

The background of the entire page is a light blue technical drawing or blueprint. It features various mechanical parts, gears, and structural elements drawn with fine lines. The drawings are semi-transparent and layered, creating a complex, industrial aesthetic. The overall color palette is monochromatic, consisting of various shades of blue and white.

LEGAL OPERATIONS 101:

A Blueprint for Modern
Legal Departments

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ABOUT SIMPLELEGAL

INTRODUCTION

In the early 1990's, General Electric, Bank of America, and Prudential were part of a handful of companies that employed dedicated legal operations specialists to better manage legal spend and drive efficiencies within corporate legal departments.

Today, legal operations isn't just a luxury reserved for large organizations with the budget to expand their legal departments. According to the 2018 ACC CLO Survey, 47% of law departments have a legal operations professional.

1990

TODAY

THE RISE OF LEGAL OPERATIONS

Legal departments are no longer asking whether to invest in legal operations. Instead, they're interested in how to start building a team that will deliver positive outcomes.

This white paper is a resource for:

- General counsel looking to set up a new legal operations function
- Legal team members taking over the 'legal operations' functions within their department
- Legal teams trying to improve their processes and modernize

Readers will be provided with a framework for the key responsibilities of the legal operations function, hiring best practices, integration strategy, and change management.

THE FOUNDATION OF STRONG LEGAL OPERATIONS FUNCTIONS



A strong legal operations function will champion innovation and change by building processes that drive greater efficiencies, empowering your in-house attorneys to spend more time on the actual practice of law. Legal operations is a multidisciplinary function that optimizes legal service delivery to a business by focusing on areas such as:

STRATEGIC PLANNING

Legal operations works with every part of the legal department, from the general counsel and lawyers to paralegals (in every practice area), legal assistants, and admins. The function will be responsible for partnering with the GC to develop the long-term strategy for the legal department and align the team and resources against these goals.

FINANCIAL PLANNING

One of the key aspects of a strong legal operations function is departmental budget management. Legal operations puts the process and system in place to track legal spend, accruals, and budgets in order to identify cost saving opportunities. Close collaboration with the finance department is also a necessity to ensure compliance with any financial requirements.

REPORTING & ANALYTICS

Strong legal operations departments are data-driven. They have determined which KPIs are best to track their team's success, built in the data infrastructure to understand how spend is being allocated across matters, and understand when to invest in outside counsel vs. leverage internal resources. Legal operations share these reports and communicate legal metrics to the executive team to build alignment across the organization and facilitate more informed decision making.

Tracking legal spend, often done with modern e-Billing software, is a prioritized reporting initiative for legal operations – especially given the pressure for legal departments to be data-driven and strategic business partners to the organization. Once legal operations understands where each dollar is being spent, they can focus on where they can optimize and reduce spend, and leverage past project data to predict future costs.

VENDOR MANAGEMENT

Vendors are the legal department's strategic partners. The group largely consists of law firms, but in some cases they are consultants or specialists that support the work of the in-house team.

Once legal operations exposes strategic and financial initiatives, they can leverage available legal data to evaluate whether their in-house team or outside counsel is best suited to handle the work. When outside counsel is determined to be the best option, legal operations helps to create a vendor management program that uses benchmarking metrics to evaluate outside counsel performance against communicated expectations. The program will also include negotiating fee agreements, regular performance reviews with outside counsel, as well as implementing and enforcing billing guidelines.

TECHNOLOGY ENABLEMENT & ADOPTION

We're at a turning point in the industry with the way legal services are delivered, and the way technology is used in the legal field. Effective legal operations departments will introduce modern legal tools and create a long-term technology roadmap that includes solutions such as e-Billing and matter management, contract management, IP management, electronic signature, legal hold, and more. Another key priority is creating an interconnected ecosystem where each independent technology can seamlessly share information from one system to another.

LEGAL OPS EMERGES AS STRATEGIC PARTNER TO THE GENERAL COUNSEL

A growing number of general counsel are taking a seat on the board of directors, and are being called on to provide strategic advice that directly influences how the organization operates. Just as the Director of Sales discusses win rates and profits generated, and the Director of HR discusses retention rates and recruiting and training expenses, the General Counsel must participate quantitatively to emerge as a peer of those at the leadership table. No longer can legal simply acknowledge that money is going out the door because of a specific project or litigation.

