



2019 Corporate Legal Operations Survey Report

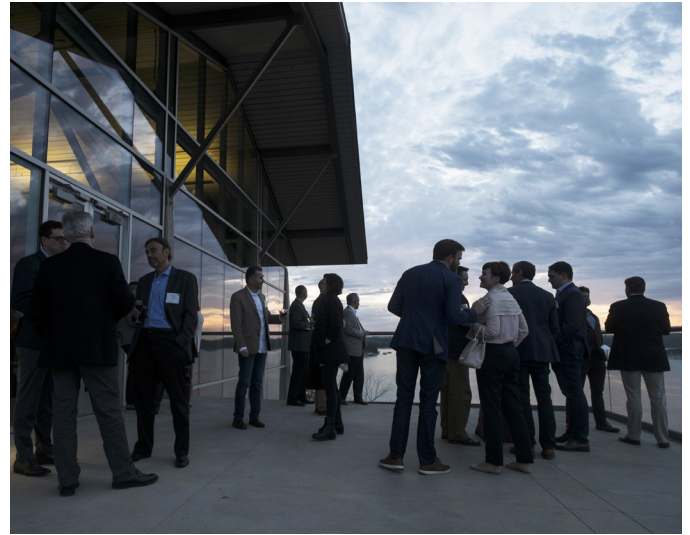
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2019 Corporate Legal Operations Survey Report

Legal operations executives juggle the business, processes, and people of in-house legal teams to support these departments in protecting and growing their companies. This balancing act requires a multidisciplinary set of skills including strategic planning, legal data analytics, tool investments, and vendor management. While the chief legal officer of some companies might be tasked with facilitating legal operations, an increasing number of businesses are charging a separate executive with these responsibilities. The following report was designed to provide greater insight to this collective group of executives.



Survey Structure & Methodology

Consero created its 2019 Corporate Legal Operations Report in connection with its 2018 Corporate Legal Operations Forum. This forum focused on senior-level legal operations executives from companies with revenues in excess of \$500 million. Consero conducted a 14-question survey at the events, collecting responses from 85 participants that provide a window into the priorities and challenges facing legal operations executives today.

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Progress Of Legal Operations Function

A Majority of Companies Are in the Process of Developing a Legal Operations Function

As companies focus on letting lawyers lawyer, it is of no surprise that legal operations functions are on the rise. The survey responses show that a good number of LO executives rate the maturity of their organization's legal operations function as mature (29%) with a slightly larger percentage rating the function as in early stages of adoption (35%). A very small percentage of respondents rated their organization as fully mature (6%). Interestingly, companies that have or are developing this function staff it very leanly — 38% of respondents dedicate between two and five staff members to the operation, followed by 34% of respondents dedicating only one staff member. While the staffing may seem small in comparison to the size of respondent companies, it is in step with the broader efforts of many organizations to function more efficiently.

Figure 1: How would you rate the maturity of your organization's legal operations function?

