revolutionise the profession

The solicitor pioneering the offshoring of legal work this week insisted that the concept will revolutionise the profession within five years – even though his South African venture has yet to handle any work more than a year after it was announced, the *Gazette* has learned.

Well-known personal injury and employment lawyer Kerry Underwood, senior partner of Hemel Hempstead firm Underwoods, said it has taken time to overcome the various regulatory hurdles but he has now begun a campaign to recruit 50 paralegals in South Africa.

Underwoods South Africa is now registered as a law firm in the country, and clearance from the firm's UK professional indemnity insurer has been received. Mr Underwood said the infrastructure is in place. 'We could start next Monday,' he claimed.

Mr Underwood said his initial plan to target law firms has proven unsuccessful – which he put down to their less than adventurous nature – and he has refocused on legal expenses insurers, trade



Photograph: Rex Features

### Cape Town: offshore work focus

unions and claims management companies. Discussions with several organisations are progressing, he said.

He is initially targeting fixed-fee road traffic personal injury cases because of the certainty of return, although he hopes to move onto other personal injury work if he can strike a deal with liability insurers – for example, he would not claim a success fee if they do not challenge his base costs.

The combination of lower costs to the defendant insurer, quality work and a fair profit margin for his firm, mean such an arrangement would be a 'virtuous circle', Mr Underwood said. He explained that while some aspects of operating in South Africa – the base is near Cape Town – are cheaper than the UK, others are more expensive, including telephone and broadband costs.

He said he has also had enquiries about offshoring commercial work, where the base costs are high and there is no recovery of costs from the other side. The firm looked at remortgaging work but concluded that the profit margins are too slim.

Mr Underwood said the main stumbling block to the concept in the profession is the hourly rate, meaning 'there is no incentive for lawyers to be more efficient'. However, he said: 'I have spent the majority of my time in the last two years on this and have no shadow of a doubt that in the next five years, a huge amount of work will be offshored.'

See Editorial, page 16  
Neil Rose