MITRATECH

10 Ways to Manage Increasing Legal Ops Workload

The expanded legal ecosystem and growing corporate demands for legal services are raising pressures on in-house legal departments. Here are strategies they're using to tackle these challenges.

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Introduction: The Legal Ops Upswing

The role of the modern legal department? It's changed drastically over the past several years, as corporate law departments are handed more and more work, while also taking on new organizational tasks.

The multiplying risks and complexities of the modern business environment mean there's a corresponding increase in the need for their traditional legal services, while they may also be getting more deeply involved with HR, finance and data security functions. No less than 82% of respondents to a recent HBR Consulting survey stated their legal needs would increase in the next year. Yet at the same time, they're also being pressured to be more productive, responsive and mindful of costs.

Another factor? Legal departments no longer want to be seen as a cost center or the bottleneck or naysayer that prevents other departments from moving ahead with projects and programs. They're seeking a more collaborative and proactive role in their enterprises.

No less than **82%** of respondents to a recent HBR Consulting survey stated their legal needs would increase in the next year.

Legal Operations to the Rescue

To cope with these new challenges, there's been an upswing in how legal departments are embracing legal operations practices and disciplines. In fact, according to the 2018 State of Corporate Law Departments report by Thomson-Reuters, Acritas and the Corporate Legal Operations Consortium (CLOC), 70% of legal departments say adopting legal operations is a priority.

## Other insights from that report?

- 35% of legal departments with dedicated legal operations staffers have four or more people in those jobs.

- Most of those surveyed had at least 1-3 people doing legal ops work.

- Corporations with $10 billion or more in annual revenue had an average of 21 legal ops staffers on board.

70%

of legal departments say adopting legal operations is a priority.

The Top 10 Ways Legal Departments Are Taking on Increased Demand

In the most recent HBR Law Department Survey by HBR Consulting, legal department respondents detailed 10 ways they're tackling this new growth in demand for legal services. In this document, we'll explore them in order, starting with the most important and impactful.

It's a useful rundown of exactly how legal operations teams are rising to the task of managing increasing workloads, improving efficiency and lowering costs, while still delivering the quality legal services so essential to the success of their businesses.
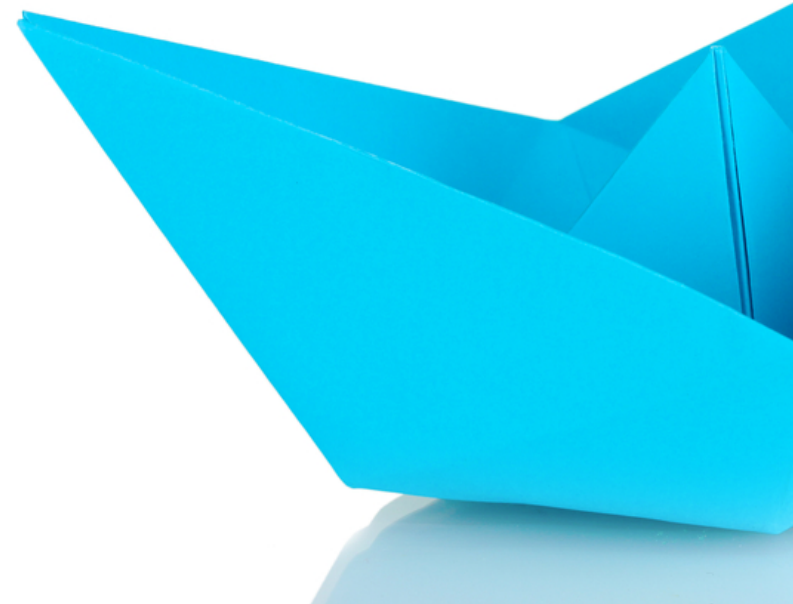
01 Increasing the Use of Legal Technology

The logical first step in improving nearly any organization's efficiency and capability? To optimize adoption and use of the technology tools it already owns. The same holds true for corporate legal departments, too.

