

Legal Operations Managers

At the Intersection of Business and the Practice of Law

By James S. Wilber

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Does your law department need a legal operations manager? What is it that they do, when is the right time to create such a position, and how you should go about doing it?

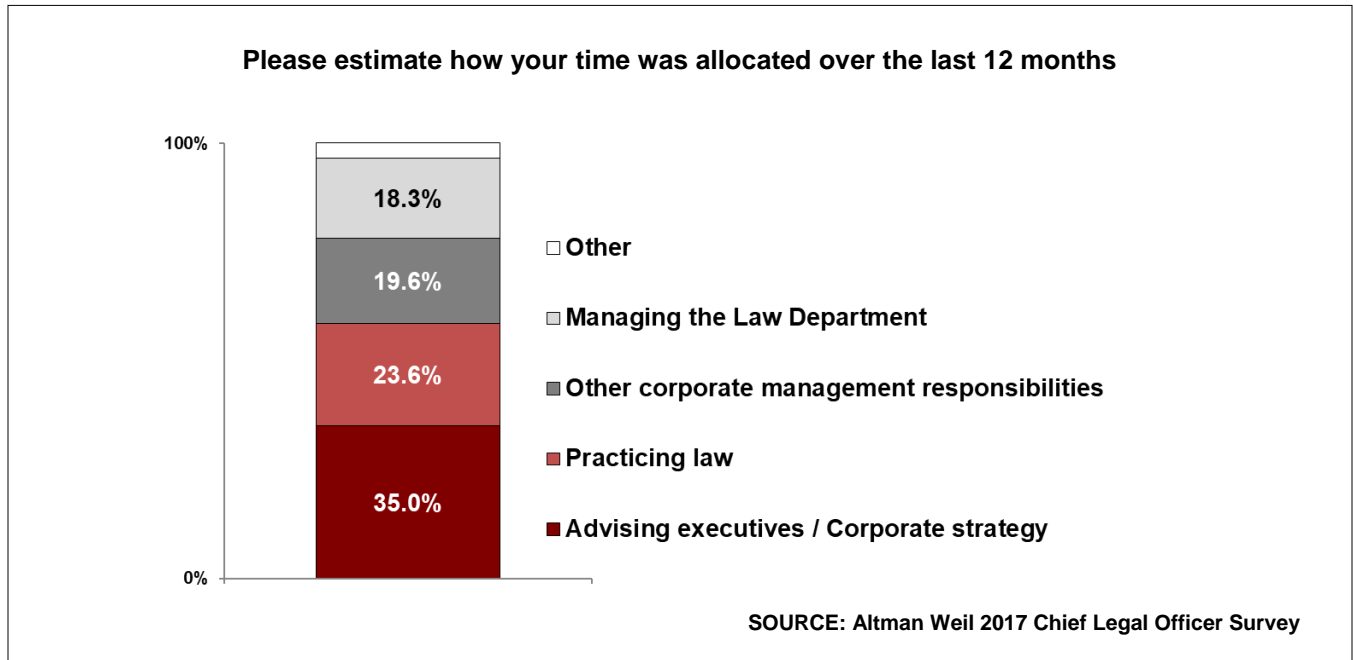
Job titles in use for legal operations managers in corporate America today vary from company-to-company and law department-to-law department and seem to depend on two things – the level of the position in the company management hierarchy, and the titling schemes in use in the organization and its law department. Here are some examples of titles in use today:

- Chief of Staff for Legal
- Director of Legal Operations (or Legal Operations Director)
- Chief Operating Officer, Legal
- Vice President & Chief Operating Officer, Global Legal
- Legal Operations Officer

These different titles illustrate different possible facets of the job. For example, the first, rightly, describes the essence of the position – the legal operations manager as the chief of staff of the General Counsel. The second title on the list identifies the position in this company as one at the Director level. The third title clearly indicates another truth about legal operations positions – they are the law departments' COOs. The fourth title, and the fifth, both demonstrate that in these companies the position is at the officer level, with the fourth also indicating the global responsibilities of the legal operations manager in this obviously global organization. For the purposes of this article, we'll refer to the position as Legal Operations Executive.

