WHAT IS LEGAL OPERATIONS?

Tools, Guides and Templates for the Legal Operations Professional
Corporate Legal Operations Consortium

October 2019

CLOC
CORPORATE LEGAL OPERATIONS CONSORTIUM

What is Legal Operations?

"Legal Operations" describes a set of business processes, activities, and the professionals that enable legal departments to serve their clients more effectively by applying business and technical practices to the delivery of legal services. Legal Operations provides strategic planning, financial management, project management, and technology portfolio investment expertise that allows legal professionals to focus on providing legal advice.

Legal Operations is a multidisciplinary profession that includes backgrounds like finance, marketing, data analytics, learning and development, and engineering. These professionals work with leadership to identify strategic investments that build capacity for the organization. Their capabilities allow the legal organization to more effectively manage risks, monitor compliance, incorporate the right technological tools, and deliver more value to the enterprise by accelerating the business. A proactive Legal Operations team can anticipate and plan for challenges before they arrive. That's where CLOC comes in.

CLOC and Legal Operations

CLOC has defined 12 core competencies that every legal operations function should aspire to, aligned with the maturity of the organization. These competencies are a roadmap for investments that create capabilities that serve the organization increases as its sophistication grows. The purpose of these core competencies is to think differently about ways to deliver business impact. Each organization prioritizes investment to advance maturity in specific competencies depending on the organizational objectives, opportunities, and resources.

The size of an organization does not solely determine maturity level. The CLOC Member Community is comprised of legal operations teams of all sizes in legal organizations of all sizes that span the maturity spectrum. Large organizations may excel at managing their financials and struggle with knowledge management, while small organizations may be great at forecasting their strategic initiatives but have difficulty managing their outside counsel program.

Each organization defines its success within each core competency. Many organizations experience similar challenges on the journey to optimize efficiency and maximize value. CLOC is a community of professionals who have navigated resistance to change, and who are willing to share best practices for success.
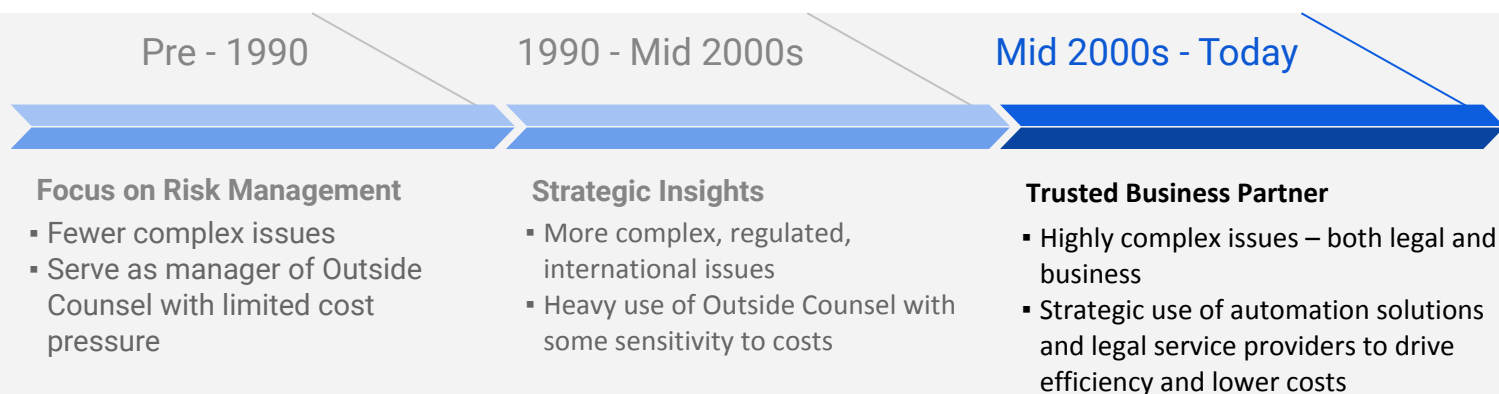
CLOC Core Competency Legal Operations Reference Model

2019 Corporate Legal Operations Consortium, Inc.

CLOC
CORPORATE LEGAL OPERATIONS CONSORTIUM

The Evolving Role of Legal Operations

History of Legal Operations

Pre - 1990	1990 - Mid 2000s	Mid 2000s - Today

Focus on Risk Management
- Fewer complex issues
- Serve as manager of Outside Counsel with limited cost pressure

Strategic Insights
- More complex, regulated, international issues
- Heavy use of Outside Counsel with some sensitivity to costs

Trusted Business Partner
- Highly complex issues – both legal and business
- Strategic use of automation solutions and legal service providers to drive efficiency and lower costs

What's driving the need for Legal Ops?