Surprisingly, legal operations staffers too often discover that the legal department already has access to effective technology solutions. It's just that they haven't used a tech tool to its fullest capability, either by A) not taking advantage of all its features and potential, or B) not adopting it widely enough across the entire legal department. Or both.

In some instances, a legal department may purchase a new platform or solution to meet a challenge without realizing how their existing tech could solve the issue without any additional investment.

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The willingness to add new tech tools is understandable when you consider there's a "land rush" underway to invest in legal technology, driven by a number of pressures. Chief Legal Officers listed them in a recent survey:

- Class Action – 92% of CLOs expected class action litigation to be the same or increase.

- Data Privacy & Security – 23% were involved in data privacy disputes.

- Geopolitical – 35% changed plans to enter new markets.

- Intellectual Property – 17% were targeted by patent trolls.

- Regulatory Pressure – 28% were targeted regulators.

- Employee Health & Safety – 44% rated this as very or extremely important for the year ahead.
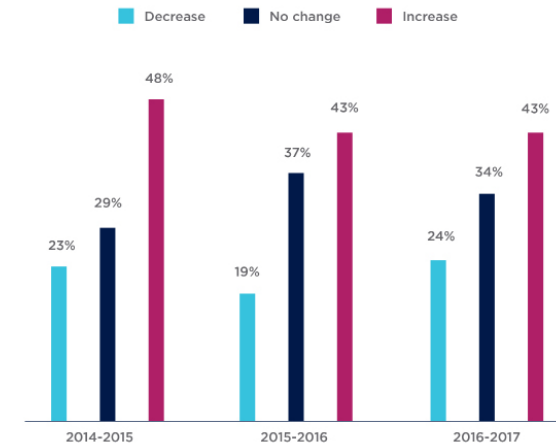
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The Association of Corporate Counsel Chief Legal Officers 2017 Survey.

How Using Existing Tech Spared Extra Investment

As we've pointed out, the right tools to solve legal process challenges may already be on hand. For instance, when a major insurance provider was looking to replace an outdated Inquiries and Exams tracking system, investment in a new product was one option. Fortunately, they realized the same functionality was available simply by adapting their existing Enterprise Legal Management (ELM) platform, **TeamConnect**:

- Cross-functional compliance groups were able to create the specific functionality they needed within the existing platform.

- Integration with their document management platform allowed better tracking of essential records.

- An existing operations intake portal was replaced.

- A streamlined process employed wizards to guide users in providing all relevant information right at intake.

- They gained the ability to generate request volume reports, which had staffing implications.

Estimated Changes to Budget in the Next 12 Months, 2014-2017

Legend: ■ Decrease ■ No change ■ Increase

Period	Decrease	No change	Increase
2014-2015	23%	29%	48%
2015-2016	19%	37%	43%
2016-2017	24%	34%	43%

The Association of Corporate Counsel Chief Legal Officers 2017 Survey.

Significant cost savings were realized by:

- Eliminating the entire RFP process.

- Avoiding investing in new software.

- Avoiding the costs of additional training, as most users were familiar with TeamConnect.

02 Redistributing Work to Appropriate Sources

Imagine each services request as a paper airplane entering the legal department through a transom window. Whose desk does it land on first? In some departments, each makes a beeline for the CLO's inbox. In others, they seem to scatter randomly, landing wherever there's room to land – or even where there isn't any.

Neither of these is optimal. Having all service requests routed to the head of the legal department means s/he's spending valuable time on delegating simple, routine requests that would be better routed to a lower-level manager in the first place – or, better still, to the exact person who's best qualified and available to to handle the task.

If requests or tasks are immediately assigned on the basis of "who's got time?" or "it's your turn now," it's not optimal either. It's better to make sure the task goes to the person who's not merely available, but who also has the specialized experience or training essential to provide the best possible client service and outcome.

