

Building High-Performance Legal Teams: How In-House Legal Departments Are Re-engineering Value Via New Skillsets and Roles

by Susan Hackett

New client service models require lawyers to develop new competencies, especially the ability to collaborate effectively with other team members who have different skills and disciplines.

Since corporate law departments are the great experiment I've been studying and encouraging for almost three decades, I couldn't say no when Jim Leipold, the sage executive director of NALP, asked me to share my thoughts with you on the topic of corporate in-house skillsets and training. He sees how disruptive changes in both the market and legal practice are shifting focus toward new competencies that will drive distinguishing value in "new law" practices. And both Jim and I agree that in-house legal departments (whose value is measured and rewarded by delivering efficiency based on strong project and process management, economic command/financial insight, knowledge practices, and improved legal service delivery) provide a natural Petri dish in which to examine the struggle to re-engineer lawyers' skillsets and roles.

But working on this article has offered me the time to reflect, and the result is that I need to deviate a bit from what my past writings and ramblings have preached. I've come to recognize that the most important skillset corporate lawyers need to hone for future success isn't one they can learn in a continuing education classroom, an MBA program, or through some electives or a joint business program added to a law school's third-year curriculum. The most important skillset is learning to respect and collaborate with other professionals, and value their skills, disciplines, and problem-solving toolkits. Allow me to explain.

Skills That Drive Greater Value, Improved Alignment with Clients, and Better Results

I wrote a set of articles some years back identifying a variety of skills and disciplines I noted as critical to future success for legal teams. It was my concern that none of these skills or disciplines were part of the standard law school curriculum or promoted in early training or entry-level positions in traditional legal workplaces (at that time); neither were they widely offered or emphasized (and rarely rewarded) in professional development, promotion and compensation reviews, or continuing education efforts for mature lawyers. They still receive only spotty attention.

The skills and disciplines I was focusing on included:

- **Business and finance savvy** — basics in accounting, money management, financials, valuation, corporate business cycles, management theory, use of historical and predictive data to make financial decisions, etc.
- **Working collaboratively in teams, rather than independently as individuals** — organizing teams based on the roster of competencies needed to efficiently deliver service and the business result the client values, rather than the legal answer that the firms' lawyers are trained to

analyze; understanding how to unify, empower, and leverage diverse teams and team members.

- **Legal process management** — Lean Six Sigma, disaggregation or unbundling of legal tasks, assessment and alignment of worker roles to insure efficiency, consistency, and predictable pricing and cost-savings, continuous improvement efforts, a focus on measuring and driving results while minimizing activity, etc.
- **Legal project management** — assessing the matter, staffing, budget, and communication plans that govern projects and teams; tracking and reporting progress over the life of the project; integrating technology into the processes to support efficiency; dividing work and tasks into stages that allow for scheduling and predicting the timely completion of work; etc.
- **Technology and data** — better understanding the role and robust use of data and tech as resources that can improve client service and legal results; training workers to consistently and “comfortably” use automation and technology in their daily workflow; creating practice management systems and platforms for use by legal teams and by clients to empower client and lawyer DIY and self-service options; harnessing data that flows from legal department, law firm, corporate, and industry benchmark sources that can inform decision-making (legal and practice management) and process improvements.
- **Interpersonal and communication skills** — improving and leveraging leadership EQ (emotional quotient), understanding how to actively listen, dispute and conflict relationship management skills, successfully transacting with difficult people or delivering (and receiving) difficult messages.
- **Critical evaluation and continuous improvement** — measuring performance/establishing metrics (data and analytics that drive better practices and allow for comparative benchmarking); assessing client satisfaction

and creating client feedback loops that lead to continuous improvement initiatives; revisiting organizational incentives, evaluation/review processes, and compensation to connect them to improved business results/team performance, not just work ethic and legal skills; revamping the rewards (punishments) for the behaviors you want to encourage (discourage).

- **Legal and enterprise risk management, with an even stronger focus on risk mitigation** — helping clients and decision makers (such as boards) weigh risk and understand the best balance for the company (avoiding the problem of “legal, but stupid”); driving the elimination — rather than improved management — of corporate failures, bad behaviors, costly litigation/disputes; shifting the focus from a remedial workload brought to the legal team (cleaning up spilled milk and managing milk glasses prone to spills) to proactive advancement of the business agenda (keeping the milk in more spill-proof glasses and multiplying their number and value).
- **Leadership** — vision and strategic planning, inspiring others by modeling entity-first/people-first behaviors, creating a meaningful culture based on inclusion and values, strong organizational governance and operations (firm and department).
- **Managing behavioral change** — figuring out how to help people move from “how we’ve always done it” to “what’s next?”; creating agile teams that embrace a culture of change; developing greater sensitivity to and accommodation of the emotional or personal quotients in the workplace — aka “EQ” skills.
- **Legal pricing** — accurately forecasting, scoping, and calculating staffing, timelines, and budgets for projects based on data, practice efficiencies, and experience to bring process predictability to work; understanding the cost of the work so that an appropriate price can be affixed to it by providers, and having the tools to understand whether it’s best to insource

work or pay an appropriate margin for an outside firm or provider to deliver it.

