

# The Evolving Role of Legal Operations

*For Small & Mid-Size Legal Departments*

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Wolters Kluwer



PRIORI

## Executive Summary

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The new legal department focuses beyond risk management to play an instrumental role in driving company growth. Whether a cause or a byproduct of that trend, it is now commonplace for legal departments to hire dedicated legal operations professionals. Larger companies, particularly in insurance and finance, have legal departments with numbers of attorneys rivaling or exceeding major law firms and have led the way in adopting this function, along with venture-backed startups that want to focus on building their business and have no established legal department. As legal operations have proven value for businesses, measuring benefit using ordinary business metrics like cost and efficiency, established mid-size and smaller legal departments have grown interest in how they too might benefit.

Wolters Kluwer Legal & Regulatory and Piori conducted a **survey** of the state of legal department efficiency, priorities and pain-points. Over 170 respondents weighed in via a series of qualitative and quantitative questions sent online. We conducted two in-depth case studies with Ashlee Best, Legal Operations Manager at Asana and Dan Baker, Head of Legal Operations at Twitter and drew extensive insight from a panel Piori co-hosted with LawGeex, a leading automated contract review company, in 2018, **"Scaling Legal: Strategies for Efficiency,"** which included An Trotter, Senior Director of Operations, Office of the General Counsel at Hearst and Lucy Bassli, Deputy General Counsel (Legal Ops) at Snowflake Computing.

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### In this white paper, we cover the following topics:

- Industry best practices for operations
- Legal department perceptions of their own efficiency, the legal operations function, priorities, pain-points and technology in today's legal department
- Building a legal operations function from the ground up
- The future of legal operations

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This paper aims to provide an overview for current and aspiring legal operations professionals and smaller legal department lawyers on the state of the industry, and a template for how to implement a legal operations function in a small and mid-size department context.

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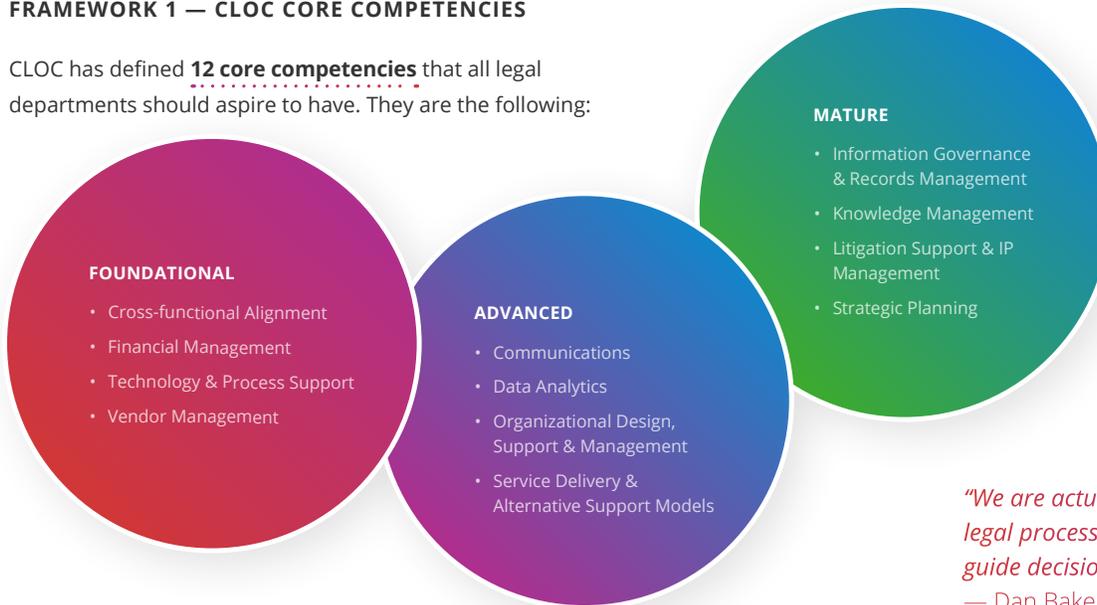
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# What Are Industry Best Practices?

The **Corporate Legal Operations Consortium (CLOC)** and **Association of Corporate Counsel — Legal Operations Section (ACC)** are the two leading organizations representing legal operations professionals. They have each provided a framework to guide legal departments in implementing operations' best practices. We examine each in detail and then discuss what technology tools might be instrumental in achieving full maturity under both frameworks.

## FRAMEWORK 1 — CLOC CORE COMPETENCIES

CLOC has defined **12 core competencies** that all legal departments should aspire to have. They are the following:



*“We are actually trying to embed legal processes in the business to guide decision-making.”*

— Dan Baker, Twitter

### **Foundational:** Core areas of focus for all operations functions

Legal operations professionals can carry many logistical burdens for small and mid-size departments. They govern the **financial management** of an office by setting budgets, handling unpredicted costs, and focusing on the bottom line. Moreover, they are often the liaison to **outside counsel** and **law companies** (formerly known as “alternative legal services providers”) and cost control for all external vendors. In order to do so, they will closely evaluate a vendor’s return on investment (ROI) and pivot as necessary to new vendors. They also liaise with other departments in an organization, ensuring that legal’s requirements are included as a core priority. In effect, operations professionals can **leverage corporate resources** from key stakeholders to help departments achieve goals and maximize company synergy. This **cross-functional alignment** involves working with partners in finance, human resources (particularly talent acquisition) software and technology. Finally, legal operations professionals think big picture about **technology tools** that can automate day-to-day processes. Therefore, legal operations employees not only support foundational core competencies for legal departments, but they also manage these competencies on behalf of their departments.