Why Your Law Department Needs One

According to Altman Weil's *2017 Chief Legal Officer Survey*, on average, CLOs spend about one-fifth of their time on managing the law department, something that probably amounts to 400 to 500 hours each year.



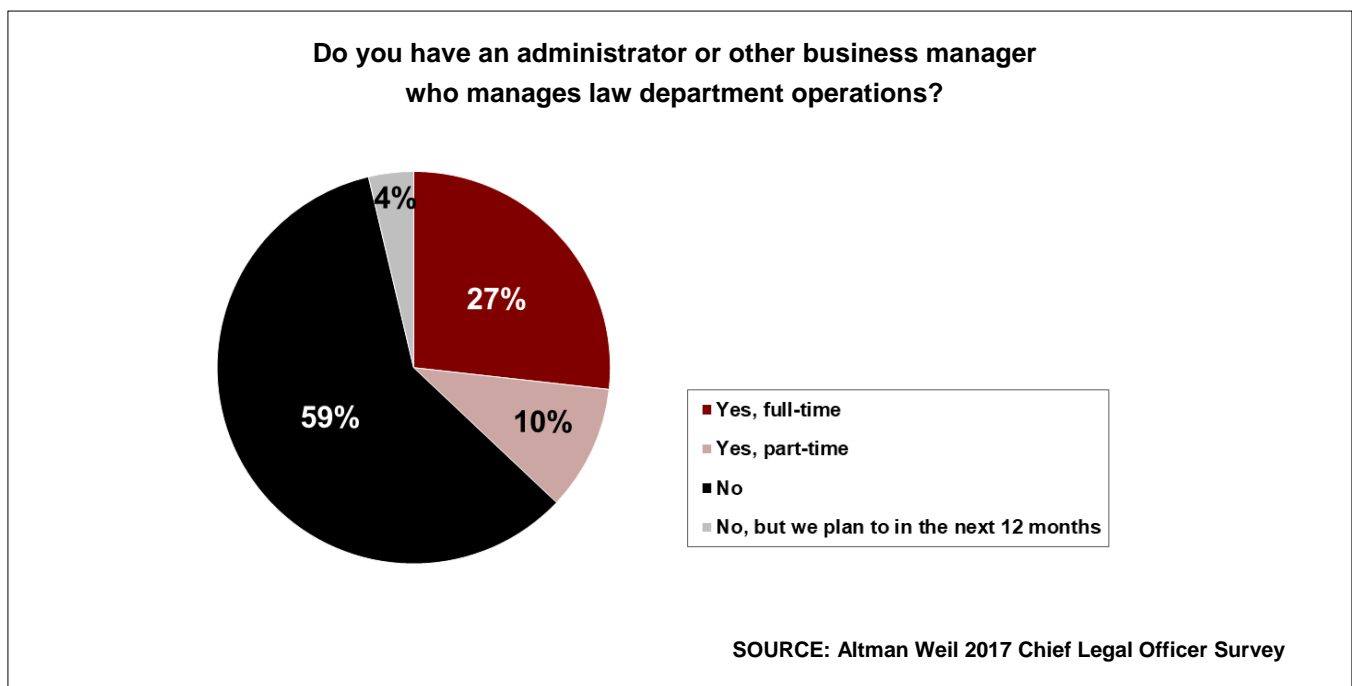
Legal Operations Executives manage law department operations with and for the CLO. A primary goal in creating the position is to free up the General Counsel from some or many of his or her management responsibilities. After all, law departments, like a company's other departments, must constantly review how well they operate and perform. They too need sound people management, IT support, budget preparation and tracking, and effective vendor and other cost management. Furthermore, a significant challenge facing every law department is the need to effectively define and communicate to company executives the value being added by legal personnel. To do that, legal work and legal operations need to be described in terms understood by business people, and demonstrating that value requires measuring, understanding and reporting on operations and results. These are all functions best fulfilled by a Legal Operations Executive.

