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## **Signs of the Times: The Rise of Managed Legal Services**

**Law Department Management**



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corporate legal departments began disaggregating legal work, in-sourcing some, assigning other slices to legal process outsourcers or approved (often e-discovery) vendors. To better control the cost of work still being assigned to law firms, these legal departments also converged to smaller panels of law firms and began converting to value-based fees.



**Mark Cohen**

Of course, labor arbitrage is not enough nor is it sustainable, so with pressure on to deliver legal services better, faster, and cheaper — especially when it is being performed in-house — legal departments have increasingly employed legal operations professionals and hired managed legal services (MLS) providers to optimize how people, processes, and technologies are deployed to improve quality and efficiency.

Often, legal ops pros collaborate with MLS partners on strategic and operational projects, and the managed legal services providers can be deployed flexibly, becoming an extension of the legal department where needed. With an ever-widening swath of capabilities and talent that can be deployed across clients, MLS providers help keep the swings of the pendulum between in-sourcing and out-sourcing a little narrower.

Yes, the series of conversations I have mentioned are signs that veteran corporate legal operations professionals are a hot commodity, and the managed legal service providers that they often partner with are growing rapidly.

However, it was that conversation with Mark that helped me understand what the signs are really indicating. Mark and I have been getting together for lunch a few times a year since not long after he co-founded Clearspire in 2008, a virtual law firm built on an innovative technology platform that eschewed hourly-based fees. As the standard-bearer for the [ACC Value Challenge](#), I was rooting for them. When Clearspire folded, I shared his disappointment that general counsel were admiring — but

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not sufficiently buying — Clearspire's services.

As far as I could tell, Mark was in the enviable position of not requiring another employment gig. He went on to build [Legal Mosaic](#), a platform for writing, speaking, and teaching globally. But he clearly wasn't done yet in his quest to help bend the trajectory of the evolution of legal services. He underwent many rounds of discussions about joining one of the "big four" accounting firms, and ultimately turned down the opportunity. Now, he is joining [Elevate Services](#), assuming the mantle of chairman, board of advisors, and chief strategy officer, and has given me permission to share the news on [ACCDocket.com](#).

I see this appointment as a further indication of the growing overlap of the circles in the Venn diagram encompassing law firms, "big four" accounting firms, managed legal services providers, and corporate legal departments. Converging from different directions, they are all competing for chunks of a huge market: legal service delivery.

I reached out to Liam Brown, founder and executive chairman of Elevate Services (a 2017 [ACC Value Champion](#)) to sound him out on the evolution of the market. He speculated that the definition of the practice of law would continue to tighten, and also predicted that law firms will eventually stop ceding territory, as some of them begin to invest in the long game of providing competitive, technology-enabled legal service delivery models.

Clients, in some cases, are helping them do that. Consider, for example, that 2016 ACC Value Champion Lucy Bassli of Microsoft applied a managed legal services model in contracting work assigned to key law firms. That is valuable experience for those firms — experience that they can now take to other clients. Fellow law firm Value Champions Bryan Cave, Reed Smith, and Seyfarth Shaw have helped clients with operational improvements — stay tuned for more of that innovation.

Indeed, Mark has experience applying a managed services model on the law firm side (in addition to his years in "big law" and a trial lawyer), and is taking the lessons learned from that experience to an established pure-play MLS provider.

What resonated with me the most, however, is that two people who didn't need a "do-over" (Liam Brown had built the LPO Integreon before going on to establish Elevate), have now found common cause in playing a role in how the legal ecosystem evolves. After all, it's satisfying to help law departments — and law firms as well — deliver legal services better.

We at ACC share that enjoyment, and we hope that general counsel will continue to capitalize on the array of resources available to them as they take the reins in hand and apply value-focused sourcing and staffing strategies. As the saying goes, "all boats rise."

[Catherine J. Moynihan](#)



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