



# ACC LEGAL OPERATIONS

## MATURITY MODEL FOR THE OPERATIONS OF A LEGAL DEPARTMENT

ACC Legal Operations offers this as a reference model. Legal department leaders are encouraged to use it as a tool to benchmark maturity in any given area(s), bearing in mind that based on department size, staffing and budgets, priorities and aspirational targets will vary.

	EARLY STAGE	INTERMEDIATE	ADVANCED
<b>Change Management</b>	<ul style="list-style-type: none"> <li>No systematic change management (CM) process or strategy</li> <li>Change tends to be reactive as opposed to proactive and is often viewed with cynicism due to false starts</li> <li>Communication is ad hoc, if any; most information spread by hearsay</li> </ul>	<ul style="list-style-type: none"> <li>Systematic approach has been developed and is applied for most major projects</li> <li>CM is an acknowledged ingredient for success but responsibility is left to the project team (not a part of the overall culture)</li> <li>CM is part of planning whenever a major change is being contemplated; some effort made to address CM through communications to the affected staff</li> </ul>	<ul style="list-style-type: none"> <li>Standardized processes for managing change embedded in all activities; project management is used in all major initiatives and CM is embedded in all project plans</li> <li>CM experience/competency is evident throughout the organization and is a fundamental part of department culture</li> <li>Both the department and affected clients are systematically informed about change initiatives; feedback is sought and addressed so that participants feel engaged and informed</li> <li>If warranted, staff includes change management resources</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>Compliance is decentralized in business units across the company</li> <li>No clear definition of compliance</li> <li>No annual training OR bare minimum required by statute/regulations/settlement agreements</li> </ul>	<ul style="list-style-type: none"> <li>Centralized compliance function</li> <li>Policies and procedures drafted</li> <li>Gap analysis conducted and strategic plan in place</li> <li>Undertaking automation and systematization of compliance processes</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise-wide compliance plan documented, published and communicated</li> <li>Annual compliance testing plan in place</li> <li>Tool(s) deployed to track and mitigate future risk, (e.g. Governance, Risk and Compliance application(s))</li> <li>Protocols and processes developed to identify security and compliance risks as they arise and correct them in real-time</li> </ul>
<b>Contract Management</b>	<ul style="list-style-type: none"> <li>No contract management tool</li> <li>No central repository (contracts saved in multiple locations, e.g. shared drives, hard drives, etc.)</li> <li>Ad hoc legal review</li> <li>No signature policy or weak enforcement/compliance</li> <li>Contracts not completely executed</li> <li>Inconsistent terms; multiple versions</li> </ul>	<ul style="list-style-type: none"> <li>Contract lifecycle management tool in place (some automated contract creation, standard contract workflows, approval processes, e-signatures)</li> <li>Central repository in place</li> <li>Authoring supported by family templates, clause libraries, redlining &amp; version control</li> <li>Reporting &amp; audit/history capabilities; operational metrics; obligation tracking; expiration alerts</li> <li>Standardized processes, templates; focus of lawyer review is on exceptions only</li> <li>Signature authorization policy in place; compliance is strong</li> </ul>	<ul style="list-style-type: none"> <li>Contract lifecycle management tool is utilized enterprise-wide, leveraging systems integrations (e.g. with procurement and sales systems) and collaboration with supplier portals; nearly paperless</li> <li>Single repository contains all contracts (buy and sell side); robust searchability supports compliance</li> <li>Reporting and metrics are robust, including business intelligence driving continuous improvement in terms</li> <li>Standardization, risk calibration and playbooks allow extensive contract creation/execution with no Legal Department involvement</li> <li>Signature policy is governed through automation; 100% compliance</li> <li>Focus is on operational improvement, reducing cycle times and disputes; investing effort only in highest risk/complexity contracts</li> </ul>
<b>eDiscovery</b>	<ul style="list-style-type: none"> <li>All e-discovery coordinated by outside counsel</li> <li>Litigation support (including document review) handled by outside counsel</li> </ul>	<ul style="list-style-type: none"> <li>Internal dedicated e-discovery resource to coordinate collections and advise on strategy</li> <li>Limited use of 3rd party services for first level document review</li> <li>Use of in-house tools for collections, search and preparation of electronically stored information (ESI)</li> </ul>	<ul style="list-style-type: none"> <li>Full end-to-end e-discovery program</li> <li>Use of predictive technology to limit human review</li> <li>Regular use of document review services</li> <li>Internal coordination with IT to identify potential e-discovery issues with new technologies</li> </ul>

