

The Rise of a New Idea: Legal Operations

by Connie Brenton

By focusing on the core competencies required for effective legal operations, CLOC, its members, and others in the legal ecosystem are changing our industry in deep and permanent ways.

When your manager, the General Counsel of a major corporation, walks into your office and politely identifies something she needs urgently, you get it done — now. In 2010, I had just started a new job as Managing Director, Legal Operations at Oracle working for Dorian Daley. It was a new role at Oracle — and also in the industry and especially on the West Coast — and like any new senior-level role in business, the role needed to deliver an ROI, immediately.

A charismatic, super-sharp former litigator, Dorian — like the rest of Oracle's executives — delivers results on time, with precision, and without fail, and so does her team. Shortly after I joined Dorian's Staff, Oracle embarked on a typical big-company deep dive to review its "use of its resources," and Dorian identified for me a need for benchmarking information on aspects of Oracle's legal operations.

Having recently moved to Silicon Valley, I had not had a chance to develop a large local professional network, but I had a few basic connections at major high-tech companies, so I reached out to them to see if they could help. I did not know them well, and while what I needed was not confidential information, it was not the sort of information you could just Google. In 2010, there was no place to turn for legal operations information. It was almost completely uncharted territory.

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Appropriately enough, my contacts included Mary O'Carroll, Head of Legal Operations at Google, and Chris Coats, Sr. Director of Legal Operations at Symantec (and now VP of Legal Operations at Oracle) and a couple of others. I reached out to Mary and Chris, and we agreed to meet and discuss the benchmarking I needed, as well as information that they needed. We had a fantastic meeting, and immediately realized that there was lots we could learn from one another and that undoubtedly there were others in the Bay Area who could benefit from this kind of exchange.

So, we started a small, informal group to share ideas and best practices, as well as to provide each other with support and encouragement. The meetings started as a small and casual thing. Initially, it was more of a book club than any kind of formal group or organization.

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However, over the course of a few years, those meetings grew and grew, and almost before we knew it, we suddenly had an organization on our hands, with a rapidly swelling membership well beyond the Bay Area. And so, in the first part of 2016, we turned our "book club" into a nonprofit, 501(c)6 corporation: the Corporate Legal Operations Consortium (CLOC). Today, CLOC is the world's largest, fastest growing, and most active group of legal operations professionals. In two years we went

from being an informal group of 40 legal operations professionals to having nearly 1,300 members, representing 40 states, 37 countries, and five continents. CLOC's members include more than 25% of the Fortune 500. CLOC holds a CLOC Institute in the U.S., London, and Sydney, annually.

We created CLOC as a response to two increasingly urgent questions: (1) what does it mean to run an in-house legal department like a business optimally? and (2) how do you do that? It is the need to respond to these two central questions that has fueled our growth and that today we see driving interest in the burgeoning field of legal operations. It's almost impossible to answer these questions in isolation. So from the beginning, CLOC was about *how can we collaborate to do it better, together?*

For so long the corporate legal services space had seen absolutely minimal change and modernization. This was true across the entire legal ecosystem but particularly in corporate legal departments. Think about the modern corporation. Virtually every function — HR, accounting, manufacturing, and so on — has changed beyond recognition from two or three decades ago. Yet for so many legal departments, the mission and the nature of the work had scarcely changed. We had nicer laptops and better phones, and some of us might be wearing somewhat more up-to-date clothes (hopefully!), but the core remained unchanged.

In a technology- and data-driven world where business moves faster than ever, the corporate legal department remained far behind. We still saw companies employ the same fragmented, inefficient processes. We still turned to the same types of firms for the same types of projects, billed in the same way. We still moved at the same agonizingly slow pace. We still celebrated tradition over innovation, legacy over discovery, conservatism over risk-taking. For many companies, Legal had long ago become known as “the department of No,” the place where good ideas go to get squashed or die through delay and an excess of caution.

