



NAVIGATING LEGAL AUTOMATION

8 Factors to Consider Before You Begin

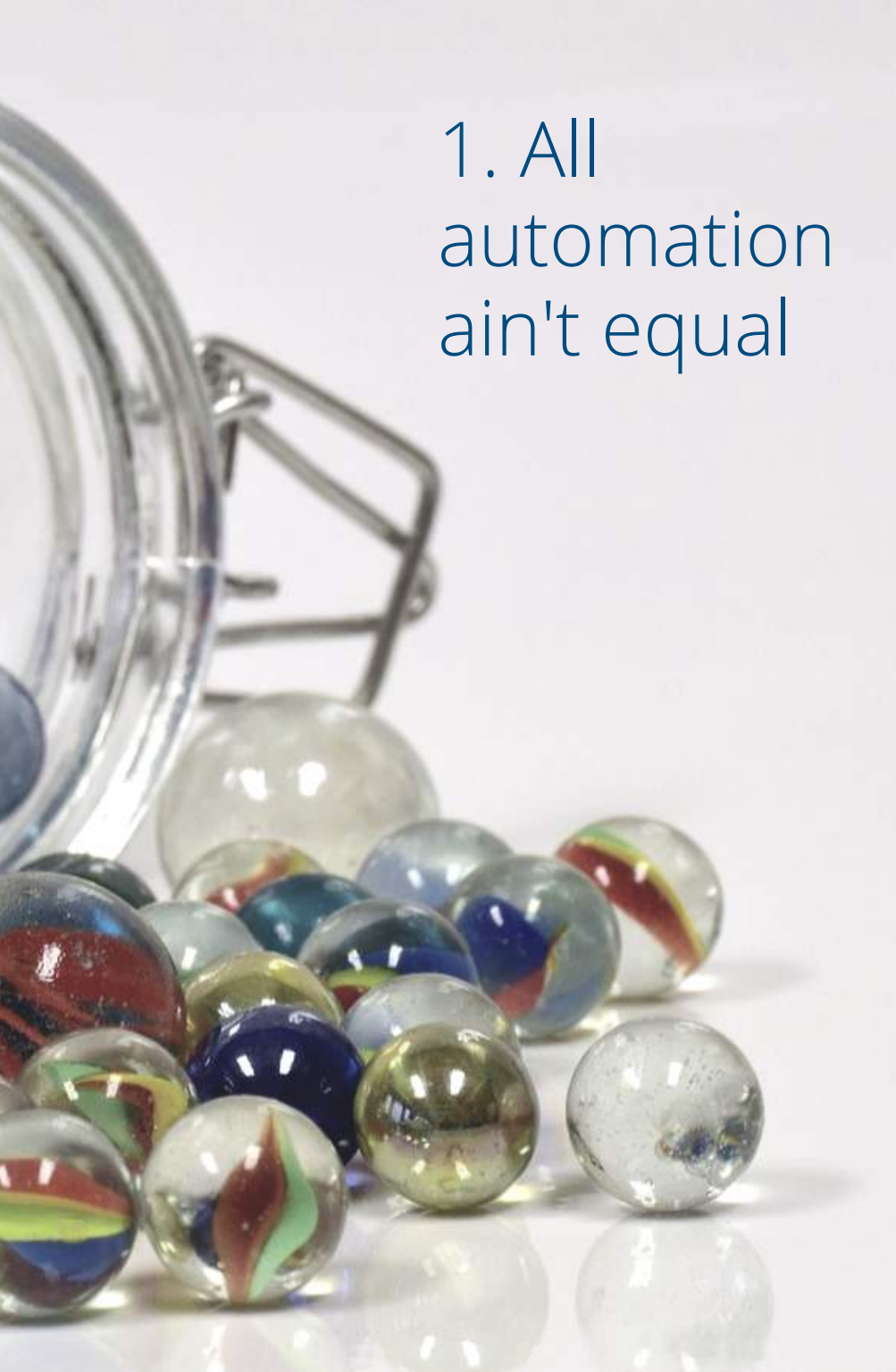
When benchmarked against their peers in other strategic functions, **Legal is late to the party** when it comes to implementing technology. The good news is they are keen to catch up. Our research into legal budgets suggests on average GCs forecast they will **increase their investment in technology 254%** in the next two years, with the majority of that spend (75%) on automated self-service solutions.