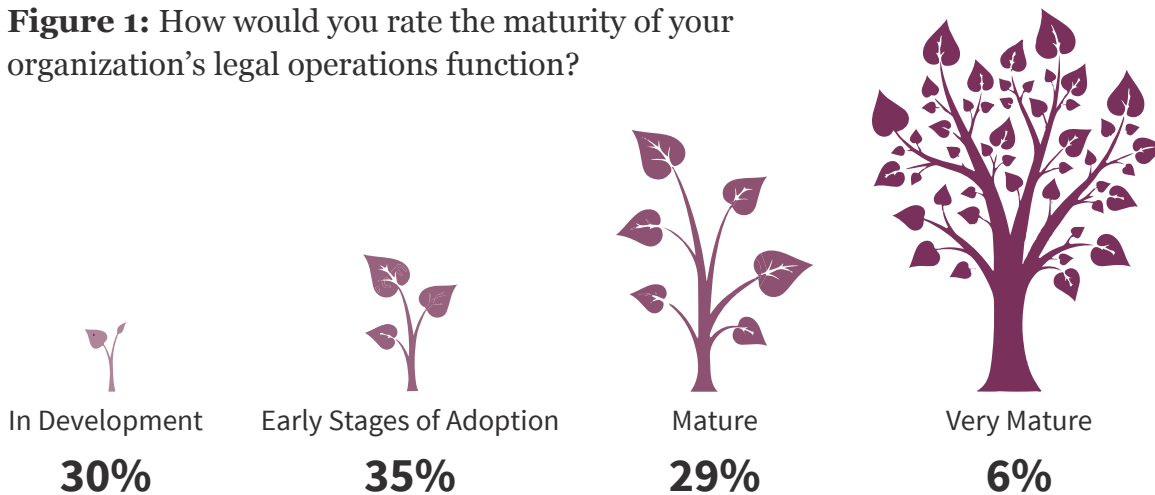
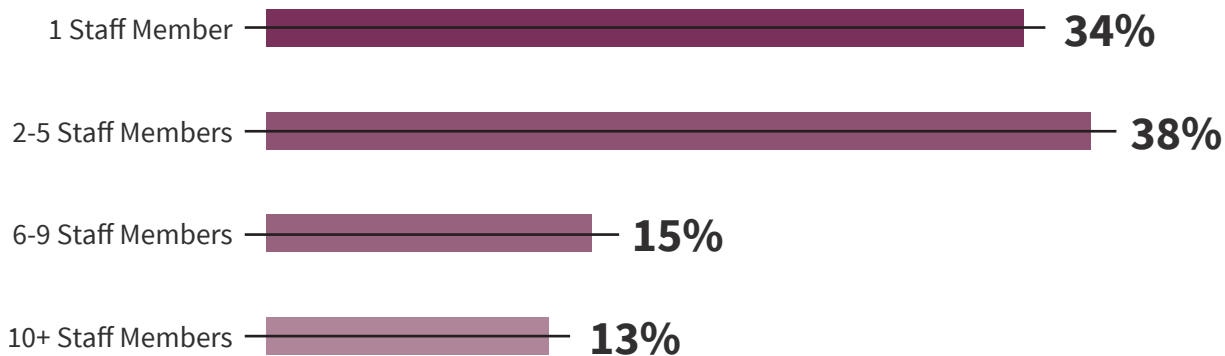


Figure 2: How many staff members do you have dedicated to the legal operations function?