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Harnessing Technology for Resource Optimization

The most recent edition of the yearly HBR Law Department Survey found that legal departments were looking to optimize resource utilization by applying new technologies and analytics, as HBR managing director and survey editor Lauren Chung explained:

"The survey confirms what we are seeing in our consulting engagements with law departments, where there is heightened attention on resource optimization – the right resources, doing the right work, in the most cost effective and efficient manner.

"This means investing in new technology to increase the automation of routine tasks, enhance work processes and support data analytics that allow improved decision making on outside counsel fee arrangements. All of these efforts are having a direct impact on legal spending and operational effectiveness."

Resource optimization is one reason why workflow technology tools were among the top five areas where survey respondents said they were planning to focus future investments.

2017 HBR Survey Results - Top 5 Planned Technology Areas

Technology Area	Implemented	Planning
Workflow Tools	26%	27%
Legal Spend Analytics	46%	24%
Contract Management	58%	23%
Artificial Intelligence (new in 2017 survey)	1%	22%
Document Management	66%	21%

Resource optimization is one reason why workflow technology tools were among the top five areas where survey respondents said they were planning to focus future investments.

03 Automating Routine Tasks & Processes

Imagine that those paper airplanes we used as an analogy for service requests never landed on someone's desk – because they didn't have to reach a human being in order to be processed. That's the promise being seized upon by legal ops teams adopting legal workflow automation (LWFA).

An LWFA solution is designed to accelerate legal operations, replacing inefficient paper-based workflows with automated processes. By slashing errors and costs while improving responsiveness, agility and security, LWFA has proven a truly transformational tool, providing business process management that unites in-house legal teams, external counsel, clients and others, collaborating more productively than ever.

An LWFA solution is designed to accelerate legal operations, replacing inefficient paper-based workflows with automated processes.

Removing the "Pain of the Mundane"

LWFA eliminates the drudgery of manual processes, the "pain of the mundane" that can drive down morale while driving up the frequency of costly human errors. Tasks like NDA processing can be redesigned to be wholly automated, using online self-service forms, automatic routing and notifications, and secure e-signatures – and never requiring the attention of an attorney.

When Yahoo Legal leveraged our own workflow automation solution, they used it to create a self-service NDA portal covering 20+ countries, even utilizing Chinese characters. It was used by hundreds of employees annually, yet automating the process freed lawyers or paralegals from being bogged down in hundreds of NDAs. While eliminating hundreds, even thousands of costly wage hours.

LWFA has provided similar efficiencies and savings for nearly every other legal process, from matter management to Contract Lifecycle Management (CLM) workflows.

Moreover, legal operations teams have found that a best-of-breed SaaS LWFA solution is easy to adopt and deploy, generating immediate benefits in agility, responsiveness and ROI:

- A self-service NDA workflow can be up to 7 times faster and 15 times more efficient than a manual process, with 100% compliance and up to 400% ROI.

- Simple standardized forms, documents and agreements are processed any time, any location, without costly internal review by legal personnel.

- Human errors and delays are eliminated, improving responsiveness and quality of service.

- Intuitive form and workflow design tools allow even novice users to quickly start designing forms and workflows, even complex ones, without any need for IT.

- Legal ops teams now centrally audit and optimize LWFA workflows at scale, even across global networks.

- Workflows are automatically backed up to a secure Cloud archive, easily accessible for audit, governance and compliance purposes.

- E-signature integration standardizes secure approvals.

04   Re-engineering Work Processes

In his book *The End of Lawyers?*, Richard Susskind broached the idea of a new role in legal departments or law firms: the legal engineer, combining legal knowledge with technological expertise and project management methodologies to optimize processes and service delivery.

Business process re-engineering (BPR) first took hold in the business world in the 1990s, and has come belatedly to the legal sector. Whether or not a specialist with a new title is doing the work, re-engineering legal processes to wring out maximum efficiency is still an urgent need today.

