

2016 LEGAL DEPARTMENT
IN-SOURCING AND EFFICIENCY REPORT
THE KEYS TO A MORE
EFFECTIVE LEGAL
DEPARTMENT



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INTRODUCTION

Thomson Reuters conducted a survey of 429 attorneys and operational professionals working in corporate legal departments to examine their ongoing efforts to improve efficiency and productivity across their in-house teams.

Building on the inaugural 2015 Thomson Reuters Legal Department In-Sourcing and Efficiency Report, the 2016 survey continued tracking how corporate counsel professionals are managing internal and external resources to achieve greater efficiency and productivity.

As expected, there has not been significant change over the last year, and corporate legal departments continue to do more with less. While departments continued to respond to the larger market changes that occurred following the 2008 economic meltdown by adjusting, experimenting and innovating, the year-to-year changes were not material.

This report analyzes how legal departments are adapting by keeping work in-house, particularly with certain tasks related to contracts, intellectual property, mergers and acquisitions, and litigation. It also explores how in-house leaders are implementing changes within the department — such as using legal department operations professionals — as well as how they best partner with outside counsel.

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EXECUTIVE SUMMARY

Activities and attitudes within legal departments remain largely unchanged, which may be primarily because the more “radical” changes — such as expanding legal department headcount and bringing more work in-house — occurred much earlier, as part of the aftermath of the 2008 global economic crisis.

According to this year’s survey, legal departments are settling in; they are deploying onboarding techniques for roles filled within the last year, and more work is remaining in-house as it’s more cost effective for companies to use corporate counsel rather than outside counsel. This also makes sense from an efficiency standpoint; corporate counsel better understand the business, its objectives and its risk tolerances, and can therefore provide a more practical response when legal concerns arise.

and to work more strategically; bringing in LDO professionals to concentrate on business operations allows corporate counsel to focus on legal work and become more proactive and strategic in how they advise the business. With more time dedicated to the practice of law for these corporate counsel, less work has to go to outside counsel. This report discusses those matters and tasks for which in-house turn to outside counsel, and the reasons driving the work to law firms including legal complexity, jurisdictional and other concerns.

While no dramatic shifts occurred across legal departments since last year’s survey, the 2016 report uncovered a developing trend: a rise in employing legal department operations (LDO) professionals, alongside a backlash against time-consuming administrative work. **MOST DEPARTMENTS ARE BESIEGED BY THE OPERATIONAL ACTIVITIES THAT COME WITH BEING PART OF A CORPORATION.** General counsel seek to achieve greater efficiency and productivity within their departments

General counsel are charging LDOs with becoming their change agents, whether it involves managing outside counsel, employing legal managed services providers, or identifying and deploying new technologies across the legal department.

It's an encouraging development in the legal profession, long known as resistant to change and innovation. Lawyers may be slow to change, but their willingness to use LDO professionals indicates the awareness of the need for greater innovation to genuinely improve efficiency and productivity.

As LDOs' best practices become industry-wide standards for all departments to adopt, it will spark even more efforts to achieve better efficiency and productivity in other areas, from using metrics and analytics to deploying emerging technologies. For now, in-house teams continue to do more with less by introducing efficiencies within their legal departments — across people, processes and technology — and by further redefining the in-house/outside counsel relationship.

“It's an encouraging development in the legal profession, long known as resistant to change and innovation. Lawyers may be slow to change, but their willingness to use LDO professionals indicates the awareness of the need for greater innovation to genuinely improve efficiency and productivity.”

WHERE LEGAL DEPARTMENTS STRUGGLE

Most departments continue to face cost constraints, forcing them to redefine how they work.

Survey results show that legal departments tend to be small – more than half have five, or fewer, total attorneys and staff. Smaller

legal departments tend to have a general practice focus, requiring attorneys to be jacks-of-all-trades.

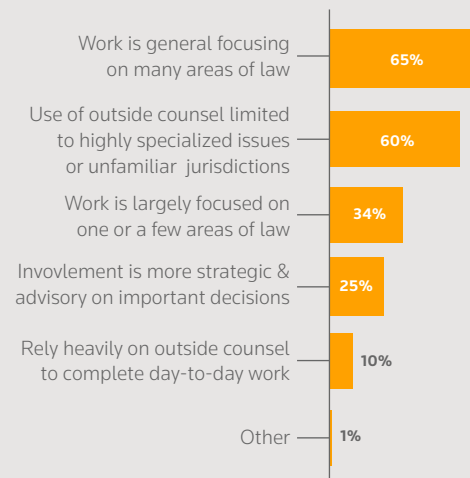
RESPONDENT DEMOGRAPHICS

Although the average number of attorneys in legal departments is 17, more than two-thirds of departments have 1-5 attorneys. More than half of departments also have five or fewer total attorneys and staff.

No. of staff	None	1-5	6-20	21+	Avg. No. Total
Attorneys	0%	70%	20%	10%	17
Paralegals	24%	55%	8%	3%	4
Librarians	95%	4%	0%	0%	<1
Other Admins	36%	51%	10%	3%	5*

* Averages may not add up due to rounding

Focus of Practice



CHALLENGES FACING THE COMPANY AND THE LEGAL DEPARTMENT

The top operational challenges identified by in-house teams include reducing outside legal costs, communicating with internal stakeholders and having limited resources.

Ethics and compliance, regulatory changes, and data security remain the most important legal issues facing companies and, therefore, their legal departments.

