



# Breaking Free

## How GCs are driving change and delivering ROI

*Exigent's 2022 General Counsel Survey* ▶

For many years, in-house lawyers have struggled to make significant productivity gains and demonstrate ROI in C-suite terms. Covid-19 increased the routine, day-to-day pressures – making it harder to deliver impact outside the regulatory and compliance box. It also created unimaginable opportunities to accelerate change – most notably around online collaboration and working from home.

Exigent interviewed more than 50 GCs around the world to gain a better understanding of their perspectives on how to lead and manage a legal function that drives growth, digital transformation, and ROI. An important theme stood out when looking at the success drivers behind increased productivity, talent retention and improved business alignment. Leaders finding the most success are business-minded, change agents focused on business outcomes. They approach their agenda with a sense of urgency, are willing to fail fast and are relentless when it comes to driving culture change.

This paper explores how General Counsels are breaking free of the barriers to delivering more value. Specifically, we examine the challenges and strategic agendas of in-house legal teams and share best practices for leading a high performing team.

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# What is Getting in the Way of Delivering More Value?

*"Legal is first on the list when it comes to budget cuts."*

– Legal Executive, Energy Sector

*Obviously, all survey participants want to bring more value to their c-suite. The most critical question is what is stopping them?*

## Talent retention

Talent led the list of what is keeping GCs up at night. We uncovered several different angles to the issue. Managers are struggling to improve morale, support wellbeing and engagement, and offer competitive career paths and financial rewards in the face of increasing competition from law firms and the financial sector.

## Lack of business acumen

In many ways, legal training falls short in preparing professionals for success in business. Law school curriculums focus on all things legal and provide very little exposure to core business and management principles. Most lawyers are simply not set up for success when it comes to serving as a strategic business partner to the C-suite.

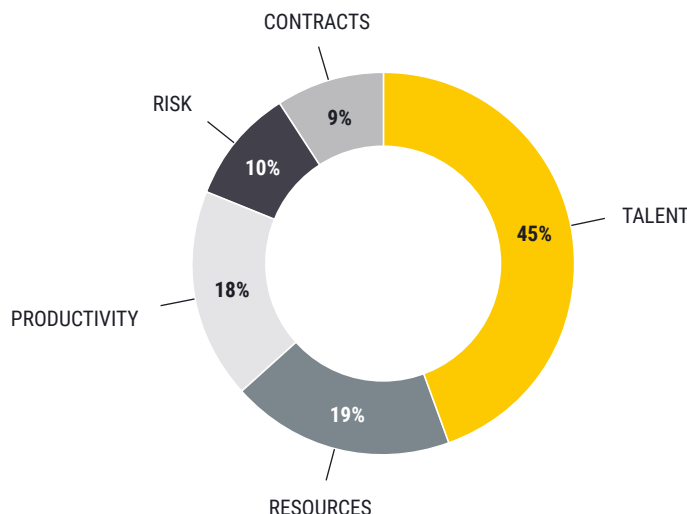
## Getting in their own way

In many companies, legal has a reputation for slowing things down unnecessarily. Is it a bad rap? Self-inflicted? A little of both? Whatever the answers, the status quo is unsustainable, and GCs want to hold their teams accountable for changing the narrative.

## More work, fewer resources

The leaders we spoke with cited a vicious cycle of a lack of resources that results in little time to focus on what's important that then reinforces the notion that legal is a "necessary evil" which inevitably leads to budget cuts.