To start that process, it's vital to first clarify what your ultimate goals are so you can prioritize which processes need to be re-engineered, in what order, and to what extent, long before you hit the "on" switch on any new tech tool – or even before you make a tech investment.

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Some of the core questions to ask when re-engineering legal processes:

- Who are our clients? What value are we offering them?

- Are the current processes delivering expected values?

- Do the processes need to be redesigned or redefined?

- Are they aligned with our long-term mission and goals?

- How would we deal with our existing processes if we were starting from scratch?
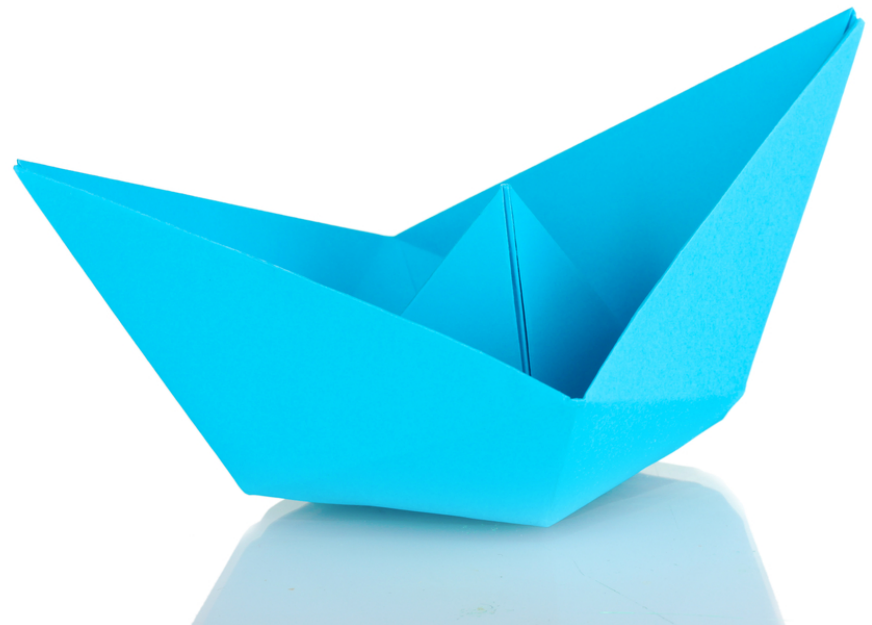
Drafting a Roadmap at AIG

When Brian McGovern served as Senior Vice President and Chief Data Officer of Legal Operations at American International Group, Inc. (AIG), he led a transformation of the company's legal operations department, playing a key role in crafting the organization, process and technology architecture that reduced AIG's legal spend by over $1.2 billion dollars.

A big part of that success came from developing a detailed technology roadmap. As he explains it, this touches on more than just software and hardware; it begins with setting goals:

"While it's very important to establish where you want to be and why from a technology standpoint, it's also important that you make changes to the management side of the process. That way you can set the standards for what you're doing and where you're moving as a company."

$1.2 billion

The amount of legal spend reduced by a transformation of AIG's legal operations department under Brian McGovern.

Engineering efficient, compliant processes is a primary aim. But to work, he points out, they have to take the human factor into account, and keep them centered on the people involved:

"Basically, you have to think about the user experience while you're making decisions. Keep the processes simple and don't overbuild screens. It seems really obvious, but people get it wrong so often. To encourage the adoption of new technology, you have to focus on the user. Focus relentlessly on keeping it simple and having a consistent process. If you do that, the program can drive user adoption by itself."

05 Imposing Standardization

In any business process, the ability to repeat it uniformly leads to greater efficiency and superior work product. The same holds true in legal operations: By standardizing as many elements of a legal process as possible, legal departments can reduce errors, cut costs and elevate performance. In other words, more work can be done with fewer resources in less time. Plus, the quality of that work can be markedly improved, whether it's contract generation, trademark tracking or patent filing.

