

HighQ

Deploying technology to
optimize legal operations

August 23rd, 2018



Introductions

- **Jennifer Prisco** - former ACC Chapter President and Chief Legal Counsel and Ethics Officer, Red Lion Controls.
- **Paul Siegel** - Enterprise Account Executive at HighQ. He partners with in-house corporate legal teams to help them improve collaboration, drive efficiency and optimize legal operations with HighQ's solutions.

Agenda

- The rise of the lean legal department
- Using technology to optimize legal operations
- Technology trends for legal departments
- What tools are legal teams deploying now
- Overcoming barriers and ensuring a successful deployment
- The ideal tech-state of a legal department in 2020

The lean legal department

- New paradigm - do more with fewer resources and reduced budget
- Requirement for legal department to act as strategic business partner
- No longer a cost center - more strategic and commercial in nature
 - Look at legal as a business partner, not as an admin resource
 - Speed to market / self help and single point of contact
- The move towards “lean legal”
- Lean legal departments are driving change within the legal profession
- Growing emphasis on legal operations to manage change



*Today, legal departments face a choice:
evolve or fall behind.*

*The best organizations are turning to
legal operations to empower attorneys
and increase impact”.*

Christine Coats, VP of Legal Operations at Oracle and CLOC CFO

The rise of legal operations & legal-tech

45%

of legal departments rate the maturity of their legal operations function as in use or evolving; **33%** say that legal operations is in the early stages of adoption.

- *Consero Corporate Legal operations Report 2018*

70%

of legal departments say legal operations is a high priority (30%) or a medium priority (40%).

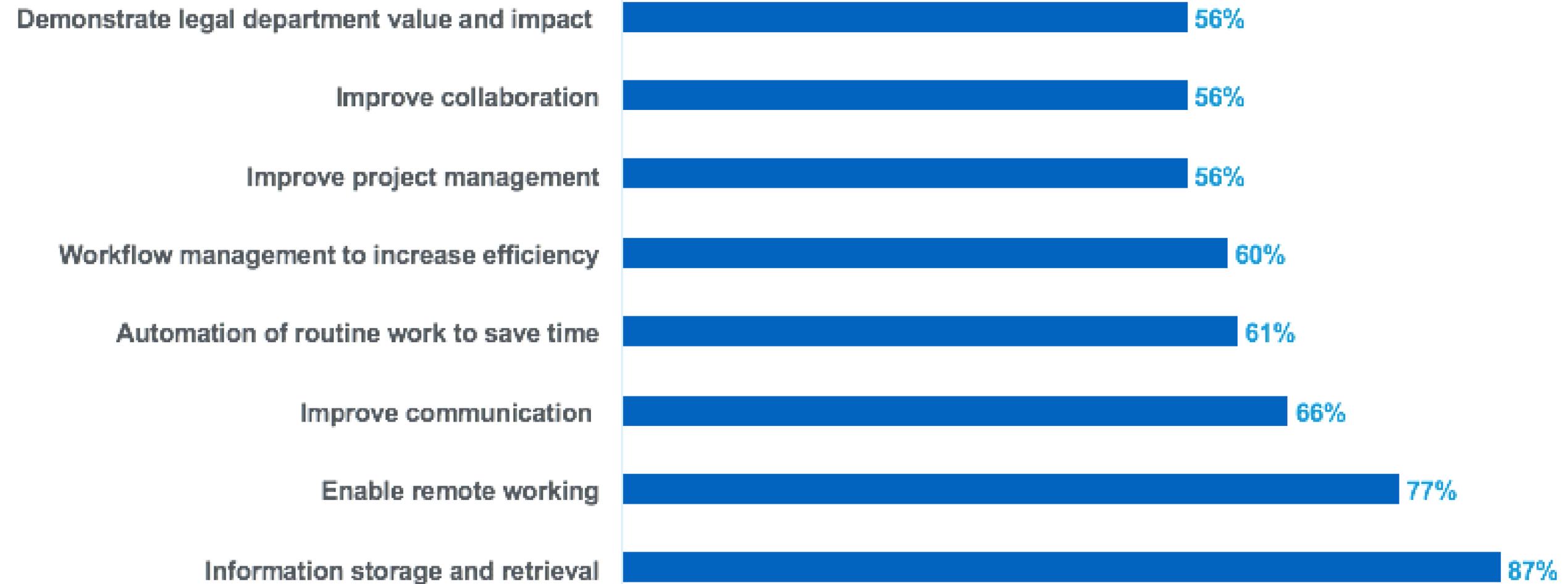
- *Acritas 2018 State of Corporate Law Departments*

50%

of legal operations professionals will primarily be focused on legal technology management in the next 12 months.

- *Consero Corporate Legal operations Report 2018*

How can technology help?