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

### **Advanced:** Added to the operations portfolio as departmental function matures

Legal operations professionals can oversee the use of **managed services and alternative support models** by researching these tools and implementing them where appropriate. They can also manage **data analytics**, collecting important data from team members and outside sources, setting key performance indicators and inferring department-wide insights.

- » *Communications*
- » *Data Analytics*

In addition, a legal department function can be instrumental in creating, maintaining or evolving a productive **company culture**. These professionals can become trusted advisors who free up time for attorneys to focus on substantive legal work, while aligning the entire department as a cohesive entity. One critical element of departmental cohesion is **global communications**. Legal operations specialists set direction, create consistent automated processes, plan team meetings, and organize events. In turn, they maintain talent and make attorneys feel more valued. Thus, according to **A Primer on Legal Operations**, by creating a culture of growth and accountability a legal operations professional can “preserve legal’s core asset: its people.”

### **Mature: Best-in-class functions**

Legal operations professionals can provide **litigation support and IP management**, including document review and compliance support. They are also **knowledge managers**, in charge of institutional know-how, policies and other learnings. Often, operations professionals will refine and craft team-wide policies, templates and other collateral for the purposes of creating access to this knowledge. As part of this mission, operations specialists also work on information governance and records management in order to assess company risk and ensure good recordkeeping.

Finally, and perhaps most importantly, legal operations professionals can be intimately involved in the legal department’s long-term strategic planning. “We’re helping [internal clients] with business decisions, so that we’re not just saying ‘Yes, you can do this’ or ‘no, you can’t do that,’” said Baker. “We are actually trying to guide them and embed the legal processes in the business.” Strategy can inform outside counsel management, financial analytics and scaling processes and workflows, among other business practices.

## **FRAMEWORK 2 — ACC MATURITY MODEL**

The Association of Corporate Counsel (ACC) has produced a **Maturity Model** that sets out benchmarks that legal departments can use to assess the maturity of their legal operations function. These benchmarks, listed below, represent axes along which legal teams can determine the efficiency of their department:

- Change management
- Compliance
- Contract management
- eDiscovery & litigation management
- External resources management
- Financial management
- Information governance (records management)
- Intellectual property management
- Internal resources management
- Knowledge management
- Metrics and analytics
- Project & process management
- Strategic planning
- Technology management

Legal operations professionals can be instruments for **change management** by leading their departments through changes in process, workflow and communication structure. They can also aid their departments in **compliance** with relevant rules and regulations in its industry. Moreover, operations staff can bolster the **human resources** within a legal department by aiding recruitment, onboarding, training and work allocation efforts. Beyond bringing in talent, legal operations professionals can manage **internal resources**, including continuing legal education (CLE) for attorneys, performance management, employee recognition programs and succession planning.

» *Organizational Design, Support & Management*

» *Service Delivery & Alternative Support Models*

» *Information Governance & Records Management*

» *Knowledge Management*

» *Litigation Support & IP Management*

» *Strategic Planning*

## TECHNOLOGY ADOPTION

Legal operations staff can take the lead on implementing **technology tools** and solutions that create efficiencies for themselves and attorneys, including eDiscovery, eBilling and legal research. Since these tools are vital for setting and maintaining best practices for departments, a legal operations function can be instrumental to achieving that goal.

In their publication **“The In-House Counsel’s Legal Tech Buyer’s Guide 2018,”** LawGeex outlined 17 areas where legal departments can implement technology solutions and tools to make themselves more efficient. These areas are:

