



# ACC LEGAL OPERATIONS

## MATURITY MODEL FOR THE OPERATIONS OF A LEGAL DEPARTMENT

ACC Legal Operations offers this as a reference model. Legal department leaders are encouraged to use it as a tool to benchmark maturity in any given area(s), bearing in mind that based on department size, staffing and budgets, aspirational targets will vary.

	EARLY STAGE	INTERMEDIATE	ADVANCED
<b>Change Management</b>	<ul style="list-style-type: none"><li>• No systematic change management (CM) process or strategy</li><li>• Change tends to be reactive as opposed to proactive and is often viewed with cynicism due to false starts</li><li>• Communication is ad hoc, if any; most information spread by hearsay</li></ul>	<ul style="list-style-type: none"><li>• Systematic approach has been developed and is applied for most major projects</li><li>• CM is an acknowledged ingredient for success but responsibility is left to the project team (not a part of the overall culture)</li><li>• CM is part of planning whenever a major change is being contemplated; some effort made to address CM through communications to the affected staff</li></ul>	<ul style="list-style-type: none"><li>• Standardized processes for managing change embedded in all activities; project management is used in all major initiatives and CM is embedded in all project plans</li><li>• CM experience/competency is evident throughout the organization and is a fundamental part of department culture</li><li>• Both the department and affected clients are systematically informed about change initiatives; feedback is sought and addressed so that participants feel engaged and informed</li><li>• If warranted, staff includes change management resources</li></ul>
<b>Compliance</b>	<ul style="list-style-type: none"><li>• Compliance is decentralized in business units across the company</li><li>• No clear definition of compliance</li><li>• No annual training OR bare minimum required by statute/regulations/settlement agreements</li></ul>	<ul style="list-style-type: none"><li>• Centralized compliance function</li><li>• Policies and procedures drafted</li><li>• Gap analysis conducted and strategic plan in place</li><li>• Undertaking automation and systematization of compliance processes</li></ul>	<ul style="list-style-type: none"><li>• Enterprise-wide compliance plan documented, published and communicated</li><li>• Annual compliance testing plan in place</li><li>• Tool(s) deployed to track and mitigate future risk, (e.g. Governance, Risk and Compliance application(s))</li><li>• Protocols and processes developed to identify security and compliance risks as they arise and correct them in real-time</li></ul>
<b>Contract Management</b>	<ul style="list-style-type: none"><li>• No contract management tool</li><li>• No central repository (contracts saved in multiple locations, e.g. shared drives, hard drives, etc.)</li><li>• Ad hoc legal review</li><li>• No signature policy or weak enforcement/compliance</li><li>• Contracts not completely executed</li><li>• Inconsistent terms; multiple versions</li></ul>	<ul style="list-style-type: none"><li>• Contract lifecycle management tool in place (some automated contract creation, standard contract workflows, approval processes, e-signatures)</li><li>• Central repository in place</li><li>• Authoring supported by family templates, clause libraries, redlining &amp; version control</li><li>• Reporting &amp; audit/history capabilities; operational metrics; obligation tracking; expiration alerts</li><li>• Standardized processes, templates; focus of lawyer review is on exceptions only</li><li>• Signature authorization policy in place; compliance is strong</li></ul>	<ul style="list-style-type: none"><li>• Contract lifecycle management tool is utilized enterprise-wide, leveraging systems integrations (e.g. with procurement and sales systems) and collaboration with supplier portals; nearly paperless</li><li>• Single repository contains all contracts (buy and sell side); robust searchability supports compliance</li><li>• Reporting and metrics are robust, including business intelligence driving continuous improvement in terms</li><li>• Standardization, risk calibration and playbooks allow extensive contract creation/execution with no Legal Department involvement</li><li>• Signature policy is governed through automation; 100% compliance</li><li>• Focus is on operational improvement, reducing cycle times and disputes; investing effort only in highest risk/complexity contracts</li></ul>
<b>eDiscovery</b>	<ul style="list-style-type: none"><li>• All e-discovery coordinated by outside counsel</li><li>• Litigation support (including document review) handled by outside counsel</li></ul>	<ul style="list-style-type: none"><li>• Internal dedicated e-discovery resource to coordinate collections and advise on strategy</li><li>• Limited use of 3rd party services for first level document review</li><li>• Use of in-house tools for collections, search and preparation of electronically stored information (ESI)</li></ul>	<ul style="list-style-type: none"><li>• Full end-to-end e-discovery program</li><li>• Use of predictive technology to limit human review</li><li>• Regular use of document review services</li><li>• Internal coordination with IT to identify potential e-discovery issues with new technologies</li></ul>

