

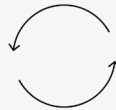


Transforming
Legal Value

The Legal Transformation **DOOM LOOP**

The common blockers that stand between
your legal team and transformation success.

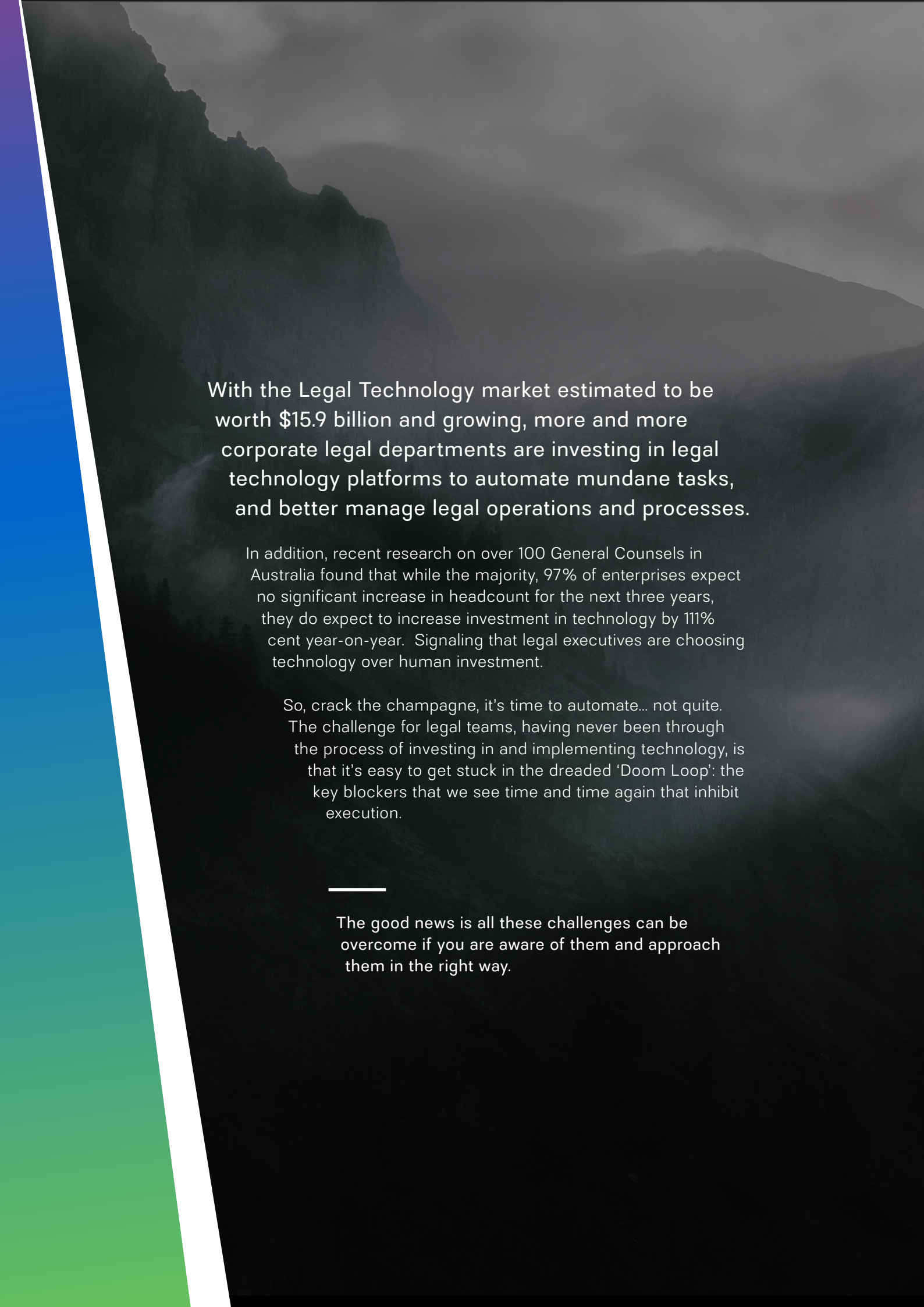
THE LEGAL TRANSFORMATION **DOOM LOOP**



The common blockers that stand
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With the Legal Technology market estimated to be worth \$15.9 billion and growing, more and more corporate legal departments are investing in legal technology platforms to automate mundane tasks, and better manage legal operations and processes.