That initial wave of interest in legal operations has only gained in size and speed. Today, we see a massive rise in investment

and adoption of new legal operations practices. This is happening across industries and it is happening fast. Legal teams are using technology in powerful new ways, embracing new types of partnerships and ecosystem relationships, and recasting their roles to provide greater service and impact to their businesses. In the process, they are helping to accelerate change across the entire legal industry, as the smartest and most progressive firms, law schools, and solution providers remake themselves to be relevant for the new era.

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It's Time to Run Legal Like a Business

So back to that big question: *How can we collaborate to do it better, together?*

When my legal operations friends and I started asking that question, we came up with a lot of things... The central insight is that every legal department really has to focus on two big categories of challenges. First, obviously, there's everything to do with the actual legal side: assessing risk, managing litigation, guiding and guarding the organization with legal advice, and counsel. Second, there's everything else to do with running a legal department and delivering on those legal services: setting priorities, managing resources, aligning with the broader needs of the business, and on and on. Just like every other function in the business, the legal team has to be focused, effective, and aligned to the larger goals of the enterprise.

The traditional approach, which dominated for decades, was to focus heavily on the first category and more or less ignore the second. That priority is reflected in the backgrounds and skill-sets of legal teams. They tend to come heavily from the world of law and to be trained attorneys and legal professionals. You don't see, or didn't see until recently, as many with a business background, technology experience, or operational expertise.

Meet the Competencies

As CLOC became more of a formal organization and began to encourage more structured sharing of best practices, we quickly realized that we needed to codify the essential disciplines of legal operations into a coherent structure. Although every corporation is different, there is a common core of challenges that everyone needed to address: budgeting, planning, implementing technology, and so on.

So, we created an industry standard definition of legal operations: legal operations is a multi-disciplinary function within a legal department that optimizes services delivery to a business or government entity focusing on CLOC's 12 core competencies. These competencies represent areas of focus that every legal department must manage to have a disciplined, efficient, and effective legal function. The 12 core competencies are shown in Figure 1. They are:

Figure 1.



- **Strategic Planning:** It sounds basic, but most legal departments long created only limited plans and operated without a true strategy. Modern legal operations start here — with a thoughtful, long-term strategic plan. At the heart of this is aligning yearly goals and corresponding metrics.
- **Financial Management:** As a cost center, the legal department needs to be completely accountable for its budget and resources. This ranges from the mundane — such as tracking accruals and forecasting — to more advanced financial planning. The department needs to work with Finance and needs to identify spending trends, potential cost savings, and efficiency opportunities.
- **Vendor Management:** Among the most important disciplines of legal operations, and one that was long neglected, is vendor management. By being more systematic in assessing vendors and their impact, the legal department ensures it gets more value and uses the right resources for the right project, whether that be outside counsel, a law company and/or a technology provider. This means creating a true vendor management program to insure quality partner support, at the right rates and levels of support, under optimal fee arrangements. It also calls for regular business reviews and for the systematic approach to negotiation of fee agreements, billing guidelines, governance, and more.
- **Data Analytics:** In an age when data is dominating most of our personal and work lives, legal teams can't afford to operate blindly. General Counsels need data — the right data — to measure effectiveness and guide decisions. This competency focuses on determining which metrics matter the most, determining how best to collect and analyze them, and how to translate that insight into action. There are many choices for how to create metric dashboards. Our members focus on finding the right measurables that actually help support their mission and create efficiency.
- **Technology Support:** Technology has long been an afterthought for legal teams, to our great detriment. In my experience corporate IT departments — even the very best ones — simply don't have enough knowledge of the complex legal requirements around things like contracting, e-discovery, and other challenges to provide the right technology solutions. It is unfair to ask IT teams to somehow develop a perfect answer to your problems. Legal teams need to create their own 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.
- **Alternative Support Models:** “What firms do you use?” This has been the beginning, and the end, of many resource discussions for legal teams. The truth is that there are now many new, rapidly growing, support models for corporate departments. While law firms will always have a critical place, we are finding that many functions can be driven better and at a much lower cost by managed services, LPOs, and other service providers.
- **Knowledge Management:** In the end, every legal team is a collection of knowledge and skills. Making it easier for the team to retrieve that knowledge, and share it across the organization, is absolutely vital. Creating seamless access to legal and department institutional knowledge through the organization makes it far easier to scale and ensures a standard approach to templates, policies, processes, memos, and other key deliverables.
- **Professional Development and Team Building:** The age of the individual contributor is over. Even the most talented lawyers need to operate within a team concept. Like any group of people, legal professionals need and want to operate in a positive and engaged culture. If they are empowered and encouraged to do so, they will collaborate and act as a team. This matters even more in an era of globalization when teammates may be located halfway around the world and operating in a totally distinct context.

