

The journey to becoming a data informed legal team

Throughout this series, I'll take you through the steps of using data to shape the conversations your legal team has with the rest of the business.

We'll look at using common, data-informed language, so everyone in the business is on the same page, and examine how to use data in the narrative to show your legal team's value and justify its existence.

Join me as we share our playbook on creating a modern, data-informed legal function, re-imagining the best version of your legal department by using the leading legal technology.



The basics – why legal needs to change its approach to data

Getting to the starting point

The latest statistics paint a possible picture of the in-house legal team's future:

- workloads are expected to increase by over 25% in the next three years;
- 76% of legal teams are already struggling to manage their workloads;
- 53% of CEOs anticipate launching a significant cost reduction effort in the next 12 months;

- 88% of general counsel are being pressured to reduce the cost of the legal function;
- there's a target of 14-18% reduction in costs.

How can being a data-informed in-house legal team assist in solving these very real issues?

While statistics like these are concerning, they're prompting in-house legal departments to search for ways of measuring their value and justifying their existence to the wider organization.



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The missing pages

There are two sides to every story, but for the in-house legal team, one side of the story remains off the page.

If you look at other functions across a business, such as sales, marketing, and finance, the story is complete. The data used to inform decisions shows the costs and also shows the benefits.

The same isn't really true for legal.

Legal talks about costs, but the other half of the conversation isn't quite there; no one's talking about the benefits of the legal team or can show the value a legal department brings to the rest of the business.

If you're the CFO looking at a bunch of numbers on a page and trying to figure out what the story is and how savings can be made, legal seems to only speak to the cost side of the equation.

The only way to combat this is to start using data, ultimately changing the way legal speaks to the C-suite and the business as a whole.

Yet, the in-house legal team has some work to do.

We need to get to the point where there's a solid foundation, meaning everyone understands what we do, why we do it, and build up the story from there.

Combating the reactive nature of legal

Legal's involvement in a business is often unexpected or unwanted, and often brings with it an element of friction.

To some extent, legal is essentially a reactive function – only becoming relevant when things go wrong. It's the ambulance at the bottom of the cliff, the roadblock slowing down progress, the department of "no".

Legal is a shield, it's there to defend the business – and we can all understand that.

But there can be a more aspirational version to what we do, moving towards a function that's more proactive, that understands what's happening, that has trends, and can make decisions.

It's about taking a seat at the top table that's more strategic, talking with the C-suite more about where the business is going, rather than explaining what the legal department's been up to for the past six months.

The journey legal needs to take is one that many other business functions started decades ago – the journey to using data, metrics, and analytics in a more prescriptive way.

Which brings us to the question – what can the legal industry do to raise the bar of what's possible?

We can start by re-imagining how the future of legal looks, and what steps we need to take to get there.

The story lies within the data, it just needs to be discovered and told.



One source of truth

So how do we start? By finding the data.

The data that exists within a legal department is likely to be wildly unstructured. There might be some point solutions addressing a specific function; a contract management system managing contracts, an excel sheet tracking particular work types, or a CRM. But while these systems do deliver some data, there's nothing to tie it all together and present a cohesive story.

I think it's really obvious that as an industry we need to start building up that story.

The first step is securing a system of record.

When a VP joins a department, one of the first things they do is find out what technology is used to manage and report on the workload and activities. Otherwise, how on earth are they going to do their job?

For the rest of the business the solutions are all there – Salesforce for sales, Hubspot for marketing, Zendesk for IT... meanwhile the legal department is working out of Outlook, creating more spreadsheets, and saving documents to local drives.

While Excel can list all the activities, it's not a relational database – there's no link between activities, and there's no link between functions. The relationships and correlations are just not there.

So what does this system of record look like in a legal department? Very simply, it's a list of all the issues the legal team is involved with.

Each matter has a unique ID, and with that atomic unit you can tie anything you want to that matter, meaning you're then able to tell its story.

If you want to know who within the legal team is doing the most work for a particular practice area, then you have all that information there in the system of record, under its matter ID, instead of the data being distributed across inboxes, spreadsheets, hard drives, or, in some cases, just not captured at all.

When the data is captured in a system of record, it's structured, and able to be easily surfaced to be used in a more meaningful way.

The journey to a data-informed legal team starts with a system of record, captured in a matter management system.

The message we need to get across to the industry is that you need to start, from a legal-tech perspective, building out your system of record so you can start capturing data in the right ways. And drive better business outcomes.

It's your legal team's story, so it deserves to have the best and most comprehensive data to inform its narrative.

