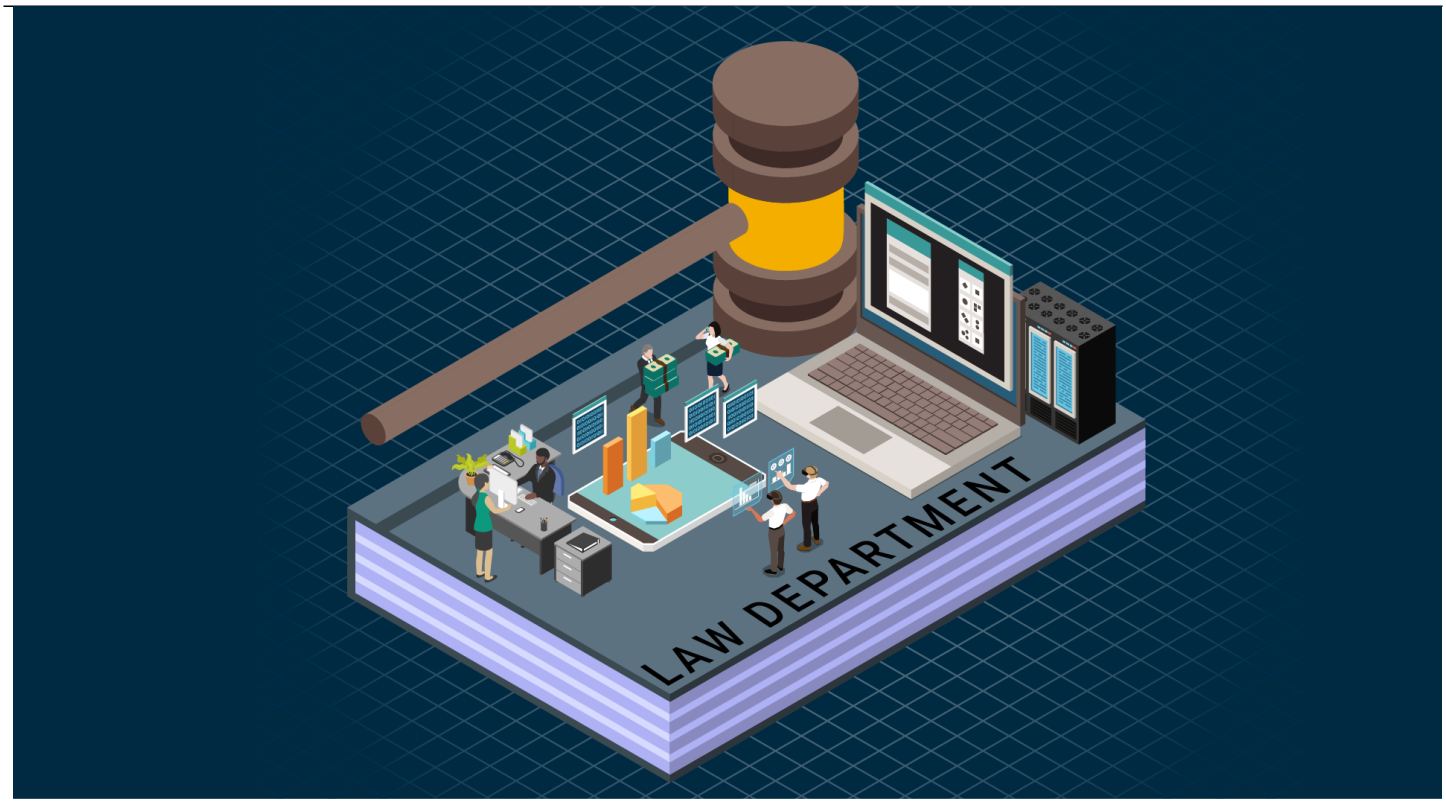
Legal Operations Infrastructure: Maximizing Law Department Potential

Career Development

Law Department Management

Technology, Privacy, and eCommerce



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In part one of this series, we emphasized the importance of prioritizing individuals in the legal team and building a robust infrastructure for resource allocation, optimization, and maximization. This section focuses on strategies for identifying key performance indicators (KPIs) and measuring the success of initiatives, including actionable examples to enhance your team's performance.

Adopting a metrics-driven legal operations mindset

For legal professionals, becoming fluent in KPIs and return on investment (ROI) analyses requires a mindset shift. While legal professionals are accustomed to evaluating matters through a risk/compliance lens, quantifying operational impact is critical for demonstrating business value.

For initiatives with clear cost effects, leverage quantitative metrics like budgetary savings, acceleration of cash flows, and freed-up hours of lawyer time. Rigorously track baseline and post-implementation data points. For risk management and compliance plays, KPIs could include decreases in litigation volumes, regulatory penalties avoided, or faster issue identification/resolution times.

Be mindful that not all valuable operational enhancements lend themselves to clean financial ROI calculations. Qualitative metrics, like holistic views of efficiency, employee engagement, and customer satisfaction are equally vital. Gather this type of feedback through surveys, focus groups, and attrition analyses. Look for upward trends in productivity, inter-departmental collaboration, and operational scalability.

