

# Legaltech news

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## BREAKING THROUGH

Unlikely allies join hands to align and standardize corporate legal operations.



# BREAKING OUT OF THE SILO

CLOC founders spearhead industry-wide movement to align, standardize corporate legal operations.

BY ERIN E. HARRISON

**YOU MAY NOT PHYSICALLY** feel it, but there's a palpable shift happening in the world of corporate legal operations. The leaders of some of the biggest law departments in the U.S.—including some unlikely allies from the tech sector—are joining forces to solidify and implement legal operations standards in an effort to solve major challenges that run across the legal ecosystem. That shift is being led by the founders of an organization called CLOC (Corporate Legal Operations Consortium), which includes legal ops directors from among the Fortune 500—NetApp, Flextronics, Cisco, Google and Yahoo, to name but a few.

If you are new to the terminology “legal operations professional,” CLOC defines the role as someone who brings “the leadership, knowledge and experience necessary to drive peak in-house legal department performance.”

In May, the group held its inaugural institute at the Westin St. Francis in San Francisco, pooling together perhaps the largest gathering ever of legal operations executives in the U.S.—comprising a market estimated at \$40 billion—who have to deal with ever-increasing budget constraints up against the continuing rise of law firm rates. But that's just where the challenges begin.

“The biggest issue is thinking of law department operations challenges in a silo. The issues are ecosystem wide,” explains Jeff

PHOTOGRAPHY BY TIMOTHY ARCHIBALD





CLOC BOARD MEMBERS STEPHANIE  
COREY AND DAVID CAMBRIA  
(SEATED) AND MEMBERS OF THE  
CLOC LEGAL ECOSYSTEM



Franke, chief of staff to the general counsel and senior director of global legal operations at Yahoo. “We need to think about how we, as an industry (the corporate legal services ‘CLS’ industry), create and support the right business models and behaviors, regulations, technology platforms, etc., to optimize all key elements. Law departments don’t operate and can’t optimize in a vacuum.”

Law department operations professionals are tasked with complex responsibilities that include strategic planning, financial management, vendor management, data analytics, tech support and knowledge management.

With that as the backdrop, Franke enumerates some of the most significant challenges for legal operations, including having a solid understanding of the different types of services provided by law firms and what those should cost.

“The billable hour will never die if we—and the firms we use—don’t leverage LPM (law practice management) and other tools

to come up with fixed fees for broad sets of services so that we get robust competition for legal work in the corporate legal services market,” says Franke.

Another challenge is getting in-house lawyers to expand the set of firms they use beyond the usual suspects, he adds.

“Right now, there’s a mismatch between supply and demand that’s allowing for abnormal price increases and overall cost. LSOs (legal services outsourcing), technology companies, and other corporate legal ecosystem players are helping drive work to the right level of quality, and the right price, but there’s a long way to go,” Franke explains.

### GETTING GENERAL COUNSEL BEHIND THE CAUSE

While many leading tech companies are paving the way to achieve a better balance, getting more GCs to fully engage and support the legal operations/chief of staff role is another obstacle in the advancement of legal operations. “Until this function is seen as a VP-level position—and first among equals on staff—we’re going to have an uphill battle,” says Franke.

“The evolving role of the general counsel coupled with the infusion of technology are creating an environment of change and also great opportunity,” adds Connie Brenton, co-founder of CLOC and chief of staff and senior director of legal operations at NetApp.

The ability to leverage quality dashboard-based analytics and getting easy-to-implement tools with easy-to-use user interfaces is necessary for legal ops, but a real challenge, Franke adds. “We still don’t have content management, knowledge management, e-billing and other tools that get us where we need to be at the right price with the right functionality and ease of use,” he says.

As the saying goes, you have to spend money to make (or save) money, according to Stephanie Corey, head of legal operations at Flextronics and co-founder of CLOC.

“You have to spend money to save money and implement the processes and tools to become more efficient,” she says. “Getting the proper funding can be a challenge, even when we have access to data that justifies the need.”

In addition to addressing some of the more complex technology support issues, creating better alignment among in-house legal departments to drive change in the industry will go a long way toward differentiation of legal services and improving their competitive advantage, Franke adds. For one, LDOs need to work more closely with firms to define different service types to be able to determine what they should cost.

“We’ve seen really good work on this front in the patent and trademark space. We need to expand that thoughtfulness into the areas of litigation and M&A and other areas of major spend,” he explains. “Legal support is critical to businesses of all sizes, and they need more support from good lawyers. It just needs to be at a more affordable price to help better match supply with demand.”



## WHO IS CLOC?

The mission of CLOC is: “To help legal operations professionals and other core corporate legal industry players (i.e. tech providers, law firms, LPOs, law schools, etc.) optimize the legal service delivery models needed to support the needs of small, medium and large legal departments.” —CLOC.org

### CLOC LEADERSHIP TEAM

**CONNIE BRENTON** (CEO/chairman of the board) chief of staff & senior director of legal operations, NetApp

**DAVID CAMBRIA**, global director of operations—law, compliance and government relations, Archer Daniels Midland Company

**STEPHANIE COREY**, chief of staff & senior director of legal operations, Flex

**CHRISTINE COATS** (CFO) vice president, legal operations, Oracle

**JEFF FRANKE** (corporate secretary), senior director of legal operations, Yahoo

**STEVE HARMON**, vice president & deputy general counsel, Cisco

**BRIAN HUPP**, head of operations, Facebook

**LISA KONIE**, senior director of legal operations, Adobe Systems

**MARY O’CARROLL**, head of legal operations, technology and strategy, Google





“NOW WE NEED  
TO FOCUS ON  
WORKING WITH  
THE LAW FIRMS  
AND VENDORS  
TO DEVELOP  
SOLUTIONS  
TOGETHER.”