- **Communications:** The legal team can accomplish very little of value on its own. To be successful, legal leaders must find a way to engage and persuade stakeholders from across their company and their industry. This means working and communicating effectively across the legal ecosystem to create consistent global processes, from on-boarding to complex project management support. It also means publishing regular departmental communications, and planning and executing key moments such as all-hands meetings. A good communications program is essential to busting silos and building bridges across the legal department and the enterprise.
- **Global Data Governance/Records Management:** Compliance matters — and often ties up massive resources and time for a legal department. Finding the right solution to ensure the company is protected while maximizing efficiency is a difficult balance. In an age of tighter regulations and demands on data privacy and records management, this matters more than ever.
- **Litigation Support:** The right litigation support initiatives can lead to massive impact, delivering better and faster outcomes in the courtroom and on the bottom line.
- **Cross-Functional Alignment:** By creating and driving relationships with other key company functions, such as HR, IT, and Finance, the legal department ensures it is aligned with and relevant to the rest of the company.

A Future of Change

Every one of these competencies matters. And everyone will implement the competencies in the order and way that supports their goals and priorities. Taken as a whole, however, they represent the core of a new and powerful approach. By answering those two big questions — (1) what does it mean to run an in-house legal department like a business optimally?

and (2) how do you do it? — CLOC, its members, and others in the legal ecosystem are changing our industry in deep and permanent ways.

The wave of change is upon us. Those who don't change and adapt will be swept away. This is a challenging time but for those of us who have spent long careers waiting for this kind of growth, it is very exciting and charged with opportunity.

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There are a lot of ideas coming out of legal operations which are quite complex and technical, as we wrestle with big opportunities like AI, automation, and so on. But the essence of legal operations is quite simple. It is recognizing that it is time to run legal like a business. It is acknowledging that we should be as accountable, outcome-oriented, and focused as any other part of the company. And that means changing everything: who we hire, how we work, what we value, and what we prioritize. These competencies can be a starting point for you on your journey to reinvent your legal department.

About the Author



As Chief of Staff and Sr. Director of Legal Operations at NetApp Inc., Connie Brenton has leveraged her legal and business background to create an innovative and best in class legal department that has been recognized internationally for its innovation in the areas of strategic vision, partner and financial management, and building efficiencies.

Prior to NetApp, Connie served as Senior Director, Deputy General Counsel at Sun Microsystems and then Managing Counsel at Oracle, where she also initiated the Legal Operations role. Before joining the Legal Operations community, Connie was in private practice as a civil litigator.

Connie has been active in developing and promoting the Legal Operations role throughout the business and legal communities. She is the Chief Executive Officer and Chairman of the Board of the Corporate Legal Operations Consor-

tium (CLOC), the world's largest, fastest growing, and most active group of legal operations professionals. She publishes on the topics of the changing legal ecosystem and legal operations and speaks internationally on the topic of "Running Legal like a Business."

Connie holds a JD, an MBA, and a BA in Economics. She was selected as one of 100 Women of Influence in Silicon Valley for 2014 and was named one of the top 10 Deputy General Counsel in 2012.

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