



## **Legal Ops Corner: The First 3 Principles of Legal Operations**

**Law Department Management**



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*Picking up from last month's inaugural column, this month's topic is the first principles of legal operations. Co-authoring the piece is Mike Russell, Head of Global Legal Operations at Expedia Group, drawing on his three decades of real-world experience standing up and running legal operations units at multiple companies. He is a frequently referenced author and speaker on the intersection of the practice of law, technological innovation, and business processes.*

Effective legal operations require an understanding of three key points:

- Legal operations is a specialized discipline.
- Strategic thinking is critical.
- Law department and legal operations leaders must convey their vision of success.

## **Legal operations is its own distinct field.**

Many lawyers may not realize that legal operations has evolved into its own specialized field. Although it involves business and organizational operations, it encompasses more than those. Law departments do not produce widgets, and they do more than provide services. Consequently, legal operations professionals must understand the law department's unique role in a business.

This includes a grasp of the issues (e.g., legal and regulatory risks) that legal-related processes must address, how legal culture impacts a law department's operations, and how other types of law organizations – i.e., outside firms, flexible staffing companies, and alternative legal service providers



– can add value.



Different law organizations show value by sharing their knowledge and influencing legal department operations. rudall30 / Shutterstock.com

***Listen to this audio excerpt*** of Steve Harmon and Mike Russell of the Expedia Group. They discuss setting up legal operations initiatives, the importance of metrics and data to build support for legal ops programs, and key benefits and critical considerations in implementing contracts lifecycle management (CLM) programs that combine technology, process, and people to reduce cycle times, accelerate revenue, and reduce procurement costs.

Audio file

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Our backgrounds reflect the value systems management experience adds to legal operations expertise. Russell is not a lawyer; he began as a technologist with a focus on project management. Harmon's pre-law background was in engineering, including an undergraduate degree in management information systems. Throughout our careers, we have drawn on our non-law-related knowledge and experience to optimize legal operations.

## **Legal operations requires strategic thinking.**

In a way, the term "legal operations" is a misnomer. Legal operations concerns more than helping a law department run better (however defined). Law departments exist to enable the business and create a competitive advantage; legal operations is an extension of that effort. Those overseeing and leading legal operations organizations must engage in long-term, big-picture thinking informed by a company's business and strategic goals.



Legal operations leaders ensure the business achieves their goals and objectives. Jirsak / Shutterstock.com

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Practically speaking, this translates into pursuing five objectives:

- Completing work faster
- Delivering higher quality work

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- Lowering and mitigating risk
  - Trimming costs
  - Optimizing resourcing (i.e., who is working on what, from where, when, and for how long)

These goals embody the five dimensions of legal operations: speed, quality, risk, costs, and resourcing. But those who run law departments should not think of each in isolation. Legal operations professionals must focus on what best advances the business's objectives. What tradeoffs (e.g., between speed and quality, costs and quality, etc.) make the most business sense, and how can a law department prioritize its work to add the most business value?

Priorities are not always self-evident. A strategic approach to problems can often identify ways for departments to self-fund their investments by immediately identifying savings to be redeployed to other longer-term projects with greater ROI but higher start-up costs.

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Russell's work at a large manufacturing company shows the magnitude of savings possible. The company spent over US\$100 million annually dealing with a massive tort and product liability portfolio. The company relied on a traditional approach: writing a huge check to national coordinating counsel to handle a backlogged caseload of over 100,000 lawsuits, plus nearly 5,000 new filings annually.

Russell and his colleagues determined multiple benefits would come from bringing the work in-house and setting up a case evaluation process to determine whether to settle or litigate a particular case. This would help reduce time spent on cases, decrease risk, improve resource allocation, and lower costs.

As part of standing up that process, Russell and his team disaggregated the work (e.g., various aspects of discovery), brought on a service provider, and began to leverage flex staffing. This approach was significantly less expensive than having a single law firm handle everything; specific lawyers at numerous regional firms were selected as local counsel, in effect creating a data-driven nationwide "virtual law firm", reducing legal fees, and indemnity payouts by more than \$30 million over five years.

## **Legal operations involves pursuing a vision.**

Unless a law department is already functioning perfectly, changes are necessary. In our experience, adopting new technology and tools is usually the easiest part (assuming proper training and well-documented procedures). The more challenging piece is almost always organizational adoption and changing lawyers' mindsets and law department culture.



To grow and improve a business, lawyers must be open to change and adjusting their mindset.  
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Getting lawyers to change how they approach work requires sharing the organization's desired future state and how it ties into the broader corporate mission. By internalizing leadership's vision of what the law department should be, lawyers can understand what they should be doing, what they should stop doing, and what they should do differently.

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Communicating that vision is crucial in persuading lawyers and their law department colleagues to adopt new technology, processes, and ways of thinking. In our experience, persuasion is not a matter of communication but a process. It involves two critical types of interactions with stakeholders. The first is listening to them to understand their pain points, needs, concerns, and objectives. The second is empowering them by demonstrating you are responsive to their input. Those two activities go hand-in-hand with communicating leadership's vision, describing objectives, and explaining how new technology and processes will help achieve those objectives.





Communicating your vision as an in-house counsel is imperative for the future of the organization.  
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A final note: the three points emphasized above are interdependent. Legal operations experience is critical but is not a substitute for strategic thinking. Likewise, even the best strategy is worthless if law department members do not understand the strategy's purpose. Successful legal operations require the right professionals, a sound strategy, and socializing a vision of what you aim to achieve.

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[Steve Harmon](#)



General Counsel / Chief Operating Officer

Elevate



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Elevate General Counsel and Chief Operating Officer Steve Harmon is an internationally recognized leader in the genesis of and continuing evolution of legal operations and the professionalization of the field. He co-founded CLOC (the Corporate Legal Operations Consortium) and his 20-plus years of experience includes business development and in-house legal organizations. He was vice president and deputy general counsel at Cisco. His responsibilities included technology licensing, oversight for the legal development of product lines, Global Export Compliance, Trademarks, and Cisco's award-winning legal operations function.

Harmon received his JD and BS in Management Information Systems and Services from Brigham Young University.

## Mike Russell



Head of Global Legal Operations

Mike Russell has been building teams and designing systems to continuously improve legal operational efficiency and value for nearly 30 years. A frequently referenced author and speaker firmly entrenched at the intersection of law practice, technological innovation, and business process expertise in legal service delivery, he currently serves as head of global legal operations for Expedia Group. He previously established and led legal operations for the Ingersoll Rand (now known as Trane Technologies) Global Legal Department. His journey also includes advising the formation of visionary law company Clearspire, along with nearly 15 years as director, strategic legal technology for Liberty Mutual Insurance Enterprise Legal Services - transforming a corporate legal department of 1,800+ professionals across 70+ locations with \$1B+ managed legal spend.