

General Counsel find their Platform

*Delivering Legal Operations excellence
through people, systems and data*

Extract from a White Paper of the same title

1. Flying blind while burning fuel has been the legal services norm

Within organisations finance, tax, HR and sales typically operate and deliver their services through dedicated software platforms. Whether based on SAP, Oracle, Sage, Workday, Salesforce or other systems, these platforms provide the workflows, processes, templates and essential operational data that make efficient and successful operations possible. The functions that use them know what work they have, where it is coming from, what its value/risk is, who is handling it, how long it takes, why it closed. Their leaders have insight through real-time and trend dashboards and reports that allow them to manage their teams tactically and strategically, driving transformation. They have the means to support and, where appropriate, lead decision-making at the executive level.

Until recently legal departments have had no access to comparable platforms. Only point solutions such as matter management, e-billing, and document review were available. As a result neither comprehensive operational data nor structured work management were in sight. Legal departments typically do not know all the work they have, how complex it is, where it is coming from, who is handling it, how long it takes, or why it closed. On a cross-department, global basis their leaders lack the real-time and trend data to allocate work effectively (internally or externally), manage risk, improve processes, pre-empt issues, reduce costs, and improve customer experience. Mike Naughton of Cisco puts it this way *'Flying blind while burning fuel has been the legal services norm'*.

This is all beginning to change with the rise of Legal Operations Platforms. These technology platforms, tailored to legal and related areas, provide law departments with the equivalent operational advantage currently held by their finance, tax, sales and HR colleagues. By "enabling" the legal function, they allow it to develop and embed a true Legal Operating Model (*'the way things are done around here'*), into a scalable technology that integrates with other enterprise-wide systems and point solutions. They deliver market, customer and strategic relevance through actionable data (see Diagram 1).

Operations Platforms capture quantitative and qualitative data that transforms corporate legal departments. They free and protect legal team members by helping them make better and quicker decisions, pre-empt risk, and focus on work that makes a difference to the business that they serve, protect and enable. The data changes what work the department does and does not do, what is self-served, what is re-directed and what is done internally and externally.

These new platforms fundamentally change the legal market supply and value chains. As GCs and Legal Operations teams come to understand and rely on data, they learn how to make informed decisions about how they can best support the tactical and strategic objectives of their business. As well as advisers and business partners they become managers of legal service delivery, designing who should do what work and where, whether internally or externally. It also helps them decide what work should, critically, not be done by expensive lawyers. The General Counsel's Office now has its platform and the data it generates pushes the department, sometimes against its instincts, to the heart of decision-making.

Many drivers are building momentum for this evolution in how and where legal work is performed: increased competition across all sectors, the dynamic world of legislative and regulatory change, cost-up and price-down pressures, digital disruption, technological innovation (including AI), and law firm inertia. The arrival of new entrants, particularly the Big Four, and the way they change thinking and use data should not be under-estimated.