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<b>External Resources Management</b>	<ul style="list-style-type: none"> <li>• Virtually all work that is outsourced is directed to law firms</li> <li>• Law firms are at arm's length from in-house department; relationship may be somewhat untrusting or adversarial</li> <li>• Law firms are managed by frontline counsel</li> <li>• Ad-Hoc billing rates, engagement, and billing standards</li> <li>• Limited invoice review and analytics</li> <li>• Lack of supplier evaluation program</li> </ul>	<ul style="list-style-type: none"> <li>• Limited use of alternate legal service providers (LSPs)</li> <li>• Concerted effort to improve collaboration with law firms and other LSPs (e.g. through feedback, conferences, joint process improvement efforts)</li> <li>• In-house resources (often legal operations) are overseeing cost effectiveness of law firms and LSPs</li> <li>• Billing guidelines are acknowledged &amp; enforced through rigorous bill review</li> <li>• Alternate fee arrangements (AFAs) are in limited use and are not incorporated into billing/management systems</li> <li>• Some informal or ad hoc law firm/supplier evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Sourcing decisions are ongoing considerations and LSPs are integrated in legal services delivery model; use of legal suppliers is driven by value provided at phase/task level</li> <li>• Law firms/LSPs are considered value producing business partners; continually improving performance and relationship</li> <li>• Outside counsel and vendor management are centralized function(s) within legal operations; involvement in RFPs, engagements, pricing, and performance review</li> <li>• AFAs considered on all matters &amp; heavily used; systems smoothly incorporate/support AFAs in billing and metrics/dashboards; procedures exist to assess value and reconcile pricing to cost variances</li> <li>• Frequent review of budgets and performance (at least quarterly); standardized supplier quality/performance metrics; regular, structured and mutual feedback</li> <li>• Vendor management metrics integrated with GC dashboard</li> <li>• Systematic use of value-adds (e.g. training, secondments) and value-enabling capabilities such as firm/LS- provided project management and technology</li> <li>• Win rates (outcomes) are considered in vendor selection</li> </ul>
<b>Financial Management</b>	<ul style="list-style-type: none"> <li>• No standard processes in place</li> <li>• No budget or budget set by corporate accounting function.</li> <li>• No metrics and analytics</li> <li>• Timing is ad hoc</li> <li>• Budget tracked via spreadsheets and/or word tables, if at all</li> <li>• No forecasting and accrual accounting</li> <li>• No reserves or contingencies set</li> </ul>	<ul style="list-style-type: none"> <li>• Standard processes exist but are not documented or well known</li> <li>• Budget set by central legal operations or corporate accounting function. Legal operations is accountable for spend and budget</li> <li>• Metrics and analytics reactive and not centralized</li> <li>• Timing is driven by external party (e.g. corporate finance)</li> <li>• Budget tracked via spend management system</li> <li>• Forecasts done as requested. Accruals done on large matters</li> <li>• Reserves and contingencies set on large matters and/or through informal conversations - undocumented</li> </ul>	<ul style="list-style-type: none"> <li>• Standard processes defined, documented and communicated through published policies and procedures</li> <li>• Budgets developed and managed by practice areas and functions, rolling into a department budget managed by Legal and reported to Corporate Finance and Accounting</li> <li>• Defined reports, metrics and dashboards distributed according to a defined schedule with assignees and real time data</li> <li>• Timing is driven by Legal (in support of corporate calendar) via published, communicated timeline and/or project plan</li> <li>• Budget tracked via standardized tools and systems utilized enterprise wide (within Legal)</li> <li>• Forecast and accruals standard, automated with technology and according to a defined timeline</li> <li>• Reserves and contingencies set via a standard, defined, and defensible process for tracking and reporting reserve recommendations and aggregated legal contingencies</li> <li>• Regular budget reviews with the Sr. Leadership team</li> <li>• Overarching financial strategy in place</li> <li>• Manage, track, report and benchmark key performance indicators (KPIs)</li> </ul>