—STEPHANIE COREY,  
FLEXTRONICS



## THE SPEED OF EVOLUTION

Aligning legal departments across the legal ecosystem means moving away from the inefficiency of “reinventing the wheel” and trying to figure out how best to solve the same problems in the same way.

“There’s no competitive advantage for our companies here: We’re just chewing up resources that could be used for other initiatives in our companies or could be dropped to the bottom line,” says Franke. “Better alignment will also allow us to send a consistent message to technology providers so that we get better tools more quickly.”

CLOC and other organizations have already made headway on guidelines and standards for the corporate legal services industry, including billing, legal operations/chief of staff roles and legal operations job descriptions.

“Guidelines already exist and have been implemented. We already have a roadmap. Guidelines are simplifying the industry and creating a win-win-win for everyone involved,” says Brenton.

Collaborating with technology providers (vendors) and law firms will also speed up the evolution of legal ops, Corey adds.

“Since the conference, I have met with a few in-house CIOs and law firm CIOs, and there is much opportunity there,” she says. “Also, as Connie mentions, continuing to create standards for everything we do, whether it’s e-signature policies, metrics reports from our automated systems, to meeting planning templates.”

Getting more law firms and CLS providers into the mix to achieve a more efficient market will drive prices down and ultimately allow corporations to buy more needed services. These services can address increasing complexity of regulations, especially outside the U.S.—at least for now, Franke adds.

### CLOC: THE FUTURE OF LEGAL OPS

While CLOC’s Institute is a big step forward, it’s not the tipping point, say Brenton and Franke. More and better collaboration within the entire legal ecosystem, “sharing of best practices, sharing of new technologies, and better and more consistent functionality of the technologies as those developing the tools get better clarity from their actual users of the tools,” are next on the legal ops agenda, says Brenton.

Other associations have also made inroads in this space, and legal ops groups—in New York, Chicago, Houston, and elsewhere—have been around for a while moving the ball forward, Franke notes. But CLOC’s mission and approach are different.

“The Institute is just the first step in helping create a forum for members of those groups, along with other players in the ecosystem, to connect more fully. This is where the Institute is different: We want to bring the LSO, law firms, technology providers, consulting firms, etc. to the table and work with a group of ‘the willing’ to make big changes in this industry,” explains Franke. “We

want to help create a better playing field to maximize the number and kinds of industry players. It’s changing, but we want to help the industry change more rapidly and more fully. Ecosystem players that ‘get it’ will be more successful more quickly.”

Meanwhile, Corey says that 500 people showing up at year one of the Institute illustrates the pent up need for legal operations standards among organizations, a topic that is destined to become part of law school curriculum in the future.

“I think that at the next event, we’ll see greater participation from the law firms and the law schools. This movement is too big to ignore,” she says.

Arguably, many legal operations leaders would say people, process and technology are the three primary components of the legal ops matrix, but tools are not the biggest challenge. “Better dashboards and tools offering easy access to data with robust, easy business intelligence capabilities will come into play and offer insights that will drive change more rapidly,” Franke says.

Artificial intelligence (AI), dashboards, workflow technology and electronic signatures will all become foundational tools for the majority of the Fortune 500 legal departments, Brenton predicts. Tools that leverage AI or machine learning, such as those from Seal, Brightleaf, Recomind, and others will also play a significant role in the evolution of legal operations in the next few years, Franke adds.

“We’ll move away from complicated processes like trying to implement UTBMS codes and move towards AI, which will get us all the information we need without trying to police how law firms are invoicing us,” Corey says. “Also, we’ll move towards systems that work together to pull metrics and produce dashboards rather than having to manually create these types of things.”

While CLOC may not be the first organization of its kind, the level of collaboration between all type of players in the legal services industry might be setting a record.

“People were amazed at the sharing, openness, and desire for alignment, especially among legal operations professionals, at the Institute,” Franke says. “We can help our legal departments and our companies improve exponentially if we share, are more open and align. By connecting more legal ops people—especially in-house—we get to best practices, professional development and an overall better, more efficient industry more quickly.”

Brenton says that CLOC Institute 2017, which is already in the early planning stages, will be “much bigger and better. We’ll have a lot more to share and talk about.”

The next year will be spent on expanding that level of collaboration and increasing the nascent group’s membership “so that more of us are communicating and contributing to the evolution of the industry,” says Brenton.

Corey adds, “Clearly in-house folks have done a good job collaborating with one another, but now we need to focus on working with the law firms and vendors to develop solutions together.” ■



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—CONNIE BRENTON,  
NETAPP