Increase in Service Delivery

METRICS
Identify areas where impact can be measured quantitatively and qualitatively

SERVICE DELIVERY
Implement new self service tools and processes, and training for high volume, low risk support like Non- Disclosure Agreements

Top Methods for Handling Increased Demand

TECHNOLOGY
Increase the use of technology, like collaboration tools and business intelligence solutions

STAFFING
Optimize increases/decreases in resources and headcount to support organizational objectives

"Business of Law"

Business Velocity
- Operational excellence to keep up with the increasing pace of the businesses served.
- Optimizing the underlying processes and building tools to help scale without additional headcount.
- Creation of a data driven practice will provide long term benefits on investments.

Cost Pressures
- Costs for both in-house and Outside Counsel continue to rise
- Controlling costs requires substantial time on the part of legal management, detracting from time that could be better spent focusing on providing legal advice
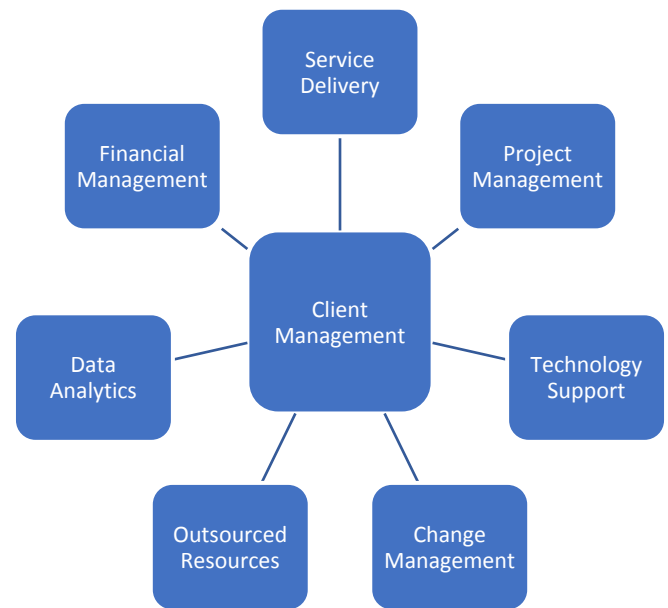
Expertise
- Legal increasingly relies on technology and is focused on process improvement and performance.
- Supporting this requires specialized expertise that is typically not resident within lawyers

CLOC
CORPORATE LEGAL OPERATIONS CONSORTIUM

Why is Legal Operations important?

Key Outcomes

- Focus and magnify legal operations efforts on impact activities and create metrics that demonstrate the legal function's value to the business.
- Dedicated resourcing promotes greater visibility and predictability of legal spending and management of financial resources.
- Closer and more productive partnerships with selected external vendors/partners maximize value delivered.
- Tools aligned with optimal business processes promote consistent best processes and capture key data that helps run the business.
- Diverse teams bring different capabilities delivering legal solutions to internal clients that maximize organizational success and value.
- Legal professionals focus more on legal work and operational work shifts to the professionals who can optimize, scale, accelerate, and elevate those processes.
- Quantifiable data analytics that provide metrics and measurements to improve process and allow for more informed decisions.
- Technology implementations that optimize and accelerate process and allow client self-service.

Return on Investment

	Lawyers	Other Staff
% of Time Dedicated to Legal Operations Tasks	6.0%	7.6%
# of Hours Dedicated to Legal Ops Tasks	3,600	4,000

Potential Internal Annual Cost Impact $530K

Measuring the value and impact of a Legal Operations team is more than just measuring the department's cost savings. One of the most impactful benefits of Legal Operations is the ability to form strong partnerships with cross functional business units like Finance, IT, and HR, as well as their heavy involvement in department processes and life cycles.

For years, attorneys and legal staff have been tasked with managing numerous administrative tasks in order to support their clients. By shifting ownership of operational responsibilities to Legal Operations, an organization can effectively focus on their key objectives, while their employees focus on the tasks most aligned to their experience.