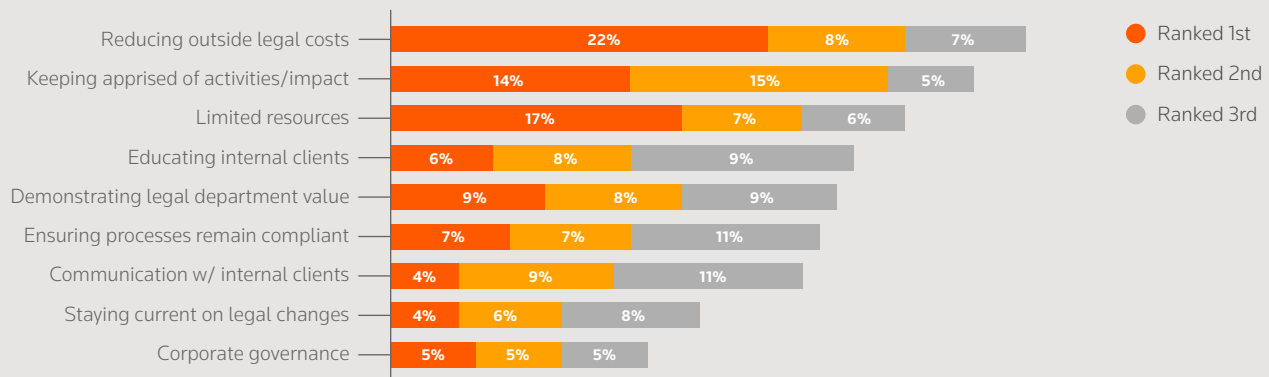
One reason in-house teams may be focused on these areas is that **LEGAL DEPARTMENTS ARE INCREASINGLY TASKED WITH ENSURING THAT COMPANIES COMPLY WITH LEGAL AND REGULATORY RULES AROUND THEIR DATA.**¹ Maintaining data security is a top business priority, given the substantial repercussions — from damaged business reputation and liability concerns to lost customers — of a breach or data privacy lapse.

This year’s report added challenges, including cybersecurity, educating internal clients and global expansion, to reflect the changing practice of law is having on legal departments. The nature of the types of challenges facing corporate counsel and the scope of their responsibilities is shifting as in-house teams’ roles evolve and companies expand their geographic, market and product reaches.

In addition to the legal issues facing companies, in-house teams are faced with the challenges of delivering legal services and operations. Overall, the top challenges in 2016 are similar to those identified in 2015: reducing outside legal costs, keeping apprised of activity and impact, and dealing with limited resources, as noted on the chart below, as well as educating and communicating with internal clients and demonstrating the value of the legal department.

KEY CHALLENGES FACED BY LEGAL DEPARTMENT

Reducing outside legal costs, communicating with internal stakeholders and limited resources remain challenges in 2016.



¹Rebekah Mintzer, Survey: [Legal Departments Are Looking More Like Business Units](#), *Corporate Counsel*, Feb. 15, 2016.

RELIANCE ON OUTSIDE COUNSEL

COMPLEXITY OF SUBJECT MATTER OR ISSUE IS ONE OF THE MAIN REASONS IN-HOUSE COUNSEL RELY ON THE DEEP EXPERTISE OF LAW FIRMS.

USE OF OUTSIDE COUNSEL

These percentages reflect the number of respondents who use outside counsel for this type of work and for these different reasons.

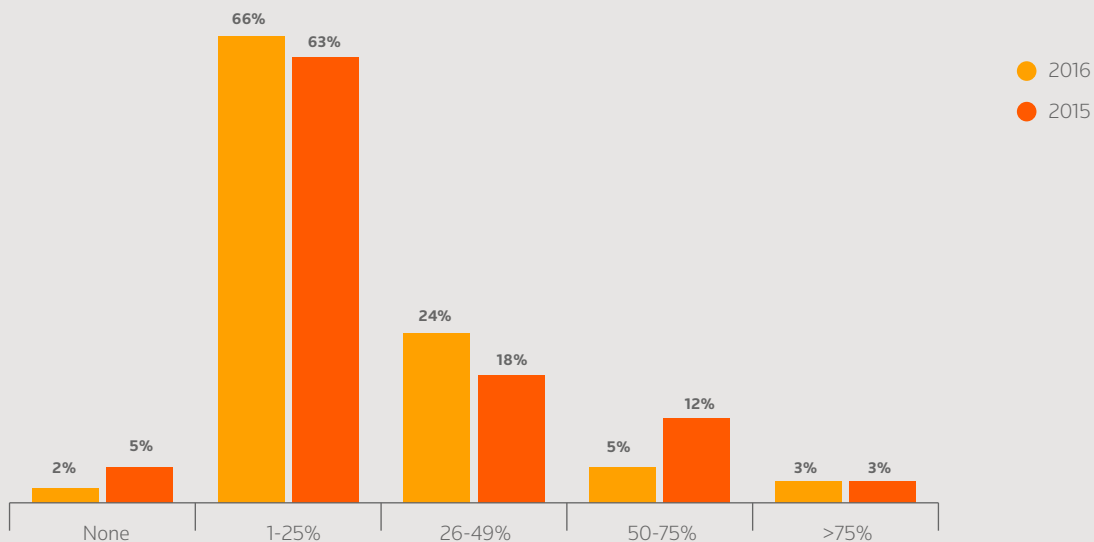


“Again in 2016, two-thirds of legal departments reported outsourcing 25 percent or less of their legal work to law firms.”

ONLY 2 PERCENT OF DEPARTMENTS KEPT ALL THEIR LEGAL WORK IN-HOUSE THIS YEAR, compared to 5 percent last year. Just over a quarter (27 percent) indicated they have increased their reliance on outside counsel over the past two years, compared with 24 percent of respondents in the earlier survey; the uptick has been driven by an increase in overall legal work (72 percent) and company growth (55 percent).

PERCENT OF LEGAL WORK OUTSOURCED

The survey asked respondents to look back and report on the percentage of legal work that was outsourced for the prior year.



This year, 29 percent reported decreasing their reliance on outside counsel over the past two years, compared to 35 percent in last year's report. Drivers for the decrease included bringing more work in-house (83 percent) and cost containment strategy (48 percent).

