



Hanzo Guide to Legal Operations



Introduction

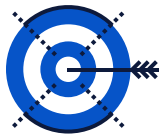
The role of Legal Operations is becoming increasingly important in today's fast-paced and complex corporate legal department. With more companies expecting their legal departments to contribute to their overall vision and mission, as well as their bottom line, a greater emphasis has been placed on managing and optimizing these departments.

As businesses grow, so does the amount of contracts, documents, and data that need to be dealt with. This requires the use of advanced tools and technologies to streamline and optimize operations. However, most attorneys are not trained in these areas and end up spending more time on non-legal tasks. This is where a Legal Operations manager can be of great assistance.



What is Legal Operations and How Does it Help Legal Departments

Legal Ops covers a wide range of areas, including strategy, finance, technology, and more, all of which can help corporate legal departments improve their operations.



Strategy: Action without strategy is a wasted effort. That's why legal operations professionals should develop a strategic plan that aligns with the overall goals of the organization and ensures that the department is working towards a common purpose.



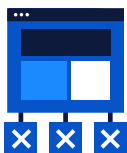
Operations Management: Effective operations management is key to the success of any legal department, and legal operations professionals should develop processes and procedures that improve efficiency, reduce costs, and increase the quality of legal services provided.



Financial Management: Effective financial management is crucial for legal departments to operate within budget and optimize their resources. Legal operations professionals can offer expert guidance on financial matters, such as budgeting, forecasting, and cost management.



Technology: Gone are the days of paper documents. Today, technology is essential to the modern legal department, and a legal operations professional can bring expertise regarding the use of legal technology tools, data analytics, and cybersecurity.



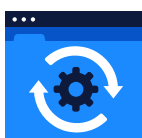
Vendor Management: External vendors can be a risk when it comes to company data, intellectual property, and legal matters, and in-house legal teams need to manage these relationships effectively. Legal operations professionals can play a vital role in vendor management, including vendor selection, contract negotiation, and performance management.



Data Analytics: Legal departments have access to a lot of company data. By using analytics, many insights can be gained that inform important decisions not only for the legal department but for the larger business. These analytics also play a tactical role when understanding organizational data as part of investigations, litigation, or compliance audits.



Knowledge Management: Many businesses possess a vast amount of institutional knowledge, but struggle to access it effectively. This is where knowledge management comes in. Legal Operations professionals can offer support and advice on knowledge management, including document management, information governance, and knowledge sharing.



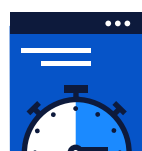
Process Improvement: You can have the best talent and technology, but without repeatable processes, legal departments won't operate to their fullest potential. Legal Operations roles are integral to managing process mapping, process redesign, and process automation.



Change Management: Managing change is another component that legal departments need to take into consideration in order to effectively adapt to new challenges and opportunities. And Legal Operations plays a key role in facilitating communication, training, and stakeholder management.



Diversity, Equity, and Inclusion: Diversity, equity, and inclusion initiatives are on the rise in many large organizations, and these efforts often involve oversight from legal. Legal Operations can support these efforts by managing policies, programs, and training.



Project Management: Legal departments are continually asked to do more with less by their company's executive team, so projects must be managed effectively to ensure that they are delivered on time, within budget, and to the required quality standards. Legal Operations managers are excellent at taking on project management responsibilities for the team, which allows the attorneys to focus on practicing law.



Communications: Effective communication is essential to the success of any endeavor and the same holds true for corporate legal departments. Legal Operations managers often act as communication liaisons between the many stakeholders working with in-house legal teams, such as IT, the C-Suite, outside counsel, and technology vendors.



Legal Operations:

Building High-Performing Legal Teams

In-House legal departments are under more pressure than ever to reduce costs, improve performance, and provide top-quality work. To achieve these objectives, leaders in legal operations can begin building higher-performing teams through optimization by focusing on these three key aspects: optimizing and maintaining organizational health, practicing operational efficiency, and training and developing the legal department.

Optimizing And Maintaining Organizational Health

To achieve success, building a motivated and efficient team is crucial. Many in-house legal departments are formed without a clear overall vision, which results in hiring for short-term necessity rather than considering long-term effectiveness and overall fit. To create and support a balanced, driven, and high-impact legal team, legal operations leaders should aim to:

- Bring a strong overall vision to their team.
- Develop an unbiased, fair hiring process that results in a diverse and effective team.
- Motivate their best employees by providing promotions and special opportunities.
- Prioritize their team's well-being by focusing on work/life balance and mental health initiatives.
- Establish a talent pool by investing in mentoring, internship programs, and succession planning.

Practice Operations

It is crucial to enable lawyers to focus on practicing law and reduce their distractions from operational tasks and projects. To create flexible, efficient teams trained and experienced in practice-specific operations such as eDiscovery, contracts management, IP management, and more, legal operations leaders must:

- Lower costs by enabling legal teams to focus on the highest-value tasks.
- Understand current challenges and needs to identify opportunities to streamline inefficiencies.
- Create better outcomes and higher quality through specialization.
- Bring more speed and efficiency to overall legal output.

Training and Development

For any department to succeed, providing teams with specific professional training is crucial. To design high-quality targeted training, legal operations leaders must:

- Design and implement a new hire experience.
- Nurture a strong sense of culture through ongoing training.
- Track and support CLE requirements across the team.
- Implement certification programs that help staff build their career and capabilities.
- Build skills and knowledge in emerging high-value disciplines.



