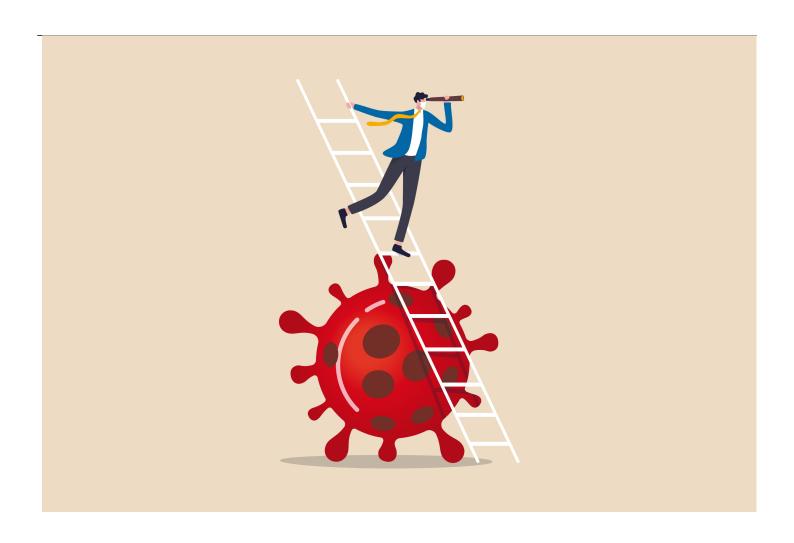# Beyond COVID-19: The 4 Steps to Sustainability in the "Next Normal"

Compliance and Ethics

Law Department Management

COVID-19 has sent shockwaves through the global economy — causing an estimated 94 percent of the world's organizations to impose workplace closure measures at its height. Analysts and commentators believe what started as a health crisis has changed the business landscape permanently.

Foreign Policy's spring 2020 issue asked "Is this the end of globalization?" World Economic Forum Founder and Executive Chairman Klaus Schwab and Thierry Malleret, co-founder of "Monthly Barometer," titled their new book *COVID-19: The Great Reset*. And analysts explored the most likely scenario for the new normality.

Five legal trends accelerated by COVID

For legal and risk management functions, the pandemic has changed how emerging trends are viewed by the business. Where requests to embrace change may have been met with a shrug before — if a reaction at all — COVID-19 has magnified those trends and elevated them. As drivers of a low-touch-high-efficiency "next normal," general counsel and compliance officers will need to adapt the way their teams work.

1. Working from home

Demands by young legal professionals for home-office solutions and a better work-life balance increased steadily prior to COVID-19. The requests were commonly attributed to millennials in Western economies. Working from home during the lockdowns not only revealed that, on average, it worked unexpectedly well, but also caused professionals across all age groups, jurisdictions, and corporate cultures to appreciate the flexibility and desire for a permanent and more flexible workspace.

Companies across the globe — including those that, not too long ago, declared an end to homeworking models — announced they would not bring their entire workforce back to the office but make flexible working solutions part of their corporate culture. Even departments reluctant to follow that trend will have to work with customers, suppliers, and clients that do — necessitating new workspace and behavioral adjustments.

2. Digitalization

On April 11, the *Economist* predicted "[Less globalization, more tech](#)." While "legal-tech" has been hyped for some years, corporate legal and risk management teams have been slow to embrace digitalization when compared to other functions. The need to switch from office to remote support, literally overnight, put legal and risk management teams that had already incorporated digital solutions into their support models at an advantage. They were able to rely on working collaboration tools, seamless digital contract management flows, and electronic signatures.

Digital components for legal and risk management support were once viewed as expensive gadgets but have been increasingly recognized as business enablers. One example is the use of electronic signatures. While not surprising that their use sky-rocketed during the height of the lockdowns, the interesting observation was that, even after we (and our customers) eased back into the offices, usage remained in our case at a constant 800 percent compared to before the crisis. In addition to the potential to rationalize by automation, digital collaboration tools will become a precondition for effective legal, regulatory, and compliance support.

3. Becoming "green"

Not only since the "Fridays for future" movement, corporations have been working on models to save costs and reduce their carbon dioxide footprint to become more "green." When the COVID-19 crisis

brought international business travel almost to a complete standstill, it fueled the question of how much travel is really needed. The undeniable impact on travel budget, paired with the reluctance to meet experts coming straight from an airport and even a reduced willingness by employees to undertake international travel, will very likely have a noticeable impact on legal and risk management functions' ability to fly experts to where they are needed. This may result in a re-evaluation of support levels, together with a shift of responsibilities from central to regional functions and the re-assessment of whether the corporate support structures are fit for purpose in the "next normal."