In addition, recent research on over 100 General Counsels in Australia found that while the majority, 97% of enterprises expect no significant increase in headcount for the next three years, they do expect to increase investment in technology by 111% cent year-on-year. Signaling that legal executives are choosing technology over human investment.

So, crack the champagne, it's time to automate... not quite. The challenge for legal teams, having never been through the process of investing in and implementing technology, is that it's easy to get stuck in the dreaded 'Doom Loop': the key blockers that we see time and time again that inhibit execution.

The good news is all these challenges can be overcome if you are aware of them and approach them in the right way.

THE DOOM LOOP

1. The Tomorrow Fallacy.

The belief that if you will have more time to make a start later.

2. Prioritising urgent over important.

Allowing the urgency of BAU work to trump the important of functional improvement.

3. Analysis Paralysis.

Weighting perfection over progress.

6. Over-reliance on traditional vendors.

Hoping law firms will solve the problem for you 'as part of the relationship'.

5. Under resourcing.

Failing to 'ring fence' the capacity and budget required.

4. Abdication instead of delegation.

Delegating to a team member who is equipped to get it done.

7. Stakeholder sign-off.

Allowing other functions the right to veto your technology strategy by 'seeking buy in'.

8. Letting others drive the agenda.

Abdication of technology strategy to more powerful or experienced functions.

9. Legal-centered business case.

Centering business case on what legal wants not what the business needs.

12. Isolated adoption.

Buying 'point solutions' with limited connectivity.

11. Adopting law firm technology.

Believing tools designed to improve law firm profitability will boost legal productivity.

10. Risk aversion.

Treating the project like a contract in an attempt to eradicate all risk.

13. Falling for 'integrations' fools gold.

Believing that integration with other systems e.g. CRM or ERP, will deliver material ROI.

14. Under-focus on adoption.

Failing to 'sell' and 'tell' to mandate adoption.

Below, we have outlined the 14 potential blockers that stand between your legal team and successful legal transformation, and how to navigate them.

01

The Tomorrow Fallacy.

The belief that if you can just get through this one transaction, this one litigation, you'll have time, but the free time never comes and as they say "fortune favours the bold" so we recommend allocating 10% of your time to transformation and you'll be amazed at what can be accomplished in 3 months.

02

Prioritising urgent over important.

This goes a bit hand in hand with point one. It is human nature to do that which we are most comfortable with and while the BAU is frustrating, lawyers are very comfortable with this work and tend to prioritise it over transformation, which is often not something they have done before and requires the development of new skills.

03

Analysis Paralysis.

We often see legal teams let perfection get in the way of progress by seeking the perfect solution rather than an 80% solution that will have an enormous impact.

For example, with our Request Legal Support App, it collects the basic facts about a matter, but a few legal teams wanted to delay the project months until they created a comprehensive list of facts they wanted to capture for each matter type rather than starting small and improving it over time.

The worst issue we see here are General Counsels waiting for an Artificial Intelligence solution that can review contracts or a ChatBot to provide legal advice. These tools are at least 10 years away from being commercially viable.

04

Abdication instead of delegation.

One way we've seen General Counsels handle their lack of experience is to abdicate the project to one of the lawyers on the team, often the IT lawyer, and this never goes well. It is important that the General Counsel stays involved as it will require senior stakeholder engagement and communications that simply need to be owned by the General Counsel.

05

Prioritising urgent over important.

