

CLOC: Reshaping the Corporate Legal Services Industry

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Today's Agenda

- What is Legal Operations?
- Who & What is CLOC?
- How CLOC Views the Corporate Legal Services Industry
- Evolution of the Corporate Legal Services Industry
- Implications
- Q&A

What is Legal Operations?

What is Legal Operations

- Legal operations is:
 - a multi-disciplinary function
 - that optimizes legal services delivery
 - to a business or government entity
 - by focusing on twelve core competencies

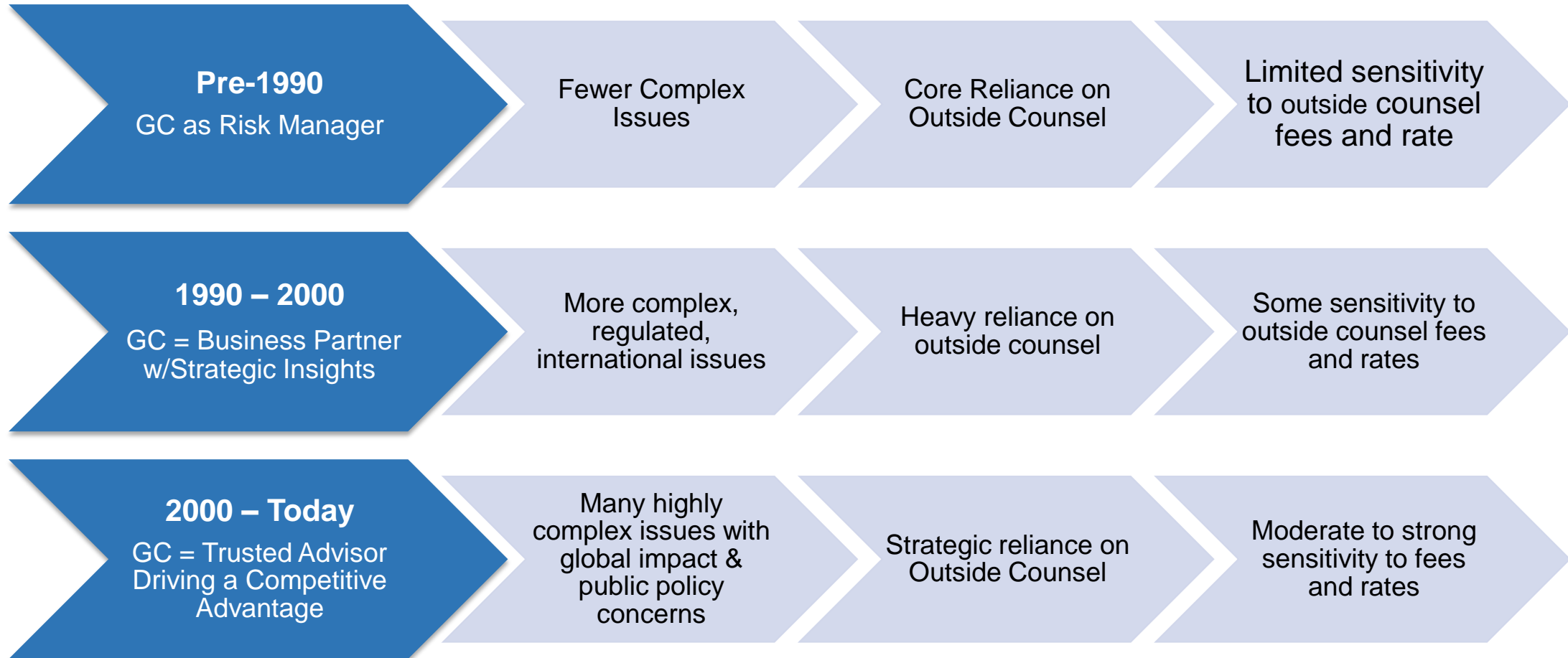


Legal Chief Operations Officer / Chief Of Staff Roles (CLOC.org)

- Education
 - JD
 - JD/MBA
 - Accounting/Finance
 - IT
- Level: Director to VP
- Scope: Enterprise-wide
- Drive innovation and technology
- Connecting the legal ecosystem: CLOC



Corporations: Changing Role of the GC



The Evolution of Legal Operations – Running Legal Like a Business

1990 - 2000

- Dot-com Boom
- Legal spend explodes
- **Early adopters** add Ops role
- Role focuses on billing/finance & basic legal department resources
- **Financial/NY Co's** add role and expand/elevate it rapidly
- Chase, Prudential GE, BofA, Prudential, east coast.
- Level: Manager, except in NY

2007 -2012

- Great Recession
- Big companies have added role
- Those that have it, expand strategic focus and Ops HC
- **Legal COO/COS role is trusted advisor to the GC with broad influence**
- Level: Director - VP
- **CLOC** formed: Billions \$\$ of legal spend in one room

2015 – 2020

- Economic Expansion
- **Legal COO now a critical function supporting the GC**
- Level: VP and #2 role in the legal department
- Helps form and drive legal dept strategy and resource model at most companies
- Only very small legal depts don't have this function
- **Collaboration and Guidelines**

2000 - 2007

- Dot-com bust and recovery
- **GC role = Trusted Advisor**
- Expansion of Ops role includes technology: **e-billing**
- Level: Manager - Director
- HP, Sun, Cisco & other Silicon Valley companies add role.
- **Chief of Staff role added** to Operations mandate
- Tactical with strategic components

2012 - 2015

- Great recession ends
- Tipping Point
- Big company GC's expect strategic and tactical benefit and build the function
- Smaller departments add role
- **Level: Sr. Dir – VP**
- **Legal COOs Work with GC to create and drive strategic vision and owns all ops functions**

Corporate Legal Operations Consortium: Who and What is it?