## EARLY STAGE

## INTERMEDIATE

## ADVANCED

### External Resources Management

- Virtually all work that is outsourced is directed to law firms
- Law firms are at arm's length from in-house department; relationship may be somewhat untrusting or adversarial
- Law firms are managed by frontline counsel
- Ad-Hoc billing rates, engagement, and billing standards
- Limited invoice review and analytics
- Lack of supplier evaluation program

- Limited use of alternate legal service providers (LSPs)
- Concerted effort to improve collaboration with law firms and other LSPs (e.g. through feedback, conferences, joint process improvement efforts)
- In-house resources (often legal operations) are overseeing cost effectiveness of law firms and LSPs
- Billing guidelines are acknowledged & enforced through rigorous bill review
- Alternate fee arrangements (AFAs) are in limited use and are not incorporated into billing/management systems
- Some informal or ad hoc law firm/supplier evaluation

- Sourcing decisions are ongoing considerations and LSPs are integrated in legal services delivery model; use of legal suppliers is driven by value provided at phase/task level
- Law firms/LSPs are considered value producing business partners; continually improving performance and relationship
- Outside counsel and vendor management are centralized function(s) within legal operations; involvement in RFPs, engagements, pricing, and performance review
- AFAs considered on all matters & heavily used; systems smoothly incorporate/support AFAs in billing and metrics/dashboards; procedures exist to assess value and reconcile pricing to cost variances
- Frequent review of budgets and performance (at least quarterly); standardized supplier quality/performance metrics; regular, structured and mutual feedback
- Vendor management metrics integrated with GC dashboard
- Systematic use of value-adds (e.g. training, secondments) and value-enabling capabilities such as firm/LS- provided project management and technology
- Win rates (outcomes) are considered in vendor selection

### Financial Management

- No standard processes in place
- No budget or budget set by corporate accounting function.
- No metrics and analytics
- Timing is ad hoc
- Budget tracked via spreadsheets and/or word tables, if at all
- No forecasting and accrual accounting
- No reserves or contingencies set

- Standard processes exist but are not documented or well known
- Budget set by central legal operations or corporate accounting function. Legal operations is accountable for spend and budget
- Metrics and analytics reactive and not centralized
- Timing is driven by external party (e.g. corporate finance)
- Budget tracked via spend management system
- Forecasts done as requested. Accruals done on large matters
- Reserves and contingencies set on large matters and/or through informal conversations - undocumented

- Standard processes defined, documented and communicated through published policies and procedures
- Budgets developed and managed by practice areas and functions, rolling into a department budget managed by Legal and reported to Corporate Finance and Accounting
- Defined reports, metrics and dashboards distributed according to a defined schedule with assignees and real time data
- Timing is driven by Legal (in support of corporate calendar) via published, communicated timeline and/or project plan
- Budget tracked via standardized tools and systems utilized enterprise wide (within Legal)
- Forecast and accruals standard, automated with technology and according to a defined timeline
- Reserves and contingencies set via a standard, defined, and defensible process for tracking and reporting reserve recommendations and aggregated legal contingencies
- Regular budget reviews with the Sr. Leadership team
- Overarching financial strategy in place
- Manage, track, report and benchmark key performance indicators (KPIs)

