MITRATECH

Key Findings of the Fortune 500: Lessons in Implementing Legal Ops

What are the best practices they’ve found are vital to optimizing Legal Operations?

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01 Introduction

Brian McGovern started in Legal Operations as Senior Vice President and Legal Chief Data Officer at one of the world's leading insurance providers, where he led the largest enterprise legal management rollout in the world, encompassing $2.5 BN in spend across thousands of users, both US and internationally. This initiative saved the company about $1.2 BN over the course of 5 years, and was a **pioneering example** of how technology could benefit corporate legal departments.

After moving on to join Mitratech as General Manager, Workflow Automation Solutions, he spent much of 2018-2019 meeting with some of the “most interesting and innovative Legal Operations groups around the globe,” as he puts it, at **over 130 Fortune 500 companies in over 20 different industries**.

During that time, he’s learned a great deal about how these Legal Ops teams have addressed, with varying levels of success, the technological transformation of legal departments. The challenges, best practices, team-building strategies, organizational approaches, and technologies they’ve dealt with all shine a light on how to integrate legal tech into corporate legal departments...and the mistakes to avoid.

Embracing scary changes

Legal leaders are being faced with managing **potentially massive changes** to how they operate, approaching "tipping points" which offer exhilarating potential – but they're also scary. There's personal risk involved, because the wrong recommendation or decision can be costly, and there's "a lot of nervousness" attached, as Brian puts it.

Still, most of those he met were seeking to, he says, "do something that's very big and very interesting, something that might at first seem risky for the company, risky for their careers, but they're excited about making change happen.

"I'm really surprised how much people want to innovate, and how open they are to new ideas, best practices, and to working with us; honestly, it's humbling. It's really fantastic to see how they're actively seeking out new information and are looking for people to help them craft their version of the future."

That meant reaching out to experts – like Brian – who possessed a track record of success in Legal Operations and legal tech. "They want to get sound advice, to hear about best practices and experiences from someone who's stood in their shoes and already went through that process.

> *"I think my favorite stories I've told them – and their favorite stories, too – are about all the things I did wrong in our rollout at my previous company, so they can learn a few best practices about how to 'not fall into that pit.' They're the stories that get the biggest laughs, but they also stick with people."*

In this ebook, we'll document what they've shared with Brian, and how their insights and hard-won lessons can be applied in successfully implementing Legal Ops and legal tech within other legal departments. Even those well outside the Fortune 500.

"It's really fantastic to see how they're actively seeking out new information and are looking for people to help them craft their version of the future."

BRIAN MCGOVERN, MITRATECH

02 A Rush Towards Transformation

According to the 2019 Annual State of the Industry Survey by the Corporate Legal Operations Consortium (CLOC), which involved 200 companies of different sizes representing over 30 industries and 18 countries, **72% of legal departments** reported having a technology roadmap; 12% of those surveyed were Fortune 500 firms. Companies with a developed technology roadmap were found to spend **3 times more** on technology than enterprises that didn't have a roadmap, or were still developing one.

Contrast this with the 2017 edition of the survey, where the terms "technology roadmap" didn't even *appear.*

Considering how there's now an increasing rush toward legal tech adoption, a roadmap is mandatory. Otherwise, companies may be tempted to make hasty decisions about the solutions they employ. Or they may hang back from embracing change out of fear that stems from a lack of information or objective planning.

This growth in tech adoption goes hand-in-hand with the expansion of Legal Operations. The 2019 CLOC survey revealed that 39% of respondents said the size of their full-time Legal Operations team had increased in 2018, with the average Legal Operations team now supporting 22 FTE staffers.

It takes more than technology

One point that came through clearly during Brian McGovern's Fortune 500 interviews? Technology can't be the only leg a legal department stands on when trying to transform itself. A legal tech roadmap should be complemented by two other "roadmaps," since a successful Legal Operations transformation involves organizing around three pillars: **people, technology, and processes.**

Those who have had the most success understand the need to **optimize all three** of these to generate maximum results.

"Without solid, well-thought-out processes," Brian explains, "managed by people who are committed to your goals, there's almost no point in adopting a great piece of technology. Because it'll fail outright, or never deliver to its full potential."

A successful Legal Operations transformation involves people, technology, and processes.

03 Key Finding #1: Do More with Less

This was perhaps the most common lesson learned: That legal departments and Legal Ops staff must learn how to **do more with less**.

Even though, according to Brian McGovern, "over 81% of corporate legal departments have seen an increase in their demand."

They're being expected to ratchet up efficiency and cut costs, **not** add complexity and consume more financial or employee resources, even though legal departments are being faced with more work than ever.

