How corporate legal organizations can leverage shared services

Corporate legal organizations often assume they are not good candidates for service delivery transformation because they have unique sensitivities and ways of operating compared to other departments within the enterprise. More and more legal departments are discovering this perception is no longer accurate and genuine benefits lie in thinking more systematically about their service delivery.

Why are a growing number of in-house legal departments considering shared services as a key component to their strategy to improve the way they deliver their services?

The role of in-house corporate counsel has expanded. In-house legal departments have broader responsibilities today than five years ago, especially regarding regulatory compliance, risk management, and ethics—and these responsibilities are often global. At the same time, legal organizations are being pressured to manage their spend and to meet higher standards of efficiency and effectiveness, which have long been asked of other departments. These factors are now prompting legal departments to consider new service delivery models as a way of doing things better, faster and cheaper, and ultimately, of helping their clients to meet their business objectives.

Can in-house legal organizations benefit from shared services like other departments have, or are they too different to make it work?

In order to meet the new demands being placed upon them, legal departments are becoming proactive instead of reactive. This implies the need for greater client focus and for consistently delivering high-quality services as efficiently as possible. While legal departments do have some unique sensitivities, certain aspects of their operations are appropriate for shared services, and a shared services model, or a hybrid thereof, may now be the logical choice for enabling them to be client-focused and efficient on a global scale. The challenge is overcoming inertia. Since it involves new ways of operating, service delivery transformation can be a daunting proposition, particularly for legal departments that have strong ingrained cultures. However, the journey does not need to be about making wholesale changes all at once; it’s about starting with activities that typically have standardized processes—for example, e-discovery, legal research, contracts management, and document review—and putting them into some version of a shared services model. Contrary to popular belief, this often gives department heads more control, not less, over the legal and non-legal resources employed and the quality of services delivered, along with greater ability to measure performance according to standard metrics.

Early adopters have demonstrated there are some tightly scoped, well-defined ways that shared services can be leveraged to improve the efficiency and effectiveness of corporate legal. A review of the legal organization’s strategy around people, process, and technology is a good first step toward identifying them. Does the legal strategy support business objectives? How is the legal organization structured and how are its
people aligned around the globe? Are there gaps in existing processes versus leading practices? Can technology assist in areas such as knowledge management? Many frameworks exist for facilitating this discovery and for helping leaders to process the findings. Through them, a growing number of legal organizations are finding that the right mix of shared services and complementary sourcing strategies can lead to greater flexibility, higher quality, and lower costs. The key to unlocking these benefits is a fundamental willingness to think more systematically about service delivery.

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