

Deloitte.



**Scaling Legal Operations by
Productizing Legal Work**



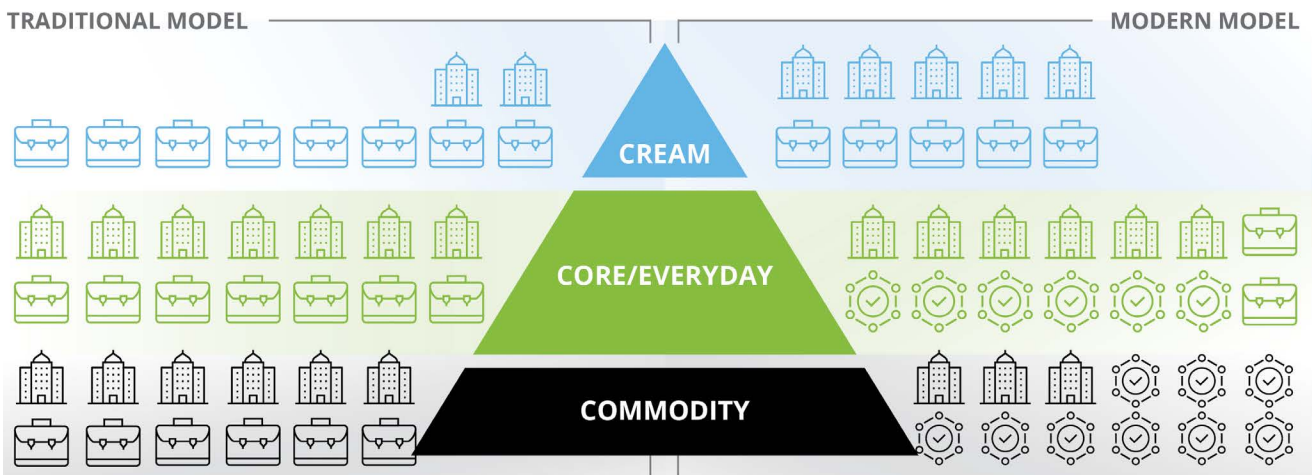
Productization is not the same as commercialization. It is the packaging of people, processes, and technology to solve a problem and deliver value at scale. Even though they don't "sell" anything to their clients, legal departments striving to become best-in-class may want to consider infusing this philosophy into their legal operations. In our piece *Increasing Value and Productivity through Modern Legal Service Delivery Models*, the concept of categorizing legal work into "cream," "core" and "commodity"

work was introduced. Legal work can be categorized into three general buckets: Cream, Core, and Commodity. A "bet the company" piece of litigation might be classified as "cream". Work such as third-party subpoenas or e-discovery document reviews may now be seen as "commodity" work. Likely the largest bucket is every day – or "core" – legal work, which is the bread-and-butter work that in-house counsel and their law firms do that keeps the company running on an ongoing basis.

For many law departments, running a modern, effective legal function requires maximizing efficiency and scalability in the delivery of that everyday work – which may account for a large percentage of the work in-house legal departments ultimately deliver to their organizations, whether by handling it themselves or through outside providers. One strategy for doing this is through a philosophy of productization and self-service, often underpinned by no-code or low-code technology platforms.

MOVING UP THE VALUE CHAIN

A Look at the Distribution of Legal Work by Type



THE TAKEAWAY: In the modern model, the use of technology and legal service providers who leverage it effectively means less work outsourced to expensive law firms and more time for in-house law departments to handle strategic "cream" work.

Lead with People and Process

Productization is impossible without technology. But technology shouldn't be the leading consideration in a productization strategy.

It is important to lead with process and people first. It is the "garbage in, garbage out" adage – automating bad processes will not accomplish the efficiency and scale an organization hopes to achieve. To begin, identify the work product or tasks currently done as a series of one-offs and evaluate which are done repetitively in high enough volume to warrant an (ideally automated) process. It may not be feasible, or worthwhile, to try to build a process around everything your legal department does or needs from outside counsel, so focus on higher-volume, lower-risk work, and move up the value chain from there as your initiative yields results. Once you've identified the areas most ripe for change, map your current processes in detail, identify gaps and inefficiencies and determine whether automation will add value. Sometimes, an entirely new process will be needed. Once that is designed, then start thinking about how to apply technology.