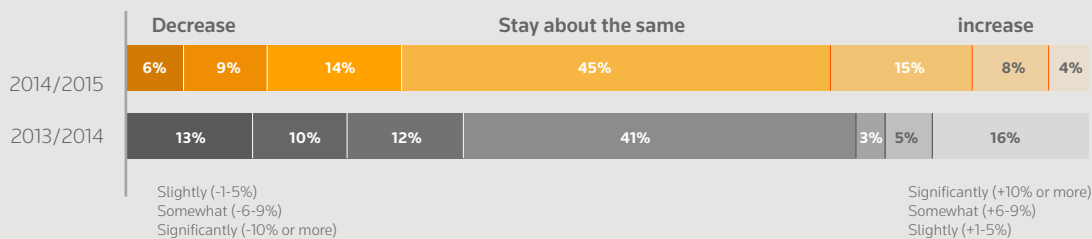
An area that remains constant is how in-house teams use outside counsel, which continues to be mainly for litigation (79 percent) and M&A work (53 percent). The reasons corporate counsel turn to outside counsel remain

consistent too. Overall, nearly two-thirds (60 percent) indicated their use of outside counsel is limited to highly specialized issues or unfamiliar jurisdictions. There was a slight increase in use of outside counsel over the past year (27 percent), and overall (24 percent).

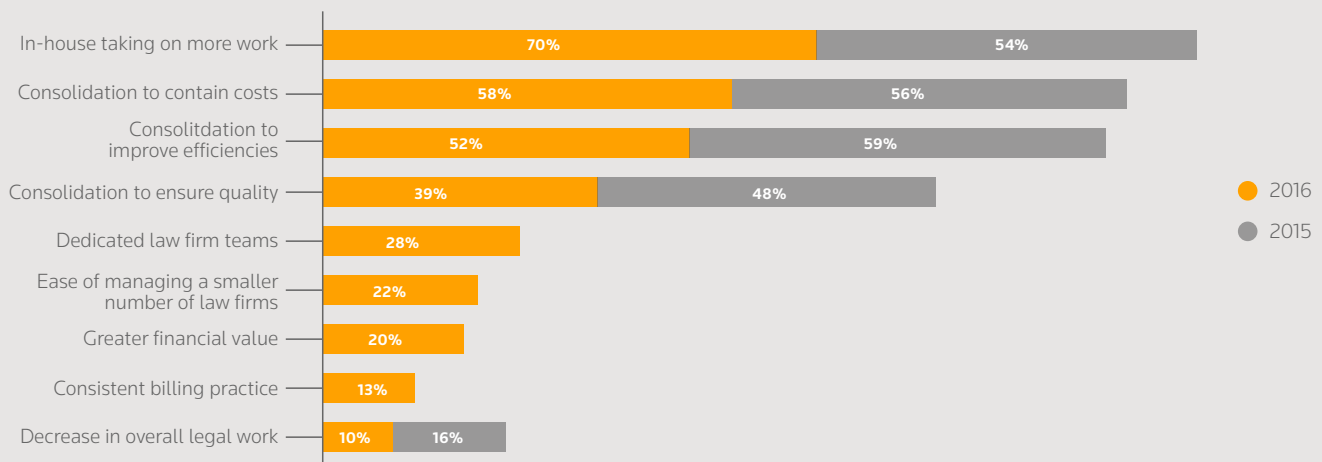
Looking ahead, future use of outside counsel is expected to remain the same.

CHANGES IN OUTSOURCED WORK

The survey asked respondents to look back and report whether the proportion of the department's legal services performed by outside counsel has decreased, stayed about the same or increased from the prior year.



REASONS FOR WORKING WITH FEWER OUTSIDE LAW FIRMS



DIVISION OF LABOR: DETERMINING WHICH TASKS TO KEEP IN-HOUSE

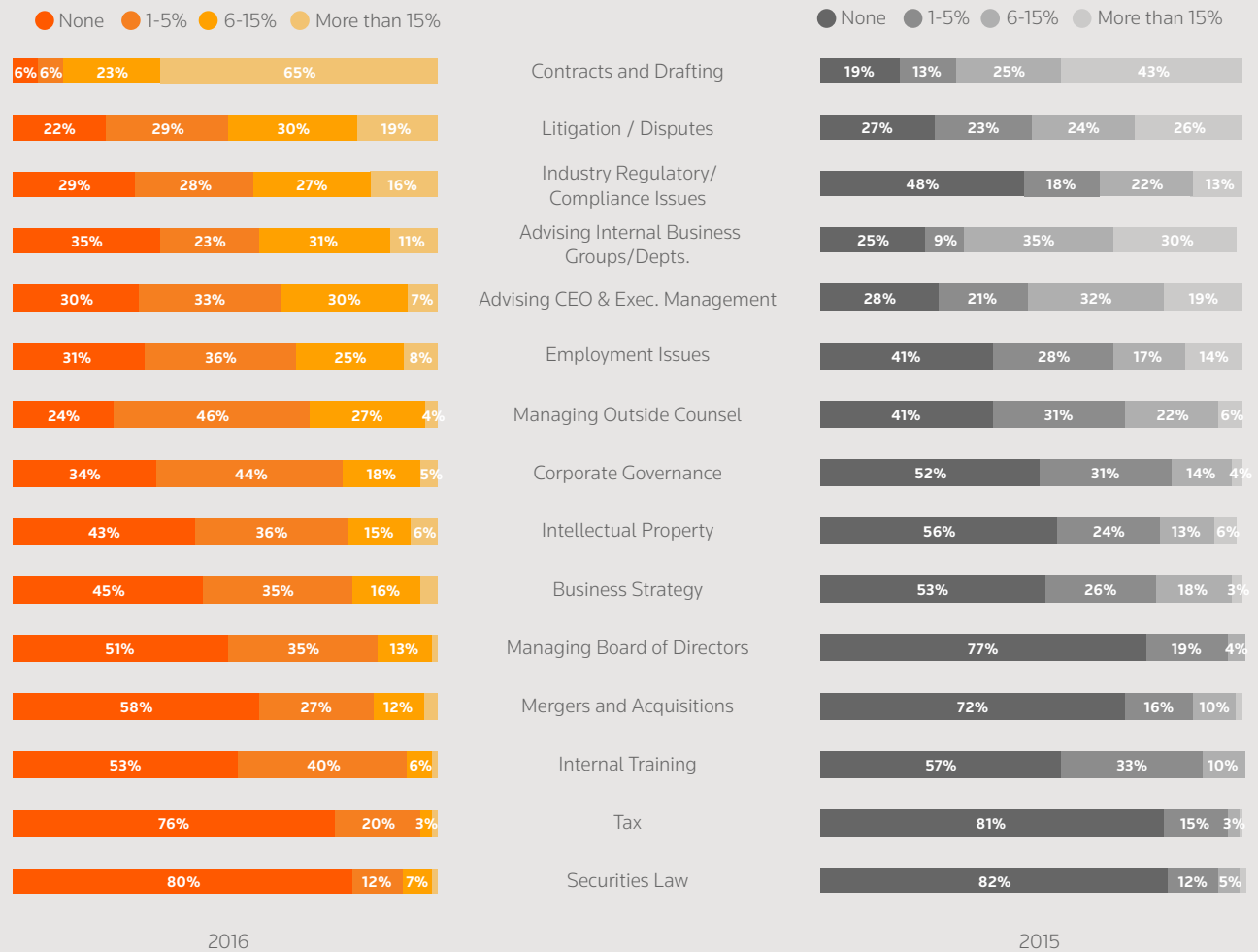
Virtually **all respondents agreed that some work is better suited for the in-house team;** from a practical standpoint, given corporate counsel's understanding of the business, it may be more cost effective to keep certain matters in the department. As in-house teams consider how to best divide responsibilities related to contracting, intellectual property, M&A and litigation matters, there are ways to be smart about using outside counsel. This analysis shows which tasks most departments tend to keep in-house versus sending to outside counsel in these four practice areas; keep in mind many departments often retain parts of, but not full, matters.