Overall, a Legal Operations Executive will add significant value to the legal department and the underlying organization. By adding this new position to your department ranks, you will:

- Free up lawyers to provide legal services;
- Free up lawyer-managers to be more effective supervisors and leaders;
- Put administrative, financial and technology duties in the hands of those better trained and educated to handle them;
- Make these duties someone's job instead of dispersing them;
- Focus on cost control throughout the department;
- Achieve better management of outside counsel;
- Better manage new technology tools and emphasize metrics and data analytics; and
- If done right, the job will more than pay for itself.

How Many Departments Already Have Legal Operations Managers?

About 40 percent of law departments have established a Legal Operations Executive position, according to our 2017 research.



When the results of that question are broken down by the size of the law department, it is clear that the larger the department, the more likely that it has an operations professional, as can be seen in the following chart.

Law department administrators – By department size

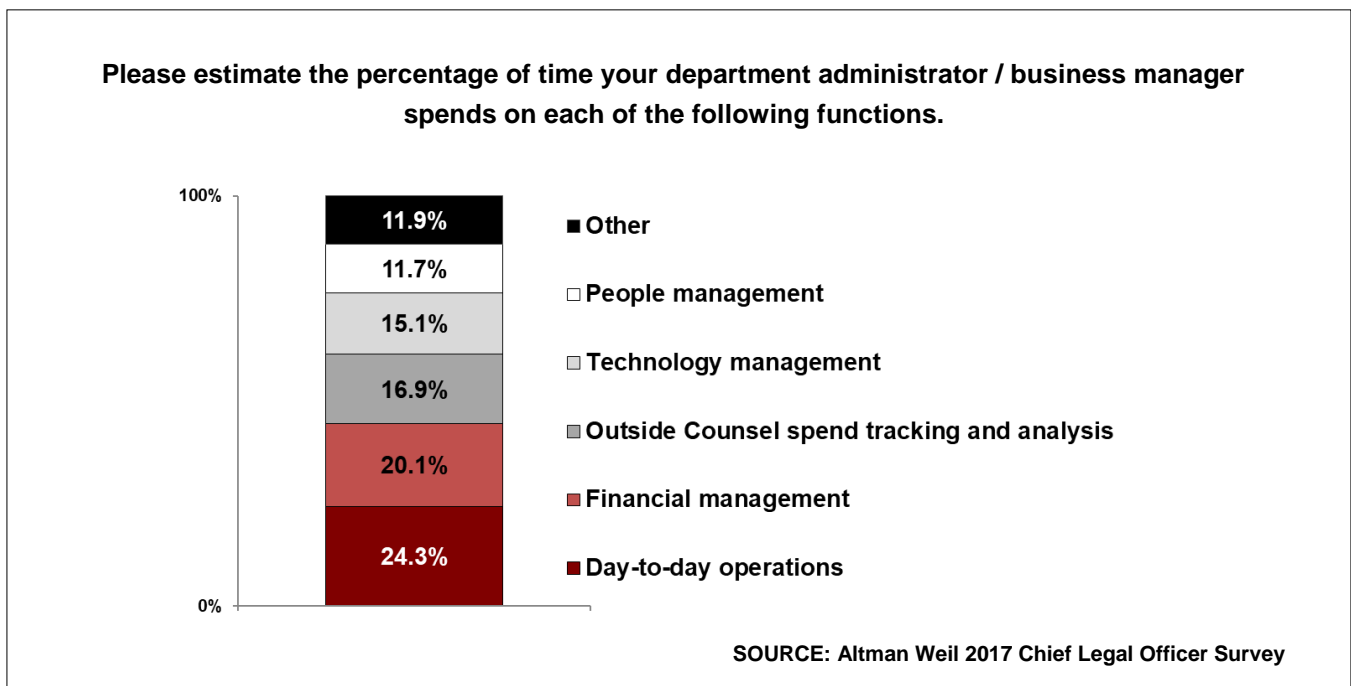
	Yes Full-Time	Yes Part-Time	No	Plan to
1 lawyer	0.0%	10.0%	90.0%	0.0%
2-5 lawyers	9.1%	5.5%	81.8%	3.6%
6-10 lawyers	9.8%	4.9%	80.5%	4.9%
11-50 lawyers	33.3%	13.6%	49.4%	3.7%
51-100 lawyers	55.0%	25.0%	20.0%	0.0%
100+ lawyers	70.6%	5.9%	11.8%	11.8%

SOURCE: Altman Weil 2017 Chief Legal Officer Survey

Although, profession-wide only 40% of departments have operations professionals, that number has gone up significantly during the past five years. Because of the vast changes in in-house practice – the explosion of technology, the shift of more work in-house, and the increasing size and complexity of law departments – more and more companies are creating such positions. We expect to see continuing steady growth in the number of law departments with legal operations executives.