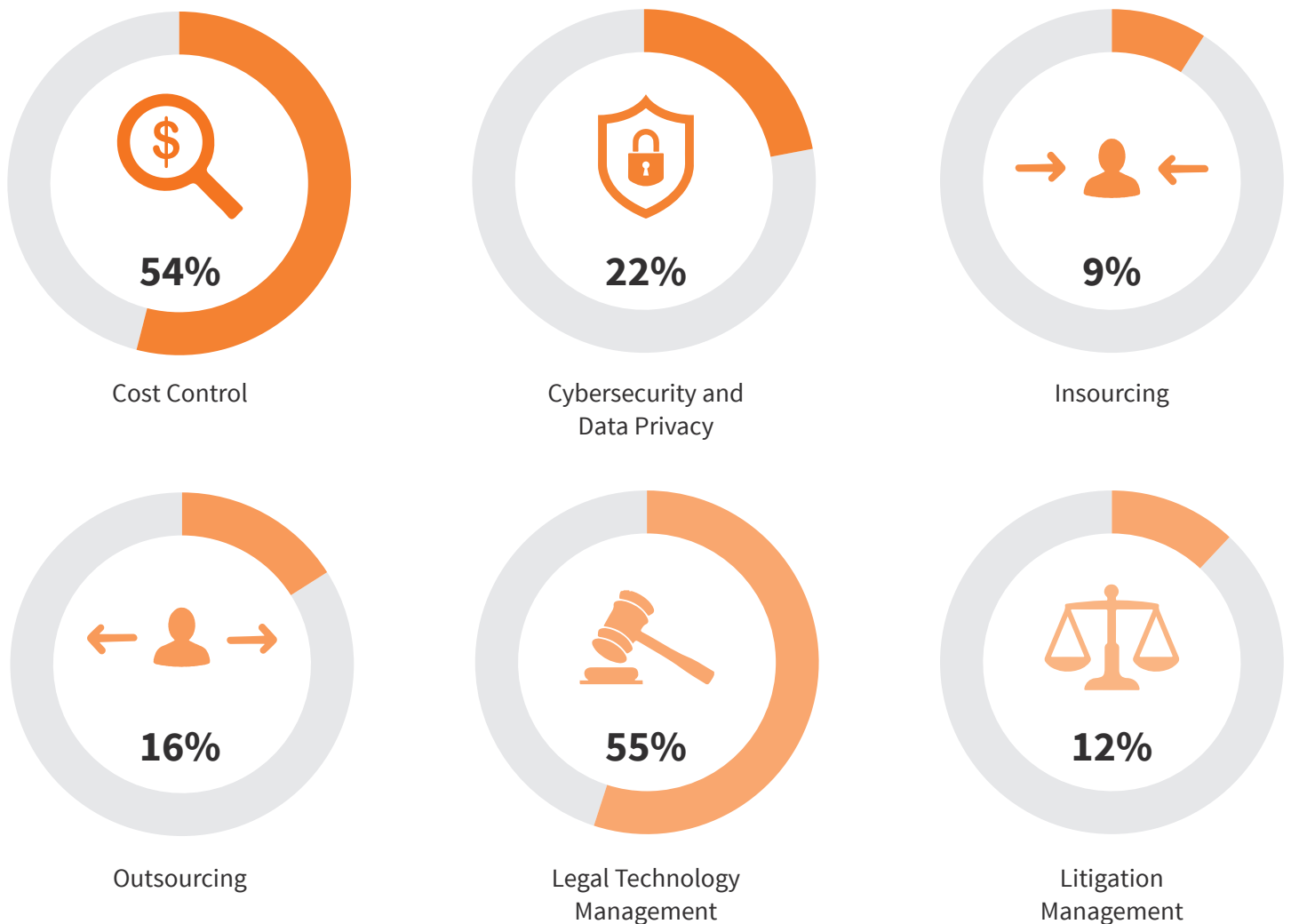


Legal Operations Priorities

The Top Priorities for Legal Operations Are Legal Technology Management and Cost Control

Legal operations executives are responsible for a broad range of functions, but the survey shows that in the upcoming 12 months, these executives are focused mainly on legal technology management (33%) and cost control (32%). We expect to see this trend in top priorities continue as these responses are consistent with Consero's 2018 Legal Operations Survey data. These two main focus areas were followed by cybersecurity and data privacy for 13% of respondents, and significantly smaller focus on outsourcing, litigation management, and insourcing. The data supports the notion that companies are developing legal operations functions as a way to manage legal departments more efficiently and effectively.

Figure 3: What are your top priorities in the next 12 months? (Select all that apply.)



LO Executives Need to Focus on Implementing Current Legal and Business Technology

As the survey respondents identified above, technology plays an important role in facilitating legal operations functions, and LO executives expect it to be a key priority in the upcoming year. A significant number of survey participants identified a weakness in their company's legal technology. Seventy-one percent of LO executives felt that their legal technology infrastructure did not meet the needs of their company operations. None of the executives have a fully mature artificial intelligence system within their legal operations, and only 9% have AI in use and evolving. Moreover, a resounding majority of respondents (64%) are merely considering the use of AI within their legal operations. Those using AI are doing so primarily in conjunction with litigation and drafting, with 24% leveraging AI for e-Discovery and 16% using it to generate and review legal documents. When the executives surveyed were asked whether they expect legal technology spend to change in the next 12 months, a majority (74%) responded that they expect to see an increase in such spend.