Over 81% of corporate legal departments have seen an increase in their demand.

In fact, nearly everyone interviewed for this book agreed that:

- No one has enough **people**
- No one has enough **money**
- No one has enough **time**

Yet is there really that much inefficiency to root out in the legal department? Most people perceive themselves (justifiably) as working extremely hard. But hard work doesn't automatically translate into efficiency and value if processes are failing those people.

Brace yourself: In Brian's analysis, **less than 10% of the work done in Legal Ops delivers direct value to the client.**

Hard work doesn't automatically translate into efficiency and value

Audit, appraise, automate

For a legal department to improve on this with the limited resources it has on hand, it first has to adopt this mantra:

> ***Each step of a process must add value.***

Processes, where approvals, reworking, email, keystrokes, paper, and data re-entry are prevalent are devouring huge amounts of labor while introducing errors, and add little or no value. In fact, they actually *subtract* it.

How do successful Legal Ops leaders go about identifying problem processes, and improving the value of productive ones?

- They **audit** all processes, starting with high-volume ones, and listen to customer/client feedback.
- They **appraise** the value processes are delivering – and eliminate those not adding value.
- They **automate** remaining processes to maximum value using best practices like self-service forms and intake portals.

A technology such as a legal workflow automation solution can have "tremendous impact on day-to-day operations and the stress that you're feeling," Brian says, by letting you continuously optimize them. Value and performance can be improved at each step of a digitized process, especially when analytics are applied.

Value and performance can be improved at each step of a digitized process.

Give yourself permission to fail

In the case of a Legal Ops pioneer like **NetApp**, they gave themselves **permission to fail** in experimenting with workflow automation to improve the value created by processes.

Once they'd learned the ropes on a few high-volume workflows where they could capture immediate automation ROI, they broadened implementation to include more processes. They became an evangelist for applying workflow automation and value-creating best practices outside the legal department.

That's shown below in a chart of the various processes where workflow automation has been applied (or is being planned) across NetApp:

Finance & Operations

- Global Travel Approval
- Procurement Card Application Request
- Facility Card Application Request
- Corporate Travel & Expense Card Application Request
- Meeting Card Application Request
- Card Restriction Change Request
- India T&E Card Application Request
- PM Card Application Request
- PM Card Application Request*
- Software Approval *

Legal

- Partner Risk Assessment Due Diligence (PRADD)
- Gift & Entertainment Approval
- Conflict of Interest Disclosure
- ISG Patent MiningScheduling
- Timekeeper Wizard
- Power of Attorney
- NDA Portal v2.0 *
- Article 30 Data Inventory v2.0
- Legal Hold: Mgr Notification
- Litigation Production Specs
- EMEA/MAF Partner Status Confirmation
- MDF Workflow
- Partner Application Form
- SnapProtect Support Tx
- New Matter/Supplier Form

Product Operations

- Technical Director Review
- OSRB Code Review & Legal Approval
- Open Source Certification

Safety & Security

- Lobby NDA *

Go-to-Market Operations

- Insight Cross Charges Requests (3)
- Sales Retention Letter
- Authorization Form Workflow (MAF – 4x)
- EMEA Deal Desk
- Sales Contract Review Request Form
- Export Compliance Statement
- Field Portal and Partner Hub
- Proposal Center Engagement Forms
- All Flash Storage Efficiency Guarantee T&Cs
- Government of Israel Sales Workflow *
- Customer Reference Approval*
- Commit-Build Approval *

Human Resources

- Notification Day
- Education Reimbursement Program
- India Voluntary Employee Termination
- OWBPA
- Notification Manager Training
- Pre-Notify
- EE Offboarding Reminder of Obligations *

Should you chase "quick wins"?

Legal tech adopters often look for the "low-hanging fruit" that helps them quickly demonstrate ROI or meet KPIs. Brian, however, has recommended this **shouldn't automatically be the crux** of a new technology rollout:

> *"I don't really like the concept of 'quick wins' in transforming a legal department". "When you're going to transform a portion of your tech stack or your legal department, it's better to follow other best practices. Go after areas where you'll make enough of an impact to get noticed, yes, but focus on bringing transformation to the people who want change. Start with the ones who really want improvements made in their department, who'll really help drive value. Don't start with the hardest ones."*

Maintaining focus is key to transformation, too. Brian advises, "Make sure you understand the outcomes you're looking for, and the results you're after. Really focus on that, and don't get distracted by the two hundred other things that it'd be nice to accomplish with this new tool; zero in on the four or five things you've absolutely got to hit."

"Zero in on the four or five things you've absolutely got to hit."