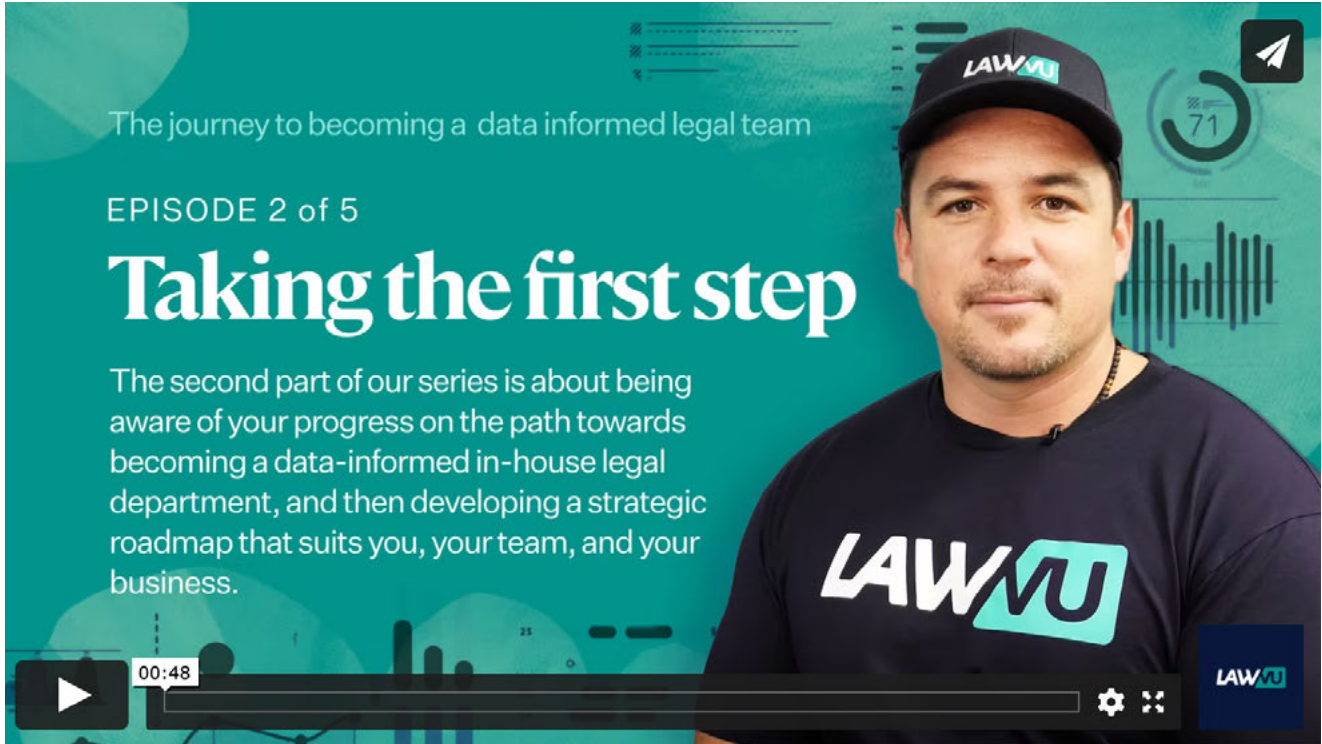
By telling the story of your legal team, you're able to take a journey to a destination where data informs business decisions, moving legal to the heart of the business.

In this first part of the series, we've established that one system of record is the way to set your team and the business up for success. Keep an eye out for the next article in this series that's all about recognizing the signs you're ready to start your journey towards becoming a data-informed team, and how to actually make that all-important first step.



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Act – taking the first step



Where are you on your journey?

When looking at legal through the lens of predictive (or prescriptive) analytics maturity, in-house legal departments are generally working from a place of hindsight. That is, looking back at what has previously happened. To facilitate this, data can sometimes be gathered manually and used to generate static reports. It's the same place other business departments were decades ago, yet they've come a bit further since compared with their legal counterparts.

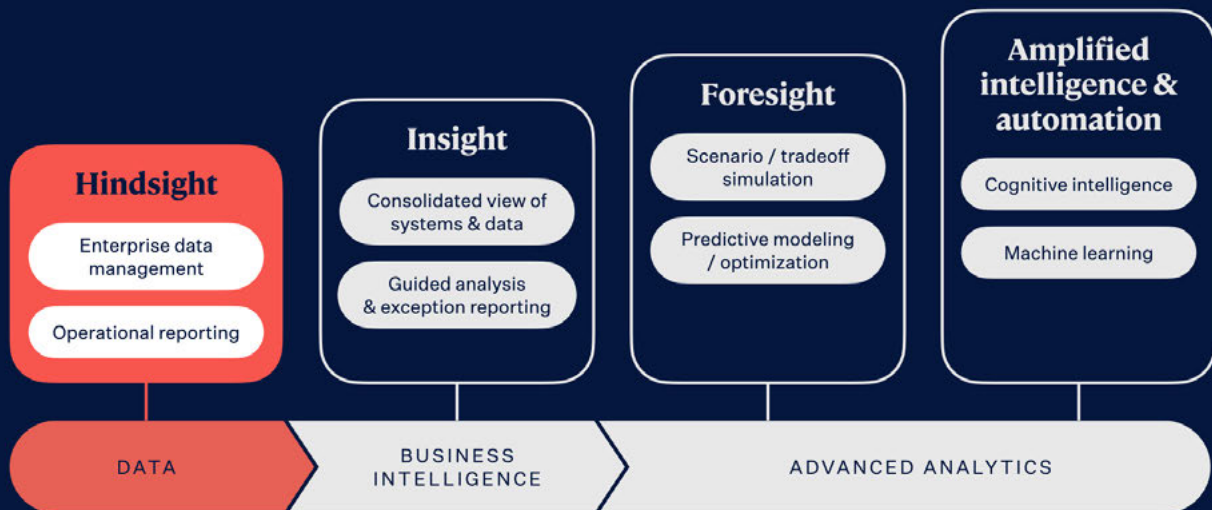
The next step is insight, where real-time data sets are available for use in strategic business decisions. This is the phase that most legal teams are working towards currently, albeit in a somewhat haphazard way. Our mission is to convince you that this stage is achievable, that there's a clear "playbook" for reaching this, and that from a data perspective this is just the beginning.