COMMUNICATIONS	CONTRACT DRAFTING	CONTRACT DUE DILIGENCE	CONTRACT MANAGEMENT
<ul style="list-style-type: none"> <li>GoToMeeting</li> <li>Cisco WebEx</li> <li>UberConference</li> <li>Slack</li> <li>Skype</li> <li>Legaler</li> </ul>	<ul style="list-style-type: none"> <li>Contract Express</li> <li>HotDocs</li> <li>Bloomberg Law’s Draft Analyzer</li> <li>Wolters Kluwer Legal &amp; Regulatory’s M&amp;A Clause Analytics</li> </ul>	<ul style="list-style-type: none"> <li>Kira</li> <li>Seal</li> <li>LinkSquares</li> <li>LEVERTON</li> </ul>	<ul style="list-style-type: none"> <li>Agiloft</li> <li>Apttus</li> <li>Icertis</li> <li>iManage</li> <li>ContractWorks</li> <li>Concord</li> <li>Determine</li> <li>Salesforce</li> <li>Conga Contracts</li> <li>ContractRoom</li> <li>Legisway</li> <li>SpringCM</li> <li>CLM Matrix</li> </ul>
CONTRACT REVIEW	DIGITAL SIGNATURE	EBILLING	
<ul style="list-style-type: none"> <li>LawGeex</li> <li>ThoughtRiver</li> <li>LegalSifter</li> </ul>	<ul style="list-style-type: none"> <li>DocuSign</li> <li>Adobe Sign</li> <li>sSignLive</li> </ul>	<ul style="list-style-type: none"> <li>Legal Tracker</li> <li>TyMetrix</li> <li>Mitratech</li> </ul>	
EDISCOVERY	LEGAL & MATTER MANAGEMENT	LEGAL RESEARCH	MISCELLANEOUS
<ul style="list-style-type: none"> <li>Logikcull</li> <li>Onna</li> <li>Relativity</li> <li>OpenText</li> <li>Zapprov</li> </ul>	<ul style="list-style-type: none"> <li>Mitratech TeamConnect</li> <li>Onit</li> <li>Passport Legal Matter Management</li> <li>SimpleLegal</li> </ul>	<ul style="list-style-type: none"> <li>Practical Law</li> <li>Casetext</li> <li>ROSS Intelligence</li> <li>Fastcase</li> <li>Westlaw</li> <li>LexisNexis</li> <li>Cheetah</li> <li>General Counsel Navigator</li> </ul>	<ul style="list-style-type: none"> <li>NotaryCam</li> <li>BreachResponderRS</li> <li>WorkthruIT</li> <li>Priori</li> </ul>
ONLINE TRAINING FOR IN-HOUSE COUNSEL	PREDICTION & LITIGATION TECHNOLOGY	SIMPLE TASK MANAGEMENT	
<ul style="list-style-type: none"> <li>The Legal Technology Assessment</li> <li>Praktio</li> <li>HotShot</li> </ul>	<ul style="list-style-type: none"> <li>Premonition</li> <li>Allegory</li> <li>Lex Machina Motion Kickstarter</li> </ul>	<ul style="list-style-type: none"> <li>Evernote</li> <li>Trello</li> <li>Asana</li> </ul>	

Whether a legal department uses these and other technology solutions and tools in these areas provides an indication of how much it satisfies ACC’s “Maturity Model” and has implemented CLOC’s “Core Competencies.”

# Views from Today's Legal Department

The **Wolters Kluwer Legal & Regulatory and Piori survey** was sent online to **ACC members**. Overall, the purpose of the survey was to understand how departments perceive their own efficiency, what efforts departments are currently undertaking in service of operational efficiency, what their top pain-points and priorities are and what types of technology they are using. We have outlined highlights in the following sections.

## Key survey demographics of respondents



## EFFICIENCY

The respondents to the Wolters Kluwer Legal & Regulatory and Piori survey were asked the following question: **“Do you think your legal department operates efficiently?”**

Tellingly, **only 54% of all survey respondents believe their legal department operates efficiently**. This suggests that almost half of respondents believe there is substantial work to be done to improve the efficiency of their department.

**Only 54% of all survey respondents believe their legal department operates efficiently.**

### By seniority

Opinions on departmental efficiency vary between respondents of differing seniority levels. For **“senior” members of legal departments** — which includes the positions of VP, CLO, GC, Assistant/Associate GC, Director — **63% of respondents believe that the department operates efficiently**. In contrast, **for those members of a department below that “senior” level** — including Counsel, Senior Counsel and Manager — **only 35% of them agree that their department is operating efficiently**.

*“Do you think your legal department operates efficiently?”*

**63%** Of “senior” members of legal departments believe the department operates efficiently

**35%** Of not “senior” believe the department operates efficiently

There are a number of possible explanations for this divergence. The first involves incentives. “Senior” members of legal departments are often in charge of the strategic decision-making within the legal department. As a result, they have an incentive to believe and claim that the department is operating well, as well as a

responsibility to represent senior leadership positions. Members of a legal department who are not “senior” often do not have the same set of incentives. Another potential reason for the difference is that department members who are less “senior” trend younger and more involved in everyday run-the-department work. Thus, less “senior” members are likely to favor the status quo than their “senior” colleagues and more likely to be digital natives. Therefore, they are more likely to be intimately aware of productivity issues at a granular level, and more familiar with the possibilities technology creates to increase departmental efficiency. Finally, “senior” members tend to be more acculturated to corporate office environments, while less “senior” members tend to use another context (personal or educational) as a benchmark.

### By the existence of a legal operations function

63%

Of respondents in departments **WITH** a legal operations professional believe the department is efficient

46%

Of respondents in departments **WITHOUT** a legal operations professional believe the department is efficient

It appears from the responses that having a legal operations professional already in the department increases the likelihood that members of that department will consider it to be running efficiently. To put the following results in context, 41% of respondents reported that their legal department has a legal operations professional. For departments with a legal operations professional, 63% believe the department is efficient. For departments without a legal operations professional, the number drops to 46%. For people in “Senior” positions, 74% of those with a legal operations professional in the department said their department was efficient, compared to just 55% for those without a legal ops professional. For people not in “Senior” positions, 44% of those with a legal operations professional in the department said their dept was efficient, compared to just 24% for those without a legal ops professional. These results comport with our conclusions thus far — that the presence of a legal operations professional creates a stronger perception of efficiency.

### By department size

The size of the legal department also seems to carry significance regarding whether those within it believe it operates efficiently. It appears that teams with 5 or fewer lawyers are more likely to consider their department efficient than teams with more than 5 lawyers. For those with 5 or fewer lawyers on their team, 61% said their department was efficient. On the other hand, only 43% of those with more than 5 lawyers said their department was efficient.

