

MITRATECH

7 Essentials for Optimizing Your Legal Operations

Explore how the right technologies can
transform the way your legal team works.



Table of Contents

- 1** **Implement a Consistent Process**
- 2** **Automate the Process**
- 3** **Begin Tracking KPIs with Dashboards**
- 4** **Build Up a Single Source of Truth**
- 5** **Provide an Easy Way**
- 6** **Improve Predictability**
- 7** **Accelerate and Add Efficiency**

Introduction

As one of the most highly trained and skilled divisions within an organization, the legal department, and the Legal Operations team supporting it, is expected to perform as a best-run function among the various departments making up the enterprise.

CEOs and senior management like to see their legal departments demonstrating leadership by exploring ways to run their operations more effectively in order to add strategic value to the rest of the organization.

One of the major ways legal teams can accomplish this goal is by embracing technology.

One of the major ways for legal teams to accomplish this goal? By embracing technology.

Legal department leaders should be looking for opportunities to adopt the rising practice area of Legal Operations and actively demonstrate how technology solutions can drive down inefficiencies, reduce costs, and promote growth through increased insight and smarter planning.

We're going to explore how legal professionals who are introducing Legal Operations into their departments are increasingly looking to legal matter management, e-Billing, and workflow automation technologies to help them solve many of the issues just mentioned.

Evaluate before you leap

It's important to keep in mind that investing in the latest technology isn't always the smartest way to go. The goal for an investment of this kind is to drive savings, reduce staff workload, and open up new opportunities for growth. Before implementing legal technology solutions, it is critical to identify the specific processes within the legal operation that would benefit most from digital transformation.

When you understand where exactly your process and operational



When you understand where exactly your process and operational challenges exist – whether sources of inefficiency in staff time usage, rising legal spend, cost centers, or outdated approaches – only then can you begin the journey toward optimized Legal Operations management. What follows is our curated list of legal processes and challenges that most often require the most urgent attention for today’s corporate legal departments.

Of course, every legal department is different, and some would re-prioritize to their singular situation. Keep in mind, however, that knowing your top challenges is key to prioritization, getting the right solution implemented to optimum effect, and demonstrating ROI to key stakeholders. Then, once you address your most pressing issues, it’s smart to reassess and determine whether digital transformation can be brought to bear profitably in other areas.

But enough said. Here are the **7 essentials for optimizing your Legal Operations**.



01 Implement a Consistent Process for Opening New Matters

As we outlined above, legal departments are under ever-increasing scrutiny to be one of the best-run divisions in the organization. Faced with the challenge of opening, assigning and managing new matters from across the organization, however, many legal teams are recognizing that the legacy or manual systems they've been using present a serious roadblock to smooth operations, and they just aren't able to embed or account for legal best practices.

When the routine processes of opening matters, managing workflow and reporting matter progress are decentralized, they burden the legal department staff, bogging down attorneys, paralegals and operations staff with mundane, repetitive manual tasks and searches for missing information.

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Today, legal matter management technology enables legal teams to solve these challenges, solve these challenges by:

- **Reducing effort to open new matters.** By automating matter opening, our clients can use templates and create standards to normalize matters across the legal department. This reduces the time to open a new matter from 60 minutes to 15 minutes.
- **Establishing a single source of truth.** A centralized location for all matter data ensures a complete and accurate database. Beyond this a legal matter management solution provides comprehensive search and reporting capabilities for the legal department to standardize work and identify trends to improve results over time.
- **Proactively managing costs.** Once all matter data is centralized, it allows the legal department to better manage workload and improve load balancing between both staff attorneys and firms. Ensuring that counsel are working with the firms that provide the highest value to the legal department and optimizing the work that is done by in-house staff can save the organization 1.5% in external legal spend annually.



02 Automate the Process for Invoice Review and Approval

One of the biggest cost centers within legal is the spending related to working with outside counsel. Not surprisingly, legal departments face increased budget scrutiny, and there are expanded expectations about the accuracy of outside counsel management. In today's environment, your General Counsel needs better visibility into spend, and more predictability built into the planning process.