Beyond that is the foresight stage, which essentially means that you have enough historical data, that you know based on the current state what will most likely happen next. By definition, in an industry such as legal that has very little in the way of structured datasets, this will take time.

The ultimate goal is the prescriptive phase/amplified intelligence and automation phase. This is where your data can not only see the future but bend or focus it (think "Minority report" but for legal teams), in order to proactively contribute to the important strategic decisions being made within your organization.

So now you know where you're heading, how do you get there?

Why not legal? **Because legal is here...**



When there are questions, but no easy answers

Situations will arise that amplify a lack of preparation for the inevitable. For the in-house legal team, this realization can come in the form of a request to preserve and hold documents for a litigation case, a query from the C-suite to provide evidence on the legal department's activities, or after spending hours on monthly reporting that really should be a lot more efficient.

It's during these times that many will start looking at alternatives to the way things have always been done.

Many of your peers are taking stock of where they're at, and looking at investing even more in the years to come. Many have already started their journey.

There are likely to be signs already present in your legal department, signs that you can identify with, and start to see where it's possible to make some innovative changes.

The inability of the legal leadership team to answer questions – its own and from others in the wider business – is one of the key signs that moving towards a data-informed department is a smart idea. The lack of readily available data means a continued struggle to understand where the legal team is being pushed and pulled, and in what direction, and data provides the evidence of this.

The point of purchasing a solution

Gartner estimates that by 2025 legal departments will have a threefold increase from 2020 on technology spend, rising to approximately 12% of in-house budgets. So there's a lot of investing happening across the legal sector.

Gartner also says that legal departments are expanding the use of technology to support workflows and meet productivity demands. Critical to a legal department's success is the development of a comprehensive, multiyear technology strategy that adapts to the changing environment and technology advancements.

Purchasing a legal technology solution is another sign you're on the road to better days, yet if you're starting to encounter issues with it, then the journey's going to be a long one.

Perhaps the software is a point solution, working in its own silo and ineffective in dealing with more than one type of legal work. Or, perhaps implementation is too lengthy, bringing up ongoing problems to solve.

Usually, these situations follow a decision to purchase based on an acute need at a specific point in time. But soon there is the uncomfortable realization that as a legal department you've invested a whole lot of money, time, and effort in the situation, and yet the technology chosen still neglects to solve all of the problems.

Solving the biggest problem of the day just doesn't work

Think about your biggest pain point. Was it the same pain point as yesterday, last week, or four months ago? Will the same issue be present again in 6 months?

It's a common approach to invest only in the biggest problem of the day, the most immediate issue which is causing undue inefficiencies, frustration, and stress.

Think along the lines of choosing a contract solution that's just for contracts, a billing solution that's just for billing, or a matters solution that's just for matters.

There's little regard to tying one acute need to the next acute need, and then finding the platform solution to underpin it and tie it together.

Investing in a particular point solution to solve a problem, just because that specific problem was the biggest issue at whatever time of the day you decided to go after a legal tech only delivers a short-sighted result.

After the initial problem goes away or is addressed, there are still all the other problems remaining underneath and alongside the original issue. And there's no way to holistically understand the next best step. You've still got the problem that the rest of the business is looking at the legal department, shaking their finger, and asking 'why are we still in this situation in 2021'? Unfortunately, all this money has been spent on delivering a solution that hasn't solved the problem that you thought it would.

Making the first move

The very first step is to have a system of record.

Making long term strategic decisions about what your team should be focused on in the absence of data, would be madness, right? Any transformation, any change program, needs to be based around a system of record that's gathering data about what's happening every day in your legal team, and turn that into data so you can make your decisions.

