

# A Primer on Legal Operations

---

December 2018





# Where is the Industry Going?

## Evolving Role of Legal

**Pre-1990**

**Focus on Risk Management**

- Fewer complex issues
- Serve as manager of Outside Counsel with limited cost pressure

**1990-Mid 2000s**

**Strategic Insights**

- More complex, regulated, international issues
- Heavy use of Outside Counsel with some sensitivity to costs

**Mid 2000s-Today**

**Trusted Advisor**

- Highly complex issues – both legal and business
- Strategic use of Outside Counsel with emphasis on cost control

## Increasing Legal Demand

**81%**

**Of Law Departments with increasing demand for services<sup>1</sup>**

- Businesses are growing in complexity and geographic scope – legal needs have grown in lockstep
- Legal is no longer just a “box to check”, but rather a key counselor to the business

**Top Methods for Handling Increased Demand<sup>1</sup>**

- Increased Use of Technology
- Bolstering In-house Staffing
- Greater Self-Service for Clients

## “Business of Law”

**Cost Pressures**

- Costs for both in-house and Outside Counsel continue to rise
- Controlling costs requires substantial time on the part of legal management, detracting from time that could be better spent focusing on providing legal advice

**Expertise**

- Legal increasingly relies on technology and is focused on process improvement
- Supporting this requires specialized expertise that is typically not resident within lawyers

**Need for Legal Operations**

1. 2018 HBR Consulting Law Department Survey of over 200 Fortune-1000 Level Law Departments



# What do you get from Legal Operations?

## Key Outcomes

- Operations helps shape focus areas and derives specific metrics to measure and demonstrate the legal function's value to the business
- Dedicated resourcing promotes greater visibility and predictability into legal spending and management of financial resources
- Tighter and more productive partnerships with selected external vendors/partners to maximize value delivered
- Tools implemented that are aligned with optimal business processes to capture and report out key data; ops also helps promote consistent use across legal

## ROI

	Lawyers	Other Staff
% of Time Dedicated to Legal Operations Tasks	6.0%	7.6%
# of Hours Dedicated to Legal Ops Tasks	3,600	4,000

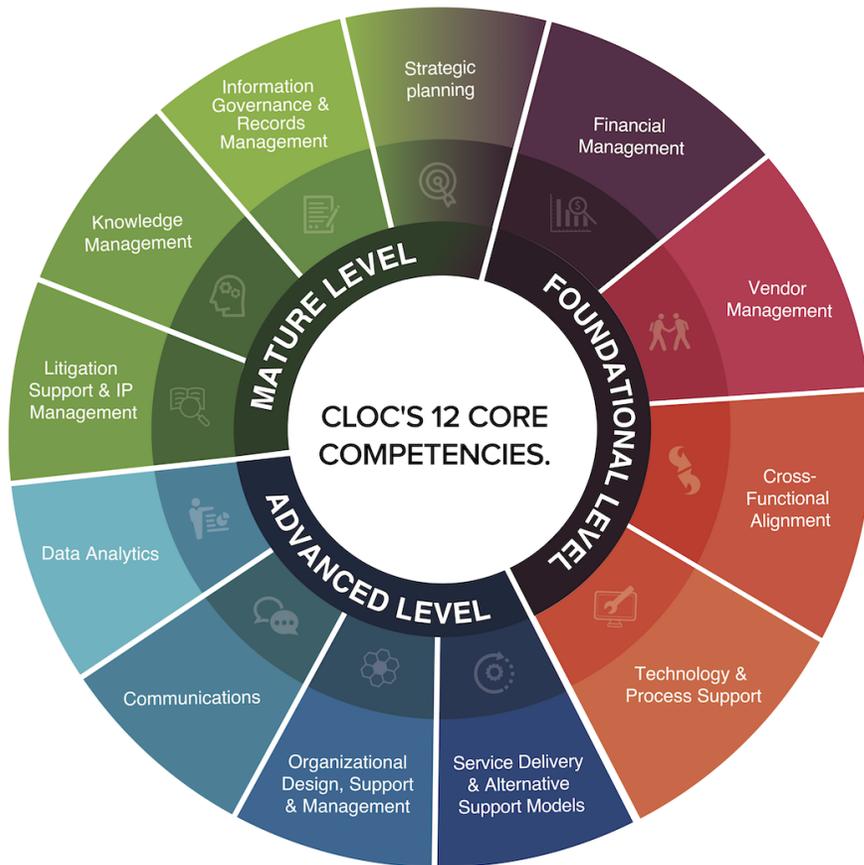
Potential Internal Annual Cost Impact

**\$530K**

*Potential reduction in compensation costs for the law department from the work reallocation. Compilation of data from various Legal Work Analyses conducted by HBR Consulting. Legal staff compensation data from the 2018 HBR Law Department Survey. Hours based on median department size of 30 Lawyers and 26 Other Staff.*