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That means being predictable with legal spend forecasts and effective in the engagement and management of outside counsel relationships. With outdated manual spend management and e-Billing processes, legal teams are often devoting too much time to low-value tasks such as:

- Processing, reviewing, and approving invoices
- Enforcing billing guidelines
- Responding to law firm inquiries
- Resolving disputes from incorrect, incomplete, or tardy invoice submission

In order to deliver a forecast with certainty, your team needs to receive updates and accruals from outside counsel. Without real-time visibility or collaboration on matter work in progress, you're left in the dark wondering if a matter will come in over budget, over time, or over scope.



When the invoice is received, it's often long after the work is performed, further hindering the review of the invoice and leading to additional back-and-forth conversations and disputes. Even after guidelines are established for the firms you do business with, it can be hard to recognize whether they're being consistently followed.

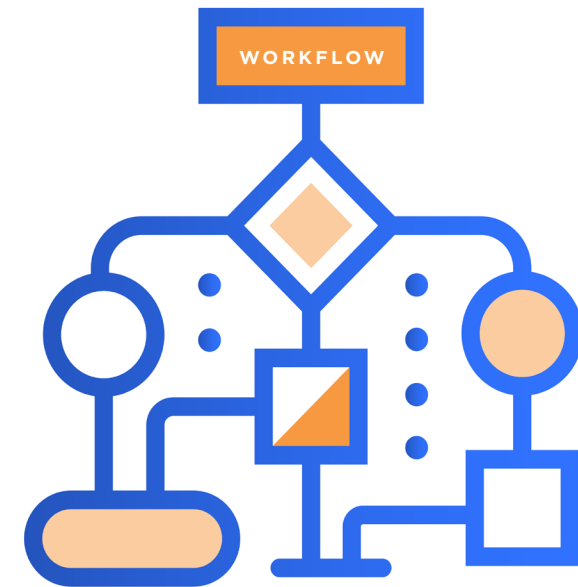
Solution

With a proactive strategy for managing legal spend that includes an up-to-date e-Billing solution, a Legal Operations team can pivot from mundane tasks like reviewing invoices to highlighting the strategic value the legal department delivers to the organization.

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Legal Operations management and automated invoice workflow capabilities can help you execute on these priorities in specific areas:

- **Processing, reviewing, and approving invoices.** By increasing visibility and tracking, the organic improvement in billing practices results in optimized spend, reduced disputes and enhanced relationships.
- **Enforcing billing guidelines.** By embedding billing guidelines, questionable line items are flagged for review, enabling invoice reviewers to quickly sort through the invoice. Over time, your top law firms will understand and improve their billing procedures due to the increased scrutiny around spend. This benefit alone can reduce legal spend by as much as 3% annually.
- **Streamlining communications with outside counsel.** Electronic billing can expedite the payment process and help law firms comply with your requirements and expectations. Utilizing an e-Billing solution will allow you to take advantage of AFA's and Early Pay Discounts. It will also reduce the number of inquiries through e-mail and phone calls around invoice processing and payment. It may not transform outside counsel relationships overnight, but it does create opportunity to streamline current processes, reduce staff time waste, eliminate duplicate payments, and enforce negotiations.



03 Begin Tracking KPIs with Dashboards that Make Progress Visible to the Entire Team

As legal departments become increasingly business-oriented, it has become standard best practice to gauge performance and outcomes using Key Performance Indicators (KPIs). One of the ways to drive better outcomes through this methodology is to bring greater awareness of KPIs – exactly what they are and which goals they’re driving towards – to your team.

Yet it’s important to understand this: the way KPIs are used to steer decision-making within an organization using legal management technology is going to be significantly more effective than when KPIs are employed by an organization that’s not using this technology. Why? Because the data that’s essential to hitting KPIs is surfaced to the entire team through the dashboarding functions these solutions provide.

As legal departments become increasingly business oriented, it has become standard best practice to gauge performance and outcomes using Key Performance Indicators (KPIs).

Some of the common KPIs that teams new to Legal Operations will want to start with will track and answer questions about:

- The number of open matters, their stage and status to get to average days open by matter type/category.
- Assigned matters by staff members and firm to get to resource allocation and optimization over time.
- Year-to-date legal spend and legal spend by matter type, to enable year-over-year reduction of overall spend.

