

Technology & innovation – what does this really mean for in-house legal teams?

GC Forum – themes and lessons learned
February 2018



Legal Services – the changing landscape

The message is clear and is in the legal press on most days – client needs and requirements from their law firms are changing. Law firms must be flexible and adaptable. Outside counsel race to tell their clients that they provide the most “value-add” and “efficiency” among all competitors.

At Reed Smith, we strive to rise above reactivity in the legal sector. Our goal is to design the delivery of our legal services based on what we know our clients need and want in fast-moving markets and dynamic regulatory environments.

We recently launched our GC & Business Leader Forum Series - a platform for General Counsel, Senior Legal Department team members, and Senior Management representatives to share experiences, discuss needs, and explore the future of legal service delivery. The goal of this series is two-fold:

- To cultivate an environment of peer-to-peer learning in which decision-makers gain access to information and shared experiences that can inform their internal legal and business practices
- To drive positive impact for the outside counsel/client relationship via decision-makers’ first-hand accounts of what is needed most from their law firm providers

In this report, we have outlined key lessons learned from our inaugural series installment, **‘Technology & innovation – what does this really mean for in-house legal teams?’** that was recently held in London. Given that the forum was governed by Chatham House rules, we have not provided specific examples and have kept the report confined to themes. General Counsel from leading FTSE organizations participated in the forum and gave us and their peers valuable insights. We will utilise the information shared to enhance how we provide guidance, advice and invest in tools that support our clients in managing legal spend and maintaining a competitive edge.

We hope you will join us for future GC and Business Leader Forum Series that will occur across our network of 27 global offices on a rolling basis. We trust you will find the information from our first forum useful. We look forward to seeing you, listening to you, and engaging with you.



A stylized handwritten signature in black ink.

Tamara Box
EME Managing Partner

Our commitment – partnership, diversity, solutions, value

We will...

- ➔ utilise technology to provide pragmatic advice and **creative solutions**.
- ➔ leverage our **best and diverse talent** to discuss your needs and explore where we can add value to your business via collaboration.
- ➔ deploy members across our professional teams to ensure you receive **superior value** from their extensive experience. These teams include our:
 - Practice Innovation Team
 - Client Value Team
 - Client Technology Services
 - Client Development Team
 - Knowledge Management
- ➔ partner with you to identify emerging issues and find **practical solutions** within the right timeframes and on budget.
- ➔ invest in long-term approaches to create solutions that will deliver **lasting impact** for your business.

Lessons learned

Legal departments: working with a more strategic emphasis

Clarity and purpose

Every business is always looking at its bottom line. Legal teams need to define their purpose and how they are aligned within their organisations' wider purpose in order to demonstrate value to the business.

Be inquisitive

Asking basic questions such as 'why?' will help identify future risks and will help to better leverage potential opportunities.

Be proactive

An effective legal function seeks to act strategically and avoid simply 'putting out fires'.



Be a strategic partner

Legal teams need to be enablers, rather than cost overheads. Legal teams need to be involved from the outset in key business decisions – proactive and predictive legal advice leads to creative solutions.

Be a change management agent

Driving change management policies and ensuring that ethics are at the core of business operations should become a primary focus of forward-thinking legal teams. Legal functions should go beyond the focus on compliance and regulation and commit to proactively identifying and managing risk.



Drive efficiency

Managing the workplace through technology enables in-house teams to better manage virtual teams based in different locations. A company can invest in innovative technology and exciting ‘new toys’, but if it does not have the required resources to help maintain and update these systems and tools, the use of technology will not be maximised. Companies should aim to leverage existing resources to meet dynamic business demands.

Lessons learned

Optimising service delivery

One-team approach. Consistency in legal service delivery across jurisdictions, cultures and regions is particularly important on global projects. One team, across all jurisdictions, is hugely valued. It's not just about partners, the whole team – associates as well as partners – should meet with clients to consider creative solutions to drive efficiency.

Be a trusted advisor. Being instructed is correlated with having good relationships. A trusted relationship will ease the way to the firm getting 'big-ticket work' from the in-house legal teams.

Cultivate institutional knowledge. Building empathy is important – law firms and general counsels can use offerings such as secondments to cultivate empathy and institutional knowledge of their respective businesses.