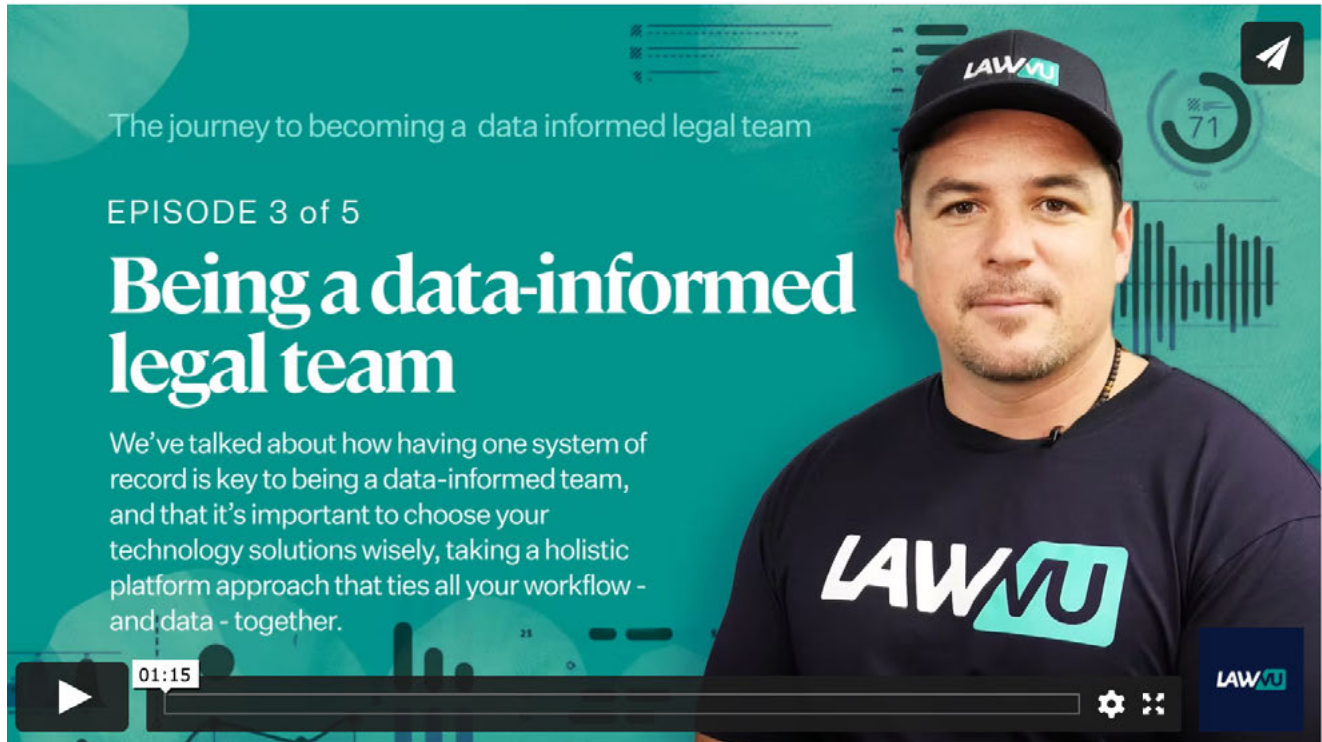
Whether we're talking about embarking on a legal department transformation or implementing a legal tech solution, the same approach applies – both need to be underpinned by a very simple system of record that will start gathering your data. Working from a holistic platform, such as a Legal Workspace, means the data captured is from all areas of the legal team's work, including matters, contracts, and billing.

Once you have that very first basic preliminary data set, you can start making good decisions about where you're heading next – which is one step closer to becoming a data-informed legal team. In the next article, I'll discuss how to engage with data to enhance your ways of working and communicating with the wider business.



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Enhance – being a data informed legal



The journey to becoming a data informed legal team

EPISODE 3 of 5

Being a data-informed legal team

We've talked about how having one system of record is key to being a data-informed team, and that it's important to choose your technology solutions wisely, taking a holistic platform approach that ties all your workflow - and data - together.

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Once you've made the decision to adopt a legal technology solution, the next step towards the vision of being a data-informed team is to embrace data, and use it to inform your ways of working and communicating with the wider organization. This brings a new way of thinking to the business, with novel opportunities to use data-informed decisions for better business outcomes.

Creating a functional legal team

The data-informed legal team is very different to the legal team we see today. Currently, out of necessity, all you can do with legal problems is throw them at a legal team, give them time to solve them, and wait for them to return a resolution. It's all very manual, and it's based on very artisanal skill sets. However, the data-informed legal team looks very different.

It's much more stratified by the skill sets within the team. Certainly, lawyers are part of that, but you also have the opportunity to use other roles to achieve the

business outcomes. The data-informed legal team is able to analyze systems and processes, using this information to make the best decisions about who should manage the tasks.

For instance, simple, manual tasks that are traditionally served to the lawyers in the team can be completed by a paralegal or a clever intern. This relieves the time of the lawyers for higher value, more complex tasks, and is the more cost-efficient use of hire spend.

All this is possible because the legal team is using data in a system to understand its workflow and ways of working.

Data brings oversight and transparency over all the work that's being done, and because it's all within one system, then there's checks and balances in real time. The work is driven by data, and exists within a workflow that's within a system that the leadership team and other team members have oversight of.

Making data visible

Think about the other departments in your company – for example marketing. The marketing department works off principles of KPIs and OKRs, and that's possible because everything that the marketing team does is data-driven. You can measure the number of leads that come through, and the quality of those leads, all objectively measured as data.

Yet the same is not true of the work that comes out of the legal teams. In the majority of cases, none of the data is captured, there is no feedback from the business, and there is no evidence of how long tasks take individuals or which individuals are doing them.

So this idea that you're going to be able to set benchmarks not only as a function, but benchmarks for individuals within that function, with increasing awareness across the industry of what's best in class, and what's acceptable – well, it's now all well within reach.

The approach of becoming data-informed and using the knowledge to drive business decisions is completely transforming the way legal teams work from a leadership and management perspective of both teams and the individuals within them.

Ultimately the results that chrome out of the legal team are going to be much better, much more informed, than the results we're working with today.

Using metrics that matter

Metrics are the key to really understanding how your team functions.

I think of metrics as distinct to reporting. The way I view it is that reporting helps you to spot trends, whereas metrics show what the current state is against those trends. Metrics feel more acute to me – they are the elements you can influence.