## What Keeps GCs Awake at Night

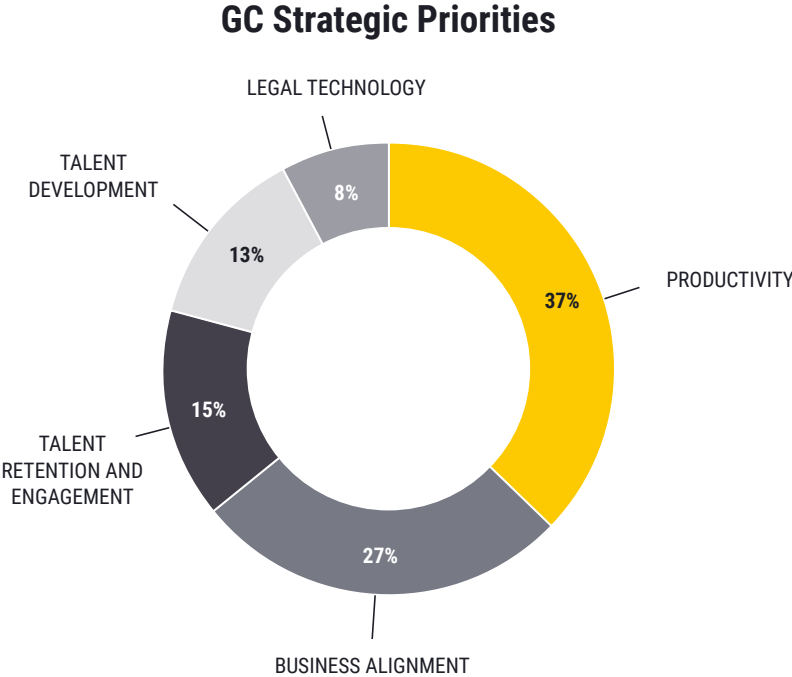


*"The only way you're going to transition from being seen as a cost center is by understanding the language of the business so that you can point out commercial risks and not just the legal ones."*

– Legal Executive, Banking and Finance

# Strategic Priorities for **Breaking Free** and Driving ROI

*We have identified five strategic priorities that are helping GCs transform their functions:*



## Priority #1

## Productivity

More than a third of the respondents cited improved productivity as their top goal over the next 12 months – yet another signal that teams are over-worked and business stakeholders frustrated. Year-over-year productivity improvement is a given in every function – from finance to HR to marketing. When productivity tops the list of priorities, it implies a lot of missed opportunities – and high-potential for quick wins.

The leaders of high-performing legal teams were unequivocal: if you have a productivity problem, nothing else matters. You must demonstrate success by delivering gains with what you already have. They believe radical changes can be made without additional investment. The key is a laser-like focus on business outcomes and a holistic view of technology, people and process.

To improve the quality of work, increase turnaround times and do more with less, successful leaders are reimagining their operating models based on the complexity and strategic nature of the work.

### Insights from leaders who are on the various stages of the journey:

“Waiting for a bigger budget is a fool’s game. Repetitive and routine work must be at the top of the list. If you haven’t outsourced, eliminated or automated that work, you’re wasting precious dollars.”

“We’re analyzing our legal spend and automating invoice review to capture early payment discounts. Half those savings go straight to the bottom line, the other half to investing in more staff.”

“We put the burden on our outside counsel to get things done faster and at a lower cost. They came back with an integrated, ALSP solution. We got the results we wanted and they did the heavy lifting to make it work.”

*“My people don’t have time to be more strategic.”*

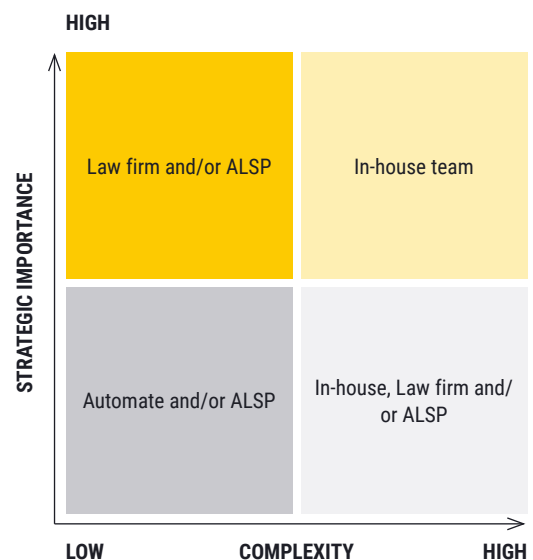
– Chief Legal Officer, Technology Sector