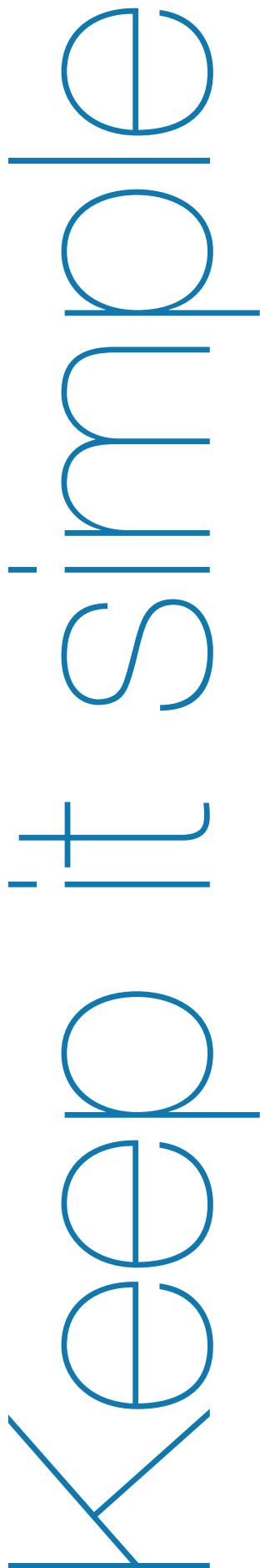
Collaboration. Legal service delivery will be improved by law firms and in-house legal teams co-creating processes and then applying technology tools to deliver solutions.

Improve internal communication. Law firms as well as in-house legal teams should maximise the use of technology to improve internal communication between different teams across regions and to keep track of developments in various jurisdictions. However, law firms need to ensure that the technology used is simple to operate and without bureaucratic and artificial barriers.

Reporting solutions. Law firms should consider providing better solutions to make reporting processes easier for in-house legal teams, including, but not limited to, improved WIP reports and regular updates on fees against agreed-to budgets.

Priority assessment. Identifying the risks that the business and key decision makers are willing to take via a robust triage system would assist in evaluating the priority for each project and the further allocation of tasks. This would also allow in-house legal teams to push work back to the business as appropriate.

Transparency
helps address
problems
before they
occur.



Trends

There is an increasing trend of complexity becoming the norm to sell solutions, regulatory change and big global events like Brexit. Overcomplicated legal technology and delivery of legal services have become a burden for in-house legal teams who are increasingly looking for simplicity.

Minimise tasks – create efficiency

Poorly designed new technology platforms increasingly add to workloads rather than reducing them. Solutions that create one new task should remove at least three old tasks.

Maximise staffing resources

The transition period between implementing new technology and keeping it up to date is often burdensome for in-house legal teams. Simple solutions, such as using junior timekeepers to oversee the deployment of new technology, will help keep projects aligned with agreed-to budgets.

Apply practicality principles

Law firms need to adopt a more project management-based approach – for example, designing simple forms to list new tasks and projects would then help to allocate roles and responsibilities more clearly, especially if segments of the project are subsequently outsourced. Project management should be simple to understand and be focussed on teamwork.

Make it plain

General counsels value advice that is delivered simply and to the point. Deliver work products that can potentially be reused/recycled. Critical focus – provide advice using visual representations as appropriate and ensure there is a summary of key points and clear courses of action.

No more
10-page letters
of advice!

Mutual benefit — creating a win-win scenario

Customisation → improved relationships → more instructions

Technology should provide a platform for law firms and clients to be more joined up – there is merit in working with clients to create a technology solution designed with the client specifically in mind.

Be creative

Setting up self-service online portals will allow instant access to information for global teams, thereby enabling clients and law firms to work together more effectively.

Share best practices

If a law firm is using particular technology, clients might want to consider purchasing the same or similar given that law firms will have carried out the due diligence associated with investing in the technology.

Legal spend management

Achieving a unified and beneficial approach (which considers both sides) towards managing legal costs is essential for the successful and long-standing partnership between law firms and in-house legal teams.

Make them look good

There is an increasing requirement to assess contributions and define tangible outcomes of a particular project or deal. Law firms can assist in-house legal teams in demonstrating these positive results for the client to showcase to senior management; 'It's about making the client look good.'

Avoid overselling

An open dialogue with clients should include a forthright discussion of how law firms are tidying up their own backyard. Firms should avoid the use of aggressive sales and marketing techniques.

Consult with clients

General counsels understand it takes time for bottom line impact to occur – law firms should be direct and involve clients in the process of technology development and deployment.



Who to contact

If you would like a more detailed discussion on the subject of innovation and technology, or if we can help facilitate a team meeting in our Innovation Hub, please contact:



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