Legal tech for in-house

- Benefit trends: efficiency, collaboration, effectiveness, value delivery and improved decision making
- Free up time to invest in high-level strategic advice
- Enables more work to be taken in-house
- Enhances collaboration and transparency between business functions and with external counsel
- Better decision making, reduced risk, raised profile of the legal team
- Helps deliver a consistent legal service to the business

Where to focus your efforts.

Collaboration

- Cloud-based tools drive internal and external collaboration
- Greater efficiency and better legal and business outcomes
- Connect people, process, documents and data, providing a single source of truth
- Embed business-facing tools such as intake management and self-service document assembly, as well as know-how
- Trend towards collaboration portals with external counsel

Automation & workflow

- Legal departments traditionally characterized by manual processes
- Increasing focus on utilizing technology to automate routine processes
- Examples include:
 - Document assembly
 - Contract management systems (e.g. automated approval)
 - Expertise and knowledge automation (e.g. playbooks)
 - Automated regulatory tracking
 - Invoice processing (**4.5%** reduction in external spend - *Blue Hill Research*)

Data, metrics and analytics

- Vital to harness data to deliver analysis and operational insight
- **56%** of legal operations professionals say they do not have a formalized metrics/reporting program *Consero Corporate Legal operations Report 2018*
- Main use is managing legal expenditure and prediction of legal costs
- Transparency helps management of external law firms
- Data also powers business intelligence and helps drive decision making and legal operations efficiency (**data-driven culture**)
- Analytics to become more predictive, e.g., early warning systems

Machine learning/AI

- Machine learning technology can help with the legal heavy lifting
- Using machine learning tools for routine tasks can help reduce cost and timescales, and free up lawyer time for higher-value advice
- Application of machine learning to large data sets can assist in decision making to improve legal and business outcomes (predictive analytics)
 - Surface risk and value from a contract portfolio (**5-12%** loss of contract value due to poor contract administration - *Kira*)
 - Save cost in contract review and analysis (**80-90%** cheaper - *LawGeex*)

A quick word about AI

- Despite the buzz, research by HBR Consulting shows that among legal departments:
 - 6%** deemed AI as "**high priority**" or have it **deployed** in-house
 - 20%** will be considering AI over the **next few years**
 - 43%** said AI is "**not a priority**" or a "**low priority**" for their department
 - 31%** said AI tools were "**not even on our radar**"
- AI is not a silver bullet - it must be framed in the context of solving real-life problems
- But... AI has a big part to play in several areas: contract due diligence, contract analysis, discovery, legal research, expertise automation, legal analytics

The in-house legal-tech landscape

The landscape depends on the maturity of the legal department:

Basic

- Spreadsheets for tracking/analyzing legal operational data
- Limited file management
- Online legal research tools

Intermediate

- Internal collaboration
- External counsel extranets
- Full document management
- Matter management
- E-Billing
- Contract management
- Records management
- Contract due diligence (machine learning)
- IP Management
- E-Signatures
- Document assembly (self-service)
- Intake management
- Knowledge management

Advanced

- External counsel relationship portals
- External counsel selection platforms
- E-Discovery
- Contract analysis systems
- Full contract lifecycle management
- Workflow/knowledge automation
- Compliance tracking and warning systems
- Predictive systems
- Legal project management (LPM)
- Legal metrics and analytics (MI and BI systems)

Barriers to digital transformation



How to ensure a successful deployment

- Utilize your current “digital toolbox”
- Develop a legal technology strategy
- Look for broad appeal
- Don’t relinquish decision making
- Link the business case to value
- Prioritize cloud solutions
- Integration is everything
- Combine technologies for greater impact
- Start small and deliver quick wins
- Utilize value metrics to demonstrate ROI
- Collaborate with external counsel
- Invest in new roles and skills sets
- Deliver a robust training program
- Ensure ongoing awareness, support and feedback

The 2020 tech-driven legal department

- Long term, metrics-driven technology roadmap
- Legal technology tools are successfully embedded and widely adopted
- Technology has optimized internal collaboration and engagement with external law firms
- The legal department is strategically collaborating with its external law firms
- Data-driven culture powered by data, metrics and business intelligence tools
- Data is collated globally across systems (and from external counsel) for analysis and aligned with department reporting metrics
- Comprehensive technology training and support program in place
- New technology-focused roles within the legal department

Always put value before technology

- Technology is an enabler, not a solution
- Focus on value-driven solutions, with or without technology
- Technology solutions must be linked to the goals and objectives of the in-house team
- There is too often a technology-value disconnect
- **78%** of legal departments use an e-billing system, but **71%** saved less than **25%** of outside spend in doing so *Consero Corporate Legal operations Report 2018*



Questions?