

10 Signs You Need a Legal Operations Management Platform

A Step-by-Step Guide to Evaluating Your Legal Technology



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Introduction

Corporate Legal is entering era of rapid change, both in operational philosophy and technological capabilities. This white paper examines the trends driving an increased investment in legal operations, the current state of corporate counsels' tech stack, and how to evaluate and implement new tools.

This white paper is a resource for:

- General counsel looking to make an investment in legal ops or legal tech
- Legal operations members wanting to evaluate and modernize processes
- In-house legal professionals interested in learning more about developing legal trends

The Wave of Change is Ready to Break

Automation, digitization, cloud capabilities, artificial intelligence – these themes are all top of mind, tip of tongue, across C-Suites.

It all started with the device in your pocket, your smart phone, which by estimates has the processing power “several thousand times greater than that of the computers that landed a man on the moon in 1969.” Regardless of our relationship to them, whether it's friendly distraction, outright codependence or somewhere in between – you might even be reading this from one right now – smart phones have fundamentally changed the way we interact with information, with brands and with each other.

We exist in a world of convenience, intelligence, instantaneity. The power of technology has created a new standard, a new set of expectations that extend far beyond our pockets – from shopping to streaming to sharing to banking – digital and cloud capabilities have had a wide-reaching impact. And these same expectations and transformations are now knocking on the door of the enterprise.

85% of enterprise decision makers believe they have two years to integrate to digital initiatives before falling behind their competitors.

These accommodations aren't luxuries they are absolutes and they are reshaping how we expect to engage with our tech stacks, manage our daily tasks, and ultimately do business. These expectations are the driving force behind digital transformation and forcing executives to rethink how their company runs.

85%

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What Does this Mean for Corporate Counsel?

You may be thinking, that's nice, but shifting technology is for the CEO and CIO to fuss over. I'm here to manage risk and handle litigation, not worry about digital disruption. However, corporate counsel is no longer insulated from technology. As the external expectations for efficiency and effectiveness bump up against the enterprise, the expectations internally have begun to shift and corporate legal teams are increasingly being viewed as a key strategic partner of the business.

They are being asked to be more fluid, more efficient and drive more economic value for orgs beyond their own.

As a result, legal teams are investing in to two key areas – legal operations and technology – as a remedy.

The mounting pressures for the legal department include:

- Managing and limiting legal spend
- Segmenting and specialization of tasks
- Developing internal operational practices
- Vendor and billing management
- Building data governance and visibility

Eye Opening Statistics

82%

Only 28% of legal departments are hiring, yet 82% of departments expect their legal needs to increase in the next year.

69%

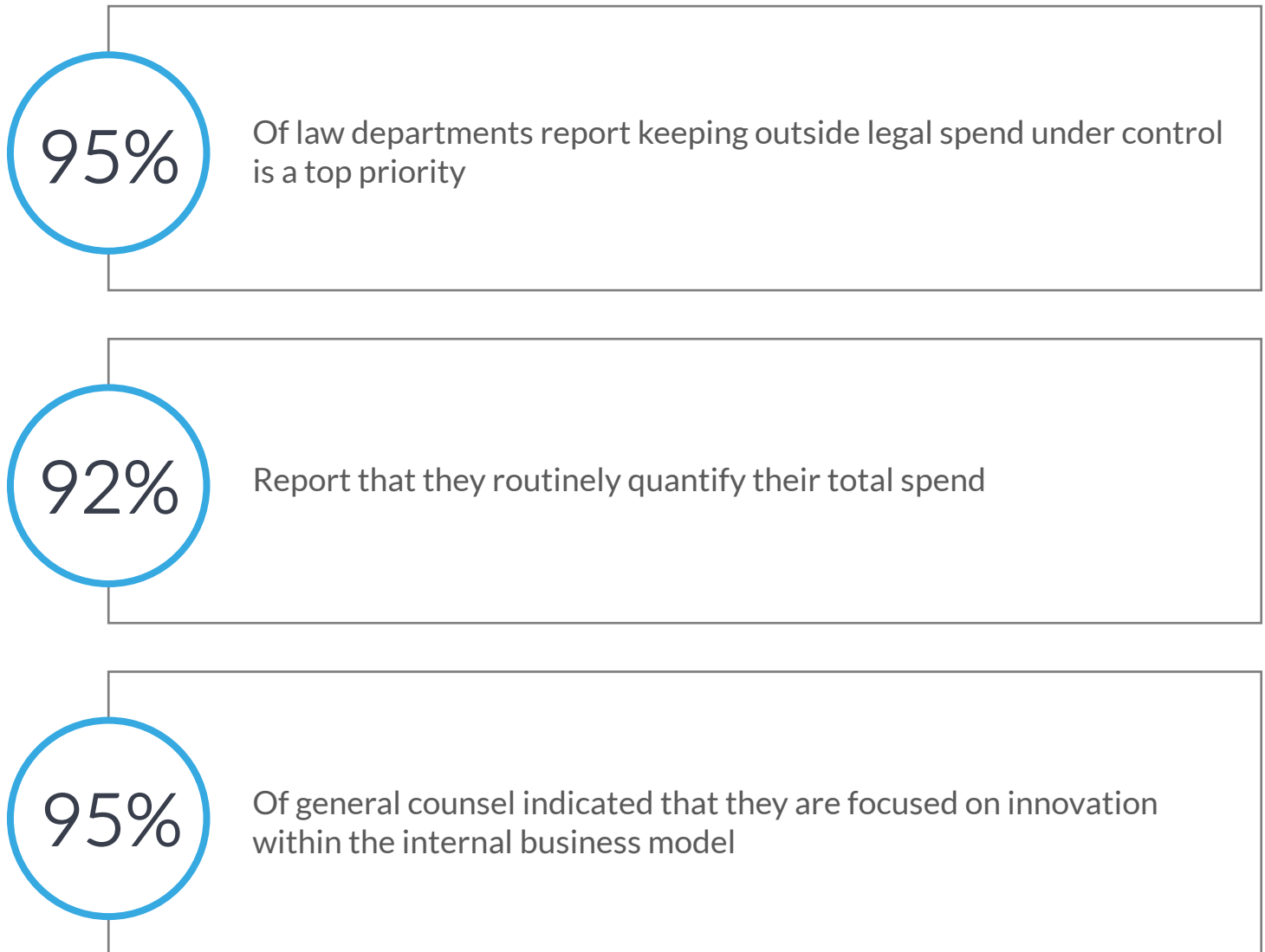
69% of General Counsel cite improving cost and efficiency as a driving force in their daily roles.