- **Understanding and assessing the variety of legal fee structuring, pricing, and the resulting retention and staffing options** — knowing what works best in a variety of situations/matters, what the client’s appetite is for sharing or shifting risk, and what procurement principles can teach us in better understanding how data and past practices inform and progress better pricing and retention decisions; connecting the value of the work to the value of the result (not the value of how long it took a lawyer to do it).
- **Communicating with, listening to, and reporting on the value of legal work to clients and other stakeholders** — helping management and the board assess how to fund and deploy their legal team to assure both the client’s highest use of their lawyers and their lawyers’ attention to their most critical needs/opportunities.

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We know that many of these skills and competencies are business, leadership, and executive skills, informed by practice management, legal operations (so-called “legal ops”), and service delivery expertise. They are valuable counterparts to our good ol’ legal competencies. When you combine these new skillsets with traditional legal practice competencies, the combination offers clients trusted and distinguishing value, as well as an improved, strategic, nimble, sustainable, motivated, and profitable business. And in today’s competitive environment, we know that what clients want, sooner or later, with or without us, clients will get.

Rethinking Lawyers’ Skillsets and Training

So, all we have to do is add a prerequisite of several years of practical business experience and a few years of undergraduate or MBA-level classwork to law school and we’re all set, right? And then we can pull our most successful partners and leading in-house lawyers away from their work for a year-long sabbatical from their paying jobs so that they can be retooled with an executive, operational, financial, and technology savvy skillset. The kinds and variety of skills I’m talking about above are not “downloadable” in a two-day seminar or a series of four-hour courses hosted once a month.

Uh-oh.

Hence my need to go back to the drawing board, because this kind of magical thinking isn’t at all realistic, is it? A complete professional retooling is especially not realistic for mature lawyers already struggling to make it to a few CLEs every year. And law students struggling with debt and insecurity about where their legal futures lie are not going to love the idea of another several years of schooling or training before they’ll be seen as qualified or properly equipped to practice.

In retrospect, I realize that my approach to pushing these skills toward lawyers was all wrong. It’s not that the skills listed above aren’t critical to success for legal teams in 2018 and beyond — they are. I still stand by that. What I had wrong was my belief that what is needed — or is possible — is to try to equip all (or at least most) lawyers with all (or at least most) of these skills. What is needed is to teach lawyers how to understand many of these disciplines in general, and then help them better leverage those skills in others and apply the resulting service mix to their clients’ problems.

Collaboration Is the New Black and Demands Lawyers' Respect

My focus now is helping lawyers develop a better relationship — based on respect and a desire to drive better value and results — with those professionals and operations leaders who have these skills. Lawyers' best use and greatest potential in the future is to collaborate with others from complementary disciplines who are also performing to their highest potential and best use. We don't need to try to create a tribe of über-lawyers who are equally adept at legal ops, or trained legal ops workers whose role is to be "mini-lawyers" or perform functions better left to technology and automation. But we do need for each group to understand and collaborate with the other. None of us will reach our potential or live up to our clients' increasing expectations if lawyers continue to treat those on their team who don't have law degrees as "supporting" cast members or unnecessary hangers-on rather than as professionals who share a leading role in service delivery and practice strategy, and who offer unique insight and value.

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When building a high-functioning, high-performance legal team, the relatively easy part is finding smart lawyers, talented ops leaders, and other business and technical experts. The hard part is training lawyers to work with "non-lawyers" in a productive and respectful fashion. It's then that we run straight into the wall of that crazy-stupid dichotomy that so many lawyers create between those with legal skills and those without: the so-called clash of the lawyers versus the "non-lawyers." (I avoid using this derogative term, and I hope that you can recognize its toxic nature, too. Having uttered it in order to bring the concern to your attention, we can now choose to move away from it.)

Hence, we come at last to the law department experience — that giant ongoing experiment in marrying legal, business, technical, and managerial skills in a manner that is valued (and demonstrated daily) by their corporate clients. Since in-house counsel work inside a company, where their skills and educational background are a small minority amongst the company's valued talents, they are forced to adapt to and adopt (not merely "tolerate") the company's primary disciplines, business culture, communication modes, and workstyles. Most corporate counsel entering their first in-house jobs learn quickly that their success depends heavily on their ability to collaborate with and draw in the expertise of other professionals with important disciplines to share (finance, technology, communications, etc.) — some work in departments with operations leaders who have these skills; others may not have access to legal ops teams, and therefore seek out corporate employees who can help them learn the ropes.