The functions that have succeed are 64% more likely to be first quarter for productivity, and report up to 7 x **higher client satisfaction than their peers** who haven't adopted automation.

Unfortunately, due to limited experience in solution design, vendor selection, scope management, deployment and change management, many GCs will fail.

This guide highlights the **many risks we have identified and addressed** when helping hundreds of legal functions transform their value through automation. Our experience suggests mismanagement of these risk not only puts the business case at risk but may lead to the failure of Legal Transformation as a whole.





1. All automation ain't equal

Navigating the 'fact' and 'fiction' of vendor claims is difficult. Unfortunately, **most 'automation' vendors don't sell automation at all.**

Take 'Contract Automation' for an example (a subset of Legal Automation). It was developed almost 20 years ago to assist 'Word Processing Operators' to assemble documents in law firms. The best versions of these tools work well in isolation (e.g. to assist lawyers to draft), but they **fail to address the real problem** – supporting the business to get routine legal tasks done safely.

To achieve this, you need the **next evolution of technology; Legal Automation**. This may cover multiple technologies (contract automation, automated advice, workflow, negotiation & collaboration portals, matter management, contract lifecycle management, e-signatures, and reporting & analytics), typically integrated via APIs or on a proprietary platform.

Unfortunately, given the immaturity of the legal technology landscape, few vendors offer such 'end-to-end' automation and fewer still are purpose built for in-house Legal Functions.

The Evolution of Automation





Our Advice

If the underlying technology behind a system is **more than 10 years old**, and/or **built to serve law firms**, it is unlikely to address your needs.

2. DIY – destined for disaster

As many of us have found in our own homes, despite our best intentions, **DIY rarely lives up to expectations.**

It's no different in the legal department. Many GCs have wasted hundreds of thousands of dollars trying to 'build it yourself'. Before you venture down this route, ask yourself: Did sales build their CRM in-house? CRMs are relatively simple relational databases. If the sales team didn't build it in-house, with its resources and expertise in CRM, nor should you.

The "General Contractor" approach is a version of the DIY approach we see as similarly unsuccessful.

Implementing Legal Automation is a competency that very few lawyers have developed. Yet many 'Legal Tech' vendors sell legal functions on the dream that their tool is a 'plug and play platform'. The truth is that any enterprise grade platform (e.g. SAP, Salesforce, Marketo, Workday) **requires significant**

expertise to successfully customise and deploy.

Even the most well-resourced Legal Functions don't have this capability in-house.

The problems with the 'DIY' route is not just a question of competency. After making similar mistakes other functions have recognised that even if you could build something of comparable cost and value to an equivalent 'of the shelf' that **investment will be not only static**, it would degrade over time. On the flip side, a technology vendor can amortise the cost of support, maintenance and R&D over multiple clients – meaning the **product will get better each year**.

As one GC said to us: "I could do my own dental work. But why would I want to?"



Our Advice

Work with a **technology partner who knows in-house Legal Functions** and their unique requirements; not generalist tool or DIY approach.



3. Delegating to the wrong team

Here's how this plays out. The GC is caught up on one of the CEO's priorities, but wants to make headway on her Legal transformation agenda, so she says to Jane her IT lawyer – "can you run the Legal Automation agenda?". There is a challenge: not only does Jane not have any **experience around vendor selection, process mapping, change management**, etc. she is also risk averse, and has an enormous workload supporting IT.

One of these gaps would be a problem but when combined, they multiply out to be a disaster.

Typically, the project never gets live.





Our Advice

You should select the most senior, pragmatic and influential members of your organisation to work on the project and 'ring fence' time to ensure the initiative does not get crowded out by 'urgent' legal tasks. At a minimum you need these key roles filled:



Executive Sponsor

- a person responsible for championing the project and removing organisational obstructions. It's likely you will need a minimum of 10% of their time to drive the project forward and remove bottlenecks. This individual has ultimate accountability for the success of the project and is typically the GC.



Subject Matter Expert (SME)

- as the name suggests. This person is responsible for not only conveying the commercial goals but should also be powerful enough to influence internal stakeholders. Note – your project risk increases dramatically when the SME is risk-averse. You will need at least 30% of their time for the duration of the project.



End User Advocates

- these people will need to vouch for the project with key stakeholders within the organisation and be available for testing. Set aside 10-15% of their time throughout the project.