With metrics you can see where you're going off track, and know how to deal with the situation because you have the data to show how the issue was resolved last time it occurred.

It's like being a pilot, sitting in the cockpit and looking at the altitude and airspeed dashboard, knowing this is exactly where you're at, and that using the data in front of you will determine if you're going to keep flying on track, or crash into the ground.

Keeping pace

Legal teams need metrics now, more than ever before. The pace at which business is moving creates an uphill battle for legal departments that are playing catch up with all the other departments within the business.

Legal teams need to be leaning on real-time metrics and data points that will not only help them to perform better, but will also be collected over time to build the system of record of where and when those data points occurred.

It's the same idea once again – using metrics to improve, enhance, and expand the work of the legal team and the wider business.



What's the big opportunity?



Big Opportunities – Big Impact

Using data brings with it the opportunity to really change the ways the in-house legal department works. Imagine ...

- standardizing across data sets, offering many opportunities to compare and evaluate your team and the business against others in the industry, and establishing universal best practice for in-house legal.
- benchmarking, enabling us to compare ourselves against our peers, and get some clues in terms of where we should be improving.
- standardized KPIs for legal teams, meaning individuals within the legal department get the same sort of treatment as others in the business, and can also measure against a specific set of performance standards.
- organizational playbooks becoming a real asset as a means of setting up functions from an operational and organizational perspective, so there's a common approach across the industry that is modern and data-informed.

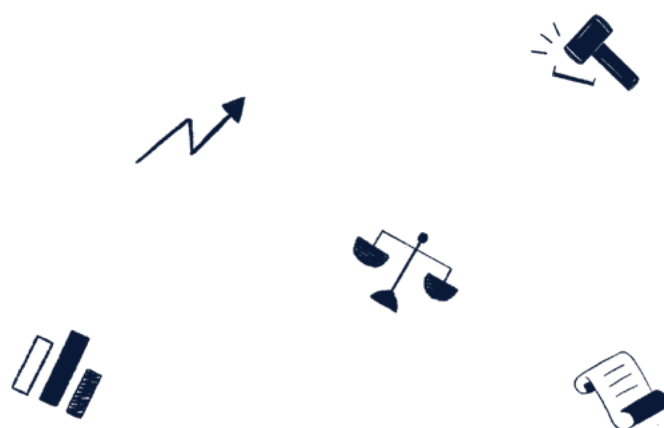
These opportunities are not just a far-fetched dream – they're possible now with the right legal technology solution, and an adaptive attitude to re-imagining the in-house legal team.

As we get better at using data as an industry, everyone in the wider business will know the new story your legal department is telling. The legal department will function much like other departments, with no need to justify its existence or explain its ways of working.

In the first article in this series, I mentioned the importance of having one system of record, and this part of the journey is where those efforts are realized – the opportunity to revolutionize your team's ways of working by using data.

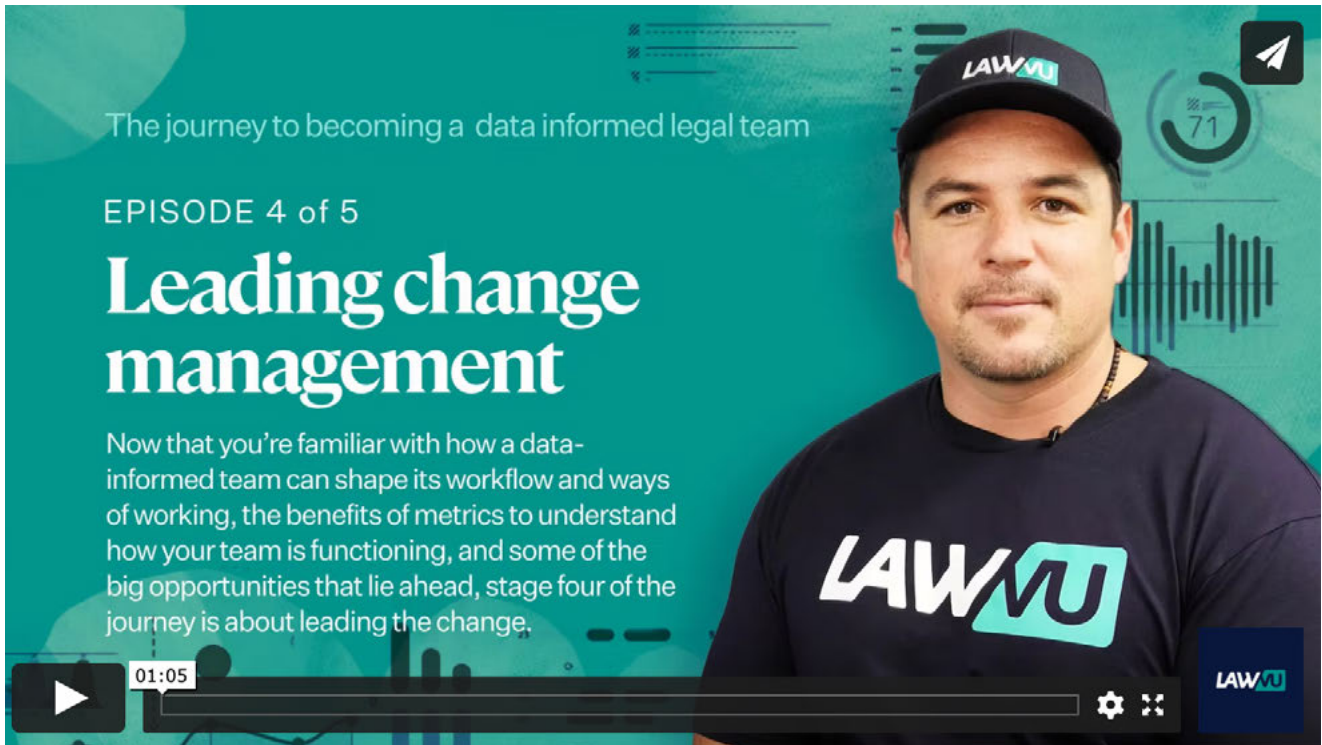
Having your data captured means that you're able to make use of it, both for the benefit of your legal department, and also the wider organization.