Benefits beyond immediate ROI

Looking beyond the quick ROI automation can deliver, there are other benefits. Employee retention, for instance, is important to legal departments, but the **retention of employee knowledge** should be a focus, too. Especially in areas like privacy and data security, where a talent shortage is increasing turnover rates.

Every organization faces turnover and human resource losses when SMEs or employee superheroes leave, taking tribal knowledge with them. Workflow automation provides a solution to this, though. **Productizing subject matter expertise** through automation of digital workflows embeds best practices and resources/assets, so this knowledge can be retained and passed along to others.

It's one benefit among many that automation gives both the enterprise and the legal services ecosystem around it:

In the Enterprise

- Productizing subject matter expertise
- Creation of a culture of continuous improvement
- Flexibility to align with corporate goals and zeitgeist
- Foundation for a more automated future

In the Ecosystem

- Sharing of lessons learned among peers
- Tailor-made partner and supplier support infrastructure
- Innovation boomerangs back-and-forth between everyone involved

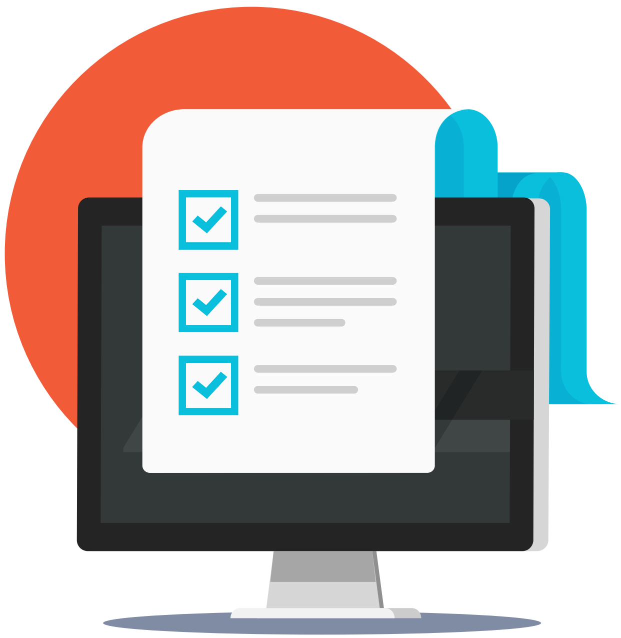
04 Key Finding #2: Get the right data to the right people at the right time

Almost universally, Fortune 500 legal departments wanted to know more about how to leverage data (just like almost every other business unit). They wanted to understand what they can do with it, what others are doing with it, and how they could use data to create standardized reports.

What they often discover, according to Brian's interviews? How their standardized reports become more and more customized over time, and how many of the reports they create never get used.

The problem? They've started off by thinking about the reports they want to generate, rather than first developing a strategy.

Making data work on behalf of a legal department isn't simply about gathering more data and churning out reports. It's about **getting the right data to the right people at the right time**.



Start with strategy, *end* with reports

Strategy will dictate the activities and processes to fulfill it, and the KPIs needed to measure results. Only then can you produce relevant **reports.**

Once you've put a strategy in place, you can move on to identifying and measuring the activities supporting it. It's important to remember that **great metrics only come from a great understanding of vital activities.** The following three steps will allow you to leverage relevant, useful metrics from the activities you want to track and optimize so they're creating real value.

Strategy

Activity

Reports

Focus on Specific Activity

First, **focus on specific activities.** Ask people how they're making decisions around that process; don't be surprised to hear the words, "it's just the way we've always done it."

The best activities to begin with? High-volume processes where you can make the greatest, most immediate impact. Identify the data sources currently being used to measure them; if you're just starting out, sources may not be available for these processes, so tribal knowledge or your best judgment may have to substitute for the time being.

Focus on Specific Activity → Determine Need

Next, **determine the need:** Instead of how it's currently being done, what's the best way to execute an activity? How should decisions be made to achieve that? Define what key metrics should be introduced into the process to help make this possible at those points when decision-makers can really use them.

Focus on **driver metrics, not results metrics.** The difference? Results metrics, as Brian puts it, are akin to "driving a car with a blacked-out windshield." The only insights you have are about where you've already been. What did we spend last year? What were the results?

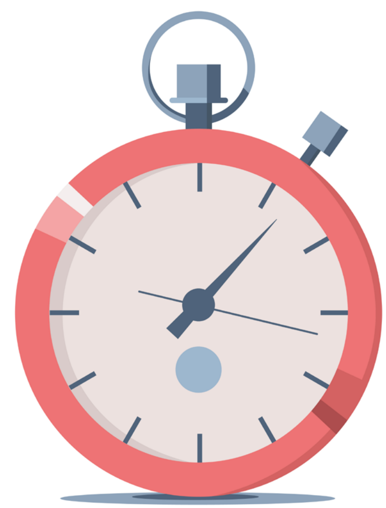
Driver metrics let you "peel the paint off the windshield," enabling you to recognize potential problems – or opportunities – *before* they arise. So you can be proactive in risk management, spend management, vendor selection and more. As Brian points out, companies that sink their resources into results metrics spend undue time looking backward in analyzing what's already gone wrong, rather than focusing on what they can do to avoid problems in the first place.