# What is Legal Ops?



## Core Competencies

**CLOC has defined 12 core competencies that every legal function should aspire to have – broken out based on the maturity of organization. These areas serve as a roadmap for what a legal operations function can support over time.**

**Foundational – these are the core areas of focus for all operations functions.**

- Financial Management
- Vendor Management
- Cross-functional Alignment
- Technology & Process Support

**Advanced – as the function matures, these areas should be added to the operations portfolio.**

- Service Delivery & Alternative Support Models
- Organizational Design, Support & Management
- Communications
- Data Analytics

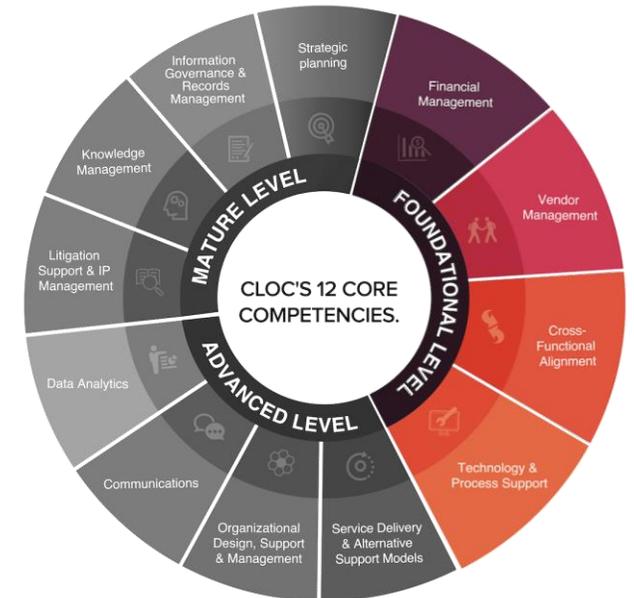
**Mature – best-in-class functions also take responsibility for these areas.**

- Litigation Support & IP Management (if applicable)
- Knowledge Management
- Information Governance & Records Management
- Strategic Planning



# Core Competencies – Foundational

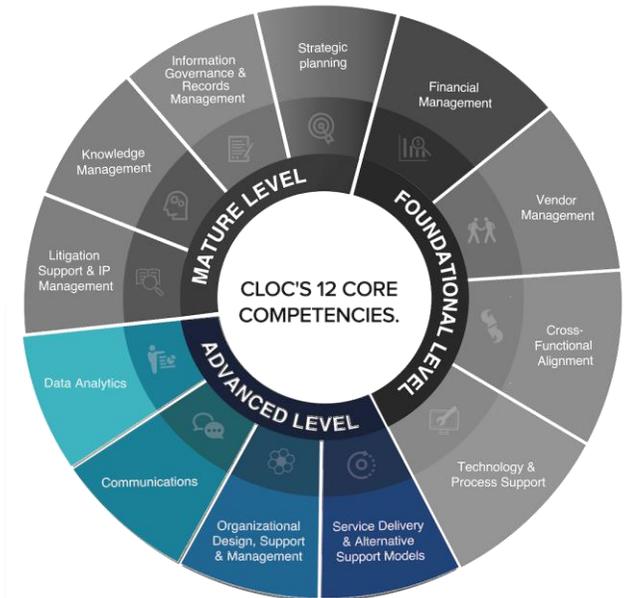
	What it is?	Why it Matters?
<b>Financial Management</b>	Manage the departmental budget. Track accruals and forecasting. Work with Finance to identify spending trends, potential cost savings and efficiency opportunities.	Drive financial rigor across the department and help legal truly “operate like a business”.
<b>Vendor Management</b>	Create a vendor management program to insure quality outside counsel support at the right rates and under optimal fee arrangements. Hold regular business reviews. Negotiate fee agreements. Drive governance of billing guidelines.	Create cost savings through more effective use of external vendors and reduce risk to the organization by creating tighter partnerships with a select group of numbers.
<b>Cross-functional Alignment</b>	Create and drive relationships with other key company functions, such as HR, IT, Finance and Workplace Resources. Represent the Legal organization at CLOC.	Maximize leverage of corporate resources and promote the legal function as a key part of the fabric of the organization.
<b>Technology &amp; Process Support</b>	Create a long-term technology roadmap including tools such as e-billing/matter management, contract management, content management, IP management, business process management, e-signature, board management, compliance management, legal hold, subsidiary management, etc.	Ensure that the legal team has the right tools and processes to most effectively perform its work, minimizing manual effort where possible.