In the next article, I'll look at how to use data to lead and support change, within your legal team and business, and across the industry.



Episode 4 of 5

Lead – leading change in the data-informed legal team



As we've seen, the data-informed in-house legal team works in a different way, and there's the potential to build on these new ways of working exponentially. But just doing your work differently by using data isn't enough to bring about a full-scale change to the legal industry. Someone needs to lead the change. And that someone could be you.

The real reason for having a system of record

Moving to be a data-informed team means a shift in how the whole team and the whole organization works.

Change management is no easy feat, especially in the legal sector where we do things the way they've always been done, with little changing over years – compared to our colleagues in other areas of the business.

The key to leading change successfully is to be informed – data-informed. If you have the facts presented through data, then people are more likely to listen.

To do this you need to do “step one”, which is getting your system of record in place. In doing this you'll start capturing some rudimentary data points and let those points do one of two things:

1. Let them inform your next steps, or;
2. Go into a project with a plan and use the data points to validate what you want to do next.

It's easy for people to argue and push back against your ideas, your opinions, and your plans, but it's very difficult for people to push back against data. So, if you're able to use the basic data points to validate what you think should be done next, it helps to make a case to the team and build momentum around an idea.

That's why it's so important to start this journey with a system of record to capture your data – it helps to prove the change management process, whether it's selling a new idea to the team, or to the C-suite.

Leading change for a high-performing legal team



Managing change takes a special kind of person, especially in the legal sector where taking the more traditional approach often reigns supreme.

I think it's mainly the right mindset that's needed to lead change, more than skillset or technology. It's someone who understands that one of the core components of improvement is change – and that you can't improve without change.

It's a powerful combination of having a person to lead the change who has the right mindset and who is also in a position where they have some level of influence. This means they can pull the right levers and select the right people to collaborate, while getting the right sponsors on board to drive the initiative from the top down. While this is happening, they also need to rally the troops and come in with a bottom-up approach to get everyone in the team on board, by finding out what motivates them to embrace and adopt change.

Having someone who has experience with change management projects in the past can also be hugely advantageous.

To match the 'people' side of things, you also need the right technology. It needs to be flexible, it needs to be simple, and it needs to be a solution that will scale with you into the future. Whatever solution you implement, it still needs to be relevant in ten years time, right?

The value of momentum

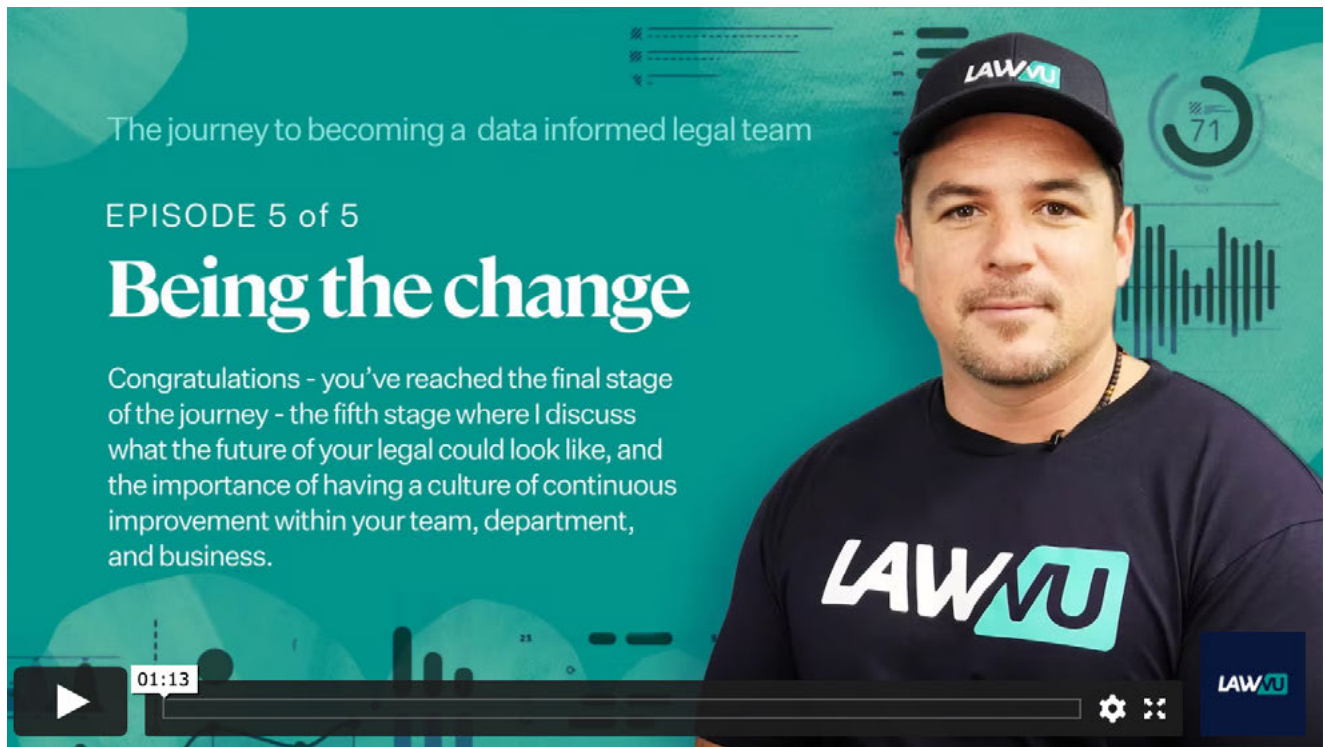
After identifying the problems you need to solve as an in-house legal team, the next step is to gain an understanding of how quickly you will arrive at the very first value, where you realize that the problems to set out to remedy or improve are being solved.