Only by standardizing processes can managers get a true idea of their true costs and efficacy. It's easier and more insightful to be comparing "apples to apples" rather than trying to measure and compare a grab-bag of wildly varied workflows and workflow elements.

Over time, legal ops leaders can get a complete picture of how efficient their operations are, and where improvements can be made. Consider "standardization" as "quality control," where the cumulative effect of iterative improvements is much better client service and bottom-line performance.

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Elements of a Standardization Push

To impose standardization, a legal operations team should follow a step-by-step process to manage how it's applied:

1. First, define a policy, scope and set of guidelines for how and where you apply standardization – a manual of Standard Operating Procedures everyone can follow.

2. Map out the exact elements where standardization can make a difference. Beyond standardizing common workflows, it can be applied to forms, document and contract templates, even to developing centralized libraries of approved clauses and content.

3. Decide on the best means for delivering standardization. As we've mentioned, a tool like legal workflow automation is perfect, since it can be used to apply templates to repetitive processes and tasks, or standardized elements can be used in building even customized, specialized processes.

4. Standardize KPIs, metrics and analytics practices to create an accurate and consistent evaluation framework to track performance and progress.

5. Conduct regular audits and make iterative improvements where necessary; again, with a technology like LWFA, management gains greater visibility into processes, so adjustments can be made at scale to processes used across the entire organization.

06 Optimizing Resource Productivity

Due to the 2008 financial crisis, the compliance industry experienced a huge boom, as companies expanded their compliance functions at a furious rate. Even today, about 120 new regulations are added worldwide per day.

Cherie Axelrod, Senior Vice President and Deputy Chief Compliance Officer for Western Union, is one of the corporate legal leaders who managed this growth. "We increased our investment by over 200% over the past several years. We're now spending approximately $200 million per year on compliance, and have about 2,500 employees in that space," Axelrod stated in a recent Compliance Week panel.

"What we need to do now is act smarter, not bigger."

CHERIE AXELROD
Senior Vice President and Deputy Chief Compliance Officer, Western Union

But she was faced with the fact that while compliance demands keep spiraling upward, a company has a ceiling on how many people it can hire to deal with them. The solution? "What we need to do now is act smarter, not bigger."

By implementing the right tools and methods, legal operations can maximize staff – and even external resource – productivity.

Extracting More Work Per Worker

As Cherie Axelrod put it,

"We understand that we can't just keep growing [compliance] every year. We can't go from 2,500 people to 3,000 people. So we're using data and technology to be smarter about what we look at and how we look at it."

In the case of Western Union, it allows them to pull real-time insights, monitoring customer transactions and alerting the right people quickly and efficiently if there's any problem.

Yet compliance is only one area of many where deploying tech and analytics is being leveraged to improve legal operations productivity. As analyst Kevin Clem, who leads HBR Consulting's Law Department Consulting practice, explains:

"Law departments are now looking to leverage their historical data in more sophisticated ways, as we see a growing emphasis on data-driven matter planning and budgeting. In addition to rationalizing outside counsel spending, many departments are focusing on internal operations and performance measurement as more and more work is being performed in-house."

Corollary with improving legal operations resource productivity, of course, is the matter of providing those "resources" – the people doing the work – with the best possible tools, and with training in how to use them.

In the NDA legal workflow automation example we cited under #3...

- The **tools** were twofold: the LWFA software enabling automation, and the actual NDA workflow it published that removed the need for human intervention in a common process.

- The **training** involved in learning to use the platform, and designing and launching workflows.

07 Equipping Clients With Self-Service Tools

One sure way to alleviate legal operations workloads?

Getting your clients to do the legal work themselves.

A few years ago, this would have been a completely cringeworthy suggestion. Today, technology allows legal ops teams to do exactly what we've described: give their clients the ability to execute legal tasks without the need to involve corporate counsel or legal staff.