Potential reduction in compensation costs for the law department from the work reallocation. Compilation of data from various Legal Work Analyses conducted by HBR Consulting. Legal staff compensation data from the 2018 HBR Law Department Survey. Hours based on median department size of 30 Lawyers and 26 Other Staff.

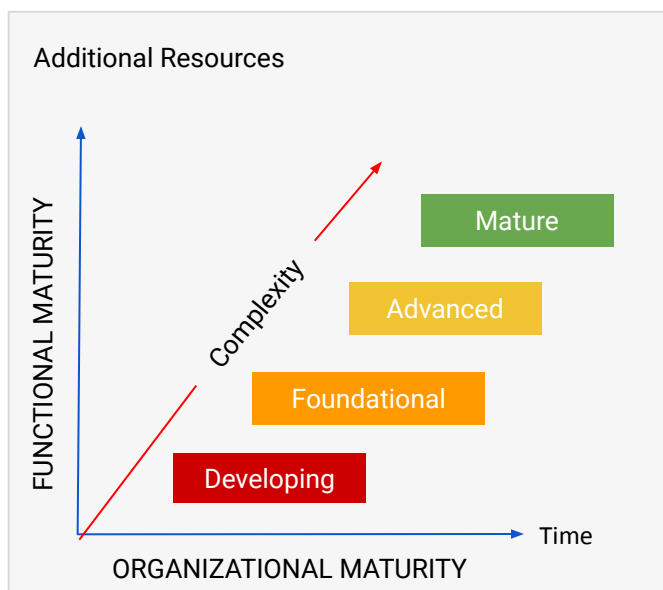# CLOC CORE COMPETENCIES

Overview

Operational excellence is defined as a value and opportunity discipline to drive tactical and operational objectives for an organization. Too often, this is mistaken for strategy, but it important to understand how both of these work together to drive efficiency and performance. In order to increase productivity and profitability, organizations should be continuously evaluating processes and uncovering opportunities to streamline to deliver value that meet their client's needs. Discovering a client's need is beyond gathering data, it is about turning data to insights then translating those insights into impactful strategies.

Due to the complexity of law, business, and technology in recent years, there is a growing demand to modernize the way that the legal industry works. For business to remain successful, they must think of their strategic position and how they are going to do things differently moving forward. In order to do so, they must invest resources to hire experienced professionals to improve operations through process improvement, cross functional relationships, change management, and project management to manage and evolve different functions of their business.

These operations team become trusted advisors and improve work culture, teamwork, procedures, tools, and technology, by assimilating, attaining and extending practice to align the entire department as a cohesive entity and achieve operational excellence.

Levels of Maturity

Operation excellence is measured by two characteristics, organizational and functional maturity. The model demonstrates that an organization will typically gradually grow in maturity over a long period of time, as long as they effectively invest and manage their resources (people, processes, technology).

Long term success will depend on numerous factors including ability to navigate change, having reliable resources, and coherency between resources.
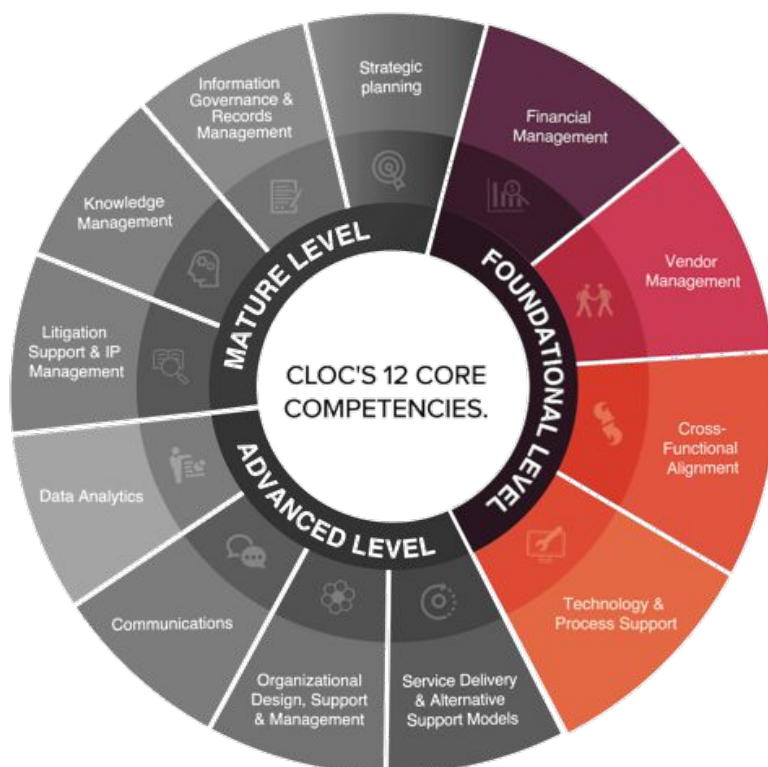
The CLOC Core Competencies measure organizational maturity by resources, scope, and experience level of team leading specific functions. Given that each competency has different levels of complexity, CLOC strongly encourages organizations to determine their maturity in each area of focus.