61%

Of teams with **5 or FEWER** lawyers believe the department operates efficiently

46%

Of teams with **6 or MORE** lawyers believe the department operates efficiently

Despite these differences, one trend line is consistent: **people in departments with legal operations professionals believe their departments run more efficiently.** For respondents with more than 5 lawyers on their team, 58% of those with a legal operations professional in the department said their department was efficient, compared to just 30% for those without a legal operations professional.

**Teams with 5 or fewer lawyers are more likely to consider their department efficient than teams with more than 5 lawyers.**

For respondents with 5 or fewer lawyers on their team, 67% of those with a legal operations professional in the department said their legal department was efficient, compared with just 57% for those without a legal operations professional. While members of small legal departments tend to think their departments run more efficiently, the presence of a legal operations professional increases that likelihood even more.

### What would make your department more efficient? Lawyer vs. legal ops professional.

We asked survey respondents: **“Do you think an additional attorney or legal operations professional would make a more significant impact on the department?”**

In response, 40% of participants at departments without a legal operations professional believe that hiring another attorney, rather than a legal ops resource, would make a more significant impact on the efficiency of the team. Comparatively, 23% of respondents believed that hiring a legal operations

**Only 23% of respondents believed that hiring a legal operations professional instead of another lawyer would have a greater impact on the efficiency of their team.**

*\*One caveat is that the question in the survey asked the respondents whether they think their department is operating efficiently, not whether it objectively does. It is worth noting that it could well be the case that there are people who think that the department is operating efficiently when in fact it isn't and vice versa.*

**40%** Believe **hiring another attorney** would make more significant impact on the department

**23%** Believe **hiring a legal operations professional** instead of a lawyer would make more significant impact on the department

**37%** Said they were **unsure**

professional instead of another lawyer would have a greater impact on the efficiency of their team, and 37% said they were unsure. Significantly, just 15% of all respondents to the survey said that they'd recommend to their supervisor or management team that their department hire a dedicated legal operations professional. A total of 48% said they would not recommend hiring a legal operations resource, and 37% said they were unsure.

*“Do you think an additional attorney or legal operations professional would make a more significant impact on the department?”*

Despite the high percentage of respondents who do not believe their legal department is operating efficiently, and the fact that the presence of a legal operations professionals bolsters the perception of departmental efficiency, the number of respondents who would prefer hiring another legal operations professional over another attorney is surprisingly low.

*We further asked survey respondents: “What would be the most significant benefit from hiring a dedicated legal operations resource?”*

For those who recommended hiring an attorney or weren't sure whether to recommend an attorney or legal operations professional, the reasons why centered around a theme with answers like “I'm not clear on what that person would do,” “not sure there would be one,” “not sure,” or “Given our department size, not sure.”

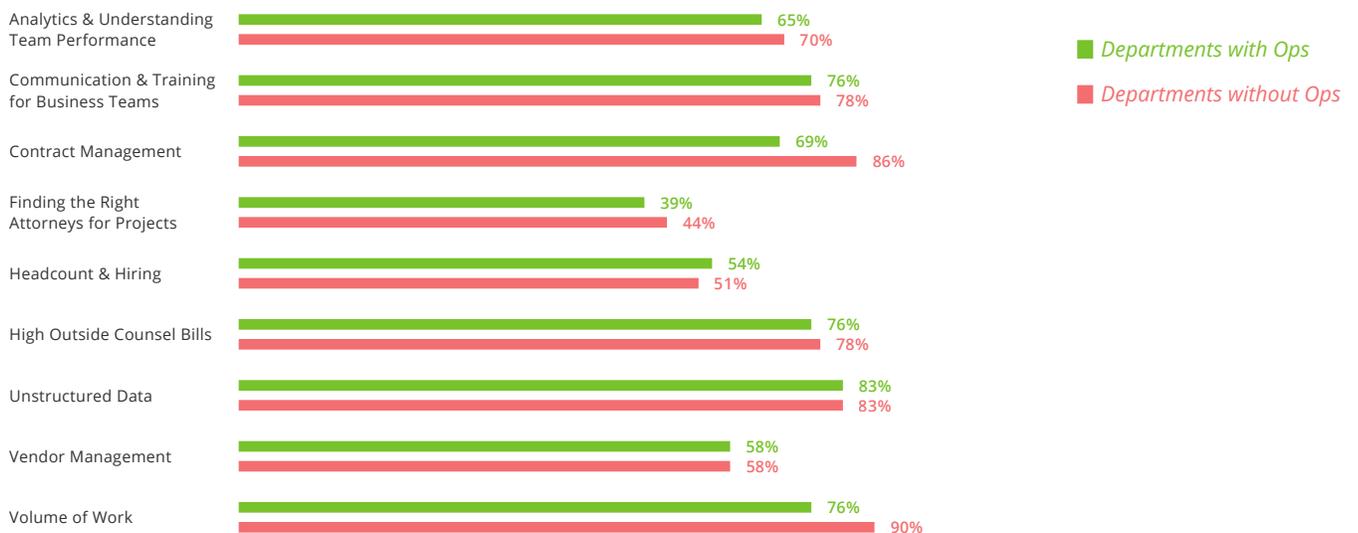
The numbers and answers suggest that there are notable misconceptions about the responsibilities of the legal operations function among in-house teams, and therefore of the benefits. It should therefore come as no surprise that legal operations professionals face significant hurdles in educating and convincing members of in-house departments that they are worth integrating into the legal function. We will discuss these obstacles later on.

