

Legal KPIs by Management Level:

The Key Performance Indicators (KPIs) that are important to a company will vary depending on the size of the company and maturity level of the legal department. There are other factors to consider as well, such as Spend and Matter volume (Inventory)

A Legal Operations manager should meet with their CLO, GC, and Practice Area leads to better understand the reporting requirements. Some examples of questions might be:

1. Who are the reports for? What is important to them? What keeps them up at night?
2. How is your business defined? What are your Practice Areas? Sub-Practice Areas?
3. How do you measure success? Do you have specific metric goals?

Executive Level: High level metrics that provide insight into key legal operations. Should include trends over time, measures of savings, and forecast/plan. Metrics are usually quarterly or annually and are visually displayed in a stacked bar chart by practice area.

1. Spend - # of invoices and \$ Spend by practice area; Savings (adjustments, discounts,
2. Inventory - Matter volume by practice area (opened, closed, and pending).
3. Specific Practice Area metrics. Some examples of
 - a. Employment - metrics by department and sub-practice area
 - b. Compliance - volume of requests
 - c. IP Patents - volume (# filed, # granted, # pending)
 - d. Litigation - Closed Case Outcomes (Fees, Expenses, Loss), Reserves
 - e. Real Estate - volume of transactions and status of transaction

Legal Operations: Primarily transactional metrics that provide insight into volume of work and spend over time. Metrics may be more granular and are presented over a 13-month rolling period to show trends and seasonality.

1. Spend - # of invoices and \$ Spend by Invoice Status (Received, Approved, Paid)
2. Matter volume
3. Budgets
4. Accruals
5. Diversity metrics



Legal Vendors: Metrics shared between clients and legal vendors (primarily law firms). These types of reports increase transparency into legal services and allow for collaborative billing guideline discussions.

1. Referral or Matter Inventory - # of matters opened, closed, and pending (still open)
2. Spend trends
3. Accrual submission accuracy (Accruals vs. Actuals)
4. Adjustments by Adjustment reason
5. Timekeepers spend / avg rate / Diversity