Focus on Specific Activity → Determine Need → Timely & Accurate Delivery

Then you should ensure **timely and accurate delivery** of the right data and insights to the decision-makers who are in a position to use it. As a legal department finds itself gathering more real-time data from more sources, aligning the right data sources with the right people becomes more important – and potentially difficult.

So it's crucial to develop a process that incorporates the right tools to maintain accuracy and claity in your measurement and reporting. **Visualization of data** using color and graphics will assure clarity and ease of interpretation, too.

An example: For this activity, a **Senior Leader Operational Review**, the ELM platform in use in the dashboard image on the next page plainly identifies the trouble spot revealed by the data. By visualizing near-real-time data that's accurate and pertinent to a senior leader's role, we equip him or her to quickly make informed decisions.



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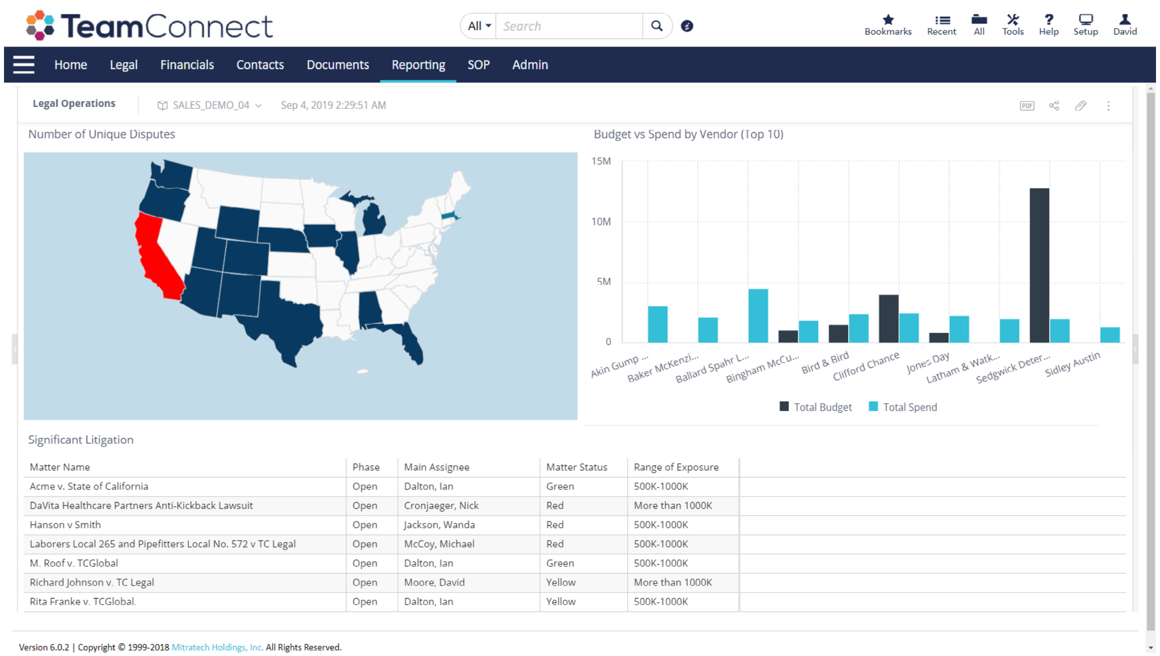
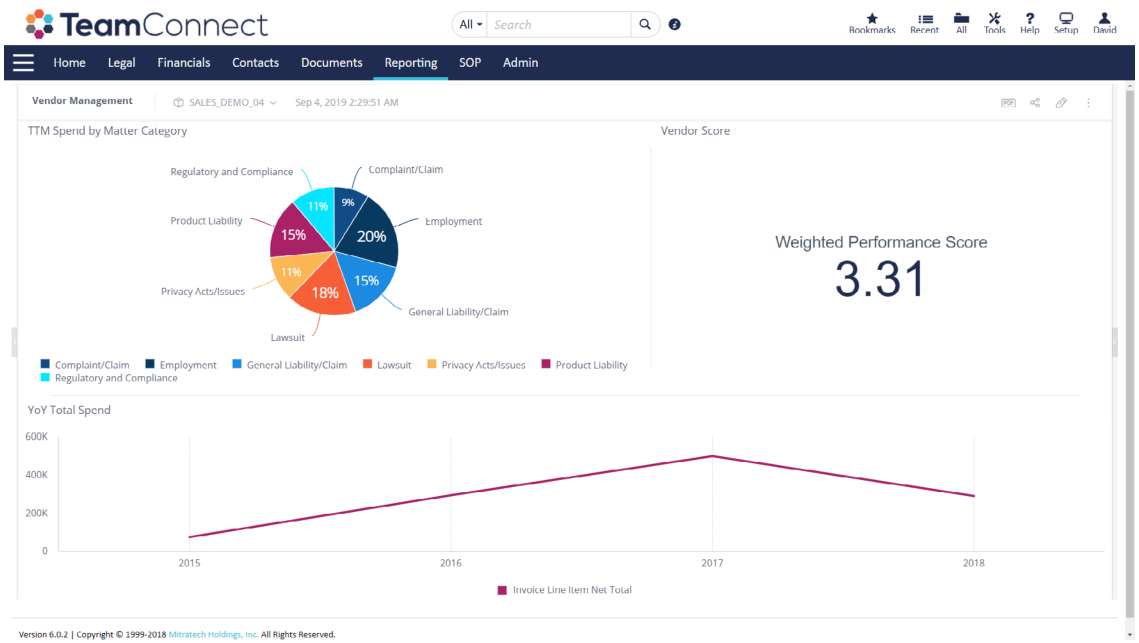