In the case of the NDA process we've referenced, a company's sales team can execute non-disclosures for its prospects and customers without ever calling on the legal department.

Today, technology allows legal ops teams to do give their clients the ability to execute legal tasks without the need to involve corporate counsel or legal staff.

Workflow automation has made it an entirely self-service process:

- Online NDA forms are self-guiding, so salespeople or customers are steered through inputting the correct information right at the start.

- Forms are routed automatically to the right gatekeepers or approvers, if it's deemed necessary to have human eyeballs on a document; for some processes, such a review may be dispensed with.

- Automated notifications let the customer and sales team know the document has been accepted.

- If it's linked to another automated workflow, such as a document download or product demo, that process can be triggered automatically when the NDA workflow is completed.

By leveraging a technology like workflow automation, a legal operations group can expand these kinds of self-service workflows into as many other areas as makes sense. Since they can be designed to be self-guiding, there's little or no "training" necessary for your client or stakeholder.

Extending Compliance Automatically

Another way a technology solution like LWFA can relieve the burden on legal ops? Legal best practices and compliance can be embedded in workflow templates that are then used by teams and departments across the entire organization.

When a LWFA solution is integrated with an ELM platform (as TAP WorkflowAutomation is integrated with TeamConnect, for instance), processes throughout an enterprise can be automatically made compliant from end to end, reducing the need for the legal department to actively review them on a per-instance basis.

Legal best practices and compliance can be embedded in workflow templates that are then used by teams and departments across the entire organization.

08 Hiring More In-House Lawyers

It may not be the most optimal solution – and the fact it's eighth on the list of survey responses might indicate as much but it may be unavoidable. To manage increased demand for legal services, a legal department may have to bring on more in-house attorneys.

However, there's a more pragmatic way of doing this that can optimize its benefits to efficiency and client service.

When a decision has been made to hire more attorneys, the next step is to determine what areas of specialization are needed, so a new hire aligns with specific need. If a legal operations team sees a need in the realm of intellectual property, then hiring a patent attorney with background and training in the exact area of IP your clients are dealing with is the best course.

That reduces bottlenecks and delays within the legal department, and also helps build a deeper experience base and more capable processes. The expertise of a specialized attorney in best practices can be embedded in the very design of workflows, as well as in the content and documents they create and house in your digital "single source of truth" archive.

Examining Your Options

Be certain that hiring an in-house lawyer makes financial and logistical sense in the first place, though. You need to be sure you've got enough volume of a specific type of legal work to justify a specialized hire.

Considering other, less expensive options may be the best course before pulling the trigger on a new hire. Some of those?

• Legal tech: No technology can yet replace the intellectual skills of a qualified lawyer, but as we've seen they can be invaluable in doing the project management side of the job and making operational improvements that may free up existing attorneys to take on more work. That may let you put off hiring new counsel until there's a pressing rationale for it.

- **Legal service marketplaces:** These online services let you communicate your legal services needs to a broad community of qualified attorneys, some of whom will respond with offers that are often much more affordable than hiring an in-house lawyer or even outsourcing to a more pricey law firm.

- **External counsel:** The cost of utilizing an outside firm or practitioner can run up and down the gamut, but may still provide a more sensible option than hiring an in-house lawyer.

- **Flexible hiring:** An increasing number of professionals aren't seeking full-time employment, but are open to flexible or provisional employment. This may be an excellent option for bringing on a specialist attorney.

- **Low-cost providers:** Smaller firms are typically more competitive in pricing than big ones, for a variety of reasons – less overhead, for instance, or the fact they're hungrier to prove themselves. Putting in some research may turn up a provider who has the bona fides and commitment you're looking for, and still costs less than an in-house hire.

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09 Using Contract Staffing

Contract staffing arrangements can give legal operations teams valuable latitude in addressing service demands. The main options in this area are temporary/provisional staffing, and the use of alternative legal services providers (ALSPs).