CLOC Core Competencies: Foundational

Core areas of focus for all operations functions

	What it is?	Why it Matters?
Financial Management	Manage the departmental budget. Track accruals and forecasting. Work with Finance to identify spending trends, potential cost savings and efficiency opportunities.	Drive financial rigor across the department and help legal truly "operate like a business".
Vendor Management	Create a vendor management program to insure quality outside counsel support at the right rates and under optimal fee arrangements. Hold regular business reviews. Negotiate fee agreements. Drive governance of billing guidelines.	Create cost savings through more effective use of external vendors and reduce risk to the organization by creating tighter partnerships with a select group of numbers.
Cross-functional Alignment	Create and drive relationships with other key company functions, such as HR, IT, Finance and Workplace Resources. Represent the Legal organization at CLOC.	Maximize leverage of corporate resources and promote the legal function as a key part of the fabric of the organization.
Technology & Process Support	Create a long-term technology roadmap including tools such as e-billing/matter management, contract management, content management, IP management, business process management, e-signature, board management, compliance management, legal hold, subsidiary management, etc.	Ensure that the legal team has the right tools and processes to most effectively perform its work, minimizing manual effort where possible.

These foundational competencies are core focus areas for all operations functions. By shifting the responsibility of these functions, a legal operations team can immediately carry the logistical burden that was divided across the department.
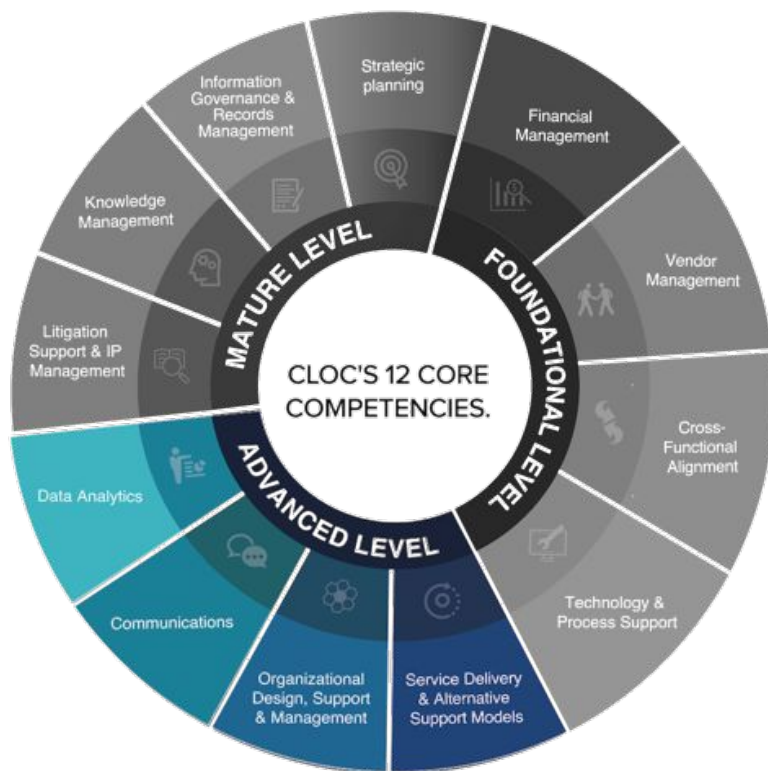
CLOC Core Competencies: Advanced

As the function matures, these areas should be added to the operations portfolio.