Corporate counsel are spending more time handling contract, litigation and regulatory matters, as well as advising internal business clients in 2016. Looking a little deeper, the focus is on contracts, where being nimble and knowing the business is particularly meaningful. Compared to 2015 respondents,

2016 has seen a higher level of involvement in M&A and intellectual property work; 91 percent are involved in M&A work, up 37 percent from last year, while 95 percent are involved in intellectual property matters, which is a 36 percent increase over 2015.

PERCENT OF TIME SPENT ON VARIOUS ACTIVITIES

Legal Departments spend more time handling contract, litigation, and regulatory matters, as well as advising internal business clients.



LITIGATION AND DISPUTE

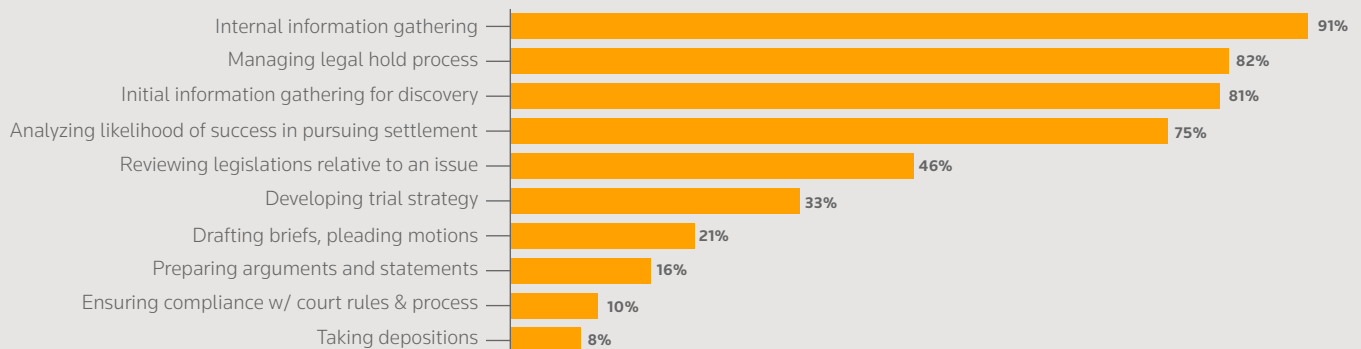
Overall this year, 97 percent reported being involved in litigation matters, up 4 percent from last year. Looking at the coming year, most legal departments (69 percent) reported they expect their use of outside counsel for litigation and disputes to stay about the same. However, among the 14 percent of departments planning to increase reliance on outside counsel for litigation and disputes in the coming year, 57 percent said it would be due to an increase in the volume of work and company growth. Many in-house attorneys can relate to the comment “We are a small in-house legal department with limited staff. Due to the volume of work required, we do have times where we need to retain outside counsel for assistance with overflow.”

On the other end of the spectrum are the 17 percent of in-house teams that anticipate decreasing the amount of litigation and dispute work they outsourced. Of these, 41 percent indicated it was due to cost savings,

budget restrictions and mandate to reduce legal fees. One attorney explained the impact of budget restrictions: “We utilize less outside law firms and narrowed it down to fewer outside firms. Now requiring alternatives to hourly billing such as flat fee or a combination of capped fees with a results-driven bonus. Trying to get more talented in-house counsel with some certified paralegals with BA degrees that are more general in nature that can handle more areas of the law.”

Budget pressures continue to push legal departments to handle at least some portions of litigated work in-house; usually these activities are associated with early case assessment, including internal information gathering (91 percent), managing legal hold process (82 percent) and initial information gathering for discovery (81 percent). In-house teams reported they are most dependent on outside counsel for “high stakes” litigation.