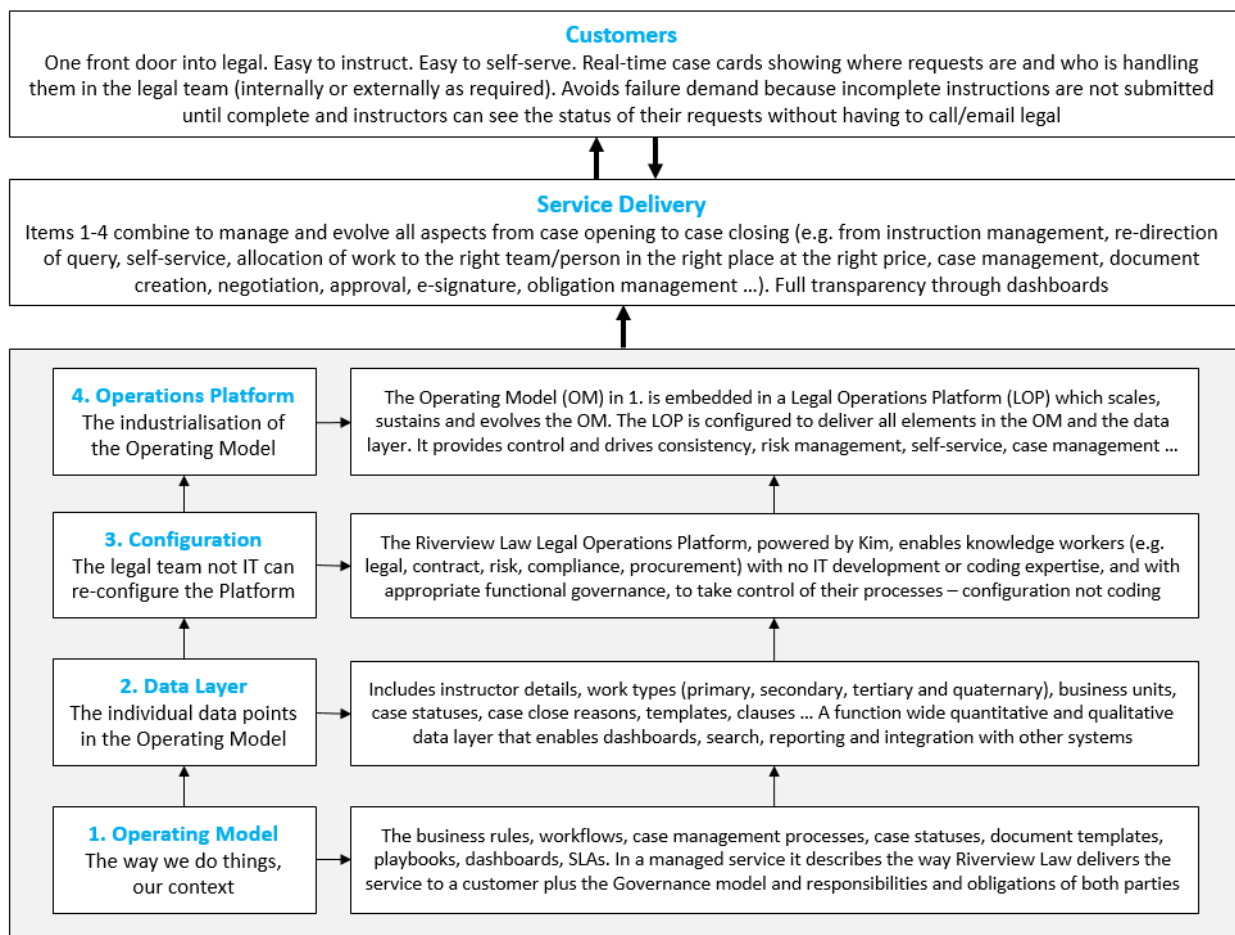
There will be an inevitable growth in work retained by corporate legal functions. While this leads to a material reduction in work undertaken by traditional law firms (see Diagram 2) it does not mean a commensurate increase in in-house legal team numbers. Self-service, technology and dashboards will drive significant productivity gains. Corporations' enterprise-wide focus on data, from which legal operations are not immune, plus outsourcing to innovators such as Riverview Law and the Big Four, will accelerate this trend.

All roads lead to function-wide legal operating models and platforms, not point solutions. To the legal data layer, not spreadsheets. The corporate law departments that grasp this will, quietly, quickly and unassumingly, move to the heart of business decision making and strategy. Their teams will be freed to become business enablers.

2. How do we make it happen? How do we embed our operating model into a scalable Operations Platform?

We are frequently asked these questions when corporate legal teams visit our Service Delivery Centres. In responding we share our journey plus the many mistakes we have made and the lessons we have learnt. We explain Diagram 1, the [Riverview Law Operating Model, powered by Kim](#), and how we took our Operating Model (Step 1) and embedded it in an Operations Platform (Step 4); review from '1. Operating Model' and work up.