These metrics can certainly be useful, but as a legal department becomes more business- and tech-savvy, the questions it asks become correspondingly more complex. With today's more advanced legal solutions you can move beyond simply reporting on metrics to answering these critical questions:

- “Are we getting the best value for this work?”
- “How are we doing against our usual trends?”

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Solution

Most industry-leading legal operations automation systems today offer standard and interactive dashboards that provide real-time reporting and visibility into standard and advanced reports that track to conventional KPIs.

As legal operations and automation transforms many previously manual-oriented tasks within the team, these dashboards also offer an easy way for team members to document performance and progress to senior executives on what formerly would have been hard to analyze or obscure.

For example: Reducing matter lifecycle. How long does it take the legal team to process a legal matter from open to close? Decision makers like to compare this KPI against industry averages because it is applicable to a number of areas. For example, how long is it taking the department to close litigation cases against the historical average? Or how long is it taking for the department to review and redline contracts now compared to the past?

Monitoring these cycle times can provide key insight into how responsive the department is to its business partners or, in the case of litigation, examine if the department is doing all it can to settle cases before they incur heavy outside counsel fees.

How long does it take the legal team to process a legal matter from open to close?

Keep team members on task: Related to cycle times, it's important to ensure that legal matters don't slip through the cracks and become major liabilities. Reports for KPI tracking enable you to create visibility across the team that alerts attorneys to matters that sit idle for too long. "Tickler reports" distributed to targeted team members ensure that nothing is being missed, and there are no blind spots in your department.

The ability to understand and visualize these key trends allows you, as a legal operations professional, to proactively manage and address any trends that are detrimental to your department's performance.



04 Build up a Single Source of Truth with Quick Access to Historical Knowledge and Law Firm Communication

With the constant increase in the types of information assets held across an organization – from legal filings, Word documents, PDFs, video, spreadsheets, email and more – the control, management and governance of these assets has become an ever-increasing challenge. Finding the right solutions to solve or minimize these challenges and to make the most of related opportunities is a goal many organizations are pursuing. So, in a world of constantly growing digital footprints, where can such a solution start?

Understanding what data assets are held poses the first hurdle. Many different channels capture and process different types of information into various repositories, which leads to data duplication.

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Solution

Holding all the data in a single repository allows you to more effectively manage the information and ensure it's consistent. This repository can then act as a hub for an organization's data, creating efficiencies in storage, minimizing duplication and offering a simpler structure for maintaining and enforcing security around data.

Centrally storing digitized assets will pay multiple dividends. One among many? Reducing the need to store all that paper. According to Iron Mountain, organizations spend 5% of their budgets on filing. It costs \$25,000 in labor and materials to fill a four-drawer file cabinet, and another \$2,000 to maintain it every year.

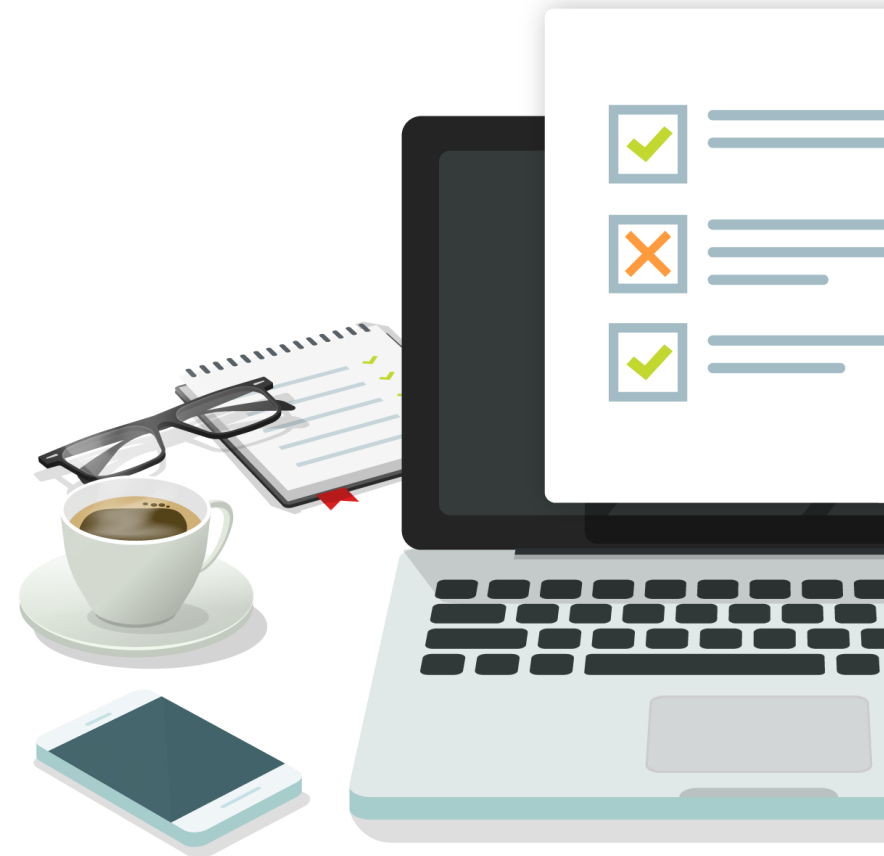
After collating and structuring the data, the next hurdle is understanding exactly what is held and whether it's held correctly. Regulations dictate that data should not be held for too long, that data should be removed or alternatively held for legal reasons, and never removed while required. The single repository should provide mechanisms for the correct retention of data and having the data in a structured repository simplifies the process of managing this.