*“What would be the most significant benefit from hiring a dedicated legal operations resource?”*

**TOP PAIN-POINTS**

*We asked survey respondents: “Which of the following are pain-points you or your department are currently experiencing?”*

*By having a dedicated legal operations professional*



In departments without a dedicated legal operations professional, the top pain-points (in order) were **volume of work (91%)**, **contract management (86%)**, and **unstructured data (83%)**. In departments with a legal operations professional, the top pain-points (in order) were **unstructured data (83%)**, **communication and training for business teams (76%)**, **volume of work (76%)** and **high outside counsel bills (76%)**.

*“Which of the following are pain-points you or your department are currently experiencing?”*

Interestingly, despite the fact that most of our survey respondents would recommend hiring an additional lawyer over a legal operations professional in order to make their departments more efficient, the results indicate that a legal operations professional may be able to significantly impact work volume by making processes more efficient overall.

### By seniority

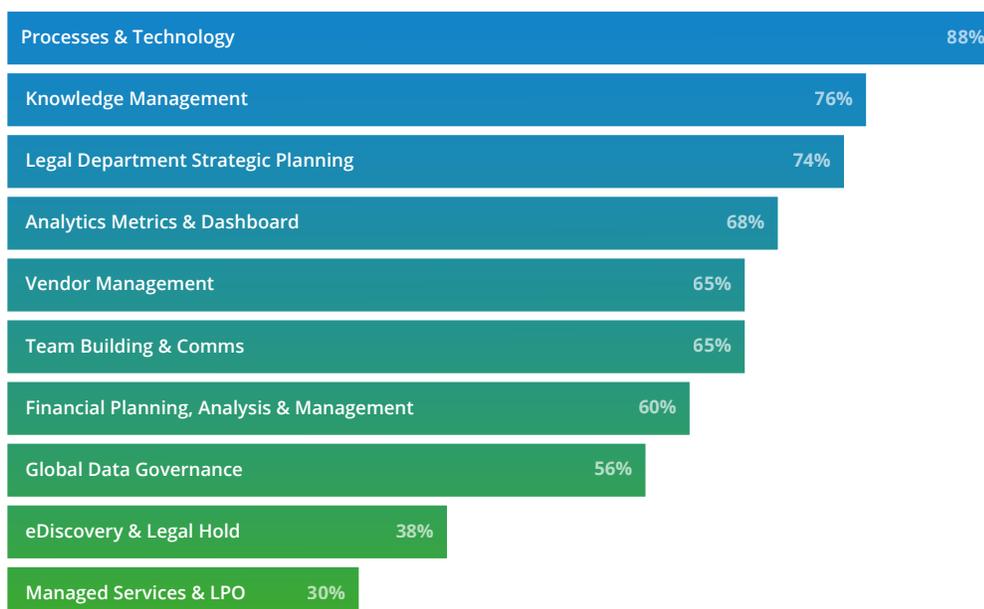
Senior survey respondents indicated that **volume of work** was the top pain-point in their departments whereas non-senior respondents indicated that **analyzing/mining unstructured data** was the top pain-point. This may indicate that those closer to the day-to-day legal work see opportunities to implement more efficient processes to reduce workload, instead of simply throwing additional lawyers at the problem. Or, that non-senior respondents identify their worth less by the established way of getting work done and are more flexible in their thinking.

### TOP PRIORITIES

We asked survey respondents: *“Which of the following areas identified in the ACC Maturity Model is your company targeting for improvement in 2019?”*

