

Consilio Institute: White Paper



MEASURING SUCCESS: CORPORATE COUNSEL GUIDE TO METRICS-BASED MANAGEMENT

By Patty Wise

Executive Director, Flexible Talent

Consilio Institute: White Paper

MEASURING SUCCESS: CORPORATE COUNSEL GUIDE TO METRICS-BASED MANAGEMENT

TABLE OF CONTENTS

Getting Started.....	3
Defining a Metrics Process	4
What to Track	4
Legal Metrics Benefits.....	4
Moving Forward	5
About the Author.....	5

Disclaimers

The information provided in this publication does not, and is not intended to, constitute legal advice; instead, all information, content, and materials available in this publication are provided for general informational purposes only. While efforts to provide the most recently available information were made, information in this publication may not constitute the most up-to-date legal or other information. This publication contains links to third-party websites. Such links are only for the convenience of the reader; Consilio does not recommend or endorse the contents of the third-party sites.

Readers of this publication should contact their attorney to obtain advice with respect to any particular legal matter. No reader of this publication should act or refrain from acting on the basis of information in this publication – without first seeking legal advice from counsel in the relevant jurisdiction. Only your individual attorney can provide assurances that the information contained herein – and your interpretation of it – is applicable or appropriate to your particular situation.

Use of this publication, or any of the links or resources contained within, does not create an attorney-client relationship between the reader and the author or Consilio. All liability with respect to actions taken or not taken based on the contents of this publication is expressly disclaimed. The content of this publication is provided “as is.” No representations are made that the content is error-free.

When asked what they appreciate most about their transition from a law firm to in-house counsel position, many lawyers would respond with one word: time. Or to be more precise, the absence of tracking time.

Recording work product down to six-minute increments can be excruciating — and so a corporate environment may be a liberating environment, free from the constraints of measurements.

Except ...

At the executive and board level, division heads typically report on metrics and values, verifying their accomplishments and justifying future spend. Historically, the legal department was an observer at such events, never expected to present, much less report. There was no expectation for it to perform like other business units.

That dynamic is changing.

General Counsels are seeking equal representation in the companies they serve, sharing with leadership data about the important work they perform and the value they deliver. And for that, capturing metrics has become essential.

In this paper, we present how to begin the measurement process within your legal department, the key metrics to track, and how to apply insights from your data to optimize productivity and efficiency.

Getting Started

Whether you're new to the process of tracking legal metrics, or an experienced metrics-based leader, you may face internal resistance when implementing a legal metrics tracking system. Your staff may perceive metrics tracking as extra work — or that this will be a report card of sorts. And, it may be a cliché, but there is some truth in the adage that lawyers are not always data folks.

Key steps to a successful legal metrics program launch:

- ▶ **Gain team buy-in:** Present to your team the value and benefits of measuring productivity. For instance, if you're able to track time spent on lower-value work, this could help rebalance workloads among your staff.
- ▶ **Define KPIs:** Becoming an effective and efficient business partner requires clearly defined targets — measurable key performance indicators (KPIs) that provide a benchmark to assess and evaluate progress.
- ▶ **Consider your audience:** Once you achieve buy-in from your internal stakeholders, clarify your audience: To whom will you be highlighting the legal department's performance? Is it C-suite executives? Or, is the General Counsel seeking greater insights into what is happening internally? The metrics you capture may differ, depending on who is reviewing them

General Counsels are seeking equal representation in the companies they serve, sharing with leadership data about the important work they perform and the value they deliver.

Defining a Metrics Process

Next, it's time to develop a process. If you want to address cost and ROI, those are relatively easy numbers to capture with fee management software. The software will deliver distinct data buckets addressing cost and fees — actionable data that you can use to trim spend quickly.

Next, begin breaking down costs and time by lawyer and team member. What work they are spending their time on? Take the time to categorize each team members' work into high- and low-value groupings.