	EARLY STAGE	INTERMEDIATE	ADVANCED
<b>Information Governance (Records Management)</b>	<ul style="list-style-type: none"> <li>Information governance and recordkeeping are not addressed at all or in an ad hoc manner</li> <li>Employees generally keep everything</li> </ul>	<ul style="list-style-type: none"> <li>Information governance and recordkeeping addressed by the business</li> <li>Enterprise policy and retention schedule exist but are not enforced</li> <li>Employees are trained on policy and retention schedule</li> <li>Essential or minimum requirements meet the organization's legal, regulatory and business requirements</li> <li>Still missing opportunities for streamlining business and controlling costs</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise policy and retention schedule regularly communicated and enforced</li> <li>Policy and retention schedule reflect regulatory requirements</li> <li>End-to-end document/record life cycle management</li> <li>Information governance integrated into overall corporate infrastructure and business processes</li> <li>Information governance plays a critical role in cost containment, competitive advantage and client service</li> <li>Information governance phase gate included in all IT projects</li> </ul>
<b>Internal Resources Management</b>	<ul style="list-style-type: none"> <li>Training limited to continuing legal education (CLE) for attorneys</li> <li>Performance management limited to execution of the corporate program</li> <li>Employee recognition is limited to the corporate program</li> <li>Succession planning as required by corporate program</li> <li>Employee engagement surveys limited to corporate program</li> </ul>	<ul style="list-style-type: none"> <li>Training for all law department employees (not just attorneys)</li> <li>Legal department-specific talent development protocols are in place for all employees, featuring identification of development opportunities (e.g. special projects or rotations), as well as succession planning</li> <li>Legal-specific or tailored employee recognition program</li> <li>Legal-specific or tailored engagement surveys</li> <li>Legal-specific onboarding checklist</li> <li>Documented employee related policies (e.g. bar dues reimbursement; dress code; etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Robust talent development, retention and engagement program, reflecting strategic priorities (can feature diversity, pro bono, community service initiatives, rotations, flexible work options, etc.)</li> <li>Intern/extern programs</li> <li>Law department specific engagement surveys and action plans</li> <li>Formal work processes and procedures (SOPs)</li> <li>Employee networking programs</li> <li>Staffing optimization (right work to the right level)</li> <li>Coordinated employee communication protocols and methods (e.g., department website, community pages)</li> </ul>
<b>Intellectual Property Management</b>	<ul style="list-style-type: none"> <li>Manual trademark docketing via spreadsheet</li> <li>Manual patent tracking</li> </ul>	<ul style="list-style-type: none"> <li>Automated patent and trademark docketing (service provided country rules)</li> <li>Basic patent workflow</li> <li>Integrated patent annuity and trademark renewal decisions/ payments</li> </ul>	<ul style="list-style-type: none"> <li>Fully integrated IP system (patent application and trademark registration, plus enforcement)</li> <li>IP Analytics dashboard</li> <li>Brand Management</li> <li>Integrated intake for invention disclosures, product clearance requests, and trademark clearance requests</li> </ul>
<b>Knowledge Management</b>	<ul style="list-style-type: none"> <li>Little or no intention to formally manage organizational knowledge; no knowledge sharing mechanism</li> <li>Communication about who knows what or where knowledge assets (KAs) may be found are ad hoc or nonexistent</li> </ul>	<ul style="list-style-type: none"> <li>Some KM practices in place, using a centralized repository, intranet or other knowledge sharing mechanism for some categories of knowledge</li> <li>A culture that recognizes and rewards at least some organizational knowledge sharing</li> <li>Rudimentary documented communication about who knows what or where KAs may be found</li> </ul>	<ul style="list-style-type: none"> <li>KM is well established, deeply integrated and continually improved</li> <li>Mechanisms and tools for curation, easy finding and sharing of KAs are leveraged and valued throughout the organization</li> <li>KM is a required part of workflows and a standard component in organizational processes</li> <li>Systematic knowledge sharing is accepted as fundamental; KAs are celebrated and directories are maintained and accessible by staff and clients</li> </ul>
<b>Metrics and Analytics</b>	<ul style="list-style-type: none"> <li>Manual tracking</li> <li>Methodology differs by practice area (silos)</li> <li>Focus is on external spending, mostly for budgeting purposes</li> </ul>	<ul style="list-style-type: none"> <li>Most metrics generated through manual synthesis of data from disparate systems</li> <li>Ability to analyze external spend on a variety of dimensions; analytics applied to law firm performance management</li> <li>Some metrics are established for internal performance management</li> <li>Limited to relatively few, proven metrics (reducing/avoiding overload)</li> </ul>	<ul style="list-style-type: none"> <li>Well established automation for integrating and dashboarding of information.</li> <li>Well balanced across financial controls, outcomes, and operational efficiency</li> <li>Clearly linked to organizational objectives</li> <li>Leading &amp; lagging indicators of performance (including predictive analytics informing decision-making)</li> <li>Measured relative to baselines, benchmarks and targets</li> </ul>



