

TECH AS A BUSINESS ENABLER:

How Legal Departments Can Be Better Business Partners

Now more than ever, legal departments are striving to align with their company's overall strategic direction and looking for real business initiatives they can take to the CEO. While risk and cost reduction are key factors when evaluating new legal technology, most general counsel will find that they need to take more assertive action to become true partners to the business.

This whitepaper will attempt to impart how legal departments can best leverage technology to their organizations' advantage to close business more quickly, mitigate risk, and increase profitability. But first, legal departments must identify what problem(s) they are solving in order to select the right business enablers for their needs and challenges. For example, GCs must identify the manual processes that can be automated to improve the speed of business, such as contract review, and be more responsive to the business's needs.

To understand the specific challenges that legal departments face in the current business environment, BlackBoiler conducted a survey of legal departments in June. Results from that survey are included here.

INTRODUCTION

With the uncertainties over the last 18 months, businesses are under more pressure than ever to close deals quickly, become more efficient and responsive and seek new opportunities. The legal department plays a key role in this process. Yet, in many organizations, the legal department is often seen as a hindrance rather than an indispensable partner to achieving these objectives.

However, that perception can be changed. In-house counsel and legal operations, led by the GC, can identify ways to be more successful by acting as a trusted advisor and holistically looking across the organization to improve the speed of business, demonstrate to clients and prospects that the company is easy to do business with, and enable the business to handle processes such

as contracting with limited legal oversight. The key lies in finding the right data, partners, tools, and approaches that will help achieve these objectives.

To be a better partner to the business, in-house counsel must first understand the goals and challenges of their organizations. Once they understand that, they can select the technology that allows them to be an enabler, identify metrics and analytics that will allow for crucial insights, and improve processes that are inefficient. Begin by identifying the end goals of the process and then look for the tools that will help facilitate or take steps out.

UNDERSTANDING THE PROBLEMS TO SOLVE FOR

While this sounds daunting, legal departments can tackle it as they do with any problem. The first step is to develop the mindset that there is a better way and concrete actions can be taken to achieve these objectives. For GCs and their legal departments, this involves understanding what problems the business is trying to solve, what obstacles exist, and clearly identifying what the motivations are. Before diving in to solve problems, it is critical to define what the end goals are. Keeping—or developing—open lines of communication to different areas of the organization is crucial to gaining these insights.

GATHERING BASELINE DATA AND THE IMPORTANCE OF METRICS

In order to best leverage technology and improve processes to achieve their organization's goals, legal teams also need to get a handle on their data: where it resides within the organization, how it is organized and the ways it can be harnessed to make better decisions.

Finding all the data from disparate sources across the business is a significant challenge at most companies. And once legal teams have access to it, they need to determine how to utilize it in order to make the best decisions for the business.

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When survey respondents were asked what KPIs they use to measure the success of projects and processes, two areas were ranked as equally important, at 22%: volume of work and time involved in capturing or finishing the work. That was followed by increase time to close a deal and client satisfaction.

Those business insights are only enabled when the data can be captured. Fortunately, legal teams may have access to more data than they realize. For example, many legal service and technology providers offer effective dashboarding and metrics that the internal DGC wouldn't necessarily be able to get from an internal team. By partnering with these types of vendors, GCs can quickly realize more value from their tools. This makes the entire process much less complicated, disruptive, and labor-intensive for the legal department.

This is another area where understanding the end goals, and problems to solve should remain the guiding principle. Different organizations will have their own goals and keeping those in mind will allow for identifying the most valuable metrics and analytics.

With analytics in hand, GCs can begin to solve the problems presented and figure out what story they are trying to tell. The best approach is to start small with a handful of metrics that are important. Of course, what is important to one individual or department may not be important to others in different areas, so GCs should take a broad look that encompasses what is important to the legal department, what the CEO has said is important, what matters to the CFO, and what clients are looking for.

UNIQUE PROCESSES AND PROCESS MAPPING

The next step is to examine how the work is currently being done and whether this is an area that can be improved with technology that will drive efficiencies, minimize frustration, and reduce errors. That involves looking at common processes that represent pain

points for both the legal team and the businesspeople; examining the process from start to finish; determining which businesspeople and in-house counsel are involved and when; what tools are currently being deployed; and what legal service providers and other partners are contributing throughout the process.

Once processes have been identified, the GC can begin to find ways to improve them, make them more efficient, and determine what tools are necessary to assist with this. Not only will this help solve problems, but it will also allow for better, cleaner data collection, which in turn will fuel better decision-making.

With the right tools, the legal department can also provide more consistent reporting and results to the business with less effort. This helps to demonstrate both within the department and to other constituencies the value of different processes. It also allows the legal team to make adjustments and improvements nimbly. As the survey found, regular reporting mechanisms vary widely, from every week to never. According to survey respondents, one-third report on legal tech ROI on a quarterly basis. Conversely, half said that they are never asked to report to the business. Other departments are asked to provide reports from as frequently as once a week to as little as once a year. By consistently providing these types of reports, legal departments can provide further quantifiable data about the value of their services.

