

Backstory

BY JOE CALVE

A “Watershed Year” for Legal Ops

A year ago this month, I wrote a column in this space about the state of legal operations in corporate law departments. It was called “Suddenly, Legal Operations Professionals Are ... *Sexy*.” Yes, I was being a little cheeky, but the point was clear. The legal operations field – subculture? – seemed to be stepping out of the wings and edging, if not into the spotlight, at least out onto the stage. The impetus was the announcement by the Association of Corporate Counsel, with a bit of fanfare, of a new membership division devoted to – you guessed it – legal ops. But that wasn’t all. Other groups were aborning, or at least coming into their own, and here at *MCC* we had just launched a new section called In-House Ops. Something was in the air.

Not that legal ops was the new, new thing. The role has been around for many years, especially at big companies, such as GE, though early ops staffers sometimes were cloaked behind mushy titles, such as business manager. But legal ops professionals they were – or at least were becoming – and that’s the point. More and more companies, especially those with big in-house departments, are adding ops roles, and the trend is accelerating.

Consider the latest edition of ACC’s annual survey of chief legal officers, released earlier this year. One of the key takeaways – indeed, the headline takeaway for ACC – tells the tale: ACC Chief Legal Officers Survey Finds Drastic Growth in Legal Operations Staffing.

“Drastic growth.” That’s strong stuff, but the numbers back it up.

“Thirty-seven percent of CLOs increased in-house staffing levels at their companies in the past 12 months,” ACC says, “while the percentage who reported having legal operations staff *more than doubled*, to 48 percent this year.”

ACC’s new ops division patterns the trend. “This explosive growth,” the organization says, “reflects ACC’s own experience with the special membership division formed for legal operations professionals which has grown by about 52 percent – to almost 400 members from 258 different companies – since last June when the division launched its inaugural ACC Legal Ops Conference.”

Make that 418 members and counting, says Amar Sarwal, vice president and chief legal strategist for ACC. Sarwal says the ops field picked up steam after the 2008 financial crisis as GCs came under pressure from C-suite executives to control costs. When the ACC division launched, he says, the organization determined that about two out of three Fortune 500 law departments had at least one ops professional. “Now,” he says, “it’s likely closer to 100 percent. It’s clearly a growth market in the legal industry.”

ACC isn’t alone. Members of the Corporate Legal Operations Consortium (CLOC), formed six years ago by a group of ops professionals in (mostly) Northern California, meet regularly to share insights and ideas. CLOC, which helped form the ACC group, has been making changes to the organization in another sign of the coming of age of legal ops.

“Originally, we were learning together,” says Connie Brenton, chief of staff and director of legal operations at NetApp and one of the movers and shakers behind CLOC. “Now it’s time to make this a profession and become the instructors for those newer to the role who are coming up behind us. This will be their career aspiration.”

Among the changes CLOC has made is to become a nonprofit association, which happened on December 31 with Brenton as the CEO and board chair. She works with a leadership team of eight well-known ops professionals: David Cambria, global director of ops, Archer Daniels Midland; Christine Coats, VP of legal ops, Oracle; Stephanie Corey, legal chief of staff and director of legal ops, Flextronics; Jeff Franke,

chief of staff and senior director of global legal ops, Yahoo!; Steve Harmon, VP and deputy GC, legal, Cisco; Brian Hupp, director of legal ops strategy, Dolby Labs; Lisa Konie, senior director, legal ops, Adobe Systems; and Mary O’Carroll, head of legal ops, Google. (Not sure how a Midwestern farm boy like Cambria got into this high-tech West Coast ops scene.)

Brenton says the group also may change its name and definitely will loosen its membership criteria, which requires, among other things, that you report to the GC. The group’s future focus will be on education, which is reflected in its upcoming Legal Ops Institute in San Francisco (May 2 through 4), which will feature 50 instructional sessions rather than the usual mishmash of panels. CLOC also plans to go global, another reflection of what Brenton and other CLOC leaders say is a sea change in the legal ops profession.

“This has been a role in the making for 10 years, and now we finally have reached the tipping point,” Brenton says. “It’s a huge shift.”

There’s more. A recent event in New York City at Proskauer showcased the rapid growth of Buying Legal Council, the 18-month-old brainchild of ops guru Dr. Silvia Hodges Silverstein, who bills the group as the “trade organization for professionals tasked with sourcing legal services and managing supplier relationships.” BLC’s conference drew more than 100 attendees, and it coincided with the release of its 2016 Legal Procurement Survey, a nifty piece of work chockablock with useful information drawn from 92 ops and procurement pros.

Or consider the recent announcement by AIG of the launch of a new company, Legal Operations Co. (LOC), which AIG global head of operations Aaron Katzel says can save you a bundle on outside counsel fees. How? By tapping into AIG’s piles of data on legal pricing. Katzel and AIG’s ops center are reported to have slashed the insurer’s outside legal spend by more than \$300 million

over the last two years, which is quite the selling point.

Even the Legal Marketing Association has gotten into the ops act with its annual Practice Innovation Conference (P3), hosted by the organization’s Client Value Shared Interest Group and pulling in big numbers at its Chicago conferences. The focus is – *dub* – on the three Ps: project management, pricing and process improvement. The last conference, which drew quite a few legal ops professionals, featured ACC’s Sarwal and Akin’s chief practice officer Toby Brown, a pricing expert who is as close to celebrity status as ops gets. The 2016 conference in May will feature keynoteer Jeff Carr, the iconoclastic former GC of FMC Technologies, who serves as president of ValoremNext, which is part of Patrick Lamb’s Valorem Law Group, the litigation innovation factory that is working overtime to change the way legal services are dished up.

Most recently, in February, we saw the launch of a new company, LegalShift, which plans to advise corporate law departments on Lean Six Sigma and other pathways to heightened operational efficiency. What’s eye-catching about this one is the deal Shift has with the law firm Baker Donelson to license something called BakerManage, a project management process for efficient matter management. (In other words, ops.) The CEO, Dan Safran, is a longtime industry consultant and former executive VP of Project Leadership Associates.

So, yes, there’s a lot on the ops plate. According to Sarwal, big companies already are realizing big returns from their investments in ops professional, and he sees smaller law departments following suit – if not today, then tomorrow.

“When all is said and done,” he says, “we see the ACC group numbering in the low thousands. This has been a watershed year.”

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