As a result, the outcome of a good legal operations team is to be a strategic partner to the GC. The two will closely work together to define, launch, and drive initiatives that provide more visibility into outside legal spend, vendor performance, and legal spend metrics. In many cases, e-Billing is the foundational tool to help gather data and position legal as a data-driven department.

BUILDING OUT YOUR LEGAL OPERATIONS TEAM

The scope of the legal operations role grows with the maturity of the legal operations function within the department. Because of this, the role and responsibilities of legal operations leaders vary by company and will impact how you structure your legal operations team.

THE 3 STAGES OF LEGAL OPERATIONS

The Association of Corporate Counsel (ACC) offers a Legal Department Maturity Model to help benchmark maturity in any given area. With this model in mind, you can better determine the level of legal operations your department is ready for. From there, whether you are making your first legal operations hire or building out your current team, you can view legal operations in three levels.

LEVEL 1: THE MANAGER

The beginner's level of legal operations is typically a manager who works to understand pain points and provide solutions to automate and streamline processes. They implement processes for prioritizing responsibilities, managing legal spend, and improving reporting for data-driven decision making. They might also be responsible for putting in a technology roadmap to increase productivity and transparency.

LEVEL 2: THE OPTIMIZER

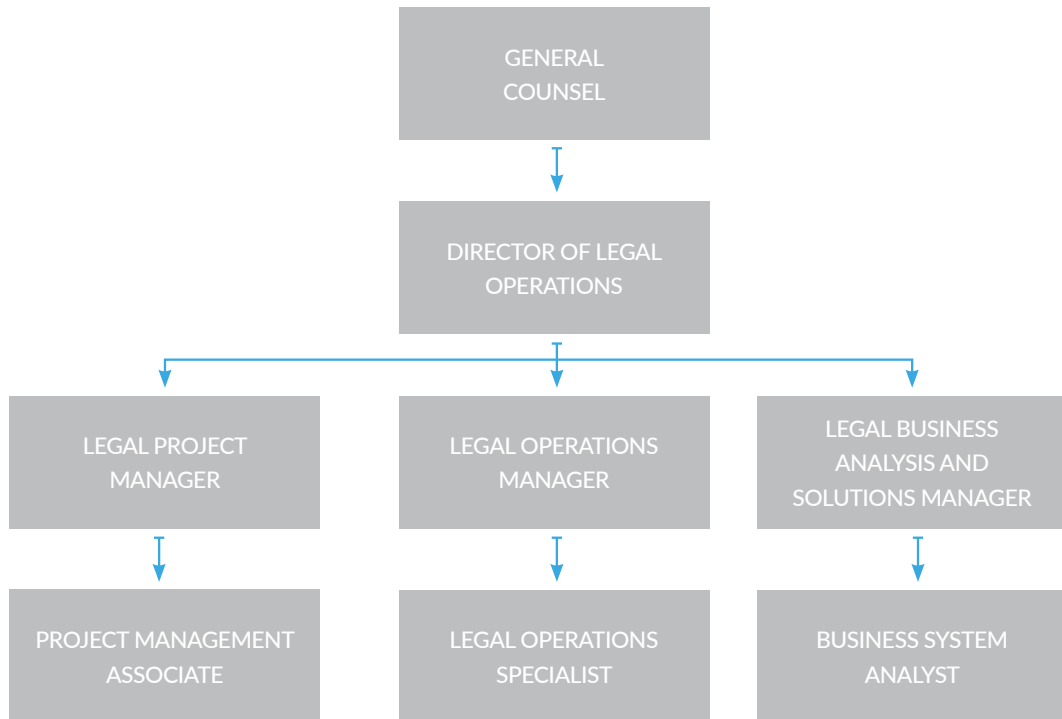
The mid-level of legal operations is all about optimization. The legal operations specialist works more closely with vendors than an admin would. The goal of legal ops in this level is to help each vendor better understand how they can do more for the overall business. It may also include working with IT and industry consultants to deliver any technology necessary to fulfill the responsibilities of the position such as tracking, reducing, and reliably reporting on legal spend.