While some corporate counsel never learn to recognize the importance of these complementary disciplines and skills (whether because they're insulated or because their clients just assume that legal arrogance is normal), it's been shown by examining the skills and traits of those who rise in corporate legal functions that they either appreciate these skills or work hard to assimilate them. Those who continue to promote the divide between them and those with other skills will find that in tomorrow's world, they'll be seen as being just as fungible in their roles as many outside counsel/law firms feel in theirs.

Operations Team Collaboration in Law Departments: The CLOC and ACC Legal Ops Experience

If you travel to <https://cloc.org/what-is-legal-operations>, you'll find a model that offers the basic and most common range of corporate legal ops competencies recognized by CLOC (the Corporate Legal Operations Consortium); here's a sample of the to-do list CLOC included in their definition of a "standard" legal ops function:

- **Strategic Planning:** Create a long-term strategy, aligning yearly goals and corresponding metrics.
- **Financial Management:** Manage the departmental budget. Track accruals and forecasting. Work with Finance to identify spending trends, potential cost savings, and efficiency opportunities.
- **Vendor Management:** Create a vendor management program to insure quality outside counsel support at the right rates and under optimal fee arrangements. Hold regular business reviews. Negotiate fee agreements. Drive governance of billing guidelines.
- **Data Analytics:** Collect and analyze relevant data from department tools and industry sources, define objectives to provide metrics and dashboards that drive efficiencies and optimize spend, etc.
- **Technology Support:** Create a long-term technology roadmap including tools such as e-billing/matter management, contract management, content management, IP management, business process management, e-signature, board management, compliance management, legal hold, subsidiary management, etc.
- **Alternative Support Models:** Drive departmental efficiency by leveraging managed services, LPOs, and other service providers.
- **Knowledge Management:** Enable efficiencies by creating seamless access to legal and department institutional knowledge through the organization and centralization of key templates, policies, processes, memos, and other learnings.
- **Professional Development and Team Building:** Deliver improved GC Staff and overall team performance by globalizing the team and creating a culture of growth, development, collaboration, and accountability.
- **Communications:** Work collaboratively across the legal ecosystem to create consistent global processes, from onboarding to complex project management support. Publish regular departmental communications, plan and execute all-hands meetings.
- **Global Data Governance/Records Management:** Create a records management program including a record retention schedule, policies, and processes.
- **Litigation Support:** Support e-discovery, legal hold, document review.
- **Cross-Functional Alignment:** Create and drive relationships with other key company functions, such as HR, IT, Finance, and Workplace Resources. Represent the Legal organization at CLOC.

If you travel to the Association of Corporate Counsel's (ACC's) [LegalOps homepages](#), you'll find a maturity model for law departments focusing on building these competencies and activities into in-house high-performance teams and strategic agendas, along with short descriptions of what departments in early stage, intermediate, and advanced ops integration are focusing on and accomplishing.

What is striking as one examines these resources and the growing array of corporate legal department "legal ops" teams, is how clearly law departments and their leaders are torn between the "let's build a great internal law firm" business model they've practiced in the past, and being the client-aligned legal-results strategic-growth-services provider they know they need to become to remain valuable to their business clients in the future.

Reality check: there are plenty of law firms that already exist for clients who want to hire them; what legal departments provide is supposed to be not only different, but laser focused on delivering strategic business outcomes. So naturally, in the struggle to differentiate, legal ops has become the fastest-growing segment of the in-house legal team, even as legal ops teams that

have already formed struggle to define their value within their departments, with outside firms, and in the profession at large. It's a bit messy for now since we're all learning and there's not much of a playbook to guide us: not surprising since very few companies had organized legal ops teams five years ago; now, the number of departments building ops functions in larger law departments nearly doubles pretty much every year.

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Today's ops leaders — compared to their counterparts of five or ten years ago — are more visible, carry greater responsibilities, are better respected, and have an even wider array of services and disciplines within their power. When I first started working with emerging ops teams back in the early and mid 2000s at ACC, it was hard to find ops leaders or teams — in part because operations responsibilities were diffused and spread over many people whose titles didn't reflect their ops role or leadership, and in part because there were just so few people who performed operations functions as a full-time job or even as a long-term dedicated leader. Responsibility for outside counsel management, technology decisions, professional development, budget and spend, department metrics, and project and matter management was shared by many lawyers (usually it was lawyers or maybe a paralegal or two), and rotated amongst their ranks via committee-type assignments. Professional ops roles were not coordinated via a central function or even invested in only one person.