PERCENT OF IN-HOUSE COUNSEL WHO PERFORM LITIGATION TASKS



MERGERS AND ACQUISITIONS

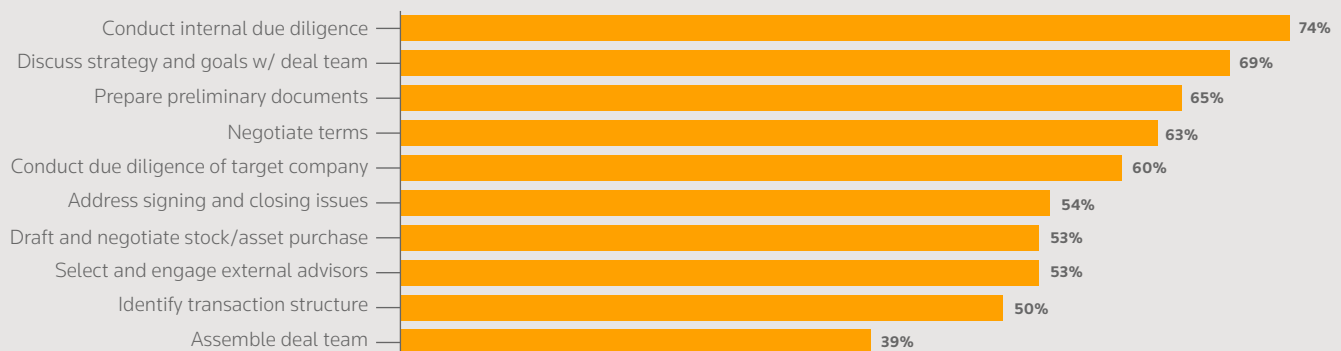
As with litigation and disputes, corporate counsel will generally hire outside counsel for M&A work; 53 percent reported they use outside counsel “usually” or “almost always” for M&A work. This is an increase from last year, when 41 percent reported they “usually” or “almost always” rely on outside counsel in connection with M&A work.

Most legal departments (69 percent) anticipate their use of outside counsel for M&A transactions will remain the same in the coming year. Yet about 22 percent plan to increase the amount of M&A work going to outside counsel, and of these, about 81 percent reported the uptick is due to an increased volume of work and company growth. As one attorney explained, it’s “because we plan to acquire more companies in 2016 than in previous years, and we don’t have bandwidth to do all the work in-house.”

Of the 10 percent planning to turn to outside counsel less often for M&A work, half said it was because they anticipate less of this type of work or because they recently finished a large transaction. For some legal departments, it was simply because attorneys were able to keep work in-house. An attorney reasoned: “I don’t see any particularly large or complex M&A transactions coming. In-house counsel is perfectly capable of handling most of our M&A work.”

The top tasks handled in-house for M&A transactions included conducting internal due diligence (74 percent), discussing strategy and goals with the deal team (69 percent) and preparing preliminary documents (65 percent). When do in-house teams tend to turn to outside counsel for M&A transactions? Most often, it’s for significant or complex transactions.

PERCENT OF IN-HOUSE COUNSEL WHO PERFORM M&A TASKS



INTELLECTUAL PROPERTY

Legal departments reported a higher level of involvement in intellectual property work, relative to a year earlier. With intellectual property matters, most (77 percent) expect their use of outside counsel to remain the same in the coming year. Of the 12 percent that expect to increase their reliance on outside counsel for intellectual property matters, the majority (81 percent) attributed it to an increased volume of work or company growth. For other departments, it's a matter of internal resources: "We did just consult an attorney for a few intellectual property issues for our daily nonprofit business, and may get a second opinion on things in the future."

Of the 10 percent that decreased the amount of intellectual property work they're sending to outside counsel, 38 percent stated it's because they have less of this type of work

than expected, or because they just finished a large case. Yet other legal departments reported keeping it in-house whenever possible: "We are attempting to manage costs very closely this fiscal year, and much of the work done by outside counsel can be fairly competently completed by in-house counsel."

In-house counsel's top intellectual property tasks included advising company executives and employees on day-to-day issues (79 percent), negotiation and drafting agreements (68 percent), and training company personnel (62 percent). In terms of when to turn to outside counsel for help in connection with an intellectual property matter, the top three reasons included the complexity of issues (55 percent), the involvement of significant risk (43 percent) and the involvement of multiple jurisdictions (42 percent).

PERCENT OF IN-HOUSE COUNSEL WHO PERFORM IP TASKS



CONTRACT DRAFTING AND NEGOTIATION

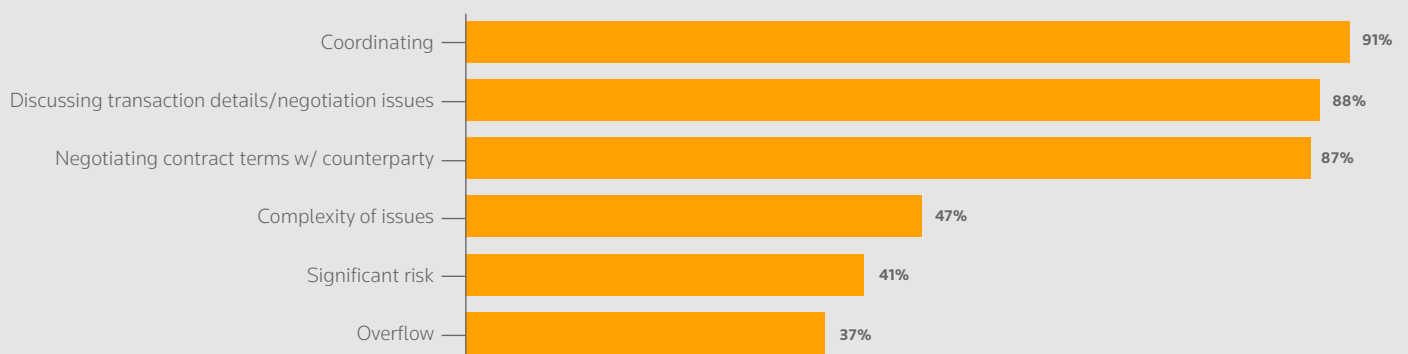
As with the other practice areas, most (77 percent) expect their use of outside counsel for contracting and drafting to remain the same in the year ahead. However, at least one attorney anticipated an increase in contract work “due to the nature of election year. Additionally, we have more projects on the table, and therefore will have to probably rely on some outside counsel to draft [some contracts] we would have otherwise.” Overall, only 13 percent expect an increase in using outside counsel for contracting and drafting, with 58 percent of these attributing it to an increased volume of work or company growth.

About 10 percent plan on decreasing their reliance on outside counsel for contracting and drafting, and of these, 38 percent indicated it’s because they’ve increased their use of in-house resources. Many legal departments consider contract work a core competency,

and as such, have sufficient staff to handle contracting needs. For some departments, the repetitive nature of the work means in-house staff is the more effective contracting resource: “More experience of in-house counsel to issues addressed by outside counsel in the past.”