4. Increasing budget pressure

The budget pressure to reverse the trend (which began in the late 1990s) to build larger legal departments and respond to growing corporate demands, by simply adding resources, has (since the credit crunch of 2008) been mounting on legal and risk management functions. The COVID-19 crisis that sent entire industries into turmoil at an alarming speed and caused even healthy organizations to review their costs, accelerated budget pressure rapidly. As the lockdowns dragged on, many CEOs came to realize that certain low-risk areas that were routinely supported by their legal and risk management departments did not get the same level of attention. This was either because companies were not set up to facilitate support remotely or because the emergency measures put in place took more time and did not allow for coverage of the entire scope of responsibilities. General counsel and compliance officers, who are often under-resourced anyway, will be under a post-COVID "next normal" pressure to keep prioritizing and save costs.

5. Managing the data growth

The global trend of ever-increasing regulations and the resulting challenge for legal and risk management functions to digest more data at warp speed into knowledge and risk prevention programs were not caused by COVID. But the crisis made deficits painfully visible and the accessibility of information its first victim. Not only the access to information but also the meaningful distribution of it became more difficult and, in some cases, it came to a halt.

For example, legal seminars, frequent exchanges with legal experts, and trainings for our teams and clients, which in the majority of the cases were still carried out through on-site trainings and meetings, were suddenly no longer possible in these "old normal" formats. In addition to such structural knowledge management programs, the often underestimated (yet vital) internal information flow at the sidelines of meetings, corridor interactions with clients, and coffee machine chats fell away.

Newspaper knowledge, office gossip, the quick question or comment that appears not important enough to cross the materiality threshold that would, in times of increased workload, justify picking up the phone or drafting an email, turns out to be, more often than not, of utmost importance. As meetings decline in the "next normal," physical contacts generally reduced and the random gaining and sharing of information in canteens and at coffee machines less frequent, information flows and data management that are key to successful risk management will need to be more structured in the "next normal" — at least on the same level as pre-COVID, ideally better than before.

The 4 steps to sustainability in the "next normal"

Like many of my peers, I was impressed and excited to experience the dedication, professionalism, and good spirit with which our 100+ legal, regulatory, and compliance professionals (working in 17 locations across 14 time zones) kept up the support levels without interruption during the lockdown periods. It was also clear that the extra commitment and mobilization that COVID generated cannot be a constant ask. Sustainability in the "next normal" (beyond the obvious requirement of keeping our teams safe in an efficient workspace) necessitates the optimization of collaborative processes and structures, the improvement of data management, and the development of new soft skills. Fortunately, we didn't have to start from scratch as many transformation projects were already in motion but we had to make adjustments to prioritization and implementation. In the context of ease-of-implementation and inter-dependency, the transformation steps follow a four-step approach which we believe will ensure sustainable legal support and risk management in the "next normal."

Step 1: Fixing the basics — The new workspace

Flexible working (including working from home (WFH)) has been part of our strategy to attract talent in many markets for years. When COVID struck, we found ourselves in the comfortable situation of already having the essential technological requirements in place. Most of our staff and clients were familiar with WFH. In order to work efficiently in an expanding scope in the "next normal," the *new workspace* requires *collaboration tools* and a *behavioral framework*.

Collaboration tools

Irrespective if used at a fixed workplace, a flex desk, or WFH, collaborative tools and digital enablers are the precondition of the "next normal" workspace to increase productivity and reduce the burden of email. When we began our digital transformation, we were intentionally not looking at sophisticated AI solutions specifically targeting the legal or compliance market but, with the interoperability with client tools in mind, we sought to build on existing tools in use by other departments. Fixing the basics, we considered the minimum requirements:

- Secure videoconferencing systems, enabling internal and external calls
- Instant messaging to supplement phone and email to ensure fast response times
- Contract management tools automating approval flows, cross-referencing to
- Billing tools, facilitating electronic signatures, and providing document retention
- Cloud-based access to data, templates, information kits, etc.
- Global matter management tools facilitating resource allocation
- Optimization, and providing tracking and basic data analytics

Work schedules

Remaining productive in a distracting home environment, coupled with many customers and partners implementing new workflows, makes the work day a flexible concept that requires employees and managers to adopt a potentially unfamiliar time management regime. While goal orientation has clear advantages over mere presenteeism in the office, the downside of flexibility means that the boundaries between work and private lives tend to blur in times of intense workload. The "any-time-anywhere" availability (already driven by mobile devices) intensifies, which can lead to feeling frustrated and overloaded. To avoid that, we encouraged our teams to maintain a sense of normalcy by keeping normal business hours, avoiding overtime, and facilitating collaboration and planning by setting boundaries (like scheduling meetings in the middle of the week, avoiding sending emails late in the evening — just to get team members away from their "desks").