	EARLY STAGE	INTERMEDIATE	ADVANCED
<b>Project &amp; Process Management</b>	<ul style="list-style-type: none"> <li>No or ad hoc project oversight</li> <li>Lack of standardized processes or process evaluations</li> <li>Organized teamwork is ad hoc and rare</li> <li>Little to no executive sponsorship</li> <li>Ignorance across the department about the benefits or principles of project and process management</li> <li>Project participation and change communications are piecemeal</li> </ul>	<ul style="list-style-type: none"> <li>Formal project management (PM) is applied in some cases, and staff is broadly familiar with the process</li> <li>Leadership drives process reviews and improvement initiatives are conducted in extreme situations; some work processes have been made systematic (e.g. supported by mapping)</li> <li>Staff is fostering best practices and are encouraged to evaluate and improve individual and department practices; they have had some good experience with both project management and process improvement and know to suggest or accept them in certain circumstances</li> <li>Skilled resources have been identified and some dedicated time is allocated</li> </ul>	<ul style="list-style-type: none"> <li>Formal PM is applied in all appropriate cases, and staff is very familiar with PM process</li> <li>Executive sponsorship is visible but staff owns the outcomes</li> <li>Process improvement is methodically and continuously conducted in all appropriate situations and driven from within affected groups; most work processes have been made systematic and documented</li> <li>Continuous improvement review; project and process management have become an integral part of the culture; staff are highly motivated to evaluate and improve individual and department practices</li> <li>If warranted, experienced PMP and/or lean resources are part of the staff</li> <li>Good visibility into projects, processes and metrics documenting ongoing impact</li> </ul>
<b>Strategic Planning &amp; Legal Operations Leadership</b>	<ul style="list-style-type: none"> <li>No legal operations strategic planning process</li> <li>No legal operations strategic plan</li> <li>No alignment among legal department financial, staffing, technology, and outside counsel decisions</li> <li>Informal and reactive approach to operational decisions</li> <li>No measurements and metrics regarding legal operations decisions</li> </ul>	<ul style="list-style-type: none"> <li>Formal process identifying current state, where you are going, how you will get there (strategies, goals, and desired outcomes)</li> <li>Published legal operations strategic plan, identifying specific activities aligned with department and company goals</li> <li>Alignment of all legal department financial, staffing, technology, and outside counsel decisions</li> <li>Formal process regarding operational decisions</li> <li>Identifying, capturing, and reporting on key data and other measures to assess progress against goals and plans</li> </ul>	<ul style="list-style-type: none"> <li>Annual legal operations planning process, designed to produce plan before submission of annual budget</li> <li>Quarterly reviews and updates to legal operations strategic plan</li> <li>Strategic management of all staffing, technology, and service delivery strategies</li> <li>Legal operations goals, strategies and activities embedded in legal team talent development and assessment activities</li> <li>Quarterly reports and monthly dashboards shared with Leadership regarding progress against goals and plans</li> </ul>
<b>Technology Management</b>	<ul style="list-style-type: none"> <li>Complete reliance on corporate IT</li> <li>Limited technology deployment and user adoption</li> <li>Spreadsheets for data/metrics, project management, etc.</li> <li>Knowledge stored on individual workstations</li> </ul>	<ul style="list-style-type: none"> <li>Legal is coordinating with corporate IT, often with a designated liaison and helpdesk support</li> <li>Technology roadmap is focused on leveraging current technology within Legal, driving adoption and establishing some integrations</li> <li>Training is ad hoc</li> <li>Typical systems in place include basic matter management, e-billing, document, contract, and IP management</li> </ul>	<ul style="list-style-type: none"> <li>Legal is focused on aligning business processes across the enterprise using technology</li> <li>Longer-term (5-year) technology roadmap; benchmarked &amp; adapted as environment changes</li> <li>Process in place for research, scenario planning and piloting artificial intelligence (AI) and emerging technologies</li> <li>Technologists or legal ops leaders evaluate changes in technology and develop implementation strategies; drive continuous improvement in user adoption</li> <li>Training and user support protocols are well established</li> <li>Strong integration among systems in Legal, and as appropriate across the enterprise</li> <li>Systems include e-discovery, knowledge management, collaboration, full contract lifecycle management; workflow automation; and applications designed to anticipate/mitigate risk (e.g. tracking new regulations, trends in consumer complaints, deficiencies identified in audits)</li> </ul>