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<b>Information Governance (Records Management)</b>	<ul style="list-style-type: none"> <li>Information governance and recordkeeping are not addressed at all or in an ad hoc manner</li> <li>Employees generally keep everything</li> </ul>	<ul style="list-style-type: none"> <li>Information governance and recordkeeping addressed by the business</li> <li>Enterprise policy and retention schedule exist but are not enforced</li> <li>Employees are trained on policy and retention schedule</li> <li>Essential or minimum requirements meet the organization's legal, regulatory and business requirements</li> <li>Still missing opportunities for streamlining business and controlling costs</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise policy and retention schedule regularly communicated and enforced</li> <li>Policy and retention schedule reflect regulatory requirements</li> <li>End-to-end document/record life cycle management</li> <li>Information governance integrated into overall corporate infrastructure and business processes</li> <li>Information governance plays a critical role in cost containment, competitive advantage and client service</li> <li>Information governance phase gate included in all IT projects</li> </ul>
<b>Internal Resources Management</b>	<ul style="list-style-type: none"> <li>Training limited to continuing legal education (CLE) for attorneys</li> <li>Performance management limited to execution of the corporate program</li> <li>Employee recognition is limited to the corporate program</li> <li>Succession planning as required by corporate program</li> <li>Employee engagement surveys limited to corporate program</li> </ul>	<ul style="list-style-type: none"> <li>Training for all law department employees (not just attorneys)</li> <li>Legal department-specific talent development protocols are in place for all employees, featuring identification of development opportunities (e.g. special projects or rotations), as well as succession planning</li> <li>Legal-specific or tailored employee recognition program</li> <li>Legal-specific or tailored engagement surveys</li> <li>Legal-specific onboarding checklist</li> <li>Documented employee related policies (e.g. bar dues reimbursement; dress code; etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Robust talent development, retention and engagement program, reflecting strategic priorities (can feature diversity, pro bono, community service initiatives, rotations, flexible work options, etc.)</li> <li>Intern/extern programs</li> <li>Law department specific engagement surveys and action plans</li> <li>Formal work processes and procedures (SOPs)</li> <li>Employee networking programs</li> <li>Staffing optimization (right work to the right level)</li> <li>Coordinated employee communication protocols and methods (e.g., department website, community pages)</li> </ul>
<b>Intellectual Property Management</b>	<ul style="list-style-type: none"> <li>Manual trademark docketing via spreadsheet</li> <li>Manual patent tracking</li> </ul>	<ul style="list-style-type: none"> <li>Automated patent and trademark docketing (service provided country rules)</li> <li>Basic patent workflow</li> <li>Integrated patent annuity and trademark renewal decisions/ payments</li> </ul>	<ul style="list-style-type: none"> <li>Fully integrated IP system (patent application and trademark registration, plus enforcement)</li> <li>IP Analytics dashboard</li> <li>Brand Management</li> <li>Integrated intake for invention disclosures, product clearance requests, and trademark clearance requests</li> </ul>
<b>Knowledge Management</b>	<ul style="list-style-type: none"> <li>Little or no intention to formally manage organizational knowledge; no knowledge sharing mechanism</li> <li>Communication about who knows what or where knowledge assets (KAs) may be found are ad hoc or nonexistent</li> </ul>	<ul style="list-style-type: none"> <li>Some KM practices in place, using a centralized repository, intranet or other knowledge sharing mechanism for some categories of knowledge</li> <li>A culture that recognizes and rewards at least some organizational knowledge sharing</li> <li>Rudimentary documented communication about who knows what or where KAs may be found</li> </ul>	<ul style="list-style-type: none"> <li>KM is well established, deeply integrated and continually improved</li> <li>Mechanisms and tools for curation, easy finding and sharing of KAs are leveraged and valued throughout the organization</li> <li>KM is a required part of workflows and a standard component in organizational processes</li> <li>Systematic knowledge sharing is accepted as fundamental; KAs are celebrated and directories are maintained and accessible by staff and clients</li> </ul>
<b>Metrics and Analytics</b>	<ul style="list-style-type: none"> <li>Manual tracking</li> <li>Methodology differs by practice area (silos)</li> <li>Focus is on external spending, mostly for budgeting purposes</li> </ul>	<ul style="list-style-type: none"> <li>Most metrics generated through manual synthesis of data from disparate systems</li> <li>Ability to analyze external spend on a variety of dimensions; analytics applied to law firm performance management</li> <li>Some metrics are established for internal performance management</li> <li>Limited to relatively few, proven metrics (reducing/avoiding overload)</li> </ul>	<ul style="list-style-type: none"> <li>Well established automation for integrating and dashboarding of information.</li> <li>Well balanced across financial controls, outcomes, and operational efficiency</li> <li>Clearly linked to organizational objectives</li> <li>Leading &amp; lagging indicators of performance (including predictive analytics informing decision-making)</li> <li>Measured relative to baselines, benchmarks and targets</li> </ul>