The need to do more with less (or at least do more) has driven most of the transformation in legal service delivery and will continue to do so. Legal departments face rising compliance needs, expect more litigation, and must support ever-increasing M&A activity. Very few receive additional resources to manage these growing demands, and those that do struggle to find and hire the right talent. In these circumstances, it is critical to be able to build scale, supported by efficient processes and agile technology, in other words, to productize. Simply put, as the volume of legal work grows, scale is required to effectively reduce risk and otherwise serve the business.

1. Link to be added once this POV is published





Tools to Empower Productization

Scaling almost always demands the use of technology. Workflow automation, for example, reduces the time and human effort required to manage and complete a process, increasing the volume of work that finite resources can produce. The ability to track task and project status and report on outcomes means more efficiency and insight into opportunities for further improvements. And seamless collaboration with other departments and within dispersed teams is more critical now than ever.

There are many off-the-shelf systems available for contracts, matters, invoices, etc. But one type of solution that is rising in popularity and usefulness is the low-code/no-code (LCNC) platform, which empowers legal departments and law firms to apply workflow automation to build solutions at scale – in other words, productize their own legal work of any

type. LCNC platforms allow legal teams to build solutions that scale expertise, streamline processes and automate documents without requiring developers to write custom code.

Again, productization is not about selling. It means combining the people, process and technology used to produce a specific work product or tasks into an efficient, repeatable, often automated, “package” for internal clients. Productization transforms legal work from a one-to-one into a one-to-many architecture, driving more speed, efficiency, and value to the business.

LCNC platforms can be useful for implementing a productization philosophy because they make it possible to build automation that fit your processes instead of forcing you into pre-built systems that were not

designed for your legal department and possibly not even for the legal function. Once you optimize a process for your unique needs, these platforms enable the automation of all or parts of that process, without requiring you to rip and replace your current tech stack. They are designed to fill process automation gaps and to help you derive more value from existing systems simply and easily.

One of the biggest difficulties for legal departments is working efficiently with clients and others outside the department. LCNC platforms also can bring users from outside of the legal department into the loop, usually with very little training, and can be the key to increasing the speed of delivery. This can reduce costs and improve quality through consistency, resulting in greater client and employee satisfaction.

Steps to Success

These six steps can be applied to each process you want to productize. Remember, leveraging an LCNC platform will allow you to automate nearly any process, but selecting the right ones to start with can be critical.

Step one – Identify

The end users should be the primary consideration when identifying specific opportunities for productization. Seek input from end users to define their challenges and needs and explore how the end users and producers of the work would benefit from productization. Be very specific about who your end user is and ensure they have a voice in defining requirements. If you learn through this end user engagement that there isn't really a problem to solve, you must consider whether building a solution will provide any value or added efficiency. Automation just for the sake of automation is not fruitful.

Step two – Understand available solutions

Once you've identified what processes are good candidates for productization, answering the question of build vs. buy vs. optimize existing assets is important. Building workflows and automations using LCNC platforms can theoretically support any process your legal department has, but it is sometimes easier to leverage a full-featured product already available in the market or already part of your existing tech stack. For example, there are also dozens of commercially available contract lifecycle management solutions and systems designed to handle specific contract processes, both pre-and post-signature. Look at your contract-related processes holistically and ask if your challenges

Identify the areas most ripe for productization, evaluate the viability of automation or availability of existing solutions, then obtain buy-in, assign ownership and drive adoption.

are great enough to justify a large-scale software implementation, or if a simpler and faster solution like LCNC would suffice.

Step three – Socialize the concept

No matter what tech route you choose, convincing stakeholders of its value is usually critical to success. To ensure adoption in the end, you typically need to secure buy-in at the beginning. Part of this is creating a pitch for why and how you plan to productize a certain legal process. Focus on comparing the current process and proposed solution, as well as proving that the idea is desirable, viable, and feasible. Finally, create the business case to show expected costs and return on investment. For an example of how to build a business case, see *How to Enhance Value and Calculate ROI for Your CLM Transformation*.

Step four – Create a prototype and solicit feedback

One benefit of LCNC platforms is that it can be relatively easy to create a prototype of your proposed productized legal solution, which is not normally the case with built-for-purpose software products. There is great power in the ability to show your concept (or a "minimum viable product"), especially when trying to sell something completely novel to your team and the business leaders you serve. Doing so affords an iterative process that allows for gathering feedback and refining requirements as you go.

