



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

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

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