The timeframe between the starting point of your journey to using data and the actual point you begin to use it needs to be reasonable or you're going to run out of steam. While the journey to becoming a data-informed legal team is never-ending, that doesn't mean that results remain elusive. It's important that any changes, any new technology solutions are implemented in the most efficient way possible, meaning there is less stress and uncertainty placed on the team and the wider organization.

Combining what we've looked at so far – having a system of record, the new ways of working, and insights into how to use data to inform how you lead change – the final article in this series looks at what the future could look like as your team embraces its journey to becoming data-informed, bringing this new reality even closer.

Episode 5 of 5

Influence – being the change and influencing the legal sector



It's almost impossible to predict where your journey to becoming a data-informed in-house legal team will take your legal team and the business. It's venturing into the unknown, the unplanned, and the unpredictable, as yet we can say with some certainty that what's ahead is going to revolutionize the legal sector.

Looking forward

So, what does the future look like when legal department data is at the core of future corporate business decisions?

Ultimately, we want to be thinking about how we use what we do in legal as a sword? How do we stop being defensive, and how do we start being proactive? The future is going to be an interesting time. We're going to have so much data, we're going to understand so much more about our business as data, that we're going to be able to manipulate our future in certain ways.

Because of the data legal captures, the business is going to be more proactive, more insight-enabled, with

data being able to strategically influence the direction of the business.

Not only that, but legal is going to become the heart of the business, integrating with other departments and the wider organization. This integration will also involve working with other point solutions within the business ecosystem, so departments are seamlessly interacting within the Legal Workspace.

Once legal departments have begun the journey to being data-informed and are moving towards a more predictive way of working, what do they have to look forward to?

Imagine a time where AI is working with the intake from the business. In natural language AI understands what the intent of the intake is, what the request is, and can figure out that the piece of work was already done six months ago and here it is, removing the need for the legal team to manage the task. Alternatively, AI could determine that this kind of work hasn't been encountered before, and therefore needs 'Steve' to work on it, as it fits his expertise and he currently has the capacity to deal with the task.

Legal teams will no longer have to deal with the simple task of managing intake.

Then there's contracts.

In the future, AI-powered reviewing of all contracts will be possible. It's likely that you have a repository of hundreds, maybe thousands of contracts, sitting somewhere – perhaps in paper-form filed diligently in a storeroom. An alternative is having data stored in SharePoint somewhere, where you're able to point a tool at the content and have it understand what the risks and opportunities are that exist within those contracts, opening a path to act on them.

Getting to the final stage of the journey

The final step of the journey to being a data-informed team is the prescriptive step. To arrive at this stage, you need a platform that supports you on the journey to becoming a data-informed, in-house legal team. This holistic platform is the cornerstone of everything you do, and the data it captures holds value and provides evidence on how to progress forward.

Once we're able to build out the technology that's able to ingest vast quantities of structured legal data, that's able to learn from that data, that's ultimately able to drive some form of intelligence out of it, then that's when we'll be able to progress to quality AI for the legal industry.