*“I don’t even have the resources to meet the day-to-day demands much less support strategic decision-making.”*

– General Counsel and Secretary, Banking and Finance Sector

### High-Performing Legal Team Productivity Matrix

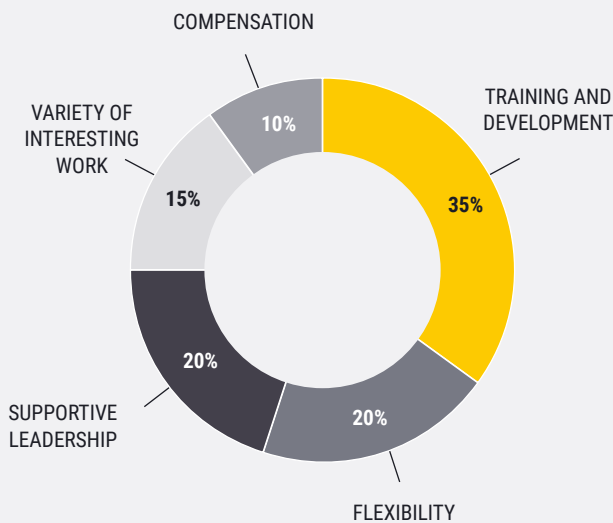
This matrix organizes opportunities to improve productivity. While every company is different, this matrix provides a starting point for mapping the current state and setting goals for the future.



Priority #2

Talent Retention and Engagement

Talent Retention Priorities



For all companies, Covid-19 forced significant changes to team management. Legacy command-and-control styles are all but impossible when staff is working remotely. And, in a lot of cases, the changes were viewed as long overdue. Heading into 2022, GCs are continuing to focus on employee well-being to retain talent and to build or maintain strong, positive culture among their team.

With retention at the top of the list of what is keeping GCs up at night, it is no surprise they are taking a broad approach. While they cannot always match or beat law firms in terms of compensation, they are finding that they can differentiate and compete on culture and opportunities to do more interesting work. It is important to note that improving productivity plays a critical role in this effort, as highly productive teams are inherently focused on strategic work which make work-life balance easier to attain.

Covid-19 pushed everyone to focus on employee well-being and engagement. Survey participants are continuing to sharpen their skills as it relates to managing remote teams, and also focused on improving engagement with the team and the company through better communication and team building.

Leaders ranked training and development as number one on their list to improve retention and engagement.

*“The key to retaining staff in this market is to make the non-financial elements so attractive it creates a huge risk to give them up.”*

– Global Commercial Director, Technology Company

*“Blue-chip brands or a hefty comp package can be very compelling – it’s the culture that will make them want to stay.”*