Operational Excellence Through Management of Corporate Legal Departments

The legal department of an organization is responsible for providing crucial legal support and advice to the company's various business operations. However, to operate efficiently, the legal department requires effective management in several areas, including project and program management, firm and vendor management, and financial management. Without proper management, the legal department may lack clarity, predictability, and accountability, leading to unexpected shortfalls and tensions within the business.

Project/Program Management

Effective project and program management is critical to the success of any initiative within a legal department. However, many corporate legal departments lack the specialized program management skills and experience to implement effective initiatives at scale.

Corporate legal departments can achieve successful design, implementation, and leadership of department-wide and company-wide initiatives by staffing their program teams with trained project managers rather than lawyers. They must also design change management efforts that make the best use of their people and resources, engage and communicate with stakeholders across the company, and comply with corporate initiatives without compromising the quality or volume of ongoing work.

Firm & Vendor Management

Developing strong relationships with external law firms and vendors is also essential for achieving operational excellence. However, in-house teams may default to traditional pricing and staffing models, which can deliver less accountability and value due to a lack of clear alternatives.

In order to establish and maintain healthy relationships with business partners and vendors that meet the needs of the company, legal departments should create well-designed and fair RFPs that reflect their business goals. Negotiating rates and pricing models that incentivize positive outcomes, conducting structured business reviews to improve transparency and accountability, exploring new opportunities for collaboration, and performing due diligence on potential vendors are all essential steps to avoid conflicts and ethical issues.

Financial Management

Finally, financial management is a critical component of legal operations. Without a strong and sustainable approach to financial management, legal departments may operate with little clarity or predictability in their budgeting, which can lead to unexpected shortfalls and tensions with the business.

In order to effectively manage financial resources, legal departments should focus on developing, managing, and communicating their budget. They should also design a process for accrual and forecasting that fits their team, identify new opportunities for saving and improving efficiency, bring more consistency to their budgeting and financial planning, improve communication and compliance with their corporate Finance department, and handle their eBilling with accuracy and efficiency.



Knowledge is Power: How Legal Operations Can Create Efficiency Through Intelligence

Legal departments are facing higher competition and budget limitations, prompting them to seek ways to improve their efficiency and effectiveness. For the legal operations professionals tasked with tackling this challenge, knowledge is power!

Business Intelligence

Making informed decisions through data is the essence of business intelligence. Unfortunately, many in-house legal departments struggle to access and utilize relevant data and metrics, resulting in inconsistent use of analytics.

The goal is to rely on data instead of intuition to guide the organization. By identifying hidden trends, streamlining operations, and focusing on clear, measurable outcomes, legal departments can improve both short- and long-term outcomes through data analysis.

To achieve this goal, legal departments should:

- Determine the necessary data to collect and monitor
- Design and implement metrics and dashboards
- Create data lakes and utilize advanced analytics
- Identify patterns and uncover hidden opportunities
- Improve outcomes through data analysis, both immediately and in the long term.

Service Delivery Models

Effective service delivery models involve assigning the right work to the right resource. Unfortunately, many in-house legal departments often send work to a default firm or vendor without considering whether they are the best fit for the task. This can result in higher costs and lower quality and speed of service.

To achieve the best outcomes, it is recommended that legal departments create a complementary ecosystem of vendors who are closely connected to their business. By breaking down casework into smaller components and assigning each component to the vendor best suited to deliver the desired outcome at the optimal cost, you can leverage the expertise and experience of both your in-house teams and your ecosystem of legal service providers. This approach can help reduce your reliance on expensive and unsuitable law firm support and enable you to innovate by using technology to connect with a diverse range of service providers.

To achieve this goal, legal departments should:

- Clearly define and structure relationships with managed service providers and LPOs.
- Break larger projects down into smaller, connected elements.
- Select the best expertise and experience from a range of service providers.

Knowledge Management

Knowledge management involves tapping the knowledge and capability of your entire organization. In-house legal departments often struggle to find and retain knowledge and best practices, relying on unstructured tribal knowledge that fails to scale as the team grows or changes, forcing costly re-work.

The goal is to enhance team efficiency and yield better results by simplifying the process of locating answers and best practices. This can be accomplished by promoting a culture of sharing, mutual support, and documentation throughout the company. By doing so, knowledge hubs and centers of influence can be established, ensuring a uniform response to topics and issues. Additionally, an intranet experience can be designed to facilitate the sharing and discovery of best practices. Team members should be encouraged to document and share their work using standard templates and formats to prevent the loss of valuable knowledge resulting from staff departures or role changes.

To achieve this goal, legal departments should:

- Foster knowledge hubs and centers of influence within the company
- Ensure consistency in responses to topics and issues
- Create an intranet experience that simplifies sharing and finding best practices
- Encourage team members to document and share their work using standardized templates and formats
- Safeguard against the loss of valuable knowledge due to staff departures or role changes.

Conclusion

Legal departments play a vital role in the success of any organization, but simply having the best talent and technology is not enough. Proper management and optimization of legal teams are essential to achieve optimal outcomes. This is where Legal Operations specialists come in, developing best practices that improve efficiency, reduce costs, and enhance the quality of legal services for internal clients. By prioritizing and investing in these areas, legal departments can continue to provide valuable support and advice to their organizations and contribute to their overall success.

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visit us at hanzo.co.**