What Are Legal Operations Executives?

So, what exactly are legal operations executives and what do they do? Let’s look at the results from the CLO Survey that asked that exact question:



The four major functional areas for legal operations managers are, in this order, financial management, outside counsel management, technology management and people management. The fifth general category is “day-to-day operations.”

Legal Operations Executives manage and measure. That is, they manage budgeting, staff, technology, vendors and internal resources, and they measure and track law department performance and outside counsel cost. Like law firm business managers and administrators, they operate at the intersection of business and the practice of law. They help manage change and maximize the value from the law department’s data, technology, processes and people. In short, they facilitate the law department in running like the business it supports.

Specific duties and responsibilities of the job:

- Oversee the department’s legal-related technology (e.g., the legal department aspects of an enterprise contract management system; e-billing; matter management; document management; etc.)
- Manage the department’s data, metrics and analytics that are used for improvements in cost and efficiency, to build employee engagement, and to measure and assess outside counsel relationships, performance and spending;
- Offer professional project management support to department initiatives and to the delivery of legal services;
- Assist the General Counsel in managing the department’s professionals;
- Fully manage paralegals and other support staff;
- Oversee the systems and processes that manage outside counsel;
- Develop, manage and track the department’s budget;
- Manage the department’s records; and
- Assist in the planning and execution of department business plans and strategies.

Creating the Position in Your Department

In setting up a legal operations management position, there are three bedrock principles that should be followed. They relate to role clarity, position stature, and authority. Sound management requires three essential things in structuring such a position:

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1. The role must be defined with clarity and specificity, and in writing;
 2. The position needs the requisite stature within the department hierarchy and the company as a whole; and
 3. The position must be granted the necessary authority to perform the job effectively.

The latter two principles are particularly important. You won't be able to attract and retain a top-flight professional if the role isn't of sufficient stature or if there isn't the authority to make decisions in the relevant areas of responsibility. The Legal Operations Executive should be on the General Counsel's senior leadership team and should report directly to the General Counsel. Compensation should reflect that status. The General Counsel needs to give the Legal Operations Executive the right to be wrong (never undermine or criticize publicly). He or she needs to deflect any attempted end-runs around the operations professional by attorneys in the department. The General Counsel needs to see and treat the Legal Operations Executive as a peer with the top lawyers and lawyer-managers in the department.

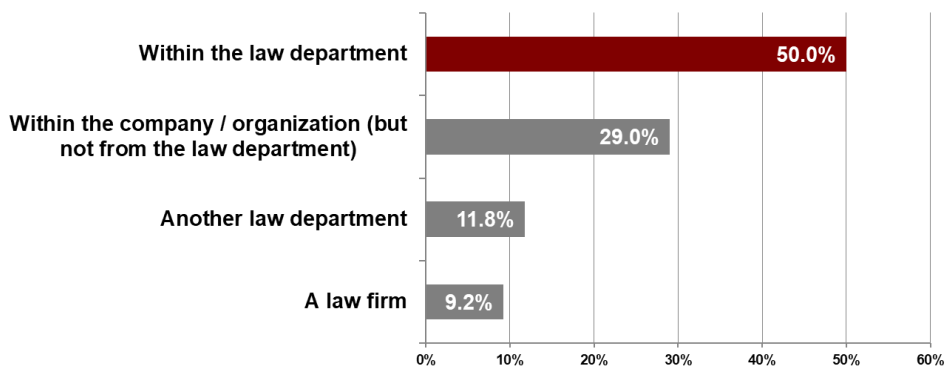
When Should You Establish an Operations Manager's Position and How Should You Do It?

In my experience, a law department of any size would benefit from a dedicated legal operations position. Such a position is indicated – and if done right, will more than pay for itself – even in a law department with a General Counsel and no other lawyers. The larger the department, the more important it is that the position be full time. In fact, larger legal departments often have several professionals in legal operations positions.

