

MEASURE YOUR TEAM'S VALUE

LAWYERS
ON
DEMAND

A Corsillo COMPANY

7 KPIs FOR FUTURE-READY IN-HOUSE TEAMS

Measure your team's value





About Lawyers On Demand

We help in-house counsel around the globe answer ever-increasing calls from their business to deliver more value, run more efficiently, and bring data, insights and ideas to the table. With our world-class flexible talent and legal operations solutions, we help them build legal functions that are strategic, responsive, and ready for anything.

At the same time, we help legal professionals practice law more flexibly and happily.

Lawyers On Demand (LOD) pioneered the very first alternative legal service in 2007, and we continue to lead the exciting market we created. Acquired in 2023 by Consilio, a renowned leader in legal consulting and services, we are the largest and fastest-growing flexible legal services business in the world. With over 4,500 world class lawyers, legal operations experts, paralegals, and risk and compliance professionals, we support clients in over 25 countries across the UK & Europe, Australasia, Asia, The Middle East and the US.

As a Consilio company, we offer the world's biggest legal transformation and support business. We work with clients to optimise their legal operating model, provide compliance and information governance support, and help them choose, implement and integrate the very best legal technology for their business. As a proven leader in eDiscovery and Document Review, clients can also access robust data centers, deep expertise, and expanded legal capabilities across the globe.

We find new ways to boost the value that in-house legal teams and legal professionals deliver, today, tomorrow and in the future.



Finding value

With substantial legislative changes, relentless advancements in tech, and persistent budget constraints, the in-house legal industry is on the brink of a transformative era.

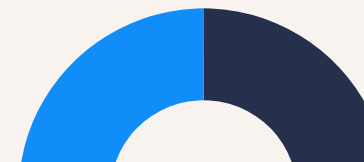
In-house lawyers pride themselves on their ability to use the law to help move their businesses forward. So much so, in-house leaders are seeing their influence spread further than the realms of just law as they work with an increasingly business-first mindset.

Despite these changes, lawyers still live in a world where performance is paramount. We see in-house teams win industry awards, we hear of individuals referred to as "great lawyers", and we listen at conferences to GCs sharing their expertise of how best to run an in-house function. And for a long time, this high performance has been used as the key indicator of a valuable in-house team.

But these determinations of what is "good" or "great" are usually subjective. Whilst there is nothing wrong with subjectivity, it seems strange that we rarely hear much about any objective measurement of what constitutes "good value lawyering". Objective measurements of quality can serve to reinforce, complement or even challenge subjective views, which cannot be a bad thing.

Measuring and communicating the output of the in-house team - and value it adds to the business - is even more critical when going through a transformative period or in the face of budget challenges.

So, what metrics should you use to measure your team's value? To ensure that your output is understood and to demonstrate success today whilst preparing for a business-focussed future?



#1

Cost

The industry is fatigued with trying to solve the “more for less” conundrum, perhaps because it is an impossible puzzle.

Yet, like it or not, the disadvantage for in-house lawyers compared to their private practice counterparts is that they are seen as a cost centre.

That's why it's important to have a sense of whether the cost of your team is appropriate for a business like yours, so you can not only justify that cost but also demonstrate the return on investment which arises from it.

You might want to explore:

- Your internal spend compared to your external spend, and the rationale for each
- The extent to which your internal spend is fixed or variable
- Your external spend against industry average
- The size of your in-house team against industry average
- Where your salaries sit in relation to benchmarking surveys (it's not necessarily a good thing to pay below market!)
- Whether you are tendering work competitively to ensure that you're using the providers that offer the best value for money.





#2

Risk profile

Lawyers like to talk about their role as managers of risk. Quite right too, this is where the Board expects the in-house team to be playing. Yet it's one of the toughest areas to measure as parameters of risk are hard to establish.

Ways to ensure a more consistent and objective approach include:

- Agree a corporate risk profile with your Board to encompass a range of standard and fall-back positions on liability (caps, exclusions etc.) across a range of your contracts
- Define a process for the business and in-house legal team to follow to ensure issues are appropriately escalated
- Record agreed positions on risk across certain contracts and a 'scorecard' for each different position.

It's also often left to the subjective judgement of individual in-house lawyers, which can lead to an inconsistent approach across hundreds or even thousands of contracts. In-house teams that do it well and share their successes substantially elevate their profile.

- Report performance based on:
 - The percentage of contracts in which your company's desired risk profile is achieved
 - The risks saved: Can you put a value on the risk that you're avoiding by following the profile?
 - The tracking of complex issues and managing risks: Have you been able to focus on revenue generation instead of crisis management? Has it saved your emergency external spend budget?
- Share the performance report with the Board regularly, demonstrating the value added by keeping things on track.

#3

Self-serve vs lawyer-led

In-house legal has undergone a significant shift. Moving from legal gatekeepers, GCs are empowering their business to self-serve, freeing up their own time to take their seat at the table as strategic business operators.

With the business using self-serve on appropriate legal matters, the in-house team can still maintain oversight without additional risk. You can achieve this by assessing categories of work which lend themselves to self-service whilst avoiding 'random acts of self-help' by the business. They are designing simple self-serve tools and processes for the business to use and follow (for example templates, playbooks, automated contracts, standard disclaimers).

Measuring the value of these self-serve approaches will give you some great KPI metrics. Consider:

- Monitoring the use of these tools by the business. For example, if you provide the Marketing department with a competition T&Cs template, measure how frequently it is used (or not!)
- Measuring the amount of in-house time freed-up as result of self-service and the value of this reassigned time (either in terms of cost or additional support provided)
- Qualifying the impact on your business. For example, does it speed up the businesses' ability to - using the above example - safely run competitions and promotions without as much hand-holding from legal?