In addition, although a significant number of survey participants stated that they used a third-party e-billing system to process legal bills (78%), the majority (60%) of these executives also reported that they saved up to 10% of their legal department's annual outside spend in doing so. Moreover, almost none of the executives (5%) are using blockchain technology to manage contracts and compliance tasks.

Identifying and implementing current legal and business technology will be critical for this group of executives moving into 2019.

Figure 4: Does your legal technology infrastructure meet the needs of your operations?



Figure 5: How would you describe the use of artificial intelligence within your Legal Operations function?

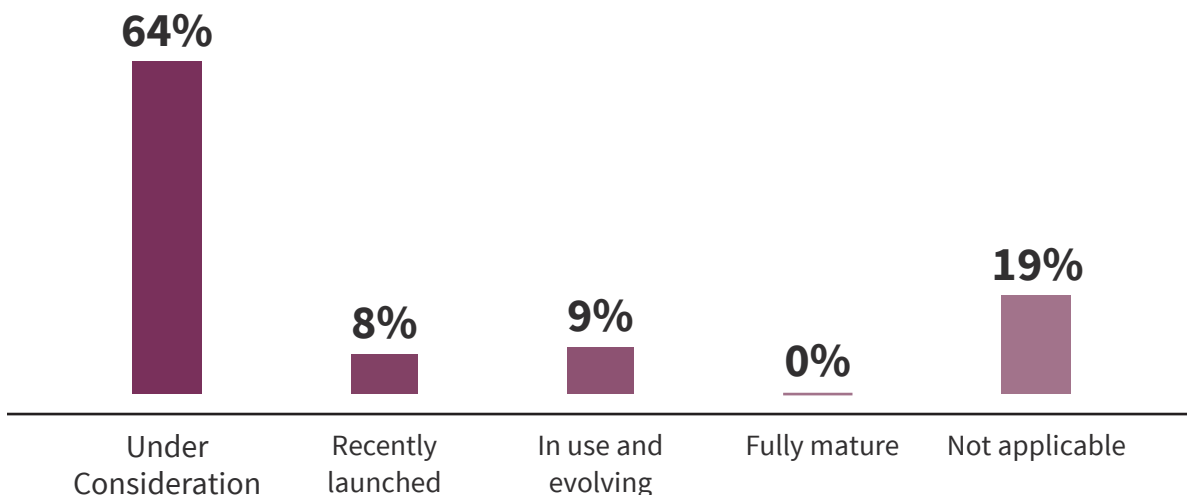


Figure 6: In what specific areas do you leverage the use of Artificial Intelligence within your Legal Operations function?