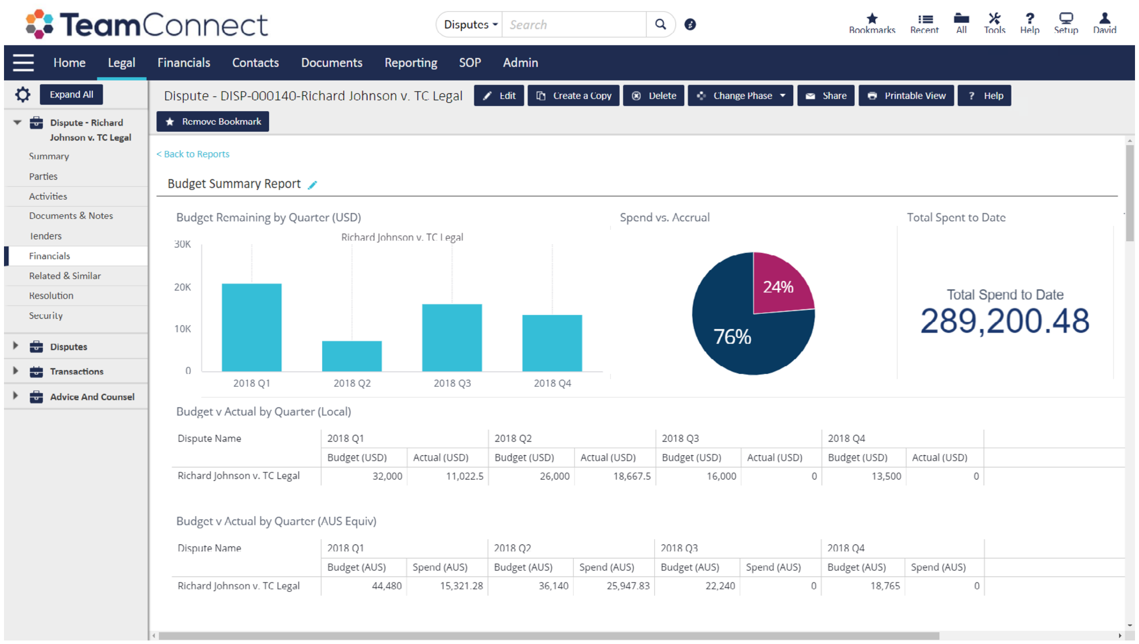
All figures are for demo purposes and do not represent actual numbers or budgets.

Another example? In outside counsel selection, leaders need insights into whether or not they should make continued use of an outside law firm, and how the firm has been used – and how it's performed – in the past.