Temporary Staffing

Temporary staffing, either by directly hiring temporary or temp-to-hire staffers or by working through a legal staffing solutions firm, is a traditional way to meet expected or sudden workload demands.

There are scores of legal temp staffing services in most major markets, from national firms to highly specialized local companies providing temps with expertise in specific areas. The talent many of them have on hand isn't limited to legal secretaries or admins, either. Well-seasoned and qualified attorneys are often available to meet one-time or for recurrent needs.

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The caveat for legal operations? Doing due diligence on the staffing firm you're considering working with is essential. That includes checking accreditations and consulting with others who have used their services and taken on their temps.

Alternative Legal Services Providers (ALSPs)

ALSPs aren't legal "temps" but short-term or even long-term external resources delivering specialized services. ALSPs have emerged as a disruptive and growing force in the legal industry, called upon by more and more in-house legal departments.

ALSPs are niche firms specializing in high-demand legal services such as document review, contract management, litigation support, e-discovery legal research and IP management and more, often in areas that aren't part of the traditional law firm or legal department framework.

ALSPs have emerged as a disruptive and growing force in the legal industry, called upon by more and more in-house legal departments.

This provides some attractive benefits to legal operations:

•   It allows them to access specialized expertise on an as-needed basis.

•   It gives them flexibility to respond to demand surges and spikes that
    may be unexpected or transient.

•   Since they aren't traditional law firms, ALSPs have the latitude to run
    leaner, more cost-effective business models, passing those savings on to
    their corporate clients.

•   ALSPs are often early adopters of new legal tech platforms and
    solutions, so legal operations teams can get the benefits of these
    advances without having to manage their own tech assessments,
    investments and learning curves.

10 Increasing Use of Outside Counsel

Some enterprises employ scores of outside attorneys, or scores of outside law firms. Some employ hundreds, even thousands if they're working on a global scale.

It's the option that was listed as the least important to the legal departments responding to the HBR Consulting survey, and there are probably a variety of contributing factors:

- Simply defaulting to hiring outside counsel isn't as attractive an option as it once was now that legal departments are under increasing pressure to cut costs.

- Controlling external counsel spend in that situation requires a higher level of transparency and analytics than has previously been available.

Still, increasing workloads may require legal operations to bring on outside counsel. To optimize how they're being used, legal ops professionals are turning to a range of techniques:

- **Analysis and review of past outside counsel spending:** Before hiring new outside resources, legal departments should analyze how they've used external counsel in the past, and develop insights and guidelines to drive how they're using them in the future. That can include reviewing the past performance of specific outside resources, with an eye toward how efficient and appropriate they've been in billing practices, disbursement charges, et al.

- **Billing guidelines:** Billing formats, recordkeeping, rates, staffing issues, expenses and more need to be addressed via clear billing guidelines that are shared with outside counsel every time they're engaged on a new project, and reviewed to keep pace with recent trends and best practices.

- **Budgeting:** These should be established from the get-go, with external providers estimating all costs, fees and expenses, both at the onset of a project and on a regular in-progress basis. Any overages or exceptions need to be explained in detail.

Before hiring new outside resources, legal departments should analyze how they've used external counsel in the past, and develop insights and guidelines to drive how they're using them in the future.

- **Compliance monitoring:** A billing policy and budget that aren't monitored are nearly moot, so compliance monitoring should be a cornerstone of the relationship with outside counsel.

- **Alternative fee arrangements:** AFAs can be negotiated for routine, repetitive work such as patent prosecutions, real estate or loan closings, or any situation where legal operations have benchmark data on hand that helps them determine the appropriate fee structure.

- **Technology integration:** Platforms like LWFA and ELM can be extended to include outside counsel, which drives a greater level of collaboration, resulting in better work product – and can allow a higher degree of transparency when it comes to utilization tracking and cost management.

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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