As previously mentioned in points one and two, the first step is to set aside the time, the next challenge is keeping it. It is important to ask your technology partner how much of your and your team's time will be required on the project and then protect that time at all costs. This is where bringing in extra support such as a secondee can make a lot of sense.

06

Over-reliance on traditional vendors.

Berkshire Hathaway Co-founder Charlie Munger's old quip "show me the incentive and I'll show you the outcome" comes to mind here. We've seen quite a few General Counsels make this mistake.

They decide to automate agreements and pull work back from their law firms only to THEN have the law firm offer a tech solution, which in every case we've seen has failed to work. While a few law firms have made some splashy announcements, it is not only not in their best interest to automate legal work, it is also not a core capability.

07

Stakeholder sign-off.

As Legal is traditionally very service oriented and often has not bought technology before, General Counsels seek buy-in as they are making a decision, which ultimately allows other stakeholders to veto their technology strategy.

This would be akin to Finance seeking Legal's buy-in on the expense reporting system or HR seeking buy-in on the payroll system. Successful General Counsels make the decision and then roll out the solution, "selling and telling" the benefits as they do.

08

Letting others drive the agenda.

An extension of point seven, sometimes rather than veto the technology strategy, other functions foist their problems onto Legal. For example, Procurement requiring an SAP integration to validate a PO number as part of the contracting process that suddenly blows out the project costs, or having IT telling Legal they need to leverage existing tools that IT can build for them when nobody would say the same to Finance or Marketing.

09

Legal-centred business case.

While investment in technology can have a huge impact on the legal function, the business case needs to show how it will help the business achieve its objectives such as lower operating costs, sign new customers faster, better customer experience, and faster time to market. Certainly, more productive lawyers, faster turn-around times and reduced risk is important to quantify, but these KPIs should sit along-side business benefits.

10

Risk aversion.

Lawyers have this awesome superpower of being able to see risks that others can't see and with contracts, this is critical, but with technology, just as IT does, it is important to take an agile approach. Start small, make small mistakes and build over time. It is obviously important to partner with someone who allows you to do this from a technology perspective, but also contractually - don't lock yourself into any contracts you can't easily get out of.

11

Adopting law firm technology.

Document automation tools to help lawyers draft faster and matter management systems to track billable hours do not work for in-house legal teams. Not only are these systems expensive to roll out across an enterprise, they are not fit for purpose.

12

Isolated adoption.

We've seen some General Counsels buy DocuSign, then a contract management system, then a matter management system and then get super frustrated when they don't work because people have to manually move information from one system to another.

Or they have to spend more than the systems themselves to get them to integrate, only to have an upgrade break the integrations. The best approach here is to buy an integrated platform that allows you to grow and expand.

13

Integration fools gold.


This often results from getting stakeholder buy-in where other functions want information currently trapped in contracts and want your project to include integrations to their systems, resulting in project cost blowouts. This can be a good idea in the longer term, but definitely not a place to start.

We often see Procurement wants a PO#, counterparty information and contract value information to flow into the ERP, but when you do the maths on this if you do 400 POs a year and it takes an admin 2 minutes to enter this information into the ERP, which is how it's done now, it costs \$4000 per year to do it as it is done now, yet procurement wants to spend \$25k to solve a \$4k problem.

14

Under-focus on adoption.

The ultimate measure of success is that people are using the system and Legal plays a key role in driving the adoption. Obviously, the system should be easy to use and solve business problems, but Legal needs to mandate the use of the system and not “draft a quick NDA this one time” - Legal needs to be the change they seek. Again, it's important to partner with someone who has a lot of experience working with in-house legal teams and provides a robust customer success program to ensure adoption.



Now we know this seems like a lot, but often the biggest challenge to overcome is as simple as just taking that first step. We challenge you to take it and make a start and don't forget we're here to help guide you.



Transforming
Legal Value

Plexus is on a mission to transform legal value. Through advanced technology and flexible access to world-class talent, Plexus powers the world's leading organisations enabling legal teams to deliver more with less and freeing lawyers to focus on higher value strategic work.

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