# Core Competencies – Advanced

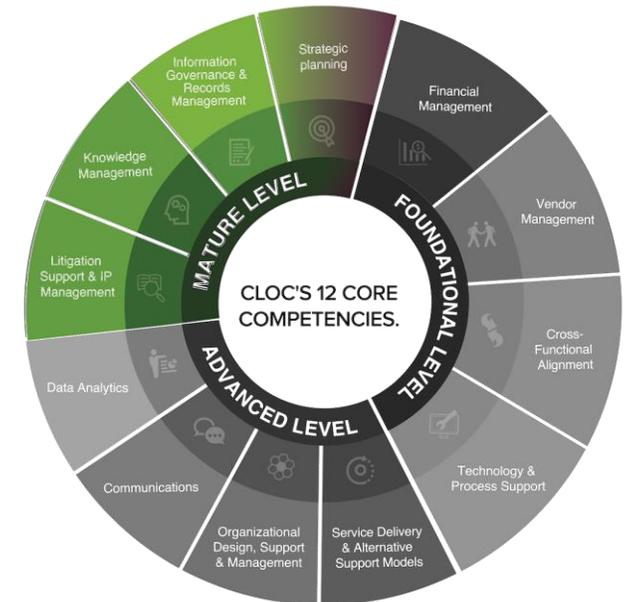
	What it is?	Why it Matters?
<b>Service Delivery &amp; Alternative Support Models</b>	Drive departmental efficiency by leveraging the right resources for the right matters, including using managed services, LPOs, and other service providers and technology as appropriate.	Ensure operational efficiency and reduce costs.
<b>Organizational Design, Support &amp; Management</b>	Deliver improved GC Staff and overall team performance by globalizing the team and creating a culture of growth, development, collaboration and accountability.	Preserve legal’s core asset: its people.
<b>Communications</b>	Work collaboratively across the legal ecosystem to create consistent global processes, from on boarding to complex project management support. Publish regular departmental communications, plan and execute allhands.	Promote a collaborative operating environment that helps the legal team operate as a single unit.
<b>Data Analytics</b>	Collect and analyze relevant data from department tools and industry sources, define objectives to provide metrics and dashboards, that drive efficiencies and optimize spend, etc.	Gauge performance by providing the necessary insights into what is happening within the department and comparing to the industry.





# Core Competencies – Mature

	What it is?	Why it Matters?
<b>Litigation Support &amp; IP Management</b>	Support e-discovery, legal hold, document review. Provide operational support for Intellectual Property Matters.	Drive efficiency and cost savings in areas of significant spend that also have a significant, tangible benefit to the business.
<b>Knowledge Management</b>	Enable efficiencies by creating seamless access to legal & department institutional knowledge through the organization and centralization of key templates, policies, processes, memos, and other learnings.	Minimize rework and leverage existing knowledge.
<b>Information Governance &amp; Records Management</b>	Create a records management program including a record retention schedule, policies and processes.	Mitigate risk to the overall organization and take leadership in an area that is often an afterthought.
<b>Strategic Planning</b>	Create a long-term strategy, aligning yearly goals and corresponding metrics.	Ensure alignment between legal and the broader organization with demonstrable performance.





# How Can CLOC Help?

## CLOC by the Numbers



1,900  
Members



43  
Countries



46  
States



30%  
Fortune 500  
Members



\$50B  
Estimated Member  
OC Spend



2,000  
Conference  
Attendees

## CLOC Offerings



### CLOC Institute

- Largest legal operations conference
- Over 2,000 attendees in Las Vegas
- Worldwide expansion

### Thought Leadership

- Defining industry standards across a variety of operational and legal practice areas
- Conduct periodic surveys of membership to gauge the “pulse” of the industry



### Tools and Templates

- Provide tools and templates to help kick-start a legal operations function
- Continue to develop additional areas, minimizing the need for operations functions to create things from scratch

# Thank You

