

How law departments can use **legal technologies** to thrive in an uncertain environment.



Law departments' reliance upon many legal technologies has increased in recent years.

Over the course of the last few months, much of what businesses considered normal has changed. The impact of COVID-19 is still being felt by many as adjustments to working life are made.

Not so long ago it would have been inconceivable that law departments would have to support an entirely remote workforce. But that is where we are today. On top of that, the businesses those law departments support have faced severe disruptions, and they need responsive and accurate legal guidance for often-unexpected business challenges. Business partners still expect the same level of service — now within the strict constraints of limited in-person interactions and an ever-changing legislative and regulatory landscape.

The signing of the UK-EU future relationship agreements marked the end of the beginning phase of Brexit. What was agreed is largely seen as a framework for future negotiations on an evolving relationship. The legal implications of these changes are profound and without the correct tools, many businesses will be left scrambling to understand how to remain compliant in a changing and uncertain environment.

As in-house counsel position themselves to be strategic advisors to their organisations, it is imperative that they are proactive in managing the next crisis that will appear on the boardroom agenda. Concerns around the impacts of climate change have forced lawmakers to push for accountability measures and stricter standards, which will elevate the need for complex risk management and compliance guidance.

While the wheels of commerce continue to turn, change and uncertainty are on the horizon, and legal departments must plan for future challenges. As in-house counsel responds to these challenges, legal technology that provides expert legal guidance and data-driven legal operations management will become even more critical to their task.

The good news is, innovative law departments have demonstrated for decades that a smart and focused legal technology strategy can effectively address these conditions.

The case for legal technologies' increased role

In his article "The Legal Function Reimagined: A Closer Look at the ACC 2020 Chief Legal Officers Survey" in Forbes magazine, author Mark Cohen says that legal technologies are the key to meeting the increasing demands placed upon the law department, such as driving efficiency; detecting, calibrating, and mitigating financial, business, and legal exposure risks; and creating automated self-help tools, among others.

Cohen continues by describing CLOs —and, by extension, their law departments — as business collaborators/partners whose recommendations must be data-driven and holistic, balancing enterprise risk tolerance with reward. He explains that this approach to risk is different than the traditional legal risk mindset whose hallmark is mistake avoidance.

A recent survey by Acritas, part of Thomson Reuters, backs up these findings. Respondents to the 2021 State of the Corporate Law Department survey indicated that organisations that had embraced technology were better prepared to handle challenges arising out of COVID-19. Innovative law departments found themselves better equipped to manage workload surges, enable a fully remote workforce, and minimise risk in the midst of changing regulations and pandemic-related requirements.

In the remainder of this report, we'll explore how legal technologies for both legal guidance and for law department management play a key role in meeting these priorities.

Improving functional effectiveness and increasing efficiency

With the law department expected to function as a more effective business unit, aligning with the organisation's strategic goals and supporting its profitability, law department leaders are employing legal management technology to provide data analytics.

Law departments must also find ways to measure the value they are bringing to the boardroom, including demonstrating how they have controlled costs. In this challenge, legal management technology helps the law department meet it.

Legal management technology can also improve the efficiency of legal workflow and the quality of work product for the law department by reducing wasteful duplication, among other advantages. Functions provided by these tools include: matter management, contract lifecycle management, document management, and legal project management.

Lastly, any discussion of efficiency and effectiveness wouldn't be complete without also addressing the practice of law. Here, too, legal guidance technology that provides expertly-curated, up-to-date legal information, as well as practical tools to apply that information, also improves the efficiency and effectiveness of the law department.



Safeguarding the company

Corporate law departments' role in safeguarding the company goes beyond just mitigating a rising legal threat or navigating a regulatory entanglement. Safeguarding means ensuring the sustainability of the company and its business model and working in a way that gives the company the ability to face changing regulations, legal trends, and external threats.

The adoption of new legal management technology and more innovative methods are major components of the desperately needed transformation of often-outdated and manual processes that law departments employ to get their work done — and how that transformation is handled will be a key measure of the legal departments' success overall. Indeed, leveraging technology and data enables teams to work smarter, to better measure exposure, and predict where problems might emerge, enabling managers to deploy their resources in optimal ways. Ultimately, allowing the law department leader to be that trusted advisor to the business.