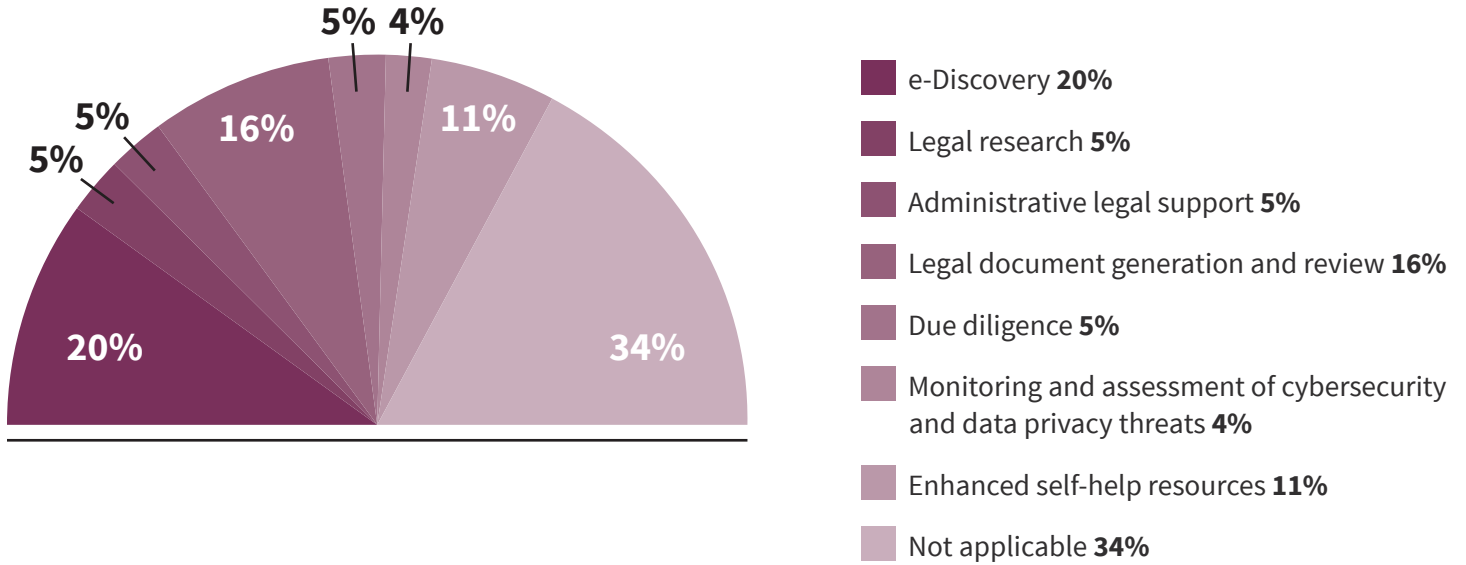


Figure 7: How do you expect your legal technology spend to change in the next 12 months?



Figure 8: Do you use a third-party e-billing system to process your legal bills?

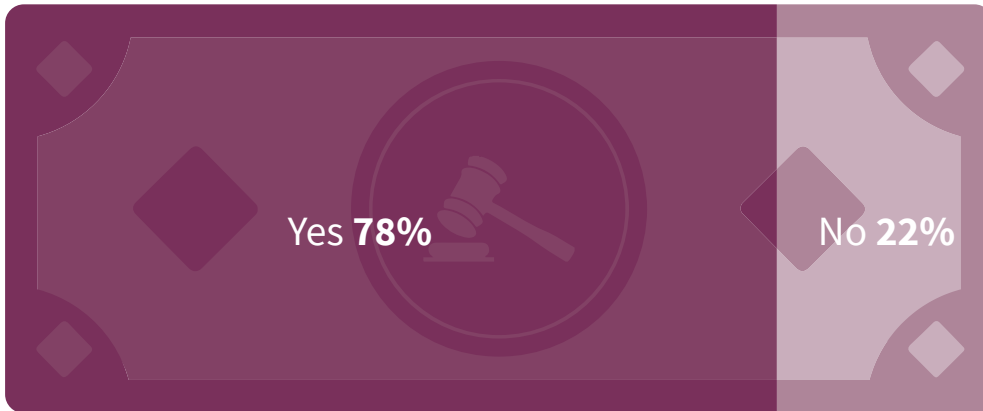


Figure 9: If yes, what percentage of your legal department's annual outside spend is saved through initiatives enabled by your e-billing software?

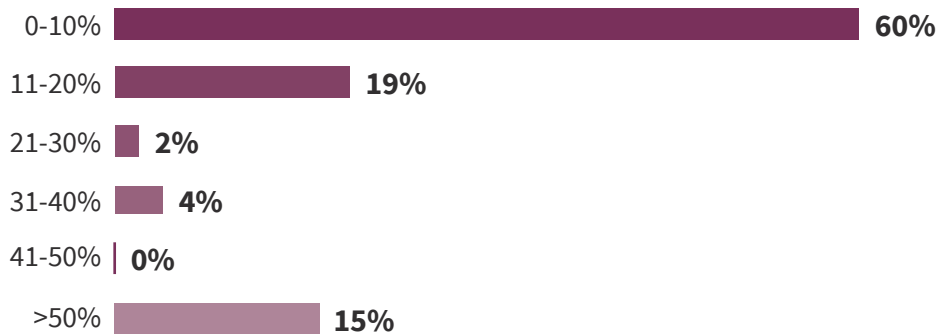


Figure 10: If yes, what has been the chief advantage of using e-billing software?