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<b>Project &amp; Process Management</b>	<ul style="list-style-type: none"> <li>• No or ad hoc project oversight</li> <li>• Lack of standardized processes or process evaluations</li> <li>• Organized teamwork is ad hoc and rare</li> <li>• Little to no executive sponsorship</li> <li>• Ignorance across the department about the benefits or principles of project and process management</li> <li>• Project participation and change communications are piecemeal</li> </ul>	<ul style="list-style-type: none"> <li>• Formal project management (PM) is applied in some cases, and staff is broadly familiar with the process</li> <li>• Leadership drives process reviews and improvement initiatives are conducted in extreme situations; some work processes have been made systematic (e.g. supported by mapping)</li> <li>• Staff is fostering best practices and are encouraged to evaluate and improve individual and department practices; they have had some good experience with both project management and process improvement and know to suggest or accept them in certain circumstances</li> <li>• Skilled resources have been identified and some dedicated time is allocated</li> </ul>	<ul style="list-style-type: none"> <li>• Formal PM is applied in all appropriate cases, and staff is very familiar with PM process</li> <li>• Executive sponsorship is visible but staff owns the outcomes</li> <li>• Process improvement is methodically and continuously conducted in all appropriate situations and driven from within affected groups; most work processes have been made systematic and documented</li> <li>• Continuous improvement review; project and process management have become an integral part of the culture; staff are highly motivated to evaluate and improve individual and department practices</li> <li>• If warranted, experienced PMP and/or lean resources are part of the staff</li> <li>• Good visibility into projects, processes and metrics documenting ongoing impact</li> </ul>
<b>Strategic Planning &amp; Legal Operations Leadership</b>	<ul style="list-style-type: none"> <li>• No legal operations strategic planning process</li> <li>• No legal operations strategic plan</li> <li>• No alignment among legal department financial, staffing, technology, and outside counsel decisions</li> <li>• Informal and reactive approach to operational decisions</li> <li>• No measurements and metrics regarding legal operations decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Formal process identifying current state, where you are going, how you will get there (strategies, goals, and desired outcomes)</li> <li>• Published legal operations strategic plan, identifying specific activities aligned with department and company goals</li> <li>• Alignment of all legal department financial, staffing, technology, and outside counsel decisions</li> <li>• Formal process regarding operational decisions</li> <li>• Identifying, capturing, and reporting on key data and other measures to assess progress against goals and plans</li> </ul>	<ul style="list-style-type: none"> <li>• Annual legal operations planning process, designed to produce plan before submission of annual budget</li> <li>• Quarterly reviews and updates to legal operations strategic plan</li> <li>• Strategic management of all staffing, technology, and service delivery strategies</li> <li>• Legal operations goals, strategies and activities embedded in legal team talent development and assessment activities</li> <li>• Quarterly reports and monthly dashboards shared with Leadership regarding progress against goals and plans</li> </ul>
<b>Technology Management</b>	<ul style="list-style-type: none"> <li>• Complete reliance on corporate IT</li> <li>• Limited technology deployment and user adoption</li> <li>• Spreadsheets for data/metrics, project management, etc.</li> <li>• Knowledge stored on individual workstations</li> </ul>	<ul style="list-style-type: none"> <li>• Legal is coordinating with corporate IT, often with a designated liaison and helpdesk support</li> <li>• Technology roadmap is focused on leveraging current technology within Legal, driving adoption and establishing some integrations</li> <li>• Training is ad hoc</li> <li>• Typical systems in place include basic matter management, e-billing, document, contract, and IP management</li> </ul>	<ul style="list-style-type: none"> <li>• Legal is focused on aligning business processes across the enterprise using technology</li> <li>• Longer-term (5-year) technology roadmap; benchmarked &amp; adapted as environment changes</li> <li>• Process in place for research, scenario planning and piloting artificial intelligence (AI) and emerging technologies</li> <li>• Technologists or legal ops leaders evaluate changes in technology and develop implementation strategies; drive continuous improvement in user adoption</li> <li>• Training and user support protocols are well established</li> <li>• Strong integration among systems in Legal, and as appropriate across the enterprise</li> <li>• Systems include e-discovery, knowledge management, collaboration, full contract lifecycle management; workflow automation; and applications designed to anticipate/mitigate risk (e.g. tracking new regulations, trends in consumer complaints, deficiencies identified in audits)</li> </ul>