Gathering, sorting, and analyzing data can be a difficult and timeconsuming process, especially for large legal departments. Even for those departments where data collection is straightforward, you still must refine your data to ensure that it is accurate. As such, you may find value in hiring an outside consultant to assist in the process.

What to Track

With your target audience in mind, assess the metrics that you want to identify and capture. Key buckets, and their associated categories to track, include:

- ▶ **Revenue and spend:** Percentage of legal spend to revenue; internal vs. external spend; spend by outsourced firm; expected revenue; contracts signed per quarter; department spend (by unit, if applicable); contracts in negotiation vs. signed.
- ▶ **Operational efficiencies:** Number of attorneys, legal professionals, and paralegals (year-over-year); percentage of employees and type by practice group; attrition rates; allocation of workload; number of employee trainings performed; early payment discount usage; how much data you store.
- ▶ **Performance and productivity:** Number of litigation matters opened, pending, and closed; total number of contracts reviewed;

average cycle time per matter, by type; number of matters handled by in-house and outside counsel.

- ▶ **Soft Metrics:** Diversity, wellness, and pro bono metrics should also be considered, both for internal and external reference as well as recruiting.

Beware over-collection ... The number of metrics that you can track are limited only by imagination, but practicality should guide the effort. Capturing numbers that are not actionable or that fail to reveal performance and productivity insights can outweigh their usefulness. View it as an evolving process which will morph just as your business needs are ever-changing.

Legal Metrics Benefits

No matter whether you handle your metrics initiative internally or outsource it to a consultant, the potential benefits for your department and organization are considerable. From a management standpoint, the numbers provide you with data to address efficiencies, a key factor in determining profitability. If the numbers reveal that your senior-level staff are being bogged down by junior-level work, for instance, you may derive value by outsourcing those projects, or reassigning such matters to the appropriate talent level within your department.

Metrics also provide clear performance benchmarks: It's true that you can't manage what you don't measure; and you can't track performance improvements if you don't start by tracking performance in the first place. With distinct targets in mind, you can assess quarterly and annual performance, ROI, work allocation, and defined needs — and over time, track improvements when viewed in the context of previous periods and projections.

Robust data collection exposes productivity gaps, too, allowing departments to implement measures

to boost efficiency. For instance, benchmarking contracts year-to-year will help you understand the need to reallocate or add resources.

Finally, productivity numbers help inform hiring and workload decisions. For instance, if your staff is overburdened and you want to hire another lawyer, metrics provide you with clear justification for a part-time or full-time hire, as well as their specialty. Determining the volumes of different types of work helps identify the hours and type of expertise needed.

Moving Forward

The metrics-tracking legal department gains actionable insights that it can apply not only to internal operations but also to broader, corporate-wide assessments that impact decision-making. Once you obtain buy-in from your internal staff (perhaps the most challenging hurdle in the entire process), you'll be on your way to demonstrating your value with data. And with numbers in hand, you'll gain executive-level appreciation and acknowledgement that yours is an equal business unit that is financially responsible and sustainable.

The metrics-tracking legal department gains actionable insights that it can apply not only to internal operations but also to broader, corporate-wide assessments that impact decision-making.

ABOUT THE AUTHOR

Patty Wise provides executive oversight to Legility's flexible talent business unit, where she is responsible for driving organic growth and architecting bespoke flexible legal talent programs to help clients solve unique legal challenges. Since 2008, she has partnered with Legility clients to provide the right legal talent to build resilient legal organizations across industries, practice areas, and geographies. Prior to joining Legility, Patty practiced law with Troutman Sanders in Atlanta and Kennedy Covington in Charlotte (now K&L Gates). She holds a J.D. from Vanderbilt University, where she was awarded the Junius L. Allison Award, given for the most significant contribution to the Legal Aid Society, and a B.A. from Emory University.



Patty Wise

Executive Director, Flexible Talent

m (615) 714.8375

e patty.wise@legility.com

[consilio.com](https://www.consilio.com)