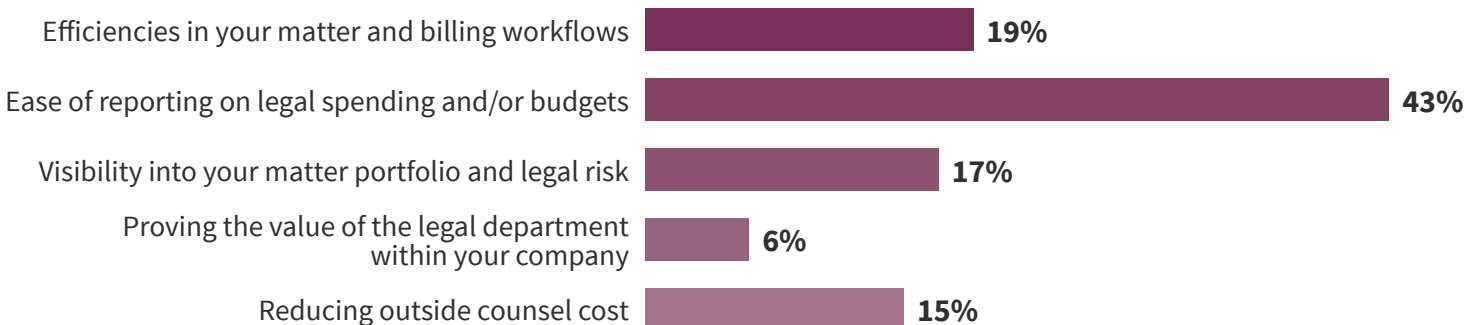


Figure 11: Do you use blockchain technology to manage contracts and compliance tasks?

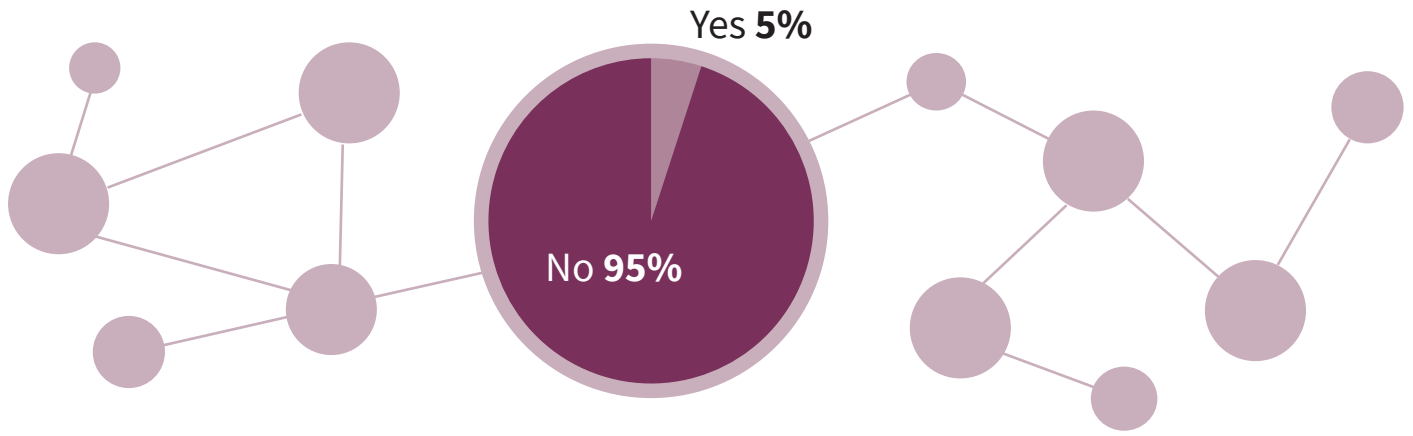


Figure 12: Do you have a formalized metrics/reporting program that measures the value delivered by legal operations?