2. Link to be added once this POV is published. [Or cut the line if it hasn't been published yet]



Step five – Address ownership and oversight

Part of the productization process is defining and socializing the idea that there is a distinction between delivering legal product and practicing law. Many attorneys practicing at the top of their license typically focus on strategic risk mitigation, not delivering routine work product. This will be a new concept for some, but in many instances, it is how businesspeople see the legal function. Even as the process of producing some work product moves fully or partially out of the realm of lawyers to lower-cost, higher-efficiency resources, there would often be a mechanism for attorneys' review and revision to provide confidence that the output is legally compliant and current.

Step six – Drive and monitor adoption

Once you've built the productized legal solution, it may seem like the journey is over. But factoring in how to drive and measure adoption should be part of your strategy from the beginning. An internal marketing plan, easy-to-use support resources, and feedback opportunities will be important. Creating and tracking clear key performance indicators (KPIs) for users and the solution itself will enable you to evaluate success and adjust as needed. Most importantly, having a strategy to fully leverage the data derived from your solution empowers your department and the business to more quickly make better decisions that lead to better outcomes.



Taking the Leap

The number of opportunities to productize legal processes in the work that can be considered “everyday legal work” can be difficult to sort through and prioritize. It is also true that what works well in one company or industry might not translate to others. However, engaging specialists who have knowledge of best practices and perspectives from having worked on many different projects can help you avoid starting completely from scratch. Outside specialists may also be helpful in selecting the appropriate LCNC platform for your needs and configuring the automations and workflows that power your productized legal solutions.

As you evaluate strategies to diversify how legal services are delivered and how to drive greater value at scale, a technology-enabled productization philosophy can be a key element, especially considering the tight market for legal talent and the constant demand to do more with less. Given the ever-growing amount of work that legal departments and their outside law firms continue to face, many organizations can no longer ignore technology and automation – including LCNC solutions.



Overcoming Fear, Uncertainty, and Doubt

The concept of productizing legal services may be unknown, off-putting, or even threatening to a team of attorneys. The process of unbundling can help to alleviate this. As services are unbundled, the lower-risk, lower-value work is allocated to lower-cost resources, allowing attorneys to focus on strategic, higher-value work, which is why they likely sought to practice law in the first place. Separating the work that is ripe for productization from more strategic, bespoke work can remove barriers and objections to productizing certain legal services. According to the American Bar Association:

Unbundling, or limited scope representation, is an alternative to traditional, full-service representation. Instead of handling every task in a matter from start to finish, the lawyer handles only certain parts, and the client remains responsible for the others.



Of course, the pieces that aren't handled by a law firm don't necessarily have to stay with the client as stated by the ABA. Those could be allocated to alternative legal service providers (ALSPs) or performed by leveraging technology. While it may seem threatening at first to remove some of the work from the attorney(s) in the process, it can offer them substantial benefits, particularly when it comes to ensuring that legal professionals are operating at their best and highest use.

When done correctly, unbundling can leave the attorney with less tedious work and more time to focus on exercising creativity, judgment, empathy and strategy on behalf of their clients. It can also allow law firms to scale and increase the number of clients served while reducing the number of partner hours it takes to create work products. It can be a challenge for those looking to encourage their own law firm, or their outside counsel partners, to adopt this technique of unbundling and productizing legal services. To overcome objections about their reduction in hours, it can be positioned as a volume play and therefore a strategy to drive revenue even if that requires a change in billing model while serving more clients.



Contact us:



Robert Taylor
Managing Director,
Legal Business Services
Deloitte Tax LLP

Tel: +1.617.960.5407

Email: roberttaylor7@deloitte.com



Jason Wilczynski
Senior Manager,
Legal Business Services
Deloitte Tax LLP

Tel: +1 224 250 7631

Email: jwilczynski@deloitte.com

3. https://www.americanbar.org/groups/delivery_legal_services/resources/

*The Deloitte US firms do not practice law or provide legal advice.

Deloitte.

As used in this document, "Deloitte" means Deloitte Tax LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting. The Deloitte US firms do not provide legal advice. This article contains general information only and Deloitte is not, by means of this article, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This article is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this article.

Copyright © 2023 Deloitte Development LLC. All rights reserved

Designed by CoRe Creative Services. RITM1396282