Multiple tasks related to the company’s contracting needs are handled internally, including coordinating and handling document drafting and review approval (91 percent); discussing transaction details and negotiation issues with businesspeople (88 percent); and negotiating contract terms with the counterparty (87 percent). Three factors most often led in-house counsel to bring in outside counsel: complexity of issues (47 percent), involvement of significant risk (41 percent) and overflow due to a high volume of contracts (37 percent).

PERCENT OF IN-HOUSE COUNSEL WHO PERFORM CONTRACTS & DRAFTING TASKS



EMPOWERING CORPORATE COUNSEL TO KEEP LEGAL WORK IN-HOUSE

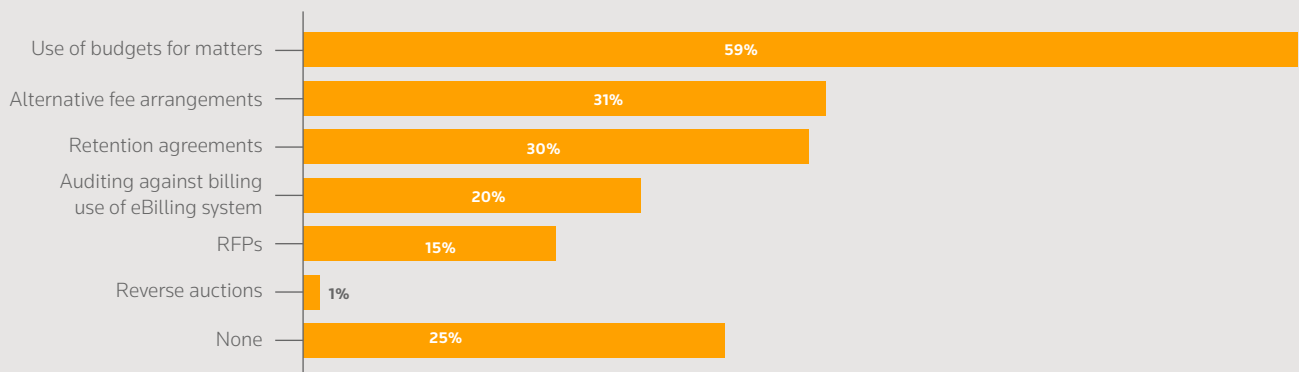
Despite a preference to keep work in-house, **most legal departments cannot handle all of their company's work without partnering, in some form, with outside counsel.**

In other words, there is an ongoing challenge to manage which matters to keep in-house and which to send to outside counsel.

While anticipated use of outside counsel is expected to stay about the same (57 percent) in the coming years, 23 percent expect an increase and 19 percent plan for a decrease.

For departments relying on outside counsel, they primarily use matter budgets to help control legal costs; close to one-third use alternative fee arrangements or retention agreements. Those departments determined to keep more work in-house, in order to improve efficiency and productivity, rely on a variety of initiatives involving people, processes and technologies.

STRATEGIES TO MANAGE OUTSIDE COUNSEL LEGAL COSTS



LEGAL DEPARTMENT GROWTH AND THE RISE OF THE OPERATIONS PROFESSIONAL

“Doing more with less” affects everything from human resources to technology adoption. For example, nearly 20 percent of respondents reported the top challenge around doing more with less as “too much work/keeping up with growth.” As one respondent observed: “Our

business is outgrowing our legal department and we need more lawyers to do the work.”

The impact of business growth on already stretched legal departments means one of the areas hit hardest is staffing in response to growing workloads.

LEGAL DEPARTMENT GROWTH CHALLENGES

“TOO MUCH WORK, NOT ENOUGH PERSONNEL AND FINANCIAL RESOURCES. INEFFICIENCIES OF INTERNAL PROCESSES.”

“BIGGEST CHALLENGE IS MANAGING EXPECTATIONS OF INTERNAL CLIENTS — EVERYTHING CANNOT BE A RUSH!”

“OUR BUSINESS IS OUTGROWING OUR LEGAL DEPARTMENT AND WE NEED MORE LAWYERS TO DO THE WORK.”

“RETENTION OF TALENT. WE NEED AN ANNUAL REVIEW OF MARKET VALUE FOR OUR IN-HOUSE COUNSEL SO WE PAY COMPETITIVELY AGAINST RECRUITERS WHO ARE CONSTANTLY CALLING THEM AND NOT OVERPAYING AGAINST MARKET VALUE.”

STAFFING CHALLENGES WERE IDENTIFIED BY NEARLY 20 PERCENT OF RESPONDENTS AS A PROBLEM:

“Staffing levels are very difficult; we’ve had a hiring freeze in place for three years that won’t get lifted anytime soon.”

Yet for the most part, legal departments anticipate no change in size; 74 percent plan to stay about the same according to the 2016 report, compared to 65 percent in last year's survey.

The lack of growth in staffing reflects the budget restraints legal departments continue to face. One respondent explained, "I anticipate it as a cost reduction strategy, shifting current work across the remaining attorneys."

Though the proportion of legal departments that are hiring has decreased, they are retaining current staff; respondents reported fewer hires in 2015 than in the previous year but also fewer cuts. Less than half (43 percent) made new hires in 2015, a decrease of 17 percent from the previous year. There were fewer in-house lawyer and paralegal hires in 2015. On the other end of the spectrum, nearly one-third (30 percent) created new positions last year, particularly in the areas of contracts and generalists. There were more generalist positions created but fewer compliance positions.

THE POWER OF THE GENERALIST IS ESPECIALLY IMPACTFUL IN SMALLER LEGAL DEPARTMENTS; THEY GENUINELY KNOW THE BUSINESS, AS OPPOSED TO HAVING A SPECIALIZATION IN THE LAW.