A number of the first full-time operations leaders I met who had established ops teams were in the financial services/ insurance industries; they were not lawyers, but experienced executive managers assigned to the legal team to provide procurement, financial, and technology services that would assure proper compliance with data and regulatory rules, as well as with complex corporate accounting and business requirements. But outside of those industries, the majority of ops leaders (they

didn't call themselves "ops leaders" then) I met back then were lawyers trying to build an ops function without much (if any) of a team. They worked in larger manufacturing, tech, and service companies, and were usually appointed to fulfill the ops role while they were also carrying a significant legal portfolio, too. Just for the record, while they were incredibly talented and committed, most felt ready to commit hara-kiri.

While the number of lawyers leading dedicated operations teams today is still significant, the fastest growing segment of this community are those who bring critical experience and skills that many lawyers lack: people management, technology and data savvy, financial and executive skills, and so on. And even on teams led by lawyers, team members tend to be experienced leaders drawn from other disciplines who display business, technical, and executive skillsets. For the folks from outside of the legal discipline who work in ops, their challenge is to learn the legal nuances in order to speak the language and earn the trust of the lawyers with whom they interact. For the lawyers in this role, the challenge is to unlock their inner business potential and start thinking like a business person who happens to be a lawyer.

So, How's the Experiment Going?

I can't help but think that the reason why law departments are succeeding in building trusted and collaborative ops teams faster than law firms have is because lawyers were many, if not most, of the original law department ops leaders. They recognized the skills they lacked and sought out people in the company (or elsewhere) from whom they could learn the business practices their teams needed. And they came to respect those skills when they saw not only how hard it is to apply them, but also the kinds of terrific results they drive.

Those departments without a history of "homegrown," incrementally developed ops teams made up of lawyers assigned to perform the function — departments that are simply seeking to wholesale hire some professionals (lawyers or business people) to get a new function rolling — tend to have a harder time en-

couraging their lawyers to collaborate with or give full authority to their ops teams to drive improved department business practices. For many lawyers who've never worked collaboratively with any other professionals except other lawyers, it still boils down to "lawyers versus non-lawyers": not only do they sport blinders to the value of what the ops team brings, but they don't trust that ops leaders will ever understand or have the sophistication to operate in the legal domain. (As if law school teaches lawyers the skills and competencies they deploy in their practices every day — we all learn legal service as apprentices to others with more experience.)

So perhaps forcing lawyers to learn these roles the hard way is one of the few methods that reliably teaches lawyers to appreciate business, professional, and technical skills they traditionally never learned to respect or value in law firms. Maybe our best course isn't a course at all, but assignment to a committee to develop a business project, or a forced apprenticeship to a seasoned operations professional.

It's really hard to "un-learn" the law firm culture of not valuing professional staff as partners in our practices, even for in-house counsel who leave firms for businesses in which they will no longer have the ability to hide behind the charade which suggests that lawyers practice in a magical black box that mere mortals could never understand. In companies, legal skills are not dominant (lawyers are a teeny, tiny percentage of the workforce), and lawyers — even if liked — are often not valued much personally (they're seen as a necessary evil); business, technical, and operational skills are not only the tools of the trade but the coin of the realm. Such is often the rule of the majority.

Maybe it's good for us all to take the occasion to step into the shoes of our corporate client and think about what it is that we do that does and does not align us well with their needs. The ops skillset might look better and better as our futures come into focus.

Conclusion

The future critical competencies for law firms and law departments serving corporate clients (and competing with the growing array of alternative legal service providers and legal process outsourcers) are changing. Why? Because today's legal marketplace for services is one wherein what clients want to buy is more important than what lawyers want to sell. Thus, the old truism has renewed meaning: corporate clients don't have legal problems, they have business problems. For lawyers used to focusing on solving legal problems, there's a growing realization that solving business problems requires something different than what their aging business model provides. What is required are collaborative teams, built with a mix of talents chosen for their ability to drive better client service and great results (rather than just lots of "billable" legal activity).

While still not the norm, you're most likely to find teams working to build a new client service model in law departments, where new-law general counsel will tell you with pride: "I have a terrific team of professionals working together to deliver the results our company needs; some of them happen to be lawyers."

About the Author



Susan Hackett is the CEO of Legal Executive Leadership, LLC. Susan is a consultant who helps law departments (and those who serve them) deliver distinguishing value and re-engineer the way they work. Susan served as the General Counsel of the Association of Corporate Counsel for more than 20 years prior to opening her practice. You can read more about her on LinkedIn at <https://www.linkedin.com/in/susanhackett/> and more about her consultancy's services at www.lawexecs.com.