LEVEL 3: THE STRATEGIZER

This level is what all legal departments should strive to achieve. Legal operations will work closely with the many groups that work with legal (a topic we'll be discussing in more detail later in this guide) to accelerate processes given that certain activities must be done. Effective legal operations functions understand requirements, predict needs, and implement solutions to ensure maximum efficiency and effectiveness.

THE LEGAL OPERATIONS ORG CHART

With an understanding of the three levels of legal operations, your next step is to hire someone based on your company needs and the level of legal operations your department is ready for. Keep in mind that as your company and department grow, so will your org chart. Here's an example of how legal operations can be built out at a mature organization.



YOUR FIRST LEGAL OPERATIONS HIRE

When thinking about your first legal operations hire, you will likely have a handful of questions around what a top candidate looks like. In addition to driving peak operational performance, legal operations leaders should be able to demonstrate:

- A strong understanding of the core business
- The ability to translate the needs of business departments into legal requirements
- Commitment to using the internal legal department to grow the company
- Expert knowledge of how to effectively manage law firm performance

Following are a few additional areas that you'll need to evaluate when making your first legal operations hire.

PART-TIME VS. FULL-TIME

Your decision of whether or not to hire a full-time employee to manage legal operations will be largely dependent on your legal team and organization size. Larger legal departments and companies will benefit from a full-time employee who can dedicate their time to creating operational efficiencies, selecting technologies and ensuring they connect with tools from other departments, and implementing new, streamlined processes.

ATTORNEY VS. NON-ATTORNEY

Legal operations leaders are business people first, and lawyers second. In fact, a law degree isn't a requirement to be successful in legal operations – though a legal background definitely provides value in conversations with law firms and attorneys. Because legal operations leaders are hired for their business management experience as much as for their legal knowledge, an individual may fall into any of the following personas:



NEW HIRE VS. CURRENT TEAM

Organizations that don't have a formal legal operations role don't necessarily have to look outside of their department for a legal operations professional. In some cases, you might already have "half a legal operations manager" – someone who's naturally become involved with vendor management, data analysis, or general operational processes. Their divided attention makes it difficult to reach optimal operational efficiency, but moving them into the role of a dedicated legal operations manager can be a viable option. They're already familiar with the current legal department structure as well as operational processes and any technologies currently utilized so there's less training and knowledge share required.

For smaller teams, there's also great opportunity in enabling your current paralegals. Paralegals are closest to the work that's being done by outside counsel. They have a strong understanding of your matters and invoice process, how they align with budget and spend management goals, and often work closely with the general counsel so they have the strategic and business oriented perspective to be successful in the role.

SAMPLE JOB DESCRIPTION

After determining the right level of legal operations and mix of characteristics that align with your current team structure and legal department's goals, the next step is writing a job description that outlines the expectations of the general counsel and the legal department. Here's a sample Director of Legal Operations job description to help you get started.

Director of Legal Operations

We're seeking an energetic, business-minded, and self-motivated candidate with excellent communication and interpersonal skills and experience in in-house legal and compliance department operations. The Director of Legal Operations will manage key processes that are critical to the Legal and Corporate Compliance Departments including: the e-Billing system; law firm billing procedures and practices; department measurement and benchmarking; and supporting the management of law firms and other service providers. This role will be responsible for helping to manage costs, while fostering a culture that values excellence, teamwork, respect and recognition.

This position will work across practice areas within the Legal and Corporate Compliance Department and other support functions to enable the efficient and effective delivery of legal and compliance services to our business and functional partners. The successful candidate will develop strong relationships with internal constituents, including finance, human resources, information technology and procurement.