– General Counsel, Fortune 500

## Priority #3 Talent Development

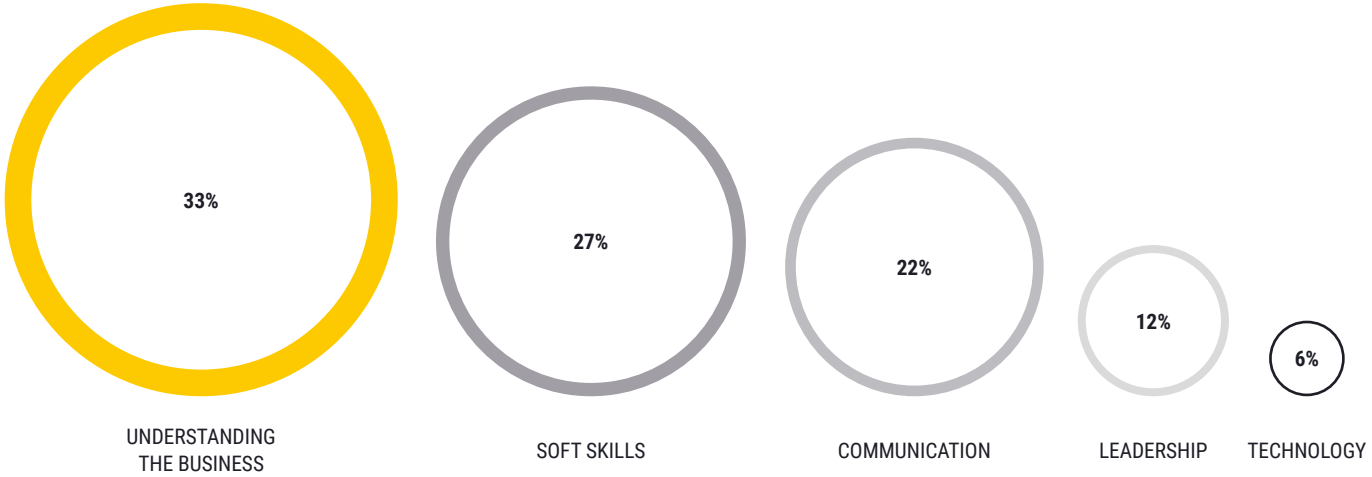
When we asked about skills that needed to be developed (legal expertise was assumed), the universal priority was about understanding the business. For many it is about the basics, but for those who are more aligned with the business, the focus is on strategic business issues such as market dynamics, differentiation strategy and financials.

Being a good business partner starts with both understanding the business and how business works. In a lot of cases, onboarding talent from law firms to the in-house team is made more challenging because those professionals often lack fluency in business basics such as how to read and understand a P&L, industry trends and competitive pressures. That kind of knowledge is critical to providing practical advice. To address

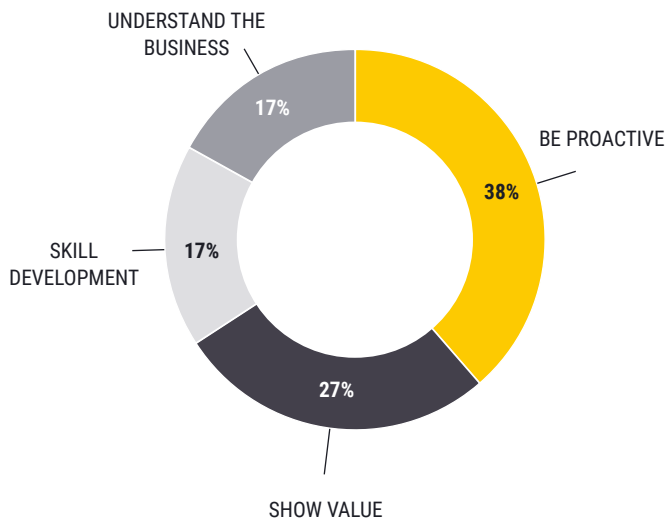
the gap in skills, many GCs are incorporating formal business training into the onboarding process.

Interestingly, a desire to improve “soft skills”, aka emotional intelligence (EQ), ranks second. The term “soft skills” refers to a range of skills and characteristics related to communication, empathy, self-awareness, curiosity, and resilience. These skills are also sometimes referred to as emotional intelligence or EQ. These terms help distinguish them from more clearly identifiable “hard skills” such as legal, accounting or engineering expertise. For many professionals, dealing with human behavior, does not come naturally. However, just like hard skills, these skills can be learned and improved.

### Development Priorities



**Priorities for Better Business Alignment**



Very few GCs view their teams as strategic business partners and plan to find ways to be more proactive and show value. Some respondents suggested that legal teams take an assertive approach in getting involved in major business decisions, going so far as to recommend “muscling in” on meetings. While that approach may seem like the simplest way, it rarely works and is not recommended.

Leaders of high-performing teams have a broader view of what it means to be proactive. They focus on providing insights and developing relationships to secure their seats at the table.