65%

65% of corporate counsel say that executive teams in their organizations “almost always” seek the legal department’s input on business decisions.

Investment 1: Legal Operations

[According to the Association of Corporate Counsel](#) (ACC), “The legal landscape has decisively changed.” In response, corporate counsel have focused in on operational effectiveness – thinking, acting, and spending more like a small business, rather than a law firm, in order to meet their dramatically growing responsibilities. At the heart of it all is the drive for efficiency, finding new ways for the legal department to streamline processes and manage complicated budgets. Legal operations has become the fundamental and dedicated piece to solving many of these evolving issues with a [recent survey](#) reporting:



More legal departments are taking an operationally focused approach to how they optimize both legal and business processes to help deliver and demonstrate their value. However, because headcount is an expensive resource, many legal teams are supplementing their operational needs through technology.

Investment 2: Technology

A proliferation of data, information, and cloud capabilities have opened new possibilities in terms of legal tech. In fact, “this is a really exciting time in the legal industry,” [explains Nitin Batra](#), global chief operating officer in Citigroup Inc.’s Office of the General Counsel. “We are experiencing an explosion of legal tech.”

[Catalyst Investors estimates](#) that the legal tech environment sports a \$16 billion total addressable market with companies investing \$233M on solutions in 2017 alone. Of those companies that made the investment, 80% claim they have achieved above average value from use of technology tools.

As the industry grows, so does the anticipation to implement and evolve much of the tech and working habits of legal teams. [From a panel of forward-thinking general counsel](#), 49% reported that they seek the ability to leverage new technologies to redesign processes and workflows, while another 26% desire the ability to work anywhere at any time. While the opportunity of tomorrow is limitless, the reality of today still looms. In-house legal teams tend to be slower and more hesitant to adopt new tools and as a result “are not meeting their clients’ demands for faster cycles and data analytics driven analyses, largely due to their static business model and slow adoption of technology.”



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- Nitin Batra
Global Chief Operating Officer
Citigroup Inc.



PRO TIP

Technology allowed me to collect valuable data that helped me get resources, justify and protect my department from budget cuts, and measure results. Furthermore, helps legal translate its often overlooked or underestimated efforts and contributions in a way that the business understands. Legal departments that can do this are more respected and fare better in budget negotiations.



Nicole Mason

CEO, Omnivantage Business Professionals

Evaluation

Evaluating the Technology of Today's Corporate Counsel

If the consumer world is keeping pace with the smartphone, remaining apt and open to evolving technology, many enterprises still function like a flip phone – slower to adopt, outdated, and largely on-premise. With that comparison in mind, legal departments traditionally lag behind the rest of the company and can feel like a landline.

[The International Association for Contract & Commercial Management](#) (IACCM) estimates that an overwhelming majority of legal teams, 85% to be exact, rely on manual, time intensive processes and have been slow to adapt to new tools. Those who insist on analog methods will simply be outrun by companies who have embraced innovative, data-driven solutions.