RESPONSIBILITIES

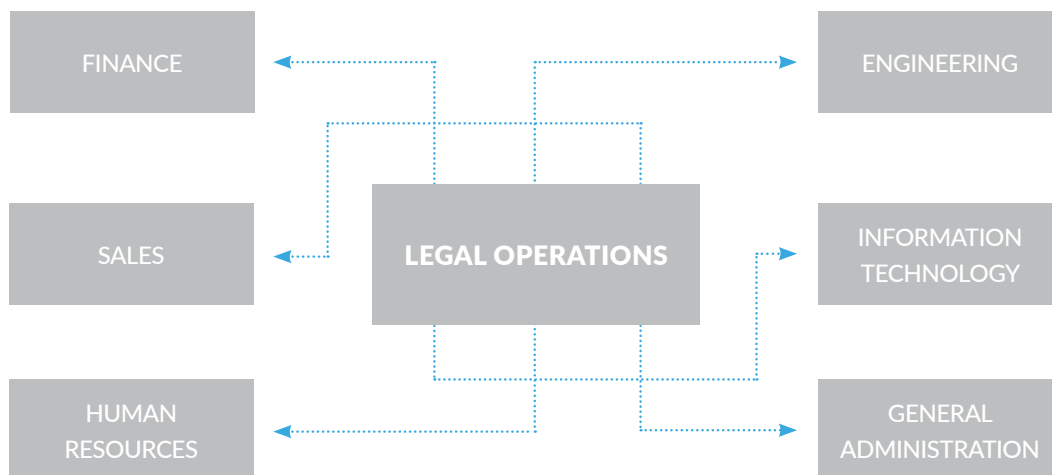
- Manage the global projection, budget, and accrual process in partnership with global Legal and Corporate Compliance Department colleagues, law firm partners, and finance colleagues
- Project Manage critical projects in collaboration and partnership with finance, information technology, and procurement, as necessary to support legal systems, process management, and performance reporting
- Participate in industry corporate legal COO roundtables, industry benchmarking studies, and create a network to provide best practices and recommendations to the General Counsel
- Manage outside counsel spend. Support long-term department capacity plan regarding resource needs and allocation
- Prepare, monitor, and track legal department objectives. Create metrics and trends on key data points aligned to the General Counsel's key objectives and strategic plan, as well as overall department effectiveness and efficiency

REQUIREMENTS

- Candidates must have a minimum of 5+ years as a business/operations manager in a corporate legal department including experience with technology trends. In-house legal experience preferred
- Equivalent experience as a business/operations manager within other functions such as Compliance, Finance, Procurement, and/or Commercial will also be considered
- Bachelor's degree required; advanced Management degree preferred
- Prior experience with developing and implementing work systems and processes related to business operations
- Strong system administration management skills or background
- Prior experience with regulatory compliance technologies a plus
- Experience in managing and directing a team a plus
- Candidate must have exceptional financial acumen and problem-solving skills
- Candidate must be able to operate autonomously while being a team player who brings a positive, "can do" attitude to the workplace and works collaboratively with other members of the Legal and Finance teams

PROMOTING CROSS-FUNCTIONAL COLLABORATION

Legal can be viewed as a bottleneck where things slow down. Effective legal ops functions will work to reverse these effects by closely collaborating with other stakeholders in the business, strategically planning ways to be as efficient as possible. Examples may include implementing operational changes to make sales processes and contract reviews move along more quickly and smoothly. Expect legal operations to be involved with the following groups.



FINANCE

Legal operations works in-step with finance to implement or optimize billing processes that consolidate invoice and spend data to:

- Prepare month and year-end budgets
- Report on the status of finances to stakeholders
- Provide reliable accrual data for more predictability into spend
- Ensure compliance with financial requirements and SOX

Legal operations will also look for potential opportunities to integrate the technologies that each department uses. One example might be connecting a legal department's e-Billing solution with finance's AP solution for efficient information sharing and increased spend transparency between departments.

SALES

With research by the International Association for Contract & Commercial Management revealing that poor contract management costs companies an average of nine percent of their annual revenue, optimizing internal processes and accelerating the sales lifecycle is a top priority for both sales departments and legal operations.

Legal operations can work with sales to ensure that everything about the business deal is included in the contract without introducing unnecessary risk or limiting the scope of negotiation. Early involvement in the process by legal operations and close alignment between departments helps uncover the quickest route to executing the agreement, thus saving time for both teams.

Implementing technology like contract management and e-signature software provides additional process efficiencies that reduce the duration of the sales lifecycle. Legal operations may take this project head on, discussing requirements with all involved stakeholders, conducting product evaluations, implementing the selected solution, and training new users.