Read more: Shifting from HR to Human Capital: A Strategic Imperative for Legal Departments

When building business cases, balance quantitative financial/risk data with these qualitative insights. Compelling ROI narratives weave both perspectives together, creating a multi-dimensional view of impact. Meet stakeholders where they are — legal leadership may prioritize risk/compliance metrics while the C-suite wants financial ROI.

Most critically, instill an operational mindset of meticulous measurement from day one. Proactively socialize tracking plans and benchmark data sources. Leverage tools like process mining, metadata analysis, and data visualization to collect the right intelligence. This positions legal as a strategy-oriented business function.

Legal operations trends: Opportunities and obstacles

Legal teams must also be aware of emerging trends in the industry when optimizing operations, which present both opportunities and challenges.

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The rise of artificial intelligence (AI), especially generative AI (GenAI), is revolutionizing legal work. This type of technology simplifies tasks like document summarization, contract management, and legal drafting. While offering immense efficiency gains, it also requires revamping workflows and addressing ethics/compliance concerns.

Other trends — such as refining outside counsel partnerships, prioritizing alternative dispute resolution, bolstering data security protocols, and adopting agile methodologies — can create competitive advantages. However, they also introduce obstacles to managing costs and investments.

Underlying these trends is the necessity for tech-enabled, continuously improving legal operations. Rigid processes and underutilized technologies amplify risks. Teams must prioritize strategic professional development initiatives to drive adoption.

These trends may provide advantages for forward-thinkers, but they also can introduce challenges around investment priorities, culture shifts, and new economic expectations. Operationally excellent teams embrace this complexity as an opportunity to create differentiated value.

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Tactical blueprint for building a next-gen legal team

To effectively demonstrate ROI/KPIs, adapt to emerging trends, and tackle challenges, corporate legal departments must lead with innovative strategies. Here are some actionable examples:

GenAI

Start educating yourself and your teams about the risks and rewards of using tools powered by GenAI. Empower your teams to be early adopters of this type of technology. Many legal departments have integrated GenAI tools in their workstreams and are seeing incredible productivity gains and resource optimization in legal research, document analysis and summary, document comparison, document drafting (ranging from contracts to pleadings to memos, and more!), and predictive models.

The main consensus around this type of technology centers around implementation: Before broad rollouts, conduct thorough user impact assessments mapping current workflows. This enables seamless technology integration and ROI tracking from day one. Prioritize use cases with the highest productivity/cost saving potential initially.

External partnerships

Optimize relationships with outside counsel through creative partnership models. Collaboratively develop tailored solutions leveraging their subject matter expertise. Implement shared dashboards providing transparent data/metrics visibility for leadership reporting and continuous improvement.

Strong external integration creates force-multiplying effects.

Agile methodologies

Sometimes simple solutions have catalytic impacts. For example, a centralized legal request inbox (e.g., contracts@company.com) fosters transparency and stakeholder prioritization and alignment. More lightweight than cumbersome software, this creates an auditable workflow. Apply agile principles like Scrum ceremonies to enhance client communication.

Disputes

For companies frequently engaged in litigation/arbitration, explore innovative alternative dispute resolution (ADR) methods. Traditional litigation and arbitration can be time-consuming and expensive, leading some companies to give up on valid claims or settle unnecessary or borderline frivolous lawsuits. New providers offer streamlined arbitration tracks designed to resolve conflicts within 100 days using standardized templates. This accelerates timelines and reduces unnecessary legal spend. These initiatives aim to simplify the dispute resolution process and achieve mutually beneficial outcomes for everyone involved.

Risk management

Implement training programs that empower business leaders with practical legal/compliance knowledge for deal-making scenarios. This democratizes risk management, shortens time-to-revenue, raises risk awareness, and prevents legal from being perceived as an obstructive gatekeeper.

The paramount focus on your legal team's human capital underlies all these initiatives. Continuously gather data around employee engagement, bandwidth trends, leadership confidence levels, and professional development effectiveness. An operationally excellent legal department creates an environment for people to thrive while delivering quantifiable business impact.

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Whitney Stefko

Associate Director and Senior Counsel

Ford Motor Company’s Global Policy and Legal Ops+ Team

With more than 15 years of experience in the legal, operations, and technology spaces, Whitney Stefko has been fortunate to work across a variety of entities with varying levels of maturity: startups, mid-size and large corporations, and law firms. This maturity spectrum has required both ground-up people, process and technology analysis and development as well as innovation and optimization in already existing functions.

Stefko has worked with Ford’s Office of General Counsel since 2018, first as an outside consultant, then as seconded counsel, and now in her full-time role as Associate Director and Senior Counsel. In

this capacity, Stefko participated in the selection and hiring for — and now co-leads — the newly created Policy and Legal Ops+ team and function at Ford Motor Company, including technology initiatives and the use of emerging technologies like generative AI.

Stefko is also an Adjunct Law Professor at ASU School of Law, where she lectures on data, technology, and the evolution of both in the legal industry. In both her professional and personal life, Stefko is a big advocate of health and wellness. Outside of work, she spends most of her time adventuring with her husband, Chris, and son, Dexter, testing out new workout classes, learning, implementing personal growth, and traveling.

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Rich Lee is CEO and Co-Founder of New Era ADR, a fast-growing technology company and alternative dispute resolution forum. An attorney with an engineering and IP background, he is the former general counsel of two successful venture-backed technology companies in fintech and in data science and AI.