

2021 State of Legal Operations Survey

Taking steps to modernize Legal Operations

What's top of mind in legal departments across the country?

General counsel participants were able to select from the 12 Corporate Legal Operations Consortium (CLOC) Core Competencies to better understand where they stack up against an industry standard maturity model. Many chose more than one and 22% selected them all.

Firm and Vendor Management (80%) and Technology (74%) were the most chosen Competencies. Financial Management (65%), Strategic Planning (65%), and Project/Program Management (64%) are other key areas of interest.

THE CHALLENGE

Participants continue to struggle right-sizing and right-sourcing work, with attorneys taking on too much administrative work.

THE OPPORTUNITY

With 91% agreeing that there is an opportunity to modernize how legal services are delivered, up 10% from last year's survey, it is time for leadership to take bold steps to innovate Legal Operations.

2021 vs 2020 results

MANAGING THE WORK



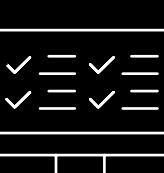
More project plans

63% reported that project plans are developed for new projects, up 16% from last year

Less resource alignment

78% felt that they didn't have a process to validate whether work and resources were properly aligned, 13% worse than last year

DOING THE WORK



More administrative work

69% felt their attorneys were taking on too much administrative work, 11% higher than last year

With automation lagging

Little to no change in the use of automation over last year, with ~20% indicating they leveraged tools to automate routine tasks

TRACKING THE WORK



Access to metrics is improving, but slowly

32% indicated tools can provide actionable KPIs and reporting without significant manual effort, up 10% from last year

Processes need updating

71% agree that establishing better processes would help solve current technology challenges, up 11% from last year

"Metrics on external spend tend to lag rather than lead."

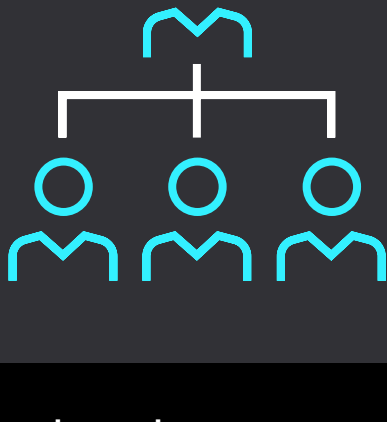
— HEAD OF LEGAL OPERATIONS

FIRM AND VENDOR MANAGEMENT

83%

programmatically use preferred firms and vendors with negotiated rates. However, the same are considering alternative fee arrangements. 45% always consider using alternative legal service providers and legal managed services—up 12% from 2020.

A shift is brewing in legal services that could create more competition.



57% confirmed that providers and capabilities are routinely evaluated to promote innovation and mitigate complacency.

TOP METRICS BEING TRACKED

Budget to actual spend | Total external spend | YOY trends | Hourly rates | Cost per matter



Only 24% can provide accurate metrics on the work performed by internal or external resources

Only 34% leverage KPIs/metrics during periodic firm/vendor reviews

33% do not routinely execute firm/vendor training

53% aren't using collaboration tools with their vendors

"Our goal is to shift to a data-driven strategy in how we allocate work to firms and vendors instead of relying on relationships."

— CHIEF OF STAFF TO THE CLO

TECHNOLOGY

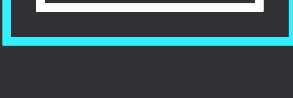
76%

said that there is a current need to implement a new technology.

54% stated they have a defined and actionable legal systems roadmap compared to only 39% in 2020.

"I have a technology roadmap that I can't fund."

— SENIOR MANAGER, LEGAL OPERATIONS



Legal Operations participants are facing some tough hurdles when it comes to technology.

46% do not have the right tools

30% are using >10 different legal technologies and 40% are spending money to maintain out-of-date or unused legal technologies

76% work outside of the tools, compared to 62% in 2020



57% cited lack of adoption and change management as the biggest concerns related to technology

Only 35% agreed that most individuals within Legal have good technology skills and only 30% believe that team members are effectively leveraging the technology

"We have a lot of technology. The challenge is to integrate or eliminate what we don't need."

— DIRECTOR, LEGAL OPERATIONS

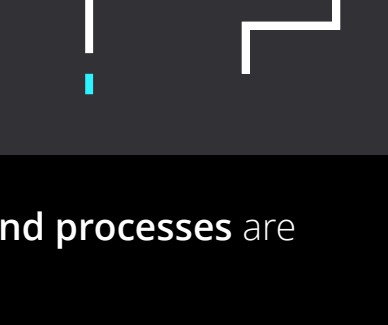
STRATEGIC INNOVATION

77%

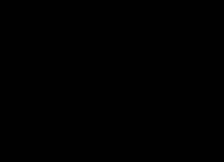
indicated that leaders are investing and prioritizing their resources on the things that best align to their business strategy. 42% believe they have the right tools and processes to achieve strategy.

"Contract Lifecycle Management is one of the most important focuses, but there's a lot of fatigue as well."

— LEGAL OPERATIONS MANAGER



Bold steps on upskilling people and modernizing data and processes are needed to fuel innovation.



75% have the skills and capabilities to achieve our strategy, but...

only 36% believe the current project resource model has the right people doing the right work

Innovation impediments LEARNING & DEVELOPMENT

71% indicated that their company did NOT have the right learning and development opportunities to support business needs

BUSINESS INTELLIGENCE

Only 21% agree that insights are gathered from a highly integrated enterprise data lake

Only 42% reported that Legal teams understand which technologies house the data required to drive successful business decision making

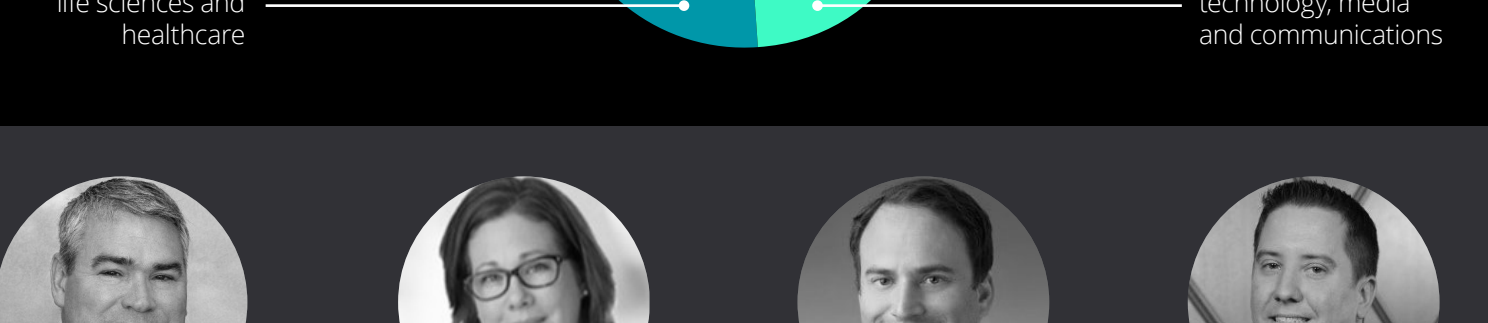
"Increasing workflow automation and hiring new talent are anticipated to be the biggest disruptors."

— LEGAL OPERATIONS, TECHNOLOGY LEAD

ABOUT THIS SURVEY

81 companies surveyed over 3 months across 5 industries

Participants completed both a survey and were interviewed. All quotes came from those verbatim responses.



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