Formal training will only go so far as ensuring good business alignment. Leaders of high-performing departments ensure their teams are investing time in managing business stakeholders effectively. For many, it is imperative to dedicate talent to critical business units or departments. This helps with subject matter expertise and creates accountability and transparency. While not always feasible in smaller organizations, it is possible to demonstrate and nurture both legal and business expertise. Indeed, having team members specialize in two areas may be the optimal solution in some circumstances.

While accountability for good business alignment does not rest exclusively on the legal team, GCs must take on responsibility for educating business stakeholders on how to engage with legal effectively.

Legal teams need to be clear on how and when to engage.

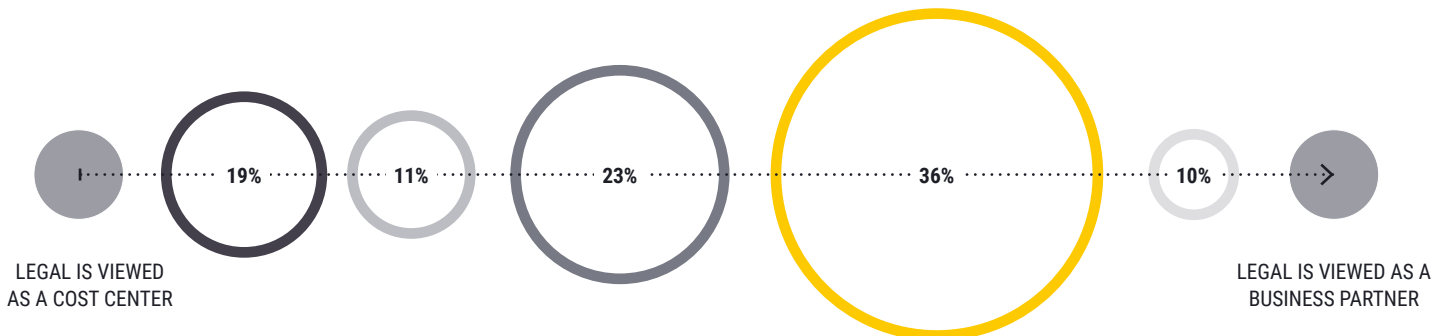
- What information is needed?
- What should business stakeholders expect in terms of timing?
- What happens when those protocols are not followed?

This approach sets legal up for “yes, and” conversations rather than “sorry, no” situations. Finally, bringing in people with different backgrounds, attitudes and skillsets is one of the most important opportunities for better business alignment. With that diversity comes people who think differently about how to deliver legal services and push the entire team to always be looking ahead.

*“The more integrated you are into the business, the earlier you’re brought into things, the more value you can add.”*

– General Counsel, Logistics Company

**Corporate Legal Department Alignment**



## Priority #5

## Legal Technology

Leveraging tech presents a huge opportunity to free up capacity for managing increased workload and spending quality time with business stakeholders. Many of the companies we spoke to have already introduced systems to handle contracts, litigation, e-billing and matter management. And it is not just legal tech, several highlighted how Covid increased their leverage of many standard office platforms such as Microsoft Teams and Sharepoint.

Technology and digital transformation are critical levers for all departments in every organization. While the fundamentals of business case development and project management are the same regardless of the function, legal teams often have higher hurdles when it comes to change management. As such, the most significant costs and risk lies in implementation. It is essential to keep it simple, start small and be ready to fail quickly so you can try again.

Leaders who have successfully introduced automation and technology into their processes offered several lessons learned:

1. Avoid legal-centric solutions. You need to do your homework on critical pain points. Focus on the business problem that you are solving.
2. Avoid investing in stand-alone or one-off technology solutions. Technology alone will not solve anything. You must think in terms of people, process and technology.
3. Do not underestimate your costs. Consider skills, training and roles needed to support new processes and tools. Understand the total cost of ownership.

