



Identifying the “Right” Legal Tech Partner(s) to innovate your Corporate Legal Department (CLD)

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Introduction

Corporate Legal Departments (CLDs), are driving the change in the legal industry, as they face significant pressure to become a strategic advisor to their C-suite, to do “more with less”, and improve efficiency and effectiveness of their legal operations. CLDs are now being courted by all providers in the *legal services ecosystem*: Law firms, Alternative Legal Service Providers (ALSPs), Big Four, LegalTech’s and other Service Providers.

To improve the efficiency of the department, a critical aspect for the Corporate Legal Department is to identify the right technology partner(s) to work and/or partner with. Identifying the right partner usually requires a five-stage process:

1. **Establishing a cross-functional team:** Cross-functional team collaboration has become key

with new emerging innovative technologies and vendors, with competitors continuously scrumming,⁽¹⁾ and companies wanting to stay on top of the game. A cross-functional team will include people that are from various spheres of the business that bring together their knowledge, expertise, and experience. The team should potentially include people with legal business and operations, technology strategy and execution and business operational experience, who can look at each process from various perspectives.

2. **Identifying the priority areas of focus:** The team would need to identify ~20% of the tasks or processes, where the legal team spends 80% of its time or money. Usually these are no more than 10 to 15 tasks or processes. For each of the tasks or processes:

- Create a detailed journey map of all the **current** steps in the process;
- Identify the pain points/areas where there is potential to increase efficiency and/or reduce spend;
- Examine existing solutions, if any, that are already in place for parts of the process;
- Review each process with the core-team and assess and prioritize the areas of focus.

4. **Identifying the “right” tech partner** –They key factors to focus on when picking the technology partner(s) **historically** have been:
- Identifying players that have the appropriate business, technology and/or industry expertise;
 - Assessing the capabilities of the leadership, and the technical and delivery team;
 - Determining if the culture of the technology partner is a good fit with the organization’s culture;

Illustrative Journey Map for a Business Process



3. **Map an approach for operational efficiency:** For the prioritized task, the key is to determine how the entire process will be performed in the **future**. Most of the tasks will continue to require a combination of human intervention, while the other parts of the process, could be:
- Eliminated;
 - Automated, leveraging a technology vendor;
 - Sent to a low-cost service provider;
 - Outsourced to an Alternative Legal Service Provider (ALSP); or
 - A combination of the above.

This creates a level of complexity that may not have existed in a historically manual or automated process and will require thinking about the appropriate technology partner, in a very different fashion from the past.

- Obtaining business references and testimonials;
- Assessing the capability of the technology firm to provide customer service and support, after the sale; and
- Picking a partner that understands the systems they develop for the organization and keeps pace with the clients’ business as it evolves.

Given that the business process will be performed differently in the **future**, it is key to make sure that the technology partner(s) has systems and technologies that have:

- Interoperability and can integrate with the other systems and programs within the organization, and/or be part of the organization’s innovation ecosystem or platform;
- Open architecture and can be easily upgraded, given the rapid pace of technological change;

- Ability and the willingness to partner with other LegalTechs to provide a more holistic solution to the client for a single process, e.g. for contracts, the solution would need to work with other solutions so that the end-user does not have to go in and out of each solution for developing, reviewing and analyzing a single document.
 - For clients with global businesses, ability to operate in multiple languages and be hosted in key jurisdictions;
 - Potential for customization, as needed, to meet the company's needs.
5. **Conducting agile experiments** – The key is to realize that picking the right partner(s) is only the start of the process to transform the CLD. The cross-functional team, will bring together additional subject matter experts as needed, and run Agile⁽²⁾ experiments to create a Minimum Viable Product⁽³⁾ that can be tested, iterated upon based on end-user feedback, before being piloted and rolled-out to the business.

Conclusion

In conclusion, the process of picking the “right” technology partner(s) is a complex and time-consuming process. Picking partners is only the start of the process to transform the Corporate Legal Department. It is critical to realize that each Corporate Legal Department’s journey to pick the “ideal” technology partner(s), and the actual partner(s) selected, will be unique and be determined by where the corporation is in their innovation and transformation journey, and they will likely select the vendor that best fits within their existing technology and process ecosystem.

Note: This article was published in Corporate Counsel magazine on February 7, 2020 and can be found [here](#).

Sources:

1. <https://www.mountangoatssoftware.com/agile/scrum>. Scrum is an agile way to manage a project, usually software development. Agile software development with Scrum is often perceived as a methodology; but rather than viewing Scrum as methodology, think of it as a framework for managing a process.
2. https://en.wikipedia.org/wiki/Agile_software_development. Agile software development comprises various approaches to software development under which requirements and solutions evolve through the collaborative effort of self-organizing and cross-functional teams and their customer. It advocates adaptive planning, evolutionary development, early delivery, and continual improvement, and it encourages rapid and flexible response to change.
3. https://en.wikipedia.org/wiki/Minimum_viable_product. A minimum viable product (MVP) is a version of a product with just enough features to satisfy early customers and provide feedback for future product development.

About the Author

Nita Sanger is the Chief Executive Officer of Idea Innovate Consulting, a boutique consulting firm focused on transforming services businesses (in legal, financial and professional services) for growth, helping them be successful in a volatile, uncertain, complex and ambiguous (VUCA), business environment. She has 20 years of experience working with global large and mid-sized corporates and start-ups and scale-ups in financial, professional and legal services. Nita focuses on setting the vision and strategy for the business and then operationalizing the strategy to achieve desired results and ensure exponential growth. Nita has also established and advised multiple start-ups focused on disrupting the services sector. She brings domain expertise in the application of various technologies to transform the business, i.e. Artificial Intelligence / Cognitive, Internet of Things, Blockchain, Crowdsourcing, Crowdfunding, Analytics, etc. Nita is a blockchain enthusiast and has written and presented on the impact of blockchain on various businesses. She can be reached at nsanger@ideainnovate.com

