Beyond Reporting: Developing a Metrics and Analytics Program

Information Governance

Media and Publishing

My company, AEP, is in the process of improving how data is shared within our legal department. The needs are clear, but I was feeling overwhelmed with the steps we needed to take. I reached out to Mike Russell, the legal operations leader at Trane Technologies, for advice on how to improve processes and evolve reporting from tabular to visual analytics.

I had a lot of questions for him. How can leveraging the data generated by our department help drive more informed decision-making and allow information to be more transparent? In this age of "big data" it is important to understand and use your business information to your advantage, but how do you know what type of approach is the correct one? An organization generates a large amount of data with thousands of options for analysis — where to begin?

But before digging into data-sharing approaches, let's review some basic terminology.

Reporting shows what has happened so far and what the status is. Reports often use standard or well-known formats to help people do their jobs better or more easily on a daily (or weekly, monthly, etc.) basis.

Business intelligence deals with what happened in the past and *how* it happened, leading up to the present moment. It identifies big trends and patterns without digging too much into the whys or predicting the future. Often using multiple sources of data, business intelligence lets you discover data relationships and explore new business possibilities. It identifies outliers and potential areas of concern or interest.

Business analytics deals with the why of what happened in the past. It breaks down contributing

factors and causality. It also uses these whys to make predictions of what will happen in the future. It tries to answer questions.

Mike told me that the need for a data-sharing initiative happens naturally, as people ask questions in an organization. In legal, it is often the general counsel and other leaders asking questions that start the process of establishing a more formal process to provide information. Without formal reporting, business intelligence, or business analytics, department resources may be spending considerable time manually mining for data. Gathering data manually into spreadsheets can work but is inefficient by nature. It can also lead to inconsistency and flawed information if mistakes are entered. Mike offered four basic steps to help identify a data-sharing approach:

1. Identify the questions you are trying to answer. Ask the requester what they are going to do with the data requested. Is it actionable or informational? You may need to limit informational and focus on actionable. How often will the data be needed? Who should receive the information? Understanding the long game helps create a more comprehensive view of the data and product.
2. Determine your data sources. What data is available? Look into your own legal systems and other corporate data sources. Identify what is already being tracked and how does it exist by answering, "What do we know, and how do we know it?"
3. Run through a mock-up/wireframe exercise of how you want to deliver the requested information. Present to your requestor to see if you are on the right track. Use real world data for your mock-up presentation because it helps your audience relate to the data and will enable better feedback.
4. Define meaningful metrics that support the long game of the requestor in addition to the mission and goals of your department. Identify ways to leverage your data to support and promote your department. Potential legal risks are an example of a mature legal department metric that can be generated and reported to a CEO or corporate board.

He told me to establish and articulate a data sharing strategy. This is where you will need to identify if the resources are available internally or whether you need to look externally, Mike counseled. He told me to ask the following questions: Are there tools already in use at your company that can be leveraged? Are there colleagues who already have experience in this area? A major step in this strategy will be identifying the mechanism for sharing data. If there is no platform or expertise in-house what is your next step? Do you use consultants and providers to help or educate from within? The answers to these questions depend on the company and its long-term strategy.

Here are six of the best practices I learned during this process:

1. When starting a data-sharing initiative establish a glossary for key terms so there are no misunderstandings for what is included in a report. "Date" is a term that needs to be defined. There are many different dates involved in legal billing, such as invoice date, line item date, approved date, and paid date. Another example of a term that seems simple but may cause confusion is "spend." What qualifies as spend for the reports and dashboards you will be creating — when invoices were approved, when invoices where sent to accounts payable, or when the invoice was actually paid? Defining these terms is company specific and each definition should be thought through and agreed to by department stakeholders.
2. Always include a footnote/data source/filters on reports so printed copies can be traced back to the system source and replicated with ease.
3. When building reports/dashboards think long term and include options that may be more than what was initially requested. Make filters available that make the report or dashboard usable

4. Your data must be correct. Providing data that is not right will lead to mistrust of the information provided in the future. Before providing information, review and make sure it makes sense. Validate the information before providing to your requestor, and be sure to clearly footnote all parameters so it's clear what is included and excluded — and be prepared to explain why.
5. Identify resources that will get to know your data. Blindly running reports is not very helpful but understanding the information generated is valuable. Validating data so it is understood will lead to identifying issues or opportunities.
6. At least annually, if not more often, query your analytics stakeholders about the value of the data and dashboards provided by legal operations — are they still utilized and adding value? Have aspects of the business changed such that the metrics and analytics should be updated?

[Julie Richer](#)

LEGAL OPERATIONS AND DISCOVERY MANAGER

AMERICAN ELECTRIC POWER (AEP)