Diagram 1: The Riverview Law Legal Operations Platform, powered by Kim



3. Will the relationship between corporate legal departments and law firms change?

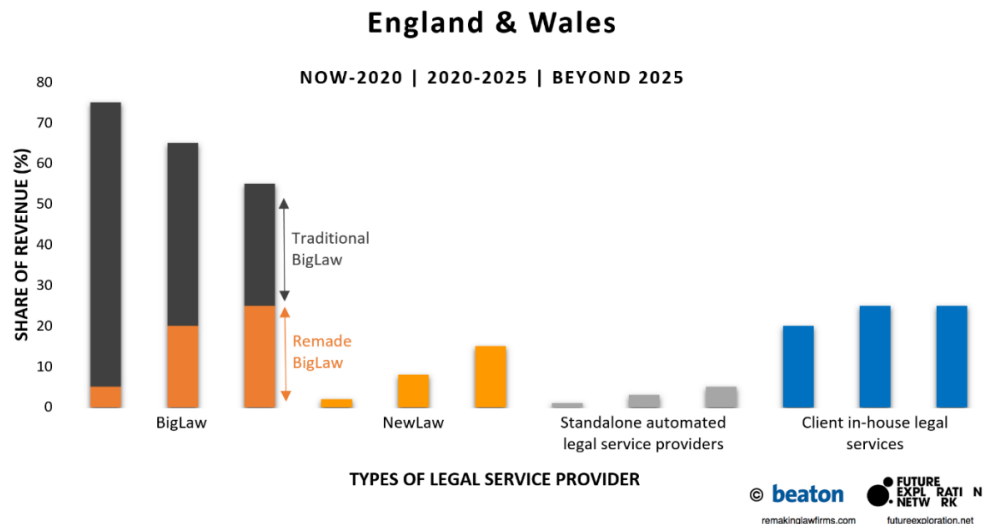
Data provides insight. As corporate legal departments industrialise their operating models they understand what work they have; they capture essential operational data. This is changing, and will change, how and where work is done. Traditional law firms are likely to lose ground. This customer (inside-out) view is supported by external market research. In 'Remaking Law Firms: Why and How' Dr George Beaton and Dr Imme Kaschner observe:

"Based on the researched conclusion that no law firm can assume its place and prosperity are assured ... most firms are not well equipped to know what to do or how to 'remake' their business models. In the future the ways clients meet their needs and the rules for success of firms are very different. The winners in the kaleidoscope will be those firms that are starting now to prepare in earnest."

George Beaton further suggests that over the next decade a series of trends will inevitably result in a reduction in the share of legal services revenues secured by traditional law firms. He forecasts that, while still important,

law firms will be substituted by a combination of (i) new entrants, (ii) automation, (iii) technology innovation and (iv) the continuing growth in corporate legal functions doing work that previously went externally. The table below is the Beaton/Dawson forecast for England & Wales in their April 2016 paper 'Evidence why BigLaw firms must start remaking now'. They identify the same trend in other jurisdictions.

Diagram 2



Bruce MacEwen of Adam Smith Esq, commenting on current market dynamics, re-enforces this view:

"In constant, inflation-adjusted dollars, we see zero current marketplace evidence that the law firm sector will experience anything other than a shrinking share of revenue - nor have we heard any plausible hypothesis to the contrary. The in-house share, meanwhile, should achieve modest real growth by virtue of labor market arbitrage if for no other reason; but it will not and never should grow to the sky, as a core competence of corporations is not building an internal law firm. Finally, NewLaw (depending on how inclusive your definition and whose data you believe) has been on a CAGR tear since finding its bearings a few years ago, with growth rates of 30--60%/year, and the sector is still in its infancy. Add to this that every \$1.00 going to NewLaw takes perhaps \$3.00 out of the other sectors and while the size of its share a decade hence is subject to the greatest forecast error, the vector of its growth is as certain as business bets can be." May 2018

We witness these themes in all our customers. The direction of travel is clear.

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Riverview Law (www.riverviewlaw.com) provides three core services to its customers:

- **Managed Services:** By using dedicated-to-customer teams that understand the culture, risk appetite and operating model of our customer, we use our Legal Operations Platform to become a seamless part of the client function, freeing its team so that it can focus on key tactical and strategic matters. All our managed service contracts are fixed prices so that we share risk/reward with our customers and drive appropriate behaviours.
- **Projects:** Using our Legal Operations Platform we are experts in document review, remediation and prototyping managed services and technology solutions for customers.
- **Technology:** We help corporate legal and related departments to use data and technology to evolve their operating models, improve quality, manage risk and reduce costs. We are the leading global systems integrator of the Kim technology platform for customers who want to deploy Kim for their teams to use.