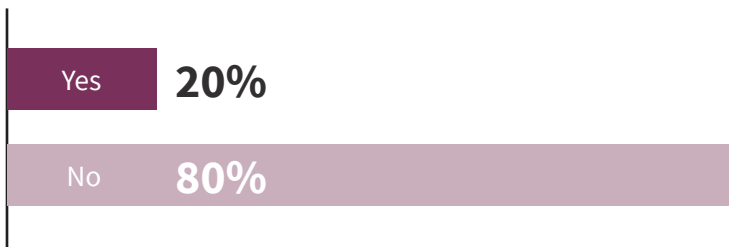


Figure 13: Do you use billing metrics for savings and improved relationships with outside counsel?

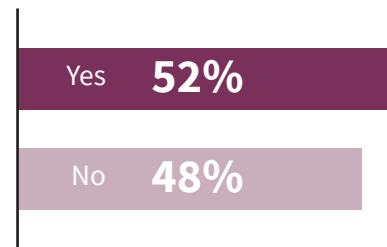
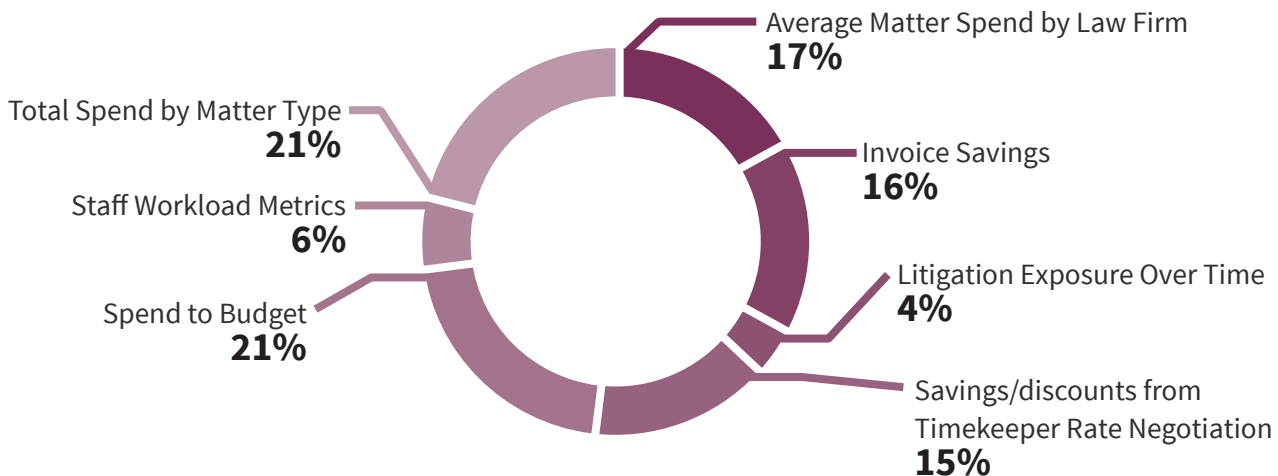


Figure 14: What metrics have you found effective for your legal operations functions?



Conclusion

Lessons For The Industry

Consero's 2019 Legal Operations Survey found that the main priority and focus of LO executives are legal technology management and cost control. In order to address these priorities, these executives must implement the most current technology that will effectively address identified areas for improvement. Using the right technology tools and deriving actionable insight from metrics will allow LO executives to support their legal departments efficiently and effectively to protect and grow their companies.

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About Consero

Founded in 2010, Consero Group is an international leader in creating function-specific events for senior-level executives in industries that include Legal, Compliance, Brand Protection, Customer Experience, HR, and Procurement, among others. Based outside of Washington, D.C., Consero is best known for transforming the executive experience through intimate, invitation-only programs in a sophisticated learning environment with high-level content. For more information on Consero, please visit consero.com.

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UPCOMING EVENT

Corporate Legal Operations Forums

Island Hotel | Newport Beach, CA
February 10–12, 2019

The Biltmore Hotel | Coral Gables, FL
November 17–19, 2019