#4

Turnaround times

Often debated at in-house seminars, often rejected by in-house lawyers as an inappropriate measure by which to measure value.

True, by introducing a departmental SLA there is always the risk of inventing a stick for others to beat you with. And of course, speed of performance alone is not an effective measure of good performance; in fact it is a dangerous one that could result in mistakes and an increased risk profile. However, in today's sophisticated in-house legal team, it's no longer appropriate to allow each lawyer to respond within what they subjectively might consider a reasonable time frame.

What often frustrates internal clients of the in-house legal team is not so much the time it takes for a substantive response, but their perceived disappearance of their request into a legal black hole due to the lack of a response or acknowledgement. It may

sound simple and certainly doesn't cost anything, but the introduction of SLAs for the receipt of instruction from the business may have substantial impact upon your ability to demonstrate value and output.

Appropriate measurements may include:

- Performance of defined SLAs across the in-house legal team, such as response times and targets for returning matters to the business
- The volume and regularity of requests that do not fit with SLA times and approach for addressing these
- Factors which result in inefficiency, particularly occurring from outside the in-house team such as response times from other teams.

#5

Activity measurement

All in-house teams we meet are busy. The challenging and not always popular question we suggest they ask themselves is “are you busy with the right work?”

With today’s business-first mindset, the old adage of “don’t be a busy fool” is not a bad one for lawyers to remember. Admitting anything less than absolute busyness can be (rightly or wrongly) tantamount to an admission of failure.

We recommend analysing the activity of the in-house team, not to measure busyness but to measure if time is being spent in the right places. And, more interestingly, where the business engages with the in-house team in an inefficient way. This data can then be used to communicate the value delivered to the business or to the identity the challenges facing the in-house team.

Think about 5-10 types of regular activities that the legal team can easily record time against and assess:

- Types of activity which are “lawyer-heavy” to see if they need to be (consider if “self-serve solutions might be appropriate)
- Types of activity which are “lawyer-light” to assess if more time should be spent on these activities
- Patterns or inconsistencies with how business units engage with the in-house team to identify potential blockers to progress
- The potential for a consistent approach by lawyer (or level of experience of lawyer) and type of work
- The value of the work delivered by the in-house team to the business. Not all legal work will fit neatly into ‘£x revenue generated’ but enough will to create a reasonable picture.

#6

Team structure

What does a good in-house legal team look like? The team that stays together for years (close knit or unambitious)? The team that churns like an empty stomach (fresh talent or not staying for a reason)? Something in-between (sounds a good balance or too simplistic)? And what impact does it have on your business?

The team that sticks together grows more experienced together, which means it becomes more expensive to do more junior tasks. However, an inexperienced team is likely to require a lot of supervision meaning the more experienced lawyers produce less tangible output and are less able to operate as strategic business partners. Wherever you land, the impact that team changes have on your ability to deliver against SLAs or budget can be significant.

Perhaps have a think about:

- Your ideal 'fantasy legal team' spread of experience/expertise. How do you measure up against your ideal team year-on-year?
- Are there patterns in your team changes? For example, does a lawyer's PQE, time spent in-house, internal client list, or role type impact their decision to leave? Identifying patterns can help you build a more stable (or fluid) team and prepare for, or mitigate change
- How can you evolve your team's skillset to match where your business is going? For example, if you empower the business to self-serve, will that free up your team's time to develop their technical skills?
- Could outsourcing lower complexity, lower value work to a trusted partner help your team focus on more technical work? This could save on external spend and give them more stretch in their role, keeping the team secure for longer.

#7

Internal feedback

There's no getting away from it for in-house teams, sometimes the demands placed on them can be intense. Although their work is usually well regarded by the Board and senior management, they are a cost centre and it does matter what internal clients think of their work.

The views of in-house clients should be filtered appropriately and recognised as subjective, but they should be taken into account. As well as buying goodwill by putting themselves out there, in-house teams can learn from the results of a client scorecard.

Your approach might include:

- Identify characteristics by which internal clients may assess you such as approachability, friendliness, pragmatism, commerciality, willingness to help, effectiveness at closing, stakeholder management, expectation management, and speed of delivery
- Measuring scores by lawyer and by internal client function
- Tracking if there are inconsistencies across client function and assess why. Are they lawyer generated or client generated?
- Considering a simple net promoter "would you recommend [person]?" question
- Measuring how the scorecard improves, worsens or remains constant year on year and identify reasons for this.

Conclusion

CEOs and Boards will give far more credence to an annual assessment by numbers rather than simple gut instinct.

Without wishing to over-simplify, if an in-house team can implement some of these KPIs with the effect that; (a) the aggregate volume of legal work being carried out within the business is sped up and/or reduced (either because it no longer needs doing, is done more efficiently, doesn't require legal resource, or is given proper focus); (b) the organisation's risk profile does not increase and over time becomes more consistent; (c) legal costs remain at a level appropriate for the business, then that will be a big step in the right direction for a successful, future-facing team.

It's our bet that the data output generated by the adoption of KPIs like these will in most cases support the in-house team's own subjective assessment of how good it really is.

That might beg the question, "well what's the point"? Well it's LOD's view that through this transformative period with GCs increasingly becoming business-first, subjective measurements of quality aren't enough. Even if the GC is satisfied, they should realise that as a trusted business partner, their CEOs and Boards will expect more. To confidently move into the new age of operating a successful business-weighted in-house legal team, implementing KPI measurements will be critical and expected.



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