	What it is?	Why it Matters?
Service Delivery & Alternative Support Models	Drive departmental efficiency by leveraging the right resources for the right matters, including using managed services, LPOs, and other service providers and technology as appropriate.	Ensure operational efficiency and reduce costs.
Organizational Design, Support & Management	Deliver improved GC Staff and overall team performance by globalizing the team and creating a culture of growth, development, collaboration and accountability.	Preserve legal's core asset: its people.
Communications	Work collaboratively across the legal ecosystem to create consistent global processes, from on boarding to complex project management support. Publish regular departmental communications, plan and execute All Hands.	Promote a collaborative operating environment that helps the legal team operate as a single unit.
Data Analytics	Collect and analyze relevant data from department tools and industry sources, define objectives to provide metrics and dashboards, that drive efficiencies and optimize spend, etc.	Gauge performance by providing the necessary insights into what is happening within the department and comparing to the industry.

These advanced competencies are additional areas of ownership for legal operations as the departmental function continues to mature. The core functions more complex and impactful as the operations team is the driving force of creating, maintaining, and evolving the legal departments capabilities.
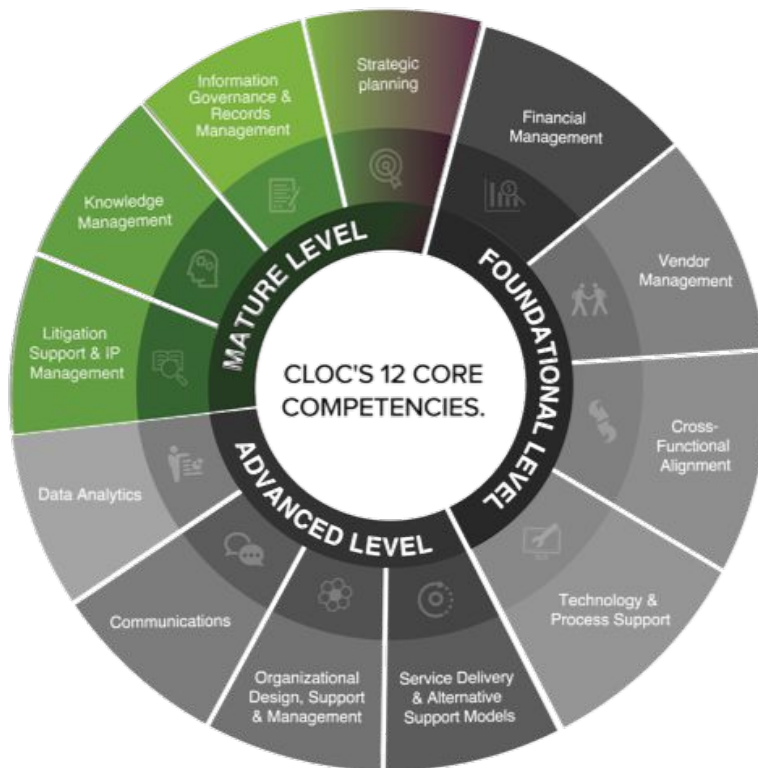
CLOC Core Competencies: Mature

Best-in-class functions also take responsibility for these areas

	What it is?	Why it Matters?
Litigation Support & IP Management	Support e-discovery, legal hold, document review. Provide operational support for Intellectual Property Matters.	Drive efficiency and cost savings in areas of significant spend that also have a significant, tangible benefit to the business.
Knowledge Management	Enable efficiencies by creating seamless access to legal & department institutional knowledge through the organization and centralization of key templates, policies, processes, memos, and other learnings.	Minimize rework and leverage existing knowledge.
Information Governance & Records Management	Create a records management program including a record retention schedule, policies and processes.	Mitigate risk to the overall organization and take leadership in an area that is often an afterthought.
Strategic Planning	Create a long-term strategy, aligning yearly goals and corresponding metrics.	Ensure alignment between legal and the broader organization with demonstrable performance.

The mature competencies are the best-in-class functions, as they require deep understanding of the entire organization's strategy and objectives. These functions greatly impact processes for various business units including sales, IT, finance, HR and security.

About CLOC

CLOC helps drives the evolution of legal operations through its members, law firm participants and partners.