HUMAN RESOURCES

Because the relationship between a company and its employees is one of the most regulated and litigated, human resources and legal operations frequently work together. Legal operations takes on the role of strategic advisor to the HR department and provides advice on employment law issues including hiring, visa sponsorships, terminations, and benefits. Legal operations may take on additional responsibilities such as developing and implementing compliance projects, conducting training programs on employee regulated matters including employment law updates, discipline, and document preparation, and reviewing and providing mentorship on drafting and developing HR policies and procedures.

Successful in-house legal departments also prioritize continuous learning and invest in their staff through educational programs. Legal operations supports this initiative by partnering with HR to assist with professional development (i.e. planning CLE and training programs), facilitate the performance evaluation process, and support salary administration.

ENGINEERING

Legal operations should act as the interface between the organization's legal department and engineering and R&D. To meet long-term business goals, legal operations must collaborate with engineers as early in the innovation process as possible.

By bringing expertise on ethical considerations and legal precedent into conversations with engineering, legal operations will have a better understanding of what's coming from an innovation and technology standpoint. This creates a closer working relationship, and helps legal operations develop a comprehensive Intellectual Property (IP) portfolio, efficiently manage patents and trademarks, and mitigate risk.

INFORMATION TECHNOLOGY

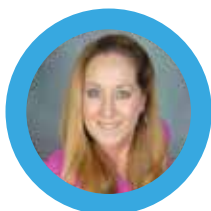
Today's legal operations leaders think outside of the traditional strategies for managing spend and turn to technology to identify process efficiencies and opportunities to reduce spend and better enhance vendor relationships.

Legal operations will lean on IT to make sure any technology used by the legal department is in-line with the latest standards, and will continually survey the market for new and improved solutions. For any technology that's adopted, IT will provide end user training and support to ensure all departments have a clear understanding of the purpose of a specific system and maximum value is achieved.

GENERAL ADMINISTRATION

Legal operations can provide guidance for agreements and contracts, specifically those related to facilities. They can help review lease agreements, thus ensuring compliance, reducing the organization's risk, and facilitating the overall process.

A legal operations function might also interface with company-wide administrators to ensure proper management of support staff, key project initiatives, and departmental communication. Other areas that need to be addressed may include planning of departmental events and maintaining the organization chart and vendor contacts.



Liz Way, former Operations Director of Legal & Compliance at Change Healthcare, shares advice to new and growing legal operations teams trying to influence positive change in their legal departments and throughout the organization.

“Be open to new ways of doing things. It's our job as legal operations professionals to create better, more efficient habits for departments throughout the organization – even if it means that we're not going to do something the way it's always been done. The idea that the status-quo won't be accepted must be communicated to all stakeholders involved, including leadership. You'll run into challenges, but you can't get discouraged about investigating the wrong path.”

For Stephanie King, General Counsel at AdRoll, and her legal team, cross-functional collaboration is paramount for efficient legal operations. Like many legal departments, AdRoll's legal team works closely with finance, human resources, facilities, and numerous groups throughout their organization. To build and strengthen their relationship with other departments across the company, AdRoll's legal team focuses on:

Leveraging tools already used at the company. Today's vast options for technology create a "system overload" for users interested in leveraging technology for automation, newfound efficiencies, and data collection. To increase adoption and strengthen collaboration across departments, the legal team at AdRoll first looks to leverage tools that the company is already using, adapting them to their legal process. How a tool connects with other tools is another priority. This helps create integrated processes across multiple departments to facilitate the efficient flow of information from one group to the next.

Creating an open door communication policy. Despite being an intimidating tool for lawyers, the legal department at AdRoll adopted Slack, an instant messaging platform that was already used by a majority of the company. By creating an open and public channel for all employees to ask legal-related questions, legal is able to provide more insight into the goals they are trying to achieve while also facilitating conversations and educating other departments throughout the organization. They've even seen business stakeholders join the conversation, demonstrating the reach of legal knowledge throughout the organization and support for the function.

Looping in other departments early and often. When departments don't communicate with one another, problems arise. A non-existent accrual process was making it impossible for finance to close the books and resulted in unreliable legal spend reporting for legal. When it came time to select an e-Billing system, Stephanie went straight to finance to understand pain points and develop a system for how the two departments would communicate and share information to develop a process that would help them get ahead of potential issues.