As the corporate center focused on risk and liability, it makes sense that the legal team would traditionally be hesitant to new tools. But in the fight to improve efficiency and lower cost, automation becomes a key ally. Corporate legal teams have long been plagued by highly manual, low impact tasks. Standard processes like contract review, approvals, NDAs, and matter management can all be automated and streamlined. After all, you wouldn't want to sow, hoe, and harvest a vegetable garden just to eat a salad.

Corporate counsel's purview continues to widen, and so does the set of tools and legal technology they leverage. A Legal Operations Management Platform that provides e-Billing and spend management, matter management, and analytics can create enormous value for the legal department.

Evaluating Your Own Technology

When it comes to adopting more modern tech (or tech at all), we highly recommend taking a unified platform approach over point solutions and products. We live in an era of flexibility over features, where lines between functions and traditional roles are blurring. It becomes critical to have platforms that barter in common data and tie seamlessly together.

If you are unsure about how your own technology measures up, we've created a quick ten-point questionnaire to aid in your evaluation.

10 Questions to Ask Yourself

Question 1 Is my Legal Department a Cost Center?

Cost has become a huge concern within in-house counsel. The trend is to convert legal from a necessary cost center to an effective business partner by creating greater visibility into spend and greater fiscal discipline.

But concerns around cost aren't just a function of budget management, they're also a function of demonstrating ROI. The ability to show value can go a long way toward building a fruitful partnership and increasing resources.

- Do I know how much I am spending?
- Do I know what I am spending it on?
- Can I effectively measure the benefit of that spend?

Pro Tip:

"Focus on your finances. The foundational level of a legal operations function is your finances which means financial and vendor management need to be your top priority."

-Dan Baker, Chief of Staff,
Director of Legal Operations,
Ancestry.com

Question 2 Is my Legal Department Reactive or Proactive?

Traditionally, legal comes into play as an advisory, consultative service when specific legal matters, compliance, and negotiations are at stake. It's an on-demand support function. By nature, this puts your legal department in a very reactionary state.

Yet, many of us know that in today's legal landscape, being reactionary simply won't cut it. It's critical to be a proactive, value-adding business function that acts as a key strategic partner to the business side of the house.

- Can I anticipate requests and services needed from the greater organization?
- Am I able to quickly replicate services and create repeatable processes?
- Are we constantly on our heels? Does every request feel like it starts at square one?

Question 3 Are we Plagued by Operational Inefficiencies?

Efficiency is key as legal operations becomes the cornerstone of corporate legal departments. Yet, when evaluating departmental performance, many teams need to revision their processes, approvals, and workflows. Doing so can drastically improve the costs and production of the legal team. Technology can be a boon in this progression, but only if you have a strong grasp of where tasks bottleneck or stall. A poor process will remain a poor process even with technology in place.

- Are my highly trained legal experts bogged down by simple or administrative tasks?
- Do I know how much I am spending?
- Are we able to quickly and effectively onboard new talent or are we reliant on tribal knowledge?

Question 4 How Much of My Day-to-Day is Dedicated to Manual Tasks?

In this day and age, automation and convenience are table stakes in both the consumer and B2B realm. We have vacuum cleaners that tackle our rugs all by themselves, electronic assistants that turn grocery lists from a thought to a package at the front door.

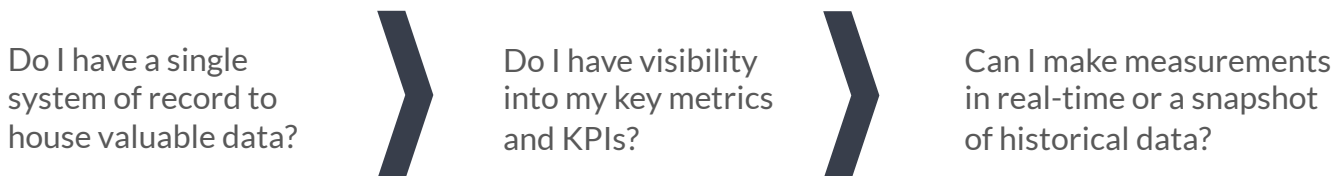
You can't afford to run your department on legal pads and filing cabinets. Forward-thinking legal teams are evaluating their tasks at hand and finding ways to eliminate manual processes in order to free their team up for more critical services.

- What parts of our jobs are repeatable?
- What percentage of my day is spent on administrative work vs litigation?

Question 5 Do We Have Concerns Over Data Gaps & Security?

While we have an abundance of information available to us, what does that mean and how do you use all the available information effectively? Far too often, this surplus of data can create a paralysis in analysis and rabbit holes of unproductive reports, dashboards, and metrics.