Maximising lawyer efficiency and effectiveness

For in-house counsel to even have any hope of having the time to serve as a trusted advisor to the business, lawyers must maximise their own efficiency and effectiveness in all aspects of their work.

Sarit Shmulevitz, director, Practical Law Bankruptcy at Thomson Reuters, is a lawyer who practiced for 15 years in both corporate and law firm roles. As she explains, "When I was practising, the biggest thing I saw young lawyers struggle with was lack of guidance and training. There is so much that goes into practising law — it's impossible to come into practice and be prepared for everything."

What Shmulevitz said is so very true. The only way to be even reasonably prepared is to be equipped with the right legal guidance and management technologies for:

- **The Practice of law:** Whether a lawyer needs to brush up on an old practice area or is expanding into a new one,



having access to the most current, expertly-curated legal information, and being equipped with practical legal guidance to apply that information is crucial, saving time and making that lawyer more efficient.

- **Managing workflow and automating routine tasks:** Managing workflow allows lawyers to efficiently and effectively manage all aspects of a matter, allowing for collaboration both inside and outside the business and greater transparency for the business. Automating routine tasks speeds up manual processes and enforces consistency, reducing the opportunity for error and saving time.
- **Making data-driven decisions.** To be seen as a co-equal business partner requires the law department to make decisions driven by data. And the only practical way to amass the correct data and properly interpret it is to rely upon legal management technology.

Safeguarding the company

Making data-driven decisions is only one part of being responsive to business needs. To have a seat at the table, in-house counsel must also understand fundamentals like finance principles and business basics to align the goals of the law department with the goals of the business.

In addition, the law department must make a 180-degree shift in its fundamental approach to addressing risk, from attempting to eliminate most if not all risks (hence, being perceived as the Department of No) to understanding the priorities and goals of the business so that risks are assessed and properly mitigated. This way, the law department is seen as a co-equal, pro-active business partner and a trusted advisor to the business.

And all of this is only possible through reliance upon the right legal technologies.

Attracting top talent

Law firms have long known that to attract a top lateral candidate or to fill their ranks with the best young associates,

legal technologies can frequently be a top factor when lawyers are thinking about moving into a new position.

Law departments don't face that pressure as obviously, but they're still competing for top talent — and lawyers talk to each other. In the end, it's yet another reason that law departments must also become technologically savvy.

The reasons why legal technologies are so important to the law department's recruitment efforts are simple: improving success and accessibility. Lawyers want to have access to any tool that gives them a better chance of success - in the office, at home, or in the local cafe. In many ways, they have as much at stake as the law department does in this move. If they feel the department's lack of commitment to technologies could impede their chances of success, they are likely to put their reputation first, no matter how attractive the other aspects of the offer.

Using technology as a differentiator

When law departments make the commitment to invest in legal tech, they typically base the purchasing decision on the tangible benefits we've mentioned previously: efficiency, effectiveness, and risk mitigation, for example. What many law departments fail to consider, however, is how this technology affects the way they're perceived by their business partners and those outside the business.

Law departments that position themselves as legal tech innovators are perceived by their business partners as savvy, data-driven business units. They gain the respect and the trust of the C-suite. Such earned stature enables law department leaders to have a seat at the table, and to serve as the business' trusted advisors. They're also more likely to be seen as peers rather than just clients by technology-forward law firms and are better-positioned to take advantage of ALSPs and other legal innovators.

How will your company make use of legal technology in these uncertain times?

These are unprecedented times, and for all of the uncertainty surrounding the impact of COVID-19, the UK's new relationship with the EU, and dynamic regulation, one thing remains certain: change. Law departments that are prepared to step up their game will give their businesses a much better position to survive and thrive in a very uncertain market.

The leading law departments during this time will find ways to use legal technologies to streamline routine tasks, collaborate with business partners, and help navigate the challenges of the market. Now is the time to evaluate your law department's technology strategy and reconfigure it for the future.

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