4. Back to the future

- automating a bad process does not improve anything

It's easy to think that just because you've created a business case for automation that you must naturally understand your current process. Not so. We find in many cases, that despite the existence of precedents, basic work flow and governance procedures, often the activity in question has never been documented, standardised, optimised and agreed across all touch points. **Without designing for the future, you are just automating complexity.**

Equally, we see clients defining the future legal state, but often not harmonising this across the organisation. As the saying goes '**problems occur at intersections**'. Most legal tasks cut across functional boundaries, understanding these, and optimising them can provide **10 x the ROI of Automation** – while reducing deployment costs.



Our Advice

'Legal tasks' don't start and end at document drafting. This is only one step in the lifecycle. We recommend designing the end process with a stakeholder from all touch points, with a clean sheet of paper. This can be done in a '**pre-scope workshop**' to work through and document a consistent approach to the activity destined for automation.

5. Adopting technology in isolation

Legal technology vendors have biased many functions to believe one form of automation is the 'panacea for multiple ills'. Some GCs come at it from a work-flow perspective, others document automation, contract management, eBilling, or e-signatures. The truth is that, although all of these solutions may be valuable, **in isolation they rarely achieve ROI.**



Our Advice

Either work with a 'systems integrator' to **integrate multiple solutions, or buy a Legal Operating System**, that links the solutions together.



6. Perfection is the enemy of progress

Project **risks increase with size, complexity and duration**. In legal functions this is compounded by the fact that naturally lawyers approach projects like this as they would a contract 'think up everything we might need to put into it... because once it is signed it can't be changed'. The difference is, **with modern SaaS technology you can 'build the ship while sailing'**.

As such, taking a **Lean approach is critical** – aim to **start with a MVP** (Minimal Viable Product) – while planning a 'wish list' of future functionality.

Hence, the Executive Sponsor needs to eliminate unnecessary 'use cases', additional features, integrations and reporting. To succeed the appointed SME and Executive Sponsor need to adopt a pragmatic, agile approach.



Our Advice

Keep it simple, aim to solve for 75% of the solution and make tweaks once the solution is live, ensure your supplier's technology is **flexible enough to make changes quickly at a low cost** and finally **delay integrating other technology** (e.g. CRM, ERP, HRIS, Sharepoint) until you have deployed with end users and validated the solution.



7. They become hostage to recalcitrant elements

In increasingly 'flat' organisational cultures naturally Legal Leaders want to 'build consensus' for change. The challenge these leaders face is that many of their team are **technophobic, change resistant** and understandably **see automation as a threat** to their positions.

As a result, the legal function rapidly falls behind their peers, both inside and outside of the organisation, and they make little progress.



Our Advice

Leadership is as much about 'showing the team the bridge' and 'walking them across it'. As one highly successful GC said to us 'I will sell them on the vision, and ask their opinion. But this is **not a democracy**'.



8. Change management – end user adoption

Throughout technology history the biggest barrier to ROI has not been vendor selection, solution design or development. It is **end user adoption**.

The seeds for change management will be scattered throughout your process, indeed many before you've even signed with a supplier. However, **behavioural change is difficult**. Recalcitrant lawyers will say 'I have been doing this work for 20 years – why should I change?'. Internal clients, who have developed bad behaviours will want to continue to 'outsource' to the legal function and 'abdicate' responsibility for legal risk management.



Our Advice

While successful legal leaders have '**sold the vision**' for the future, they have also coupled this with a **clear directive** that there is no variance from the new approach. Further, they have **embedded their automation solution into existing enterprise processes** (e.g. users are signed up as part of the onboarding process, the solution is embedded into the company intranet, and they have aligned with Internal Coms to get the message out).

In summary

Leading an improvement is that executives are paid to do. However, technology lead transformation is a **new area of competency for most General Counsels**. As a result of the discomfort new terrains create some leaders will choose to avoid the issue, and prioritise the perennial 'urgent' client work over the 'important' functional issues – to the detriment of their organisations.

Those that adopt automation as part of their Legal Transformation, and avoid the pitfalls listed here, will see **dramatic increases in functional productivity, employee engagement and end client satisfaction**. As legendary CEO Jack Welsh said 'Change before you have to'.

For more information on Legal Automation, visit **Plexus**.

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