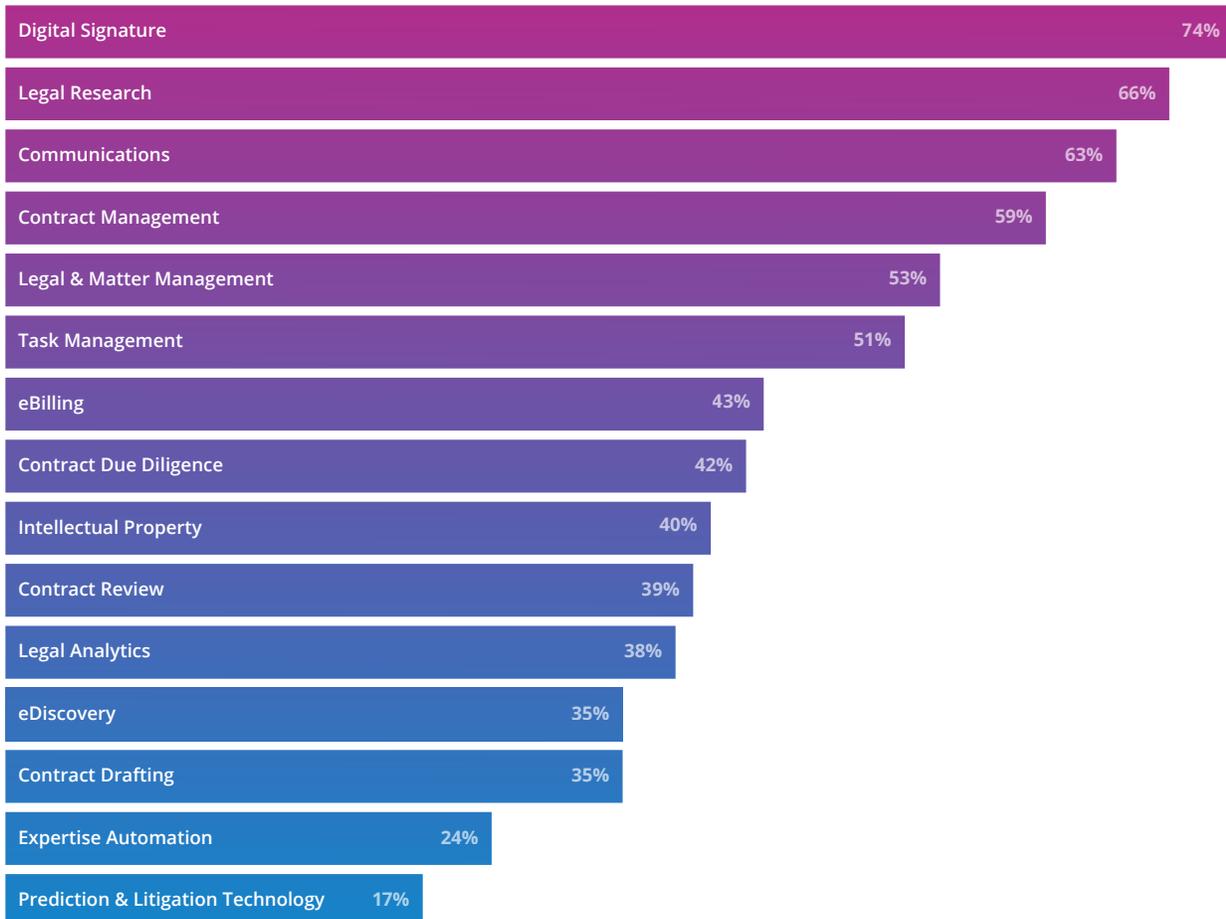
According to our survey results, irrespective of whether the respondent believes that his or her legal department runs efficiently, the top three areas departments are targeting for improvement are: processes and technology (88%), knowledge management (78%), and legal department strategic planning (74%).

As mentioned in our analysis of the ACC’s the Maturity Model, legal operations professionals can be instrumental in prioritizing and managing these targets.



## TECHNOLOGY

We asked survey respondents: *“What technology tools have had the most significant impact on the efficiency of your department’s operations?”*



## SURVEY CONCLUSIONS

A majority of survey respondents believe their legal departments do not run efficiently. Respondents at smaller legal departments and “Senior” respondents are more likely to believe their department runs efficiently. However, respondents at departments with legal operations professionals are more likely to believe their departments run efficiently, regardless of legal department size. Yet, respondents were generally hesitant or unlikely to hire a legal operations professional, especially in lieu of a lawyer. Many were unsure about the responsibilities and benefits of a legal operations function. From these responses, we can conclude that many legal departments are reluctant to build a legal operations function, despite its potential increase in overall efficiency.

When respondents were asked about pain-points, those with legal operations professionals in their departments were less likely to find volume of work to be an issue. The top priorities for respondents’ departments were processes and technology, knowledge management, and legal department strategic planning. As described in our analysis of the ACC’s Maturity Model, legal operations professionals can be catalysts for change in a department by reducing administrative work for attorneys, implementing successful processes and technology, improving knowledge management and aiding in strategic planning.

# Building a Legal Operations Function from the Ground up

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Bringing in a dedicated legal operations resource to an established small and mid-size department can be controversial. As we saw in our survey results, many respondents believe that hiring an additional attorney will have a greater impact on efficiency and workload than hiring a legal operations professional. Many respondents say they simply do not understand the role of legal operations. Moreover, the role of a legal operations is often to change the way departments operate, which can cause a substantial amount of friction with existing team-members. As Dan Baker explains: "There is a certain amount of inertia that sets in if the company has been around for a long time, and the part of the role of legal operations is to upend that." However, for a legal department that anticipates substantial growth over time, or a substantial change in its business clients' expectations for how services are delivered, it will become clear that the earlier the department brings on a legal operations function, the more effective it can be.

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## WHAT ARE THE CRITICAL STEPS TO BUILDING A LEGAL OPERATIONS FUNCTION?

### 1. *Pick your moment*

According to An Trotter at Hearst Corporation, lawyers in established departments at small companies who **spend less than 60% of their time focused on legal work** should seriously consider the value of a legal operations function. When discussing larger companies, the rule of thumb is 80%. Ashlee Best focuses on new departments. She told us: "When the first lawyer is hired in-house, consider hiring legal ops within the next 6 – 8 months and build the legal department together." Dan Baker at Twitter agrees and says: [Legal operations is] one of the first hires any legal department should be making."

*"Lawyers who spend less than 60% of their time doing legal work should seriously consider the value of a legal operations function."*  
— An Trotter, Hearst

### 2. *Organizational buy-in*

One critical factor in aligning a legal department with larger organizational needs and objectives is buy-in: from the board, executives, internal business partners, and the rest of the legal department.