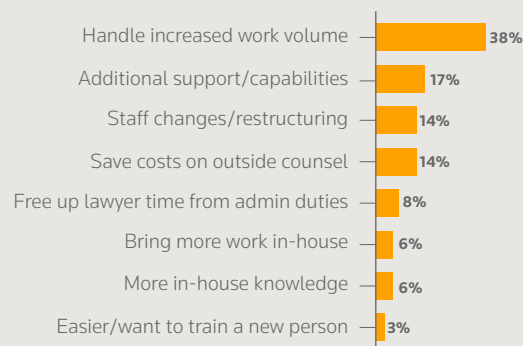
Departments staffed with generalists tend to turn to outside counsel only for litigation and major transactions, since these types of matters require more bandwidth.

The generalist role isn't the only staffing change reshaping legal departments. One-quarter (24 percent) expect to hire staff in the coming year, including newer law firm lawyers, seasoned

in-house lawyers and paralegals. What's noteworthy is that about 10 percent plan to hire "lawyers straight out of law school," which would have been unheard of a decade ago.

Of the 24 percent planning to grow, 38 percent indicated it's to handle an increased work volume, while 17 percent noted they need additional support and capabilities. Some highlighted the efficiencies that come from bringing in staff versus outsourcing: "Complexity of business and workload increase — we believe it is more cost efficient to bring more work in-house where we have the business expertise."

REASONS FOR LEGAL DEPARTMENT HEAD COUNT GROWTH



Overall, just under a third of legal departments created new positions in 2015, both to bring work in-house and to handle growth. A respondent noted, “We created one new junior corporate counsel position to help backfill work that had been done by other promoted personnel and to help us be able to perform more work in-house. We also reorganized our Corporate Records Department to eliminate a junior records analyst position and add an entry-level paralegal position, which helped us fill a gap between senior paralegals and administrative personnel, which will allow us to free up senior attorney and paralegal time to focus on more material projects.”

like a business.² Their roles are often strategic in nature with a focus on operations, and their responsibilities include department strategy and goal setting, along with organizational structure and people and vendor management. In addition, their role may include overseeing the deployment of new technology and driving change management; some departments employ more than one LDO professional.

LDO PROFESSIONALS CAN BE INVALUABLE IN ALLOWING ATTORNEYS TO FOCUS ON LEGAL WORK INSTEAD OF ON OPERATIONAL ACTIVITIES.

Despite the value LDO professionals can provide, general counsel and attorneys responding to the survey indicated they remain heavily involved in legal department operations, which demonstrates the significant room for growth in the LDO profession.

An encouraging sign comes from the 21 percent of departments with someone who manages their legal department operations. Of these departments, major activities for LDO professionals include internal financial planning, project management and managing outside counsel. But for those departments without an LDO professional, these tasks continue to be led by administrators, general counsel or individual in-house attorneys who have taken on these additional responsibilities.

LDO professionals represent a meaningful opportunity for departments to drive greater efficiencies. It’s a way to empower in-house attorneys to spend more time on the actual practice of law. LDO professionals are also a key way to drive change through implementing new technologies and legal project management. The innovative practices LDOs are creating and perfecting will eventually become industry standards that see widespread adoption among legal departments.

REASONS FOR CREATING NEW POSITIONS IN LEGAL DEPARTMENTS



Another new trend involves hiring Legal Department Operations professionals (LDO), which is an indicator that legal departments are serious about change and innovation. LDOs are generally tasked with helping legal departments achieve the benefits and efficiencies of running the department more

² Connie Brenton, “[Inside the Rise of Law Department Operations](#),” *Inside Counsel*, Jan. 27, 2014.

TECHNOLOGY

Beyond people and process initiatives, technology is a crucial component of departments' efforts to improve efficiencies. Overall, departments anticipate spending about the same on legal solutions and services, with some increases in spending anticipated for legal solutions.

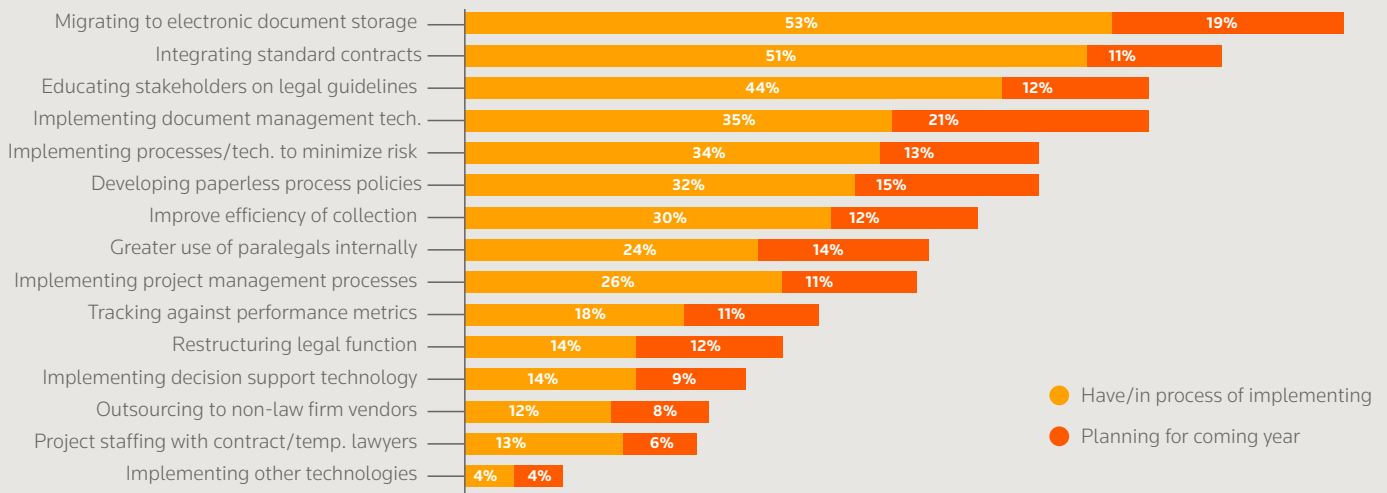
Legal departments are prioritizing electronic document storage and management, as well as knowledge management, to improve productivity. Some have these measures in place now, and others plan to focus on them in the year ahead; 53 percent are currently "migrating to electronic document storage," while another 20 percent intend to do so within the next year. Also, 51 percent are already "integrating standard contracts into business practices," and another 11 percent plan to do so within the year.