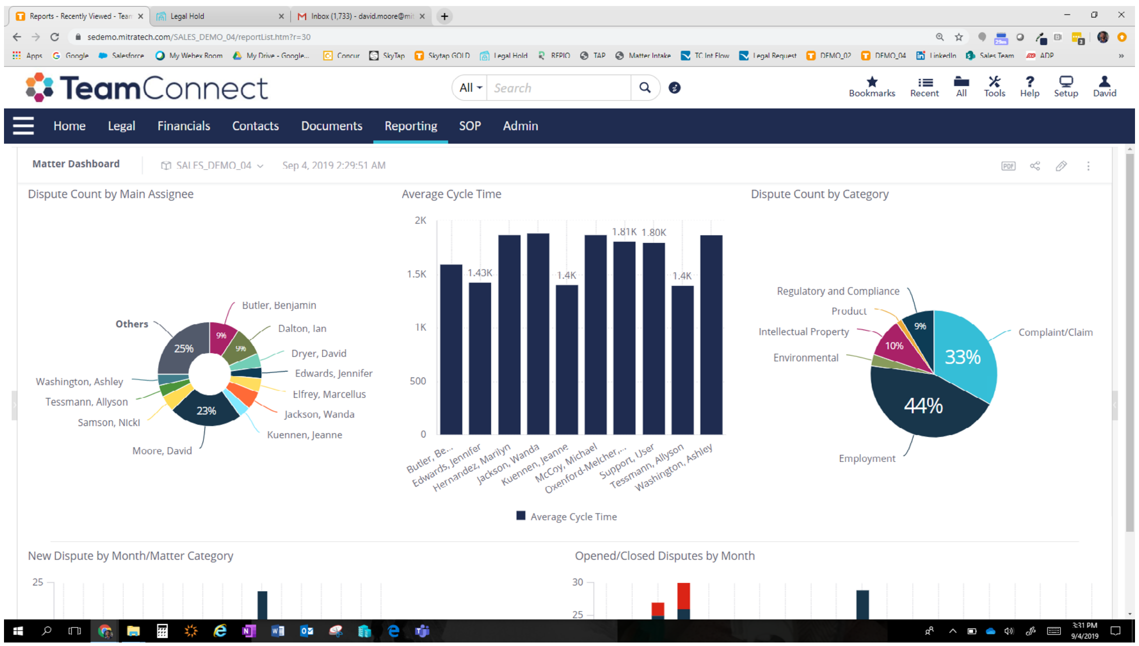


The Weighted Performance Score lets our decision-maker make immediate comparisons between this vendor and others. How can you gather that data? A simple survey when a matter is closed is a good way to start, though more advanced techniques like Natural Language Processing (NLP) can extract insights by rapidly parsing thousands of documents.

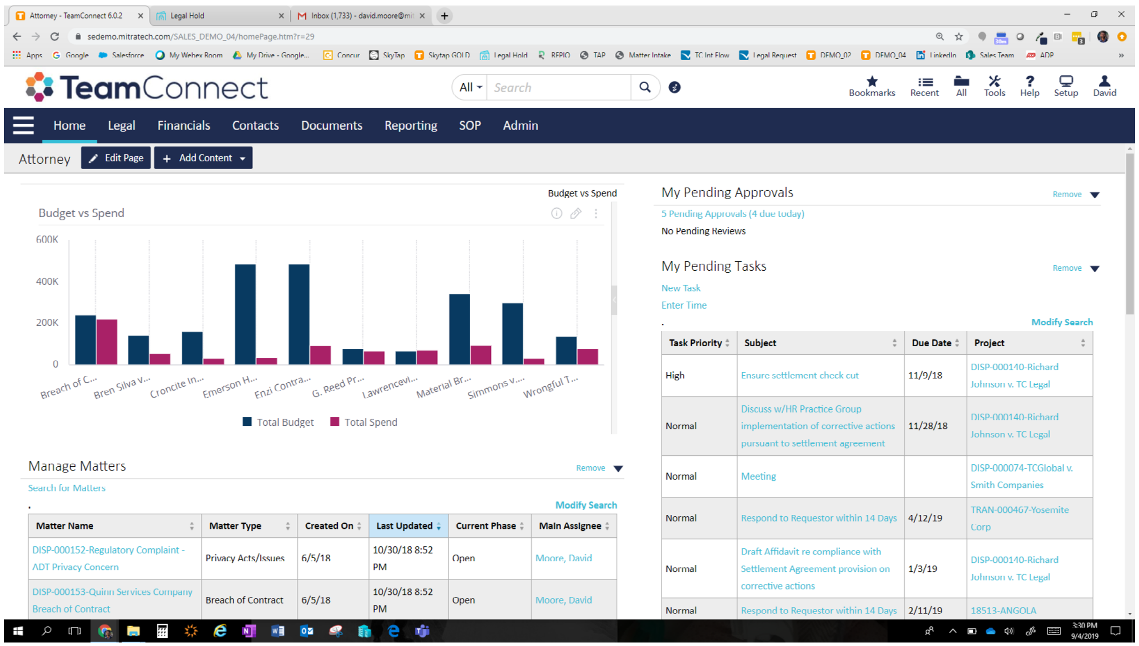
Another activity where centralizing and visualizing all the data a decision-maker needs? **Budget management,** as in this example of a specific matter budget.