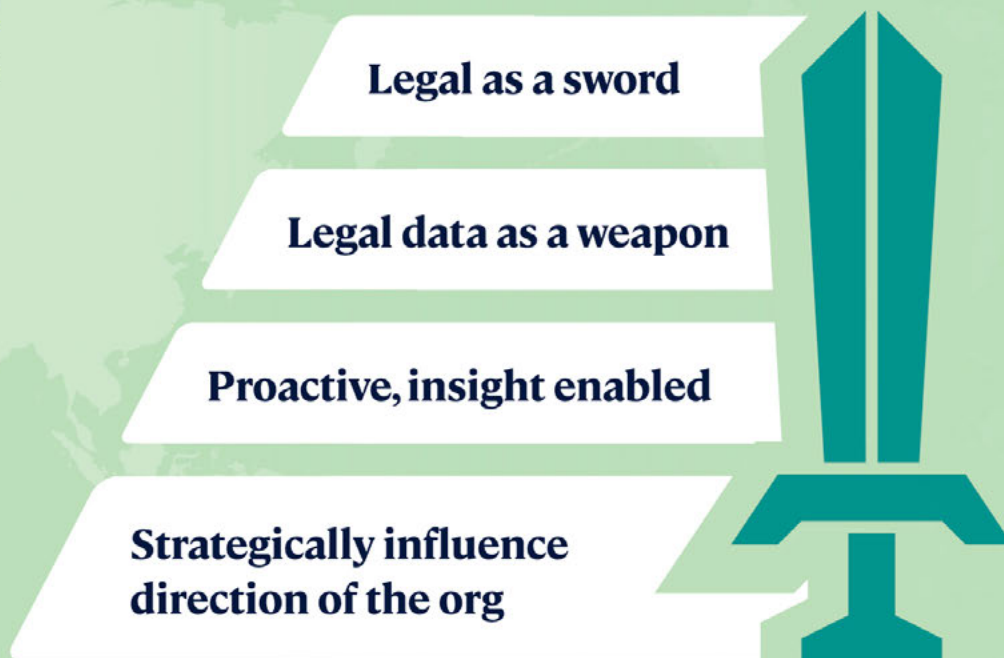
It might be a five-year journey, it might be a ten-year journey, but it's kind of inevitable that once you start gathering data at volume, AI becomes a more realistic goal.

As a legal department, it's your responsibility to capture the data, embarking on a journey to use it in more sophisticated ways that will ultimately impact your business success.

Or imagine AI being able to go through your contracts and pull out information on where they're weak, and know how to leverage that weakness as a business advantage.

Potentially all of this is going to be possible at some point, so let's start thinking about it now.

What could it look like?



The path of continuous improvement

You never stop improving. You never reach a point where you say we've got enough leads, we've got enough customers, and we're making enough sales that are all moving through the pipeline fast enough.

That time will never come.

Progress is about having a continuous improvement initiative in play, and then making sure you have the data – that the right things are being measured along the way and the right people are looking at the right metrics.

When this happens, you'll find the evidence you need to incite change, make progress, and promote better ways of working.

Catering for a future of data

Data tells the stories that change the course of what's possible. Without data, the stories remain untold.

The stories of the in-house legal department need to be heard – by the legal team itself, the other departments within the business, by the C-suite and by the wider industry.

But you have to know your audience at all times, right? There are always going to be different stakeholders you want to tell a story to, that either ask to see something or you want to tell something because it's relevant.

What matters is that you have the data there to support and create the story.

Whatever story you want to tell, accessing the relevant data points needs to be seamless, and a simple process that's efficient in both time and effort.

A common approach when setting out to build legal dashboards is to determine what the dashboard looks like, what the graphs and charts are to look like and reverse engineer from there. For example, I want to present four graphs, so I'm going to build a system that generates the data for four graphs.

Perhaps you're trying to speed up turnaround times for specific work or contract types? Or working on incrementally, matter type by matter type, getting the business to self-serve so work coming into the legal team is narrower, reducing the need to react to every intake request, and freeing up the time for legal to work proactively on higher-value issues.

Continuous improvement means adjusting to the ever-changing landscape of the legal industry. When you have data, and when you have a system of record, it opens up a world of possibilities to improve your legal team's working environment – its culture, its ethos, and its functioning.

But what if, in the future, I change my mind, and want five graphs, or ten graphs? By creating a system that captures data for just four graphs, I've limited the capability of what's possible, and need to start the whole process again to capture the data for a different number of graphs.

My philosophy is that it's best to cater to more possibilities and opportunities, right from the start. Put a system in place that captures all the data and that's watching the activity, so that at any point in time in the future you can tell one of hundreds of thousands of stories, because the data points are already there.

By mixing and matching the data points in different ways you can tell different stories.

And it's these stories that influence whoever is listening – others in the legal team, the C-suite, the wider business, the industry or the legal sector – and educate them about your team and the business it supports.

You influence others by using data to tell your story.



A recap

Circling back, our first article established the fact that a system of record is key to set up your team and your business for data-informed success. We then examined the signs you may observe that indicate your team is ready to embark on its own data journey, and how to make the all-important first move. Next, we looked at how a data-informed legal team behaves and what it looks like in action. The value of momentum and leading change within your own legal team was the next part of the journey, followed by this last article which looks at how your newly-found knowledge can be shared to propel the business and legal sector in a new direction that embraces data as a necessary tool of the business.

While we've reached the end of this thought leadership series, it's likely to be just the beginning of your organization's journey to becoming data-informed. Depending on where you're at, taking the next step to move legal to the heart of the business is now a bit closer, and hopefully, I've given you some idea of the opportunities that lie ahead so you can start on the journey to make them a reality.

Join some of our LawVu customers and see how they're adopting a holistic platform approach to transform their ways of working.



Tim Boyne

Tim Boyne is a Legal Technologist and co-founder of LawVu.com, a cloud-based Legal Operations tool that's revolutionizing the way legal teams collaborate with their internal clients and outside counsel.