Direct communication

It may be stating the obvious, but communication became more important than ever. Isolation and email have a tendency to slow things down. Emails sent at the end of a long business day, multiplied by the same behavior by multiple recipients, can easily delay even simple matters by a few days. We encouraged our staff to use video instead of phone and phone instead of email wherever possible.

Distinct meeting types

As direct interaction with peers and colleagues in the familiar setting of an office space declines, engagement and purpose become more significant. Distinct meeting types can help. To promote direct engagement, we are institutionalizing monthly strategy calls with management and the teams to directly share developments but also to focus on selected topics of general interest (presented by the responsible professional). During the lockdowns, we held weekly "coffee catch-up" video meetings in small groups, intentionally forgoing an agenda, and open to any topic whether work-related or social (seeking to virtualize the coffee machine chat). Although requiring a certain effort to take time out of a busy schedule, mixing people who don't usually work in the same office and seeing them in the unfamiliar private home environment, ironically, brought us closer together while working remotely than when we were working side-by-side in our office space. Lastly, we increased the frequency of team meetings (without necessarily increasing the overall time invested) by shortening the duration of the meetings. Our aim was to keep the communication flow up. Switching from audio to video where possible helped build the connection.

Step 2: Implementing agile corporate structures

Even with the best tools and processes, remote work tends to take longer and requires better planning. What's more is that the ability to maintain the high support levels during the lockdowns was at least partly a result of having teams in place that knew each other on both a professional and personal level. Maintaining sustainable support structures in an evolving "next normal" with fewer interactions, while also providing legal support and integrating new team members will be a whole new challenge. It is difficult to develop trust with a chatbot or a voice six time zones away, and even more difficult to call an unfamiliar voice when trying to evaluate a suspected risk. In the "next normal," legal and risk management functions need to adopt a new style of working where cross-functional teams use methods that promote flexibility and speed, while at the same time keeping the client proximity that builds trust.

Global vision – Local care

Reduced ability to fly experts around the globe and greater budget pressure will likely lead to a

decline of central support functions and a push for stronger regional teams. Not only will such teams provide expert advice but they will have the necessary proximity to their clients — as well as understanding the local market and culture — that builds the trust necessary to deliver results. This requires skilled and empowered regional legal and compliance teams with more autonomy, but operating within the framework of a clear global vision and culture.

Vertical integration

One of the first steps we took during the lockdowns was to integrate the legal, regulatory, and compliance functions. By building a joint understanding, aligning objectives, and developing joint risk mitigation strategies, we moved from the traditional focus on legal, regulatory, compliance matters to a holistic enterprise risk program and approach, which also enabled us to expand our geographic footprint and client proximity — without increasing headcount.

Cross-functional alignment

Furthermore, we intensified the relations (including periodic reviews) with the service delivery, customs and trade, and operational teams — as well as the network of compliance and data protection officers not functionally reporting to the legal, regulatory, and compliance department — to raise awareness and create a closely knitted safety net to capture risk, without increasing resources.

To further reduce the workload pressure for the legal, regulatory, and compliance professionals, we started promoting a support model driven by associated risks, no longer just by functional responsibility. What sounds easy in theory provided some adjustment challenges in practice. For example, not everything dubbed as "legal" requires a qualified lawyer — which triggered a culture change for clients and lawyers that did not happen overnight.

For the "next normal," we are envisaging a risk-focused 4-Tier F.A.S.T. support model, pursuant to which we intend to provide **F**ull legal support for complex Tier 1 projects, followed by an **A**ccelerated light review of only key terms for Tier 2 projects for which we consider the risks to be medium and, finally, a combination of **S**elf-service tools and simplified **T**emplates utilized by empowered clients concluding low-risk projects — without direct involvement of the legal, regulatory, and compliance department.

A precondition for the model to work is simplicity of contract templates, which we simplified and shortened by 50 percent. We further launched a promising trial with a self-service tool enabling clients to create simple contracts and NDAs — which we long held do not require lawyers and can best and faster be managed by empowered staff outside of the legal department.

Step 3: Data and knowledge management

According to a [2012 McKinsey report](#), the average knowledge worker spends 19 percent of their time (1.8 hours) just looking for information. While tools and processes may have improved the search for information, regulation density has increased at least at the same pace. Even with the most elaborate tools and processes, it is challenging to keep abreast of legal, regulatory, and compliance developments on a global scale. Processing data into knowledge and meaningful risk prevention programs to ensure understanding and appropriate governance throughout the organization will be one of the key challenges for legal and risk management functions in the "next normal."