Part of improving processes involves leveraging tools that get smarter over time, such as those that use machine learning, natural language processing, and other forms of AI-based technology. The most effective technology with the widest adoption rates will be the ones that can be customized for specific business needs.

For example, consider the contracting process. At most organizations, finalizing contracts takes many hours and countless back and forth exchanges between the legal team, businesspeople, and the other party. This review

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approach is often highly manual and extremely inefficient, which opens both sides to risk. The longer it takes to close a contract, the longer it takes to realize revenue from the contract. By automating the process, organizations can save significant time, allowing the businesspeople to move quickly and making the legal department look like the partners that they are.

Along with speeding the process, automated tools also allow for a level of consistency that human reviewers cannot sustain over the course of multiple contracts over time. AI cannot make the meaningful changes and edits that an experienced attorney can, but it can standardize routine provisions more consistently. And it can grow more effective over time, as it “learns” the organization’s contract playbook. A centralized process and repository for contracts also allow the legal department to collect data and metrics that will help make better decisions.

CHANGING PEW

At many organizations, the legal department is often viewed as a cost center, rather than an indispensable part of the business. Whether that view is fair or not, the legal department needs to take steps to present themselves in a different light. By utilizing the right tools and processes, GCs can best position themselves and their in-house teams from the perception of being general advisors to strategic partners and business enablers.

The solution lies in measuring the right metrics and ensuring the legal department has the tools to gather that data. This will allow GCs to deliver value that they can demonstrate empirically back to the organization. It will enable them to show how they are a good business partner who is helping to get the most out of legal dollars.

When asked about the biggest challenges of being a better business partner, half of the survey respondents cited cost containment/managing the legal department budget. That was followed by department resources, such as the budget for technology purchases and personnel hiring; and digital transformation /technology. The next greatest challenge was in managing outside counsel.

CONCLUSION

Most legal departments are risk-averse. Yet, the current environment is the perfect opportunity to develop “superpowers” that can transform the way the legal department, and the organization itself, operate. When the legal department provides more exposure to new vendors, new technology, and new tools, it also assumes the responsibility to provide insights into the risk and the exposure involved with vendors and new technologies.

By taking these steps, it will be possible to develop the ability to anticipate what the client needs before they even ask and to get ahead of issues and concerns. This can be the GC’s superpower, backed up with the right metrics and analytics.

This happens by ensuring that the GC has a holistic view of everything that is happening in the department and beyond. It also involves recognizing the value of vendors, service providers, and other types of legal professionals. Like waving a magic wand, it will help GCs and their legal departments become true partners and part of the strategic vision of the organization, not viewed as a hindrance or cost center.

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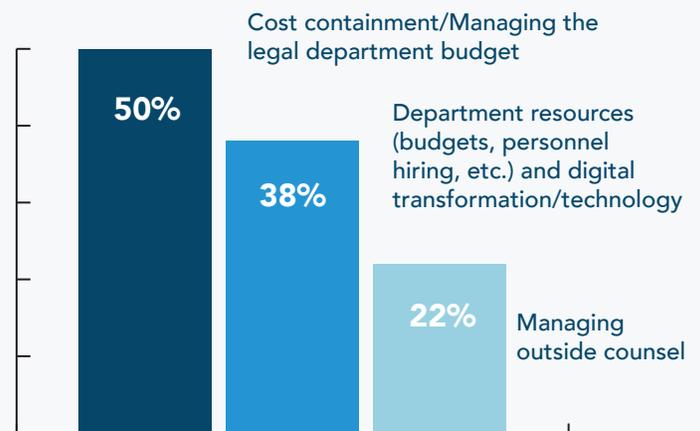
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POST-WEBINAR SURVEY RESULTS

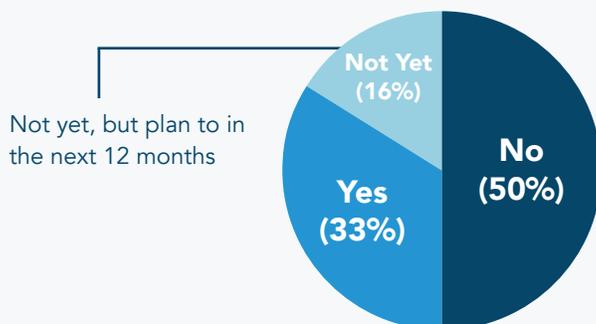
WHAT KPIS DO YOU USE TO MEASURE THE SUCCESS OF YOUR PROJECTS/PROCESSES?

Volume of work (ex: number of matters, deals, agreements, contracts, etc.)	22%
Time involved capturing or finishing the work (total time spent by both inside and outside counsel)	22%
Increase time to close a deal	17%
Client satisfaction	11%
Increasing process speed of contract review and mark-up	11%
Multiple of the above	6%
Don't know	6%
We don't do this	5%

WHAT DO YOU SEE AS THE BIGGEST CHALLENGE TO BECOMING A BETTER BUSINESS PARTNER IN YOUR COMPANY?



ARE YOU REPORTING ON YOUR LEGAL TECH ROI?



HOW OFTEN ARE YOU ASKED TO PROVIDE A REPORT TO THE BUSINESS?