Work allocation is another activity where properly presented key data can assist a legal leader. Here, he or she can review individual workloads, how much time a matter cycle takes for each attorney, even where automation or other process tools can improve performance.



Finally, this example shows how data can help an attorney in **prioritizing the workday.**



One key point about these five examples: In each of them, the data being presented is aligned to different people with different responsibilities within the legal department. So the data, reports, and overviews they get must be specific to each of them. A general counsel, a Legal Ops manager, and a staff attorney have wildly different data needs.

It's about more than just metrics

Different legal departments are going to (obviously) be at **different maturity levels** when it comes to leveraging data. One that's at the "table stakes" level will have few dimensions to its KPIs and limitations on the UX it employs, for instance, whereas an "innovative" legal department will be using leading-edge tools like NLP and interactive dashboards proactively sending alerts to users as problems are detected, with data being refreshed in close to real-time and alerts being.

	Table Stakes	Advanced	Innovative
Types of KPIs	Spend by 2 – 3 dimensions, number of matters, variance to budget	Spend, matters, budget, quality, pricing and subjective performance aligned to business	Structured and unstructured analytics for lawyer performance and outcome for high frequency matters
User Experience	On demand or scheduled reports, drill downs require support and time	Interactive dashboards with drill down capability, drill downs instantaneous	Interactive dashboards with user focus to problems, real time complex alerts
Refresh	Weekly or monthly	Weekly	Overnight, or near real time
Data Governance	Best efforts on required fields, limiting text boxes, frequent data cleanups required	Active data program. Understanding of critical data elements, prioritized plans for remediation	Advanced data program. Data elements defined, data cleanliness measured automatically, data dashboards managed, data council established and competent.

By applying a more advanced solution like NLP to analyze unstructured data, these departments open up a wealth of insights. Because, as Brian McGovern points out, "95% of the data held by a legal department is unstructured."

"95% of the data held by a legal department is unstructured."

Data governance will become more vital than ever as you evolve: The **root data** being used to populate basic Excel spreadsheets or high-end visualization tools should be subjected to increasingly sophisticated and rigorous levels of data hygiene, so it's clean and accurate wherever it's used.

Active data programs are in place at the "advanced" level, and data stewards and data councils are being used by "innovative" legal departments, as well as data dashboards reporting the results of automated audits of your data cleanliness.

05 Key Finding #3: Build a team with diverse skills and backgrounds

Beyond technology and the effective use of data, what's the third crucial component of Legal Operations optimization? It's the people who staff Legal Ops. But what skills and expertise should you look for in assembling that team?

In Legal Ops, diverse skills drive innovation

What Brian McGovern found was that the Fortune 500 Legal Operations teams that were doing the most innovative and progressive things were, not coincidentally, the ones with the most diverse teams in terms of their skills and background.

Why? It's because, as he explains, "Legal Operations has such a diverse set of responsibilities it has to address."

When you look over the range of tasks Legal Ops is supposed to address, it's obvious that "no one person is going to be able to competently do all of those things," he points out.

Responsibility	Skills	Backgrounds
Technology Implementation	Vendor Management Project Management Communication Requirements Process Improvement	Project Management Lawyers Paralegals IT Process Excellence
Law Firm Management	Law Firm Management Panel Design Procurement	Lawyers Administration Procurement
Data and Reporting	Data Architecture Report Building Data Governance	IT Data Management Reporting Application Training
Legal Process Outsourcing	Vendor Management	eDiscovery / Predictive Coding Legal Outsourcing
Bill Review	Invoice Review	Paralegals and Lawyers
System Administration	System Super User Process Improvement	Administration Operations

"Legal Operations has such a diverse set of responsibilities it has to address."

Alignment to create value

When Legal Ops management surveys its responsibilities and processes, it can begin to align the right skillsets against the tools, processes, and goals it has to deal with. Those nearly always turn out to be so diverse they demand a diverse set of skills from the Legal Ops team they put in place.

"Analytics and technology, and process management, project management, and process excellence are all disciplines that are relatively new to legal," Brian McGovern reminds us, "so the legal department has a chance to reach out and grab those people who are experts in what they do, and combine their skills with lawyers who are expert in practice of law. That's when you see very dramatic improvements from the business."

"That's when you see very dramatic improvements from the business."

One Legal Ops leader who's found the benefit of a more diverse approach is **Rick Radice**, VP & Chief Operations Officer – Law, Compliance, Business Ethics, External Affairs at Prudential Financial, Inc.