More specifically, small law departments (1 to 3 lawyers) only need a part-time Legal Operations Executive, so long as it is a dedicated part-time position and not a situation where operations duties are spread among several different staff members. Medium size departments (4 to 15 lawyers) need at least one full-time operations executive. Larger law departments, depending on their sizes, should have a team of professional business managers. These will likely be operational sub-functions such as IT, HR, finance, outside counsel management, etc., each with their own dedicated leaders who have others working under them.

Where do most law departments find good legal operations managers? Let's look at the results to that question from the CLO Survey:

Where did your law department administrator come from?

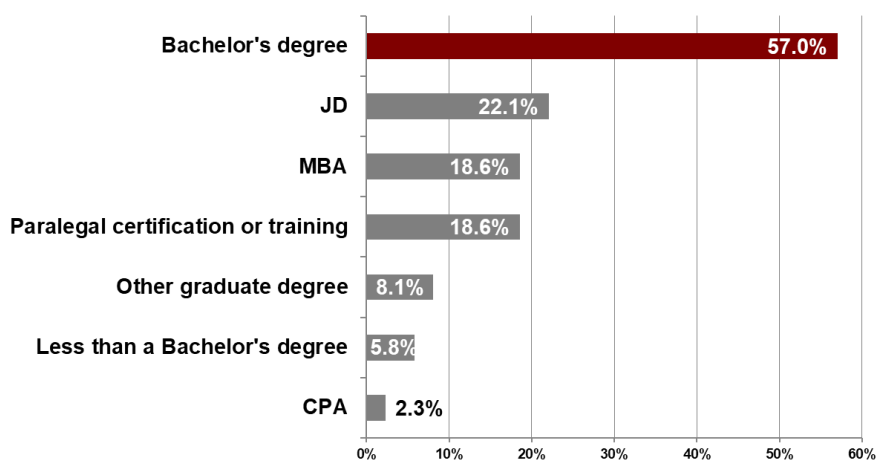


SOURCE: Altman Weil 2017 Chief Legal Officer Survey

As can be seen, most come from inside the company (many also from inside the law department itself). Corporations are rife with business managers skilled in the disciplines needed for legal operations, so it is not surprising that most such people are hired from within the department or the underlying company. The larger the department, the more likely that the head of legal operations will be recruited from outside the company and have previous experience in legal operations in other law departments or law firms.

The CLO Survey also provides information about Legal Operations Executives' educational backgrounds. As can be seen, all but 5.8% of operations managers have at least a bachelor's degree, with many having business and professional degrees as well.

What is your law department administrator's educational background?



SOURCE: Altman Weil 2017 Chief Legal Officer Survey

Finding someone with the right traits, experience and skills to lead legal operations is essential. Because the Legal Operations Executive must be able to lead several functional areas, including IT, outside counsel management, budgeting, etc., and (along with the General Counsel), handle overall management of the law department, this individual must have a broad skill set.

More specifically, you need someone with:

- Experience managing finance and budgets, information technology, data and metrics, outside counsel, knowledge, human resources and office operations;
- Leadership qualities and experience;
- Effective communications skills;
- Experience managing change;
- Strategy and planning experience;
- Knowledge of legal services delivery;
- A 'team player' attitude; and
- Determination and adaptability.

Conclusion

Legal operations should be a dedicated function in any law department. In most, a Legal Operations Executive should be a full-time position. In large departments, there should be several such professionals supporting the legal operations chief. Very importantly, if done right, this position will more than pay for itself in added value for the department.

James S. Wilber is a principal of Altman Weil, Inc. He leads consulting projects in organization, practice management and lawyer professional development and co-heads Altman Weil's Corporate and Government Law Department practice. He is also a legal executive search expert who has placed hundreds of law firm executives and business managers over two decades. Contact him at (414) 427-5400 or jswilber@altmanweil.com.

Altman Weil's Chief Legal Officer Survey has been conducted and published annually since 2000, most recently in September and October 2017. The full survey is available to download at www.altmanweil.com/CLO2017.

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