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What is Legal Operations?

Law Department Management





There has been a lot of industry buzz about legal operations, or “legal ops.” A number of articles, blogs, and large industry groups are focused solely on this field. I personally take about five surveys a year related to legal ops, and more and more companies are hiring legal operations leads. So, what exactly is legal operations, and why is it important to your department?

Generally, legal operations is the continual focus on core departmental processes to identify improvements with the end goal of achieving higher efficiencies. The potential scope of legal ops could include vendor management, financial management, reporting and data analytics, knowledge management, strategic planning, technology and innovation, communications, litigation support, and business process improvement.

Each law department is different, and what works for one company may not work for another. So, it is important to understand the goals of establishing a legal operations team — and focus on those goals as you move forward. The reporting structure of legal ops varies by company, but there are trends that have been identified in surveys. Operations could be a party of one or a team of people.

The benefit of having a specialist (or team of specialists) who focuses solely on operations allows that person or team to deeply understand core department processes, learn about potential technologies, study industry benchmarking, and continually focus on a short-term and long-term strategy. Most strategic transformation does not come from one project but from continual innovation, training, and change.

Your operations personnel are not just order takers; they are there to partner with your department

staff. A true operations team is a partner of the general counsel and department practice areas. They should be empowered to ask questions and push the status quo. The way legal ops is introduced to your department will influence how the operations team members will be viewed and accepted. If they are introduced as holding support roles, that is how they will be viewed; but if they are introduced as innovators and drivers of change, people will expect them to dig into business processes, collaborate with lawyers to understand pain points, and work to provide new solutions. If you already have an operations team but progress and change are stalling, perhaps rebranding can set the stage for success.

I attended a conference where someone compared working in legal ops to working as a lifeguard. They said the job of operations is to watch over the legal department and blow the whistle when things are spotted that don't seem right, but the overall goal is to never need to actually go into the water. Rarely do you see a lifeguard enter the water, because the rules of pool engagement are clearly posted, and the whistle is used when swimmers disobey these rules. I came back from that conference and bought whistles for each of my team members to hang in their workspaces to remind them that we are empowered and expected to watch over the department and raise concerns, voice opinions, and ask questions. Don't worry; we don't run around blowing whistles and posting rules in the hallways — even if it has crossed our minds a few times.

Having a dedicated operations function allows for a continual strategic view and effort to drive efficiencies. Don't just take my word for it, read some recent industry surveys regarding the impacts and effectiveness of legal operations. ACC's legal department management benchmarking shows that outside spend as a percent of revenue is 19 percent lower if there's at least one legal ops professional in the department; and contract cycle time is 16 percent lower. According to research by Gartner, legal ops is becoming more common: 34 percent of legal departments have a dedicated legal ops professional and of those, 70 percent employ multiple people in legal ops roles. Companies that invest in legal operations have 30 percent lower legal spend than companies that don't.

What subjects would you like to see covered in the Docket's new Legal Ops Brief column? Send topics of interest to me at jmricher@aep.com.

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Julie Richer



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