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However, this is only effective if you know what data is held. Traditionally, document management systems are very good at giving an organization an understanding of what data is present, but aren't as good at analyzing gaps in the data. Do you have up-to-date documents? Do you have the necessary data to perform a process? Do you have sufficient documents where a process calls for multiple documents of a particular type?

This is where it's important to adopt a system that can provide this level of information around held data, allowing individual processes to run more effectively and giving a high-level compliance overview of how data is managed in the organization.

What does a good content management solution look like?



To achieve a single source of truth, you need an effective content management solution. Content management is the process of collection, retrieval, delivery, governance and overall management of any type of information in any format. Effective content management for a legal department includes:

- Centralized storage and tracking for files, matter and case information.
- Out-of-the-box capability to associate documents with individual matters or matter types.
- Stringent security measures; only the people assigned to the matters should have access to view, access or copy certain documents.
- Full-text searching for easy location and retrieval of content.
- Version control so you only see the right version at the right time.
- Support for all document and format types, including video and audio.
- The ability to store templates for standard forms, letters and reports.
- Individual user empowerment to easily find and consume content without thinking about where to look.
- The ability to easily package various documents related to a matter or invoice.

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05 Provide an Easy Way to Relate/Attach

Corporate information is crucial to the efficient operation and even survival of the business. Instant access for customer service, disclosure, audit or regulatory compliance purposes is vital. The problem is that critical business information might be contained within a huge range of silos such as business applications, spreadsheets, word documents, scanned documents, reports, photographs, statements and text files etc.

We focused on the “single source of truth” content challenge in the last section, but here we need to expand our scope to focus on how to maintain that single source of truth in communications.

Instant access for customer service, disclosure, audit or regulatory compliance purposes is vital.

Problem: Data gets siloed and sequestered

So often today, critical business data gets created, shared and stored in emails and email attachments, or are only stored in the end user's device. When those communications are siloed on the desktop PCs or other digital devices of individual attorneys or staff, critical information can become inaccessible to the larger team.

IDC found that professionals using paper-based workflows spend up to 35-50% of their time searching for information because of the lack of a centralized index or asset repository. Missing or hard-to-locate information is inefficient and costly, even more so since businesses are legally obliged to secure and protect personal information. Failing to do so can lead to regulatory penalties.

The business challenge?

- To securely capture, store and manage all types of corporate information assets, irrespective of source, into a central secure digital repository.
- Provide instant search and retrieval capabilities coupled with audit trails.
- Implement and enforce audit trails and retention policies to meet internal, industry, legal and compliance requirements.



Solution

Time is valuable to legal professionals, and user adoption is the key to maximizing the return on any investment in legal technology. In order to ensure that emails and documents are consistently stored and related to matters within the single source of truth for legal, there must be integration with the systems your attorneys use the most - usually these are Microsoft Outlook® and Microsoft Office®.