*"GCs need to have an appetite for change even if it means making hard decisions."*

**- General Counsel and Company Secretary, Retail and Consumer Goods**

*"Do not mistake small changes for transformation."*

**- Group Owner, Commercial & Contracts, Commercial Real Estate**

*"You have to understand technology and data. You can't just say I'm a lawyer so I'm exempt."*

**- Chief Legal Officer and Corporate Secretary, Professional Services**





# Introducing the High Performing General Counsel

*Of the GCs we spoke with, 11% rated their teams highly in both productivity and business alignment. Throughout this paper, we refer to these leaders and their teams as “high-performing.” Our discussions revealed six traits that are driving their success and helping them tackle productivity and business alignment.*

**Budget Savviness:** Rethinking existing spend before asking for budget increases. High-performing GCs review current allocations and look for opportunities to reduce spend on low-value, low risk activities and increase spend on high, value, high return activities.

**Resourcing Expertise:** Transforming delivery models to ensure “the right people are doing the right things.” High-performing GCs review cost, quality, and impact to ensure an efficient combination of in-house, law firm and ASLP expertise.

**Insistence on Diversity:** Incorporating diversity in demographics, experience and expertise is seen as essential for driving culture change, uncovering opportunities and finding creative solutions. In addition to lawyers, High-performing legal teams include business analysts, legal ops professionals and technology experts.

**Vision:** Going after what can be automated and proactively managing the risks that come with any technology. High-performing GCs have a willingness to “fail fast” and try again.

**Relentlessness:** Embracing change management best practices by making the case for change and bringing their teams on the journey. High-performing GCs agree that this is not easy and requires exponentially more effort than they initially thought.

**Shareholder Mindset:** Managing up by delivering results in c-suite terms. High-performing GCs quickly learn that success begets success. For example, when they demonstrate vision and impact by reimagining their existing budget, C-suite leaders become budget advocates. This makes investment considerations more collaborative and thoughtful.



# The Way Forward

GCs are finding many ways to deliver more value and build momentum as they compete for talent, demonstrate ROI, and stay ahead of commercial headwinds and opportunities. They have discovered that rethinking talent management, leading with a commercial mindset and shifting to new operating models set the stage for increased productivity and business alignment.

The GCs who find limited success as they struggle for resources, face fierce resistance to change and manage more work run the risk of irrelevance and an impatient C-suite. These leaders need to be wary of investing in stand-alone or one-off technology solutions, relying on incremental process improvement and waiting for the “right” time or bigger budgets.

The good news is that the roadmap to success is better understood, and more and more GCs are developing the leadership skills needed to take on bigger and bolder initiatives.

## **Connect with Exigent**

Exigent is ready to meet corporate legal departments wherever they are on the journey to driving change and delivering ROI. We work together with clients to identify high-priority opportunities and implementation strategies that will create tangible business outcomes. We deliver scale, insights and expertise needed to craft tech-enabled solutions that are practical and impactful.

Visit us at [exigent-group.com](http://exigent-group.com) or send an email to [ConnectWith@Exigent-Group.com](mailto:ConnectWith@Exigent-Group.com) to explore ideas for moving your legal department forward.

# Breaking Free Best Practices

*Exigent captured several best practices in our discussions around GC strategic priorities for delivering ROI. Together, these create a helpful, high-level roadmap for success.*



## Productivity

- Be relentless about process improvement
- Rationalize existing spend first
- Automate routine, repetitive work
- Understand the people, process and technology implications
- Remember success begets success



## Talent Development

- Help team members take ownership of their career plan, one that starts with long-term vision and includes ideas for the next 1-3 years, and identify what skills and experiences are needed to achieve their goals
- Set up secondments outside the department to broaden experience and build relationships
- Encourage team members to create their own success stories demonstrating value-add
- Set goals for networking and building relationships with key stakeholders across the business
- Facilitate and support non-legal training, especially in soft skills



## Talent Retention and Engagement

- Encourage, model, and insist on work-life balance
- Be flexible and understanding
- Create open, regular communications – share your vulnerabilities
- Create time for non-work conversations in both online and in-person gatherings
- Take an interest in personal lives of team members