CLOC Institutes

- Largest global conference focused for the legal operations professional and legal ecosystem.
- Brings together legal operations experts and professionals to share best practices, network and collaborate, educate and inspire.
- Enables the legal operations professional to stay on top of rapidly evolving trends and technology, all in one place.

Thought Leadership

- Collaborates to help define industry standards across a variety of operational and legal practice areas.
- Conducts periodic survey, metrics, and reporting to gauge the "pulse" of the industry.
- Provides a forum for Members and Law Firms to exchange ideas and best practices for success.

Content Development: Tools, Templates & Guides

- Provides templates to help kick-start a legal operations function
- No need to recreate the wheel. CLOC helps the legal operations practitioner continue to mature and to develop with resources designed by those that have practical experience and expertise.

The CLOC Community

2,300+
Members & Law Firm Participants

47
Countries

46
States

37%
Fortune 500 Members

$50B
Estimated Member OC Spend

2,600+
Conference Attendees

CLOC
CORPORATE LEGAL OPERATIONS CONSORTIUM

About CLOC

CLOC is a 501(c)6 non-profit professional association. CLOC's mission is to help legal operations professionals and other core corporate legal industry players (e.g. tech providers, law firms, LPO's, law schools, etc.) to optimize the legal service delivery models needed to support the needs of small, medium and large legal departments.

Our Five Pillars

- Education
- Improve the Delivery of Legal Services
- Industry Change
- Connecting the Ecosystem
- Networking

Early Formation

CLOC evolved from a small group of focused legal operations professionals who frequently met to exchange their opinions, information, and best practices. These early professionals were eager to share what they had learned, and practiced, to better understand the role of legal operations, as well as the impact and value demonstrated by this new function/role to the organization.

In 2016, they recognized the growing demand and need for legal operations education, development, and outreach across many other corporations and throughout the legal ecosphere. This founding group of professionals responded by forming the Corporate Legal Operations Consortium (CLOC) and organized the first CLOC Institute to meet the demand. Organized in under three months, the event drew over 500 attendees to San Francisco, California. It was clear that a movement had been born.

CLOC Today

CLOC continues with its same founding principles. Legal operations best practices only evolve from sharing, collaborating and crowd-sourcing throughout the industry. New practitioners don't have to start from scratch or reinvent the wheel. CLOC members innovate, take risks and tilt the status quo in order to come up with new ideas, streamline operations, reduce costs and improve departmental ROI.

In 2019, CLOC expanded its focus to collaborate more with law firms. Law firm legal operation professionals can now collaborate and share ideas with in-house legal operations professionals.

CLOC has guided and supported the legal operations profession globally through its 2,000+ members, 300+ law firm participants, board of directors and staff, creating change and advancing the legal operations role across the entire legal ecosystem.

BE PART OF THE DISCUSSION - JOIN CLOC

Resources for Members

The resources listed below are available to CLOC members in the CLOC Community.

Change Management
- [How to Successfully Navigate Change Management: A Guide for Legal Ops](#)
- [Successful Technology Implementations Start with Change Management](#)

Information Governance & Record Retention
- [A Records and Information Manager's Guide to Accessing Performance Risk](#)
- [How Secure Does Your Legal Department Data Need to Be?](#)

Knowledge Management
- [Knowledge Management Roadmap Template](#)
- [Knowledge Management and the Content Pillar:Playbooks and Websites](#)

Legal Department Technology
- [Legal IT Budget & Roadmap](#)
- [Connecting Your Legal Ops Technologies For Better ROI: API's and Beyond](#)

Legal Ops 101
- [Legal Operations: How To Do It and Why It Matters - eBook](#)
- [Right Sizing, Sourcing and Shoring your Legal Department](#)

Legal Project Management
- [CLOC Request for Proposal Templates](#)
- [Legal Project Management Guide for Legal Departments & Stakeholders](#)

Metrics and Reporting
- [Legal Department Dashboard Essentials: Build Your Own Dashboard](#)
- [What Gets Measured: Legal Ops and Law Firms Aligning and Sharing Metrics](#)

Outside Counsel Management
- [How to Build an AFA Program: Best Practices in Design, Implementation, and Management](#)
- [Leveraging QBR's to Optimize Law Firm Spend Efficiency](#)

BE PART OF THE DISCUSSION - JOIN CLOC

CLOC
CORPORATE LEGAL OPERATIONS CONSORTIUM