With this type of integration, your attorneys will be able to simply drag-and-drop items from their inboxes to the legal matter within your legal management solution. This streamlines and accelerates workflows, while avoiding duplication of content.

Just as important as capturing e-mail content and attached documents are the metadata within that e-mail. Who did it come from? When was it sent? Whom was copied on it? And so forth. This information can be as important as the topic being discussed. To use it effectively, users should be able to easily search up matters from Outlook to ensure items are being saved from the right source.

User adoption is the key to maximizing the return on any investment in legal technology.

The more administrative tasks that can be completed using the systems your attorneys are accustomed to using, the better. MS Office integration can be just as important as other forms of document management and archiving, by making it easier than ever for users to access and control files and tasks while leveraging existing software skills.

Reduce the amount of time generating and managing legal documents by 20% with MS Office® integration.

The average end user of legal technology can lose between 30 and 60 minutes per week switching between disparate applications, navigating screens, and re-inputting information. Add up all the time spent doing so by your entire legal staff over a year, and you'll see you're making a significant investment in low-value work. Office Suite integration reduces the time lost, and increases the operational efficiency of the department.



06 Improve Predictability of the Department's Legal Spend

Many legal teams are under pressure to control spend and maintain work quality even as the business grows. To do so, teams need to gain visibility into the entire legal department and drive more high-value work from attorney staff.

If your organization outsources any work to outside counsel firms, then spend management is an absolute must-have if you want to control costs, understand the true value being delivered by each law firm, and have visibility into the trade-offs between cost and outcomes. Not to mention have power over and foresight into budgeting and legal spend.

Solution

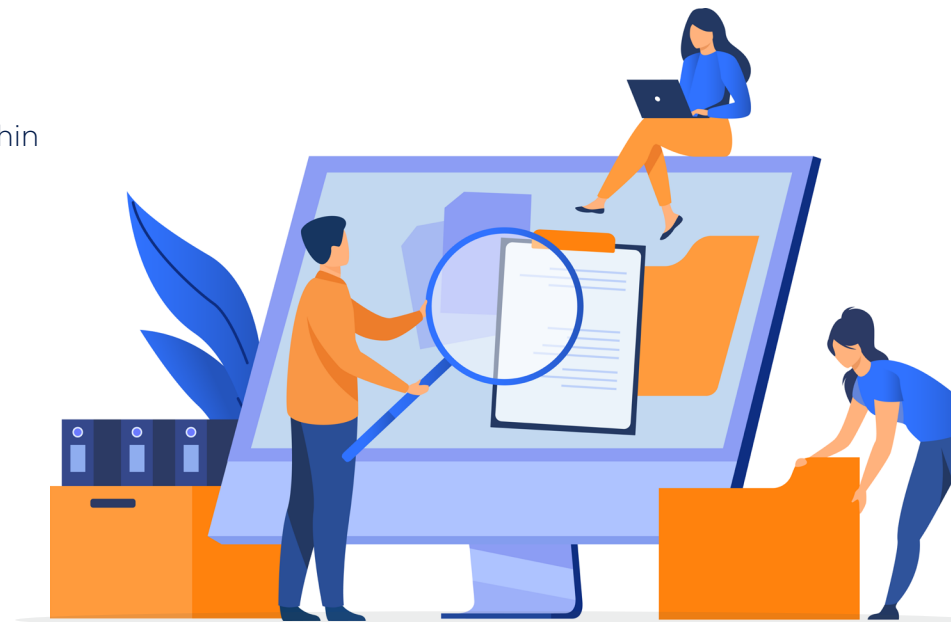
What is spend management? In essence, a good spend management software product provides a streamlined, easy-to-view portal that enables corporate legal departments to have complete oversight of their outside counsel spend and other legal costs.

If your organization outsources any work to outside counsel firms, then spend management is an absolute must-have.

The other essential element of spend and vendor management? E-billing. Just how much ROI can e-billing provide? Companies with a strong e-billing solution in place realize a 5-10% reduction in legal spend over a three-year period.