Stephanie King
formerly General
Counsel, AdRoll

"There's never an issue that only pertains to legal. You can't just sit at your desk and research a case in hopes that the answer will magically appear. You must **always** be thinking about how to work cross-functionally."

To read the complete AdRoll case study, visit bit.ly/adroll-legal-ops.

SUPPORTING LEGAL OPERATIONS & ENSURING LONG-TERM SUCCESS

Making the decision to move forward with a legal operations hire or department is the first step in creating a best-in-class legal operations function. You'll also need to put new processes in place and prepare the organization for what the legal operations team will do and which activities they'll support.

HAVE A CHANGE MANAGEMENT PLAN READY

People are inherently resistant to change, whether they're aware of it or not, and often expect better outputs for the same inputs. When introducing a new legal operations role or department to the organization, keeping change management top of mind and understanding how the role will work within the legal department is critical for long-term success.

While your legal department understands the purpose, goals, and outcomes of introducing legal operations, the function will only succeed when the entire organization understands how it will fit into the company's culture and current processes. Work with your legal department to create a cohesive vision for how legal operations will drive operational excellence in both the legal department and for other key stakeholders in the business through streamlined processes, new technologies, and cross-functional collaboration.



Nathan Wenzel, CEO of SimpleLegal, leverages his experiences working with legal departments of all sizes and shares his thoughts on change management and culture.

“Culture is a key factor in overcoming the uncertainty of new things – whether it’s a new department, technology, or process. But it’s important to look beyond the culture of your team and involve other departments early and often. Challenges often aren’t solved with technology alone. Being as transparent as possible about the legal operations function promotes understanding of the role and acceptance of change.”

SET CLEAR EXPECTATIONS

Managing the expectations of the legal department as well as the organization as a whole needs to be a top priority in order to ensure acceptance of the new function. Sharing clear outcomes to expect helps to paint legal operations as a group that will make things better and more efficient, rather than creating bureaucracy, process, rules, dashboards, and the like.

IMPLEMENT A LEGAL OPERATIONS MANAGEMENT PLATFORM

Data transparency and efficiency are focus areas that didn't exist within legal departments years ago, but have become key initiatives in today's modern landscape because technology like a legal operations management platform – with e-Billing and matter management capabilities – makes it easier to discover process efficiencies and get more transparency into legal spend.

Empower your new legal operations professional to step in and make changes right away. Let them make recommendations as far as technology and what legal operations management tool they would recommend implementing for the department based on their evaluation of current resources and future needs.

Not only will a legal operations management platform allow them to execute against their job responsibilities, it's a product that helps justify the cost of a new legal operations department. Once you can expose where each dollar of outside counsel spend is going, you can identify additional cost savings or revenue opportunities through analysis of timekeeper rates, which firms produce the best value for a given project, and billing guideline enforcement.



Aine Lyons, VMware, VP & Deputy General Counsel, Worldwide Legal Operations, shares her predictions for e-Billing on ACC's Leading Practices Profile.

“Achieving better integration of e-Billing and contract management tools between our department and our firms and vendors and development of automated GC dashboard are areas where we can expect to see evolution in the discipline in the near future.”

Implementing legal tech but not sure where to start? Download our implementation template which includes key deliverables to ensure a smooth implementation and support positive change management:
bit.ly/implementation-template

CONCLUSION

Legal operations is, and will continue to be, a fundamental piece of any successful legal department. If you are hiring your first legal operations leader, expanding your legal team, or looking for new ways to make your current team more efficient, leverage this guide to build a strong legal operations function that acts as a strategic partner to your general counsel and supports every department within your organization.

By investing the time to carefully lay the foundation for legal operations, your legal department will benefit from long-term process efficiencies, modern technologies to eliminate manual work, data-driven decision making, and so much more.

ABOUT SIMPLELEGAL

SimpleLegal provides a legal operations platform that aligns with and enforces the unique business and operational processes for corporate legal departments. More than just e-Billing and matter management, our solution is the true system of record that transforms the way in-house legal teams manage their department.

With flexible invoice routing workflows, advanced reporting capabilities, automated accruals, and integrations into your favorite finance and AP systems, SimpleLegal makes it easy to for legal departments to implement efficient, scalable, and streamlined legal operations processes that connect legal with every department within the organization.

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