When he first began evaluating his department's operations, he found "over a million dollars a year was going out the door" to outside consultants. Money that could be better spent by hiring the right in-house Legal Ops staff.

To him, the **Core Competencies Wheel** developed by the Corporate Legal Operations Consortium (CLOC) provides a good guideline for the diversity of talents needed to make Legal Ops function effectively at the foundational, advanced, and mature levels of optimization.

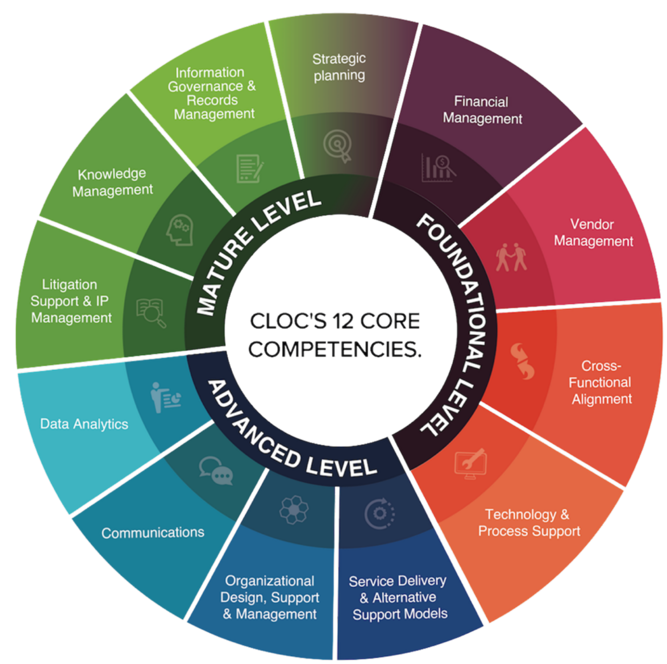
"How can we find the best people with the best skillsets," Rick Radice says, "who don't necessarily have to have a legal background?"

From a business case standpoint, it's a matter of matching staffers' skills and qualifications to the right processes at the right price point, so they're able to deliver maximum value.

Encouraging advancement

For Rick Radice and other Legal Ops leaders, it's important to set **paths for employee development.** Yet not all of the individuals who join Legal Ops want to advance through new roles like those depicted on the Wheel. Some are perfectly capable and happy to stick to one specialization, be it vendor management or technology support.

But by gaining expertise in several competencies, they can become more valuable not only to Legal Operations but to the rest of the organization, with broader opportunities for growth and advancement within the enterprise.



Legal Ops leaders *aren't* always attorneys

Another sign of how skills diversity is taking hold in Legal Ops? Mary O'Carroll, director of Legal Operations at Google and president of CLOC, and Catherine J. Moynihan, executive director of the Association of Corporate Counsel, each told told *Corporate Counsel* how approximately half of Legal Ops leaders don't have a juris doctor. O'Carroll, who doesn't hold a J.D., said it's never been a disadvantage for her. And of her fifty Legal Ops staffers at Google, only one is a lawyer:

> *"Legal ops is a multidisciplinary area that requires a strong foundation in things like financial management, project management, process improvement, change management, and at least a passion for technology".*

> *"Having a J.D. is absolutely a bonus and often gives you more credibility and acceptance in the role with your lawyer clients, but I also think having a business or technology background allows you to bring in a new perspective and unique skill sets to the department."*

06 Conclusion

The biggest insight to be had from Brian McGovern's interviews with Fortune 500 legal departments about Legal Operations optimization? As we said near the start, it's the fact that these three components – technology, processes, and people – are so intertwined they should all be optimized in order to deliver maximum business value.

Addressing only one or two of them is, if not exactly a "recipe for failure," a half-measure that'll leave a huge amount of potential efficiency, savings, and performance gains on the table. Great technology won't salvage bad processes, and the best processes require the right people to be running them.

So neglecting any one of this triad has been a non-starter for successful Legal Ops teams, who have met the challenges of delivering higher levels of performance, service, and ROI. By optimizing Legal Ops by following the best practices we've described, though, top legal departments are commanding results that are transforming not just their own operations, but also the enterprises they serve.

About **Mitratech**

Mitratech is a proven global technology partner for corporate legal professionals who seek out and maximize opportunities to raise productivity, control expense, and mitigate risk by deepening organizational alignment, increasing visibility, and spurring collaboration across the enterprise.

With Mitratech's proven portfolio of end-to-end solutions, operational best practices permeate the enterprise, standardizing processes and accelerating time-to-value. By unlocking every opportunity to drive progress and improve outcomes, we're helping legal teams rise to the challenge of serving the evolving needs of the modern, dynamic enterprise.

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