What are the benefits of spend management? Just a few examples:

- **Reduce and control your legal spend** with outside counsel.
- **Track and report matter budgets** by time period or matter phase.
- **Automatically require firms to set budgets, timekeeper profiles and rates information** before starting work, and track your agreements within your single source of truth.
- **Track accruals and actuals**, while each necessary person receives milestone notifications to stay on target.
- **Maintain an automatic audit trail** of all modifications to bills, including approvals, reviews, adjustments and rejections.



07 Accelerate and Add Efficiency to Contract Processes

Approvals, NDAs, and other processes' contract approval processes are a notorious resource drain for legal teams everywhere. But repetitive Legal Operations processes of all kinds are the real culprit. For instance, If an employee paid \$50/hour takes half an hour to write each of five notifications per workday, reminding others to review a contact, it adds up to \$6,000 a year you're paying one worker for repetitive work. And you may have more than one person doing it!

Common tasks such as NDA processing are an example where attorneys themselves are forced to review and approve documents that can be easily digitized as part of an automated submission and approvals routing workflow, freeing lawyers for more profitable work.

Document handling is another repetitive manual task that costs legal teams significant amounts of time and money. IDC says workers waste 21% of their time searching for lost documents or handling other document-related issues.

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Solution

Legal teams now have access to Cloud-based workflow automation solutions that can digitally transform many paperbound or manual tasks. Automated self-service workflows (as for an NDA) can be up to 7 times faster and 15 times more efficiently with 100% compliance and up to 400% ROI.

Some areas of Legal Ops that can be addressed by workflow automation include:

- Standardized/self-guiding NDAs (or other forms, such as service requests) can be **accessed by users any time, from any location, and routed automatically**, reducing costly internal review by legal personnel.
- More complex processes, such as contract development and life cycles, can be **automated and customized for peak performance**.
- Enterprises can now **manage processes at scale**, even across global networks.
- Automation **eliminates errors and delays**, for a user experience that's faster and more reliable.



- Workflows outside of the legal department can be designed to **embed legal and compliance best practices** in other departments.
- Each workflow can be **automatically backed up to a secure Cloud archive**, easily accessible for audit, governance and compliance purposes.
- E-signature integration **standardizes secure approvals**.

Some of the ROI delivered by legal workflow automation?

- **E-Signature Integration:** One typical mid-size corporate legal team is saving \$70,000 a week by streamlining its approval processes using e-signature capabilities, for \$3.6 MM a year in savings.
- **Materials Savings:** The costs of using paper can be 13 to 31 times the price of buying the paper in the first place, yet a single average U.S. office worker uses 10,000 sheets a year.
- **Security & Archiving:** Because it's easy (and economical) to back up documents to secure, Cloud-based servers, compliance tracking and disaster recovery is far easier than if you're using physical archiving.



- **Less Reliance on IT:** The best legal workflow automation solutions are low-code/no-code SaaS products that offer plug-and-play ease of adoption and integration with existing systems. This vastly reduces the need and costs for IT involvement and removes the expense of dedicated on-premise hardware.
- **Talent Optimization:** One study found that by preparing just three documents a week manually, a senior attorney could waste \$1,350 per month in lost billable time versus using automation.
- **Morale & Retention:** Replacing drudgery with efficiency helps people focus on more important tasks and feel more fulfilled in their work. It's one reason why Adobe research found 81% of U.S. office workers ranked up-to-date tech as being a key factor in keeping them happy on the job.



About Mitratesch

Mitratesch is a proven global technology partner for corporate legal, risk & compliance, and HR professionals seeking to maximize productivity, control expense, and mitigate risk by deepening operational alignment, increasing visibility, and spurring collaboration across their organization.

With Mitratesch's proven portfolio of end-to-end solutions, organizations worldwide are able to implement best practices and standardize processes across all lines of business to manage risk and ensure business continuity.

Mitratesch serves over 1,400 organizations worldwide, including 30% of the Fortune 500 and over 500,000 users in 160 countries.

For more info, visit: www.mitratesch.com

MITRATESCH

CONTACT US

info@mitratesch.com
www.mitratesch.com

Mitratesch US

+1 (512) 382.7322

Mitratesch EMEA

+44 (0) 1628.600.900

Mitratesch AUS

+61 (0)3.9521.7077