To be a high-performing legal department, it's important to measure actionable data – information that will continue to improve your processes and demonstrate value brought back to the business.



More important than all the data available, is protecting it. Considering Equifax and Facebook, concerns over data security are top of mind.

- Do I feel our data is safe?
- What measures should I have put in place to ensure data security?



1 in 4 CLOs experienced a data breach within the last two years, according to a survey conducted by the Association of Corporate Counsel (ACC)

Question 6 Are You Confident in Your Ability to Manage Compliance & Organizational Risk?

While you're handling all the obligations created by your contracts, there are plenty of other things you need to do with all your contract data. You need to provide regular reporting to internal and possibly external parties about the contracts you have and your performance to your obligations. You also might need to locate specific contracts to comply with industry requirements, government regulations, audits, and responses to lawsuits.

- Do I feel fully confident in my company's ability to manage our compliance and minimize risk?
- Do I have visibility into all of my terms and agreements?

Question 7

Do We Struggle with Billing and Invoice Management Inefficiencies?

Billing and invoice management has been a linchpin of legal operations. Legal operations platforms with e-Billing and spend management capabilities are quickly becoming the technology of choice for legal departments – and for good reason. The solution acts as a system of record, enabling a legal team to efficiently manage the contacts and law firms a department works with, the projects each law firm is working on, and how much they are charging. The data collected by legal e-Billing solutions further helps a legal department control spend and budget and can be leveraged to inform decision making.

- Is our invoice process time consuming, manual and managed across email?
- Can I track invoices from submission to payment?
- Will law firms be notified if an invoice is rejected and/or paid?

Question 8

Do We Depend on Finger in the Wind Forecasts?

Key to establishing operational efficiency is the ability to set accurate budget and forecasts. It is important to have a platform that will allow you to set budgets by month, life of matter, phase, or any custom attribute.

- Do I have a real time view of the department's legal expenses against budget in one simple view so there are no financial surprises at the end of the month?
- Am I able to leverage business intelligence to create predictive forecasts?

Question 9 Do We Require Constant IT Involvement?

With legal technology emerging as one of the most valuable tools to help legal departments run an efficient and productive department, it's common for legal operations to turn to their IT counterparts for assistance – whether you need to implement a new technology or plan to integrate solutions across departments.

However, dependencies on IT will slow you progress and handicap your ability scale quickly. Legal operations needs to find a way to be self-sufficient and create.

- Are my tools nimble, cloud-based and intuitive, or are they bulky, outdated and require lots of IT support?
- Do I have high user adoption and smooth onboarding?

Question 10 Is Our Definition of Legal Operations Limited to Spend and Matter Management?

According to Gartner, ELM is no longer just about spend and matter management. In addition to the responsibility of managing electronic billing, matters, documents, and outside counsel, it's equally important for corporate legal departments to be involved in business processes themselves. In fact, the leaders in legal operations are thinking one step further and investing in a full Legal Operations Management Platform with capabilities much broader and scalable than ELM alone.

Have I invested in a platform that will allow me to adapt and change as the legal industry continues to evolve?



Am I able to extract key insights and identify trends to impact business decisions?



Do I have a tool that allows me to run a more efficient department, or does it just allow me to manage matters?

What is Legal Operations Management?


Legal Operations Management (LOM) is a term that refers to the practices and strategies that in-house legal departments use to effectively manage finances, matters, vendors, and knowledge. The goal of Legal Operations Management is to empower legal departments to emerge not only as trusted legal advisers but exceptional business leaders.

The Rise of the Legal Operations Management Platform

After utilizing our ten-point questionnaire, you should have a good understanding of what tools you're currently using, their advantages, limitations, and whether or not you're maximizing their capabilities. And for those without technology, you'll be able to understand what benefits you might be missing by continuing with manual efforts.

For modern legal departments, a Legal Operations Management Platform provides robust spend and matter management, plus analytics and tools for managing vendors, knowledge, and more. This technology becomes your legal system of record, giving you complete visibility into your legal spend, outside counsel relationships, and departmental performance. With a range of data-points at your fingertips, you can operate a more efficient legal department, while emerging as a true business partner, informing decisions and aligning with key company-wide objectives.

With the pressure on legal departments to be highly quantitative, the rise of the legal operations platform couldn't be more timely.



It's time to
modernize your
legal operations

About SimpleLegal

SimpleLegal provides a modern legal operations platform that streamlines the way corporate legal departments manage their matters, track and interpret spend, and collaborate with vendors and law firms. SimpleLegal combines e-Billing and spend management, matter management, accruals management, and legal spend analytics into one comprehensive application.

To learn more about SimpleLegal, visit www.simplelegal.com or [schedule a demo](#) to see how a Legal Operations Management platform can benefit your department and organization.