In our panel event, Deputy General Counsel of Legal Operations at Snowflake, Lucy Bassli, explained that teams should get a mandate from C-level executives first, or "create that mandate by pulling in pressure from outside the department." In order to do this, it is necessary to present your case in the executives' language. One effective strategy is to focus on organization-wide goals, such as recognized revenue objectives or deal velocity.

- **Example:** A more seamless patent intake, drafting and review process between an engineering group and a legal department not only improves the quality of the company's IP management and enforcement, but also reduces time from that team diverted from R&D or quality assurance. It could also increase the department's competitive edge in an era of automated IP tools.

*"Create that [C-level executive] mandate by pulling in pressure from outside the department."* — Lucy Bassli, Snowflake

### 3. Examine your data

As you work on securing buy-in for taking the time and resources to implement legal operations best practices from the the department or business at large, data is crucial in helping you make your case. Focus on relatively straightforward data-points that most in-house teams can access: number of contracts reviewed by each lawyer; number of contracts requested by each business-person or team; amount of time it takes to turn around a contract and outside counsel spend per firm, practice area and month. Deriving actionable insights from pre-existing data can increase the department's appetite for more data. Lucy Bassli explained, "Data is like a gateway drug to operations. Just a little bit of data and attorneys are like, 'How many? How much? How often? What type?'"

*"Data is the gateway drug to legal operations." — Lucy Bassli, Snowflake*

### 4. Make a dedicated hire

Once ready to devote resources to legal operations, legal departments are often faced with whether to bring on new personnel or designate an existing attorney. According to the legal operations professionals with whom we spoke, it is generally preferable for departments to bring on a new resource rather than designating an existing attorney to be an authority on operations. That said, if the appetite is not there, first assigning an internal attorney legal operations as part of their full responsibility set can help build a case for a full-time legal operations professional and can create a built-in appreciation for how that role alleviates pain-points.

In terms of the characteristics a legal operations professional should have, Dan Baker explains that the first hire should have experience with: "technology implementation, analytics and finance." This person should either have worked in legal procurement, worked on a legal team or as an operations professional in another professional services context and/or be an attorney themselves.

### 5. Prioritizing doable and urgent initiatives

In order to determine departmental goals, define the most important pain-points and bottlenecks. According to Lucy Bassli, teams should "start with the biggest pain-point" and work from there. This strategy will solve large organizational issues and establish credibility and goodwill for the legal department, which will enable the legal operations team to tackle more complex problems.

*"Start with the biggest pain-point" — Lucy Bassli, Snowflake*

Dan Baker recommends pressure-testing with the **CLOC core competencies**. When getting started, Baker talks to all relevant stakeholders and "find[s] out what folks' appetites are in those areas." Early on, it can be best to solve a problem that everyone wants solved rather than one that might discontent important stakeholders. Others recommended starting with something easy to implement with a big impact, like e-signatures, so attorneys in the department can immediately perceive the possible impact of legal operations when undertaking longer term initiatives.

### 6. Communicate for cross-functional alignment

Communicate legal operations goals early and often, so as to remove uncertainty or anxiety around unfamiliar approaches to legal department management or whether you still have each person's top priority in line to be addressed. Communication needs to be a constant priority for those implementing legal operations practices. An Trotter said, "When you think you're over-communicating, that's when you're just starting to get enough out there." Dan Baker explains that cross-functional alignment is a lynchpin for success: "Build bridges for cross-functional alignment with your technology team, your finance team and your HR team. Legal operations covers a large landscape and it is inevitable that there will be competing interests."

*"When you think you're over-communicating, that's when you're just starting to get enough out there."  
— An Trotter, Hearst*

## 7. Implementing new technologies

Once you know what problem you're solving first, the next step is to figure out how to solve it. Often-times, that involves technology. One of the first questions to address is whether to build vs. buy the solution, which means understanding what's on the market currently and understanding from your IT team what resources are available and what their build time would be. In most cases, the default should be to buy. As Ashlee Best explained, "[t]he problem legal teams are solving are often very similar."

If you do decide to buy, it's vital to actually understand the problem you're trying to solve and how each vendor solves it in detail before making a decision. An Trotter explained, "Every technology deployment is a change management project in disguise. It is important to start with mapping your business processes and having a conversation around streamlining that process, before putting together a detailed RFP where you ask the vendor to walk you through those exact steps." To know if a feature will truly work for your context, make sure you walk through the step-by-step process and understand how it will work in real time.

It's important to make sure that any new technology you're implementing will work for at least the medium-to-long term. With innovation becoming the norm, the definition of "short-term" and "long-term" have changed significantly. A rule of thumb is that short-term is approximately 6-8 months and long-term is 3 years. Any tool that you choose should be able to be easily onboarded in the short-term and able to last through the long-term.

To ensure this, legal professionals should pay attention to all aspects of the tool they are thinking of bringing on, from the ability to easily configure the tool to your department's needs to the responsiveness of the customer care (48-72 hours as a standard), to see if this is a company that you are prepared to work with for the long-term.

As a final cautionary note on implementing technology solutions, Ashlee Best warns: "Future proofing is important, but it can also lead to analysis paralysis," or, don't let the perfect be the enemy of the good in technology implementation.