Data lake

The first step to data analysis and knowledge management is a working data lake. While it would be nice to have a fully operational data lake with e-research and alert functionalities, for starters, any central, safe, and globally accessible "data pool" (in the form of a cloud-based data repository — based on standard software) will do. The important points are that it has the necessary capacity and access is fast enough to resist the temptation to default to unconnected local storage as well as having an easy structure and the necessary discipline to actually use it as one central source of information.

Decentralized knowledge building

Combing through the vast amount of information and singling out the critical and the relevant is still labor and resource intensive. As the volume of legislation and regulation tends to grow with each year, central knowledge management teams, unless equipped with means most companies are not willing to invest, are fighting an uphill battle. We believe that the most efficient way in the "next normal" is decentralized knowledge management — where data gathering, the analysis of legal newsletters, leveraging local value partner relations and advising on legal and regulatory developments, etc., becomes a regional responsibility of everybody and not just a central regulatory, or knowledge management team.

Centralized risk management

By contrast, a centralized proactive risk management model — fostering a consistent approach to management briefings, providing weight, importance, and prioritization of risks and corresponding mitigation programs — will become more important in the "next normal." We dubbed our centralized program RADAR: Risk And Development Anticipation Repository — with the ambition to provide a holistic view, beyond the perimeter of just the legal, regulatory, and compliance functions, to establish a transversal and proactive approach to risk evaluation, prevention, and management.

A digital learning company

The "next normal," with fewer meetings, less ability for conventional class room trainings and less ability to pull in the lawyer next door, also requires new ways to share, maintain and overall improve knowledge — not only among the legal, regulatory, and compliance functions but also with our client base — by creating the culture of a learning company. This necessitates not only new ways of transporting knowledge and making it available on demand (i.e., by videos, podcasts, webinars, ideally all accessible from mobile devices) but also requires the skills to translate complex topics into easy to understand messages. The goal is not to impress clients with our mastery of complex matters but to raise knowledge and awareness so they can do things without having to consult the legal department.

Step 4: Soft skill development

In the rapidly evolving "next normal" — with increasing automation and the resulting shift to higher-value work in cross-functional teams (paired with stronger individual and regional empowerment), the race to keep up with an increasing amount of data and information — with technical legal, regulatory and compliance expertise — has become a basic requirement. In hiring and training, the development of soft skills will gain in weight and make the difference between a good legal, regulatory, and compliance team and a great one.

Cognitive skills

The evolution from a "subject matter expert" to a "wider project and result-oriented legal and risk advisor" demands creativity, critical thinking, language, and complex information processing skills, and the ability to make decisions. We experienced that a constant focus on the overall project result (beyond just the legal or compliance aspects; a corporate culture aiming for simplification and clear communication; and the setting of clear objectives to complete specific projects within a certain timeframe beyond a vague "provide good support to the business," encourages the development of cognitive skills.

Empathy

Despite being a subject of debate, we believe that empathy is also a skill that can be learned and is gaining importance in the "next normal." Empathy will (with less interaction and potentially less direct contact) become more important for managers in the legal, regulatory, and compliance functions to balance the teams' performance with accommodating individual member's needs and expectations.

As empathy comes more natural for some and is (in some corporate cultures) even seen as a sign of weakness, setting some guidelines that foster empathy, whatever you want to call it, will improve the teams' performance. Among those guidelines can be the expectation for regular bilateral feedback rounds, structured periodic or ad-hoc "emoticon" employee satisfaction surveys and behavioral guidelines such as not sending work assignments after business hours; empowering by setting clear objectives; trusting in the execution of tasks (including turning down escalations); and giving clear feedback when a task is done.

Ability to learn and re-learn

Finally and maybe among the most important skills is the ability and willingness to learn and re-learn. Not only in the health and safety context of COVID, but in conjunction with the rapidly changing geopolitical landscape and evolving and disappearing industries, will legal and risk management functions need to adapt to changes and adapt faster than ever before. Learning new laws, new technologies, and new ways of working will very likely demand lifelong learning beyond the fashionable use of the word. Promoting a corporate culture that puts innovation at its heart, is open to change; accepts and excuses mistakes as part of a learning company; and encourages the ability to give and receive critical feedback, will be essential.

Final thoughts

COVID-19 will not lead to the end of globalization but it has triggered transformative steps that general counsel and compliance officers of globally active legal and risk management functions need to consider to ensure sustainable success in the "next normal." In that sense, the COVID-19 impacts may have been, borrowing the famous words from Winston Churchill, not the end, not even the beginning of the end, but perhaps the end of a beginning.

[Dirk Naumann](#)

Executive VP, Legal, Regulatory, Compliance, and General Counsel

Orange Business Services

Dirk Naumann is the executive vice president, legal, regulatory, compliance, and general counsel for Orange Business Services. He is based in France.