LEGAL DEPARTMENT TECHNOLOGY CHALLENGES

"LACK OF MONEY TO IMPLEMENT TECHNOLOGY"

"IT'S HARD TO FIND SUITABLE SOFTWARE SOLUTIONS TO FURTHER AUTOMATE LEGAL PROCESSES"

MEASURES TO IMPROVE EFFICIENCY



These measures, along with implementing knowledge management processes, are primary focus areas for in-house teams. “Implementing document/knowledge management technology” is a key initiative, or will be within the year, for 56 percent of respondents. While these figures are encouraging, they point to the room for growth in technology adoption across legal departments.

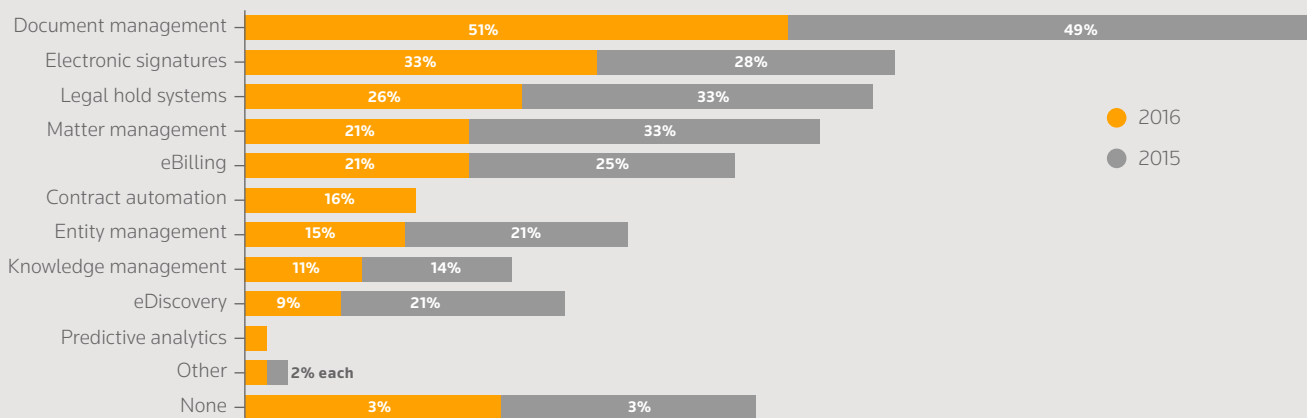
Other indicators included the decrease in the use of legal hold systems — a drop from 33 percent in 2015 to 26 percent in 2016 — and matter management, which saw a steeper decline from 33 to 21 percent. Another shift was in the use of ediscovery technology, which dropped from 21 to 9 percent. The greater percentage of small legal departments that responded to this year’s survey may account for some of these differences in technology use. The decline in ediscovery technology might be attributed to the low number of legal departments handling litigation and ediscovery in-house; additionally, rather than keeping ediscovery tools in-house, legal

departments are influencing the tools used by their law firms for this purpose.

The declines are among the signs that not enough departments are deploying technology to achieve greater productivity. Yet other evidence demonstrates that in-house teams recognize the benefits of being more efficient. As noted above, respondents’ top two priorities for becoming more efficient in the future are migrating to electronic document storage and implementing knowledge management technologies, which shows they are keen to reap the benefits of these technologies: less time spent searching for buried organization knowledge, forms and templates.

Yet even these technologies are used by less than half of the legal departments surveyed. **THIS UNDERSCORES THE NEED FOR EVEN MORE DEPARTMENTS TO EMBRACE CHANGE AND INNOVATION IN ORDER TO INCREASE PRODUCTIVITY**; there is significant room for growth in technology adoption across all of the categories the survey examined.

TECHNOLOGY SYSTEMS IN PLACE



“This underscores the need for even more departments to embrace change and innovation in order to increase productivity; there is significant room for growth in technology adoption across all of the categories the survey examined.”

While legal departments may be slow to adopt technologies to increase productivity, lawyers recognize the value in doing so. This year’s survey asked respondents to identify the benefits of being more efficient. Just under half (41 percent) indicated the top benefit is being able to focus on more strategic work, while another 25 percent reported it’s being able to focus on the legal aspects of their jobs.

“41 PERCENT INDICATED THE TOP BENEFIT OF BEING MORE EFFICIENT IS BEING ABLE TO FOCUS ON MORE STRATEGIC WORK, WHILE ANOTHER 25 PERCENT REPORTED IT’S BEING ABLE TO FOCUS ON THE LEGAL ASPECTS OF THEIR JOBS.”

According to a recent survey from legal placement firm BarkerGilmore, general counsel are increasingly called upon for strategic and business advice, not just legal advice. The evolving role of the general counsel means the function will extend beyond providing legal guidance to advising the board and the CEO.³

As general counsel’s role expands, legal departments will face more pressure to realize efficiencies. From reviewing staffing practices — including hiring LDOs and implementing their best practices — to deploying emerging technologies and better managing the outside counsel relationship, becoming more efficient will enable general counsel to focus on legal work and strategically significant roles, like advising board members and executives.

RESULTS OF INCREASED EFFICIENCY DURING THE DAY



3 Ed Silverstein, “[General Counsel Get Tapped More for Business and Strategic Advice](#),” *Inside Counsel*, May 16, 2016.

CONCLUSION

Legal departments face an ongoing struggle to do more with less, while demonstrating their value to the business. In-house teams continue to look for better ways to manage their internal resources, as well as outside counsel, in order to improve productivity and efficiency.

Departments are finding new methods to drive change, from hiring LDOs to implementing new technologies, in order to adapt to cost pressures and see a greater return on total legal spend. Most promising is that several of these changes and improvements allow general counsel to work more strategically; fewer operational activities for attorneys means more time to focus on legal work.

As departments take advantage of the new roles and technologies that allow them to shift work in-house and further redefine the in-house/outside counsel relationship, more corporate counsel will be able to realize the benefits of being even more efficient and productive.