- Some projects small and mid-size departments could consider focusing on implementing are ticketing systems, workflow tools, knowledge management intranets (and/or Bots, FAQs, "playbooks," and standard terms for certain situations facilitating "self-help" options for business units where appropriate), e-signature, streamlining matter intake, adopting project management methodologies, contract templating and even task automation. Related KPIs could involve the timing of legal matter assignment and turnaround.

*"Future proofing is important, but it can also lead to analysis paralysis."*

— Ashlee Best, *Asana*

## 8. Ongoing best practices and measuring success

Even the most experienced practitioners and vocal advocates of legal operations acknowledge that best practices vary based on a wide range of characteristics (such as industry, size and company culture) and that there is, therefore, no single best practice that fits all situations. While ACC and CLOC provide helpful legal operations frameworks, these are not sufficient to address granular, department-level matters that determine large-scale efficiency.

Defined KPIs and measurement of ROI comprise the keystone of an effective legal operations program. In order to successfully define KPIs and ROI, legal operations professionals need to consider what key data points to measure, identify the likely sources of structured data and decide how to leverage that data through efficient processes and useful technology.

*Defined KPIs and measurement of ROI comprise the keystone of an effective legal operations program*

Conferences, surveys, case studies, and thought leadership pieces provide opportunities to cross-pollinate ideas, implement lessons learned, and avoid potholes. Much progress has been made on this score through CLOC, ACC, and emerging conferences. We've found that the discipline has been steadily advancing through events, articles, and thought leadership roundtables.

## The Future of Operations in Small and Mid-Size Departments

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Legal operations faces an exciting and increasingly important future in the delivery of legal services. This will manifest itself in several ways: automation, driving value with business, growth of law companies and steady but gradual change.

### 1. *Automation*

As legal operations focuses increasingly on task automation and solving data issues, there is likely to be a continued and increased focus on adopting deep task automation, the employment of machine learning and AI for predictive analytics, and more sophisticated project management technology. This means that as the legal operations field matures, we should expect to also see in-house attorneys and others in the legal department focusing a greater percentage of their time on complex matters, and less on lower stakes, straightforward issues.

### 2. *Driving value with business metrics*

Much discussion around legal operations used to be on cost efficiency, overhauling processes, defining KPIs, and improving technology adoption. In other words, legal was considered a cost ideally mitigated. Increasingly, more attention is turning to ways to seamlessly integrate technology, innovate new processes, and leverage alternative services to not only merely drive efficiency, but also to achieve ways for the department to drive value. Legal operations ideally aids a company in accelerating revenue growth, more proactive risk management, better monetization of corporate assets, and even protecting against downside through the use of litigation financing and insurance.

*More attention is turning to ways for legal departments to drive value*

### 3. *Growth of law companies*

Change is not limited to corporate legal departments. With the advent of better data and analytics for law firms and law companies, as well as pressure from corporate legal departments to drive increased value and efficiency, we are likely to also see downstream effects, with law firm and law companies looking to offer new services and "homegrown" proprietary technology to serve the client demand for further optimization. As the field grows in sophistication, we anticipate a ripple impact on the professional profile of lawyers themselves, as many matriculating law students and junior attorneys look to develop in some of these burgeoning areas to fill demand.

### 4. *Steady but gradual change*

Legal operations is now beyond the pioneering stage, but it is still early yet to determine what its ultimate impact will be. Change will be steady and although it's been gradual over the first 20 years,

*Expect the pace of change to accelerate*

expect the pace of change to accelerate. Amid this evolutionary process, adoption of legal operations best practices and technology is already increasingly cascading from larger departments and new “startup” departments to established smaller departments. In part, the paradigm shift will be triggered by growing consensus around best practices, lower barrier costs, and the availability of better technology. It’s helpful to view this through the lens of other industry shifts over the past several decades. Optimization in the software and manufacturing sectors were both momentous, but neither happened overnight, and the same will likely be true for corporate legal departments.

## Conclusion

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Small to mid-size legal departments at growing companies can benefit immensely by implementing legal operations best practices, but misconceptions about the role of legal operations are rampant. Legal operations is not a silver bullet, nor is it an easy solution to rapidly implement in an established legal team, though many early venture-backed companies have successfully adopted a fast implementation approach. When carefully and smartly executed, a legal operations function can gradually transform established legal departments to become efficient, strategic, revenue generating and technology forward. And as growing companies increasingly focus on legal operations, so too will they bring legal closer to the central strategy of their organizations.

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Brian Kudowitz currently leads the Corporate Legal Department Products portfolio at Wolters Kluwer Legal & Regulatory U.S. Legal & Regulatory. He has been featured in media outlets, including LegalTech News, InformationWeek, and the New York Law Journal, and he speaks at legal industry events on a variety of issues. He has also been named a National Law Journal Cybersecurity and Data

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**Piori** is the legal marketplace changing the way in-house teams find, hire and manage outside counsel. Using data and technology, Piori rapidly connects teams from 1 to 1000+ with the right attorney for any project globally. Piori was shortlisted as a 2018 Financial Times Intelligent Business for its work reducing the cost of legal services for corporate clients by 60-80%. Piori is backed by Hearst, Great Oaks, Jambhala and more and was selected for Plug and Play's Enterprise 2.0 Batch 0.

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