## Business Alignment

- Assign lawyers to specific business units
- Get out into the business, go on sales calls, attend monthly meetings
- Educate internal clients on how to get the best out of legal
- Ensure your team understands the fundamentals of the business, both financial and non-financial
- Communicate internally with regular updates, reinforcing your team's value-add



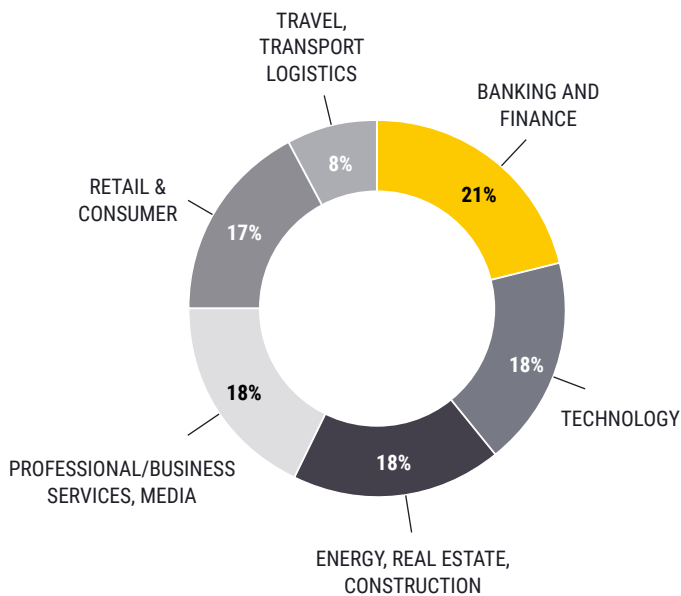
## Legal Technology

- Identify the business problem – not the legal problem – you are trying to solve
- Plan to spend more time understanding the problem than on finding the solution
- Engage with sales, procurement, IT, finance and other functions early and often – you will need their support and feedback
- Be ready to bring in new expertise, such as data analysis and legal operations
- Tap your network of peers, law firms and ALSPs for relevant lessons learned and case studies

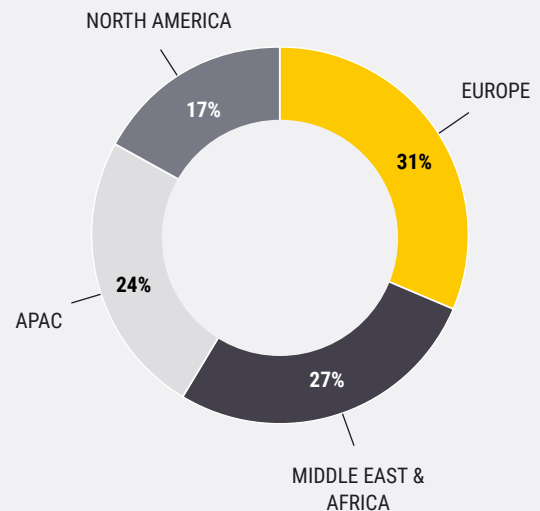
# About the Exigent 2022 General Counsel Survey

Our survey included in-depth interviews with more than 50 General Counsel and Heads of Legal, plus online surveys with an additional 20 in-house legal team leaders. The interviews covered a wide range of topics but focused primarily on productivity, talent development and business alignment. Our sample included representation from all major regions and industry sectors.

## Industry Sector Participation



## Geographical Participation



## About Exigent

Exigent's technology-powered legal solutions are breaking industry boundaries and raising the bar for data-driven decision-making. By leveraging technology, legal expertise and business acumen, Exigent creates solutions that help corporate legal departments deliver ROI. With 20 years of experience crafting tech-enabled solutions, Exigent has the scale, insights and expertise needed to move legal departments forward.

- Business immigration
- CLM
- Contract review and repapering
- Data analytics
- Due diligence and contract analysis
- Litigation support
- Legal administration
- Legal drafting
- Legal spend management
- Regulatory and compliance
- Workflow efficiency