Corporate Legal Operations Consortium

501(c)6 Nonprofit

Founded December 2015



CLOCC
CORPORATE LEGAL OPERATIONS CONSORTIUM



CLOC's Mission

To help:

- ✓ Legal operations professionals and other core corporate legal industry players (e.g. tech providers, law firms, LPO's, law schools, etc.)
- ✓ Optimize the legal service delivery models
- ✓ Needed by small, medium and large legal departments to support their clients.

CLOC's Vision

A seamless legal ecosystem that delivers corporate legal support to small, medium and large businesses with peak efficiency.

How CLOC Came to Be

- GC Need for Information and Benchmarking
- New Network
- New Opportunities

CLOC Leadership Team & Board of Directors



NetApp

Connie Brenton
CLOC BOD, CEO & Founder



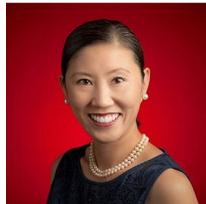
Yahoo

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Facebook

Brian Hupp
CLOC BOD



Google

Mary Shen O'Carroll
BOD & CLOC Leadership Team



Adobe

Lisa Konie
CLOC BOD



Cisco

Steve Harmon
CLOC BOD



Oracle

Christine Coats
BOD & CLOC Leadership Team

By the Numbers:

CLOC Membership

~ 1000 Individual Members

> 500 Member Companies

Representing:
20 Countries
40 States

Adding 750 Members/Year



By the Numbers:

Membership

25% of the Fortune 500

50% of the Fortune 100

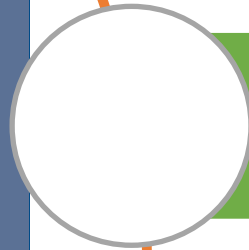
~\$35B in Member External Spend



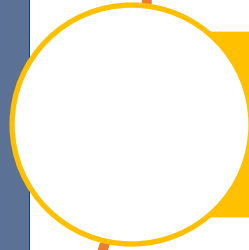
C L O C
CORPORATE LEGAL OPERATIONS CONSORTIUM



Education



Embracing the Ecosystem



Networking



Industry Change



What Does CLOC Do?

Member Level (Micro Level)

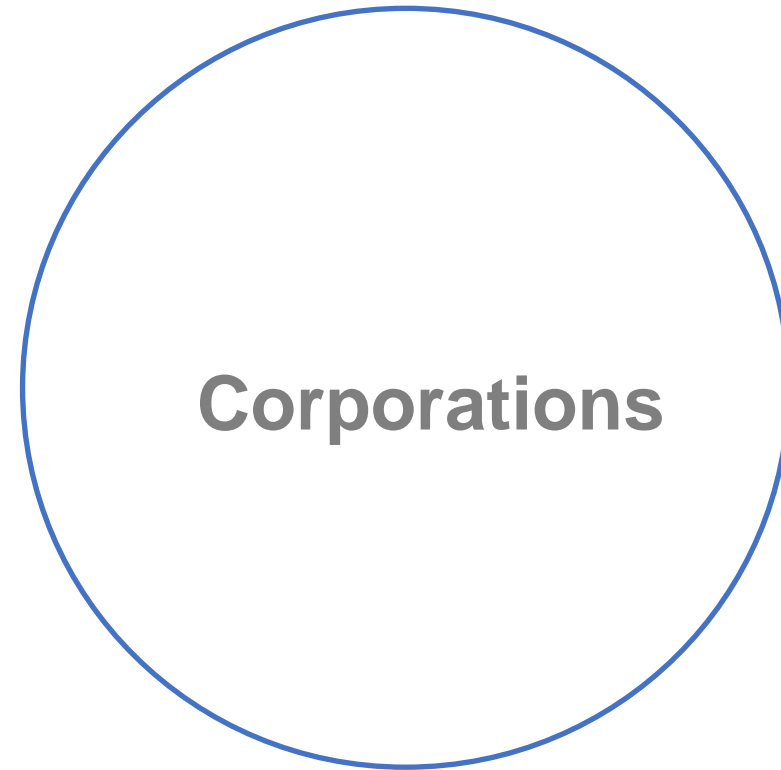
- Education
- Connecting Members
- Templates
- Assessments of Outside Counsel
- Roadmaps
- Checklists
- Technology Overview
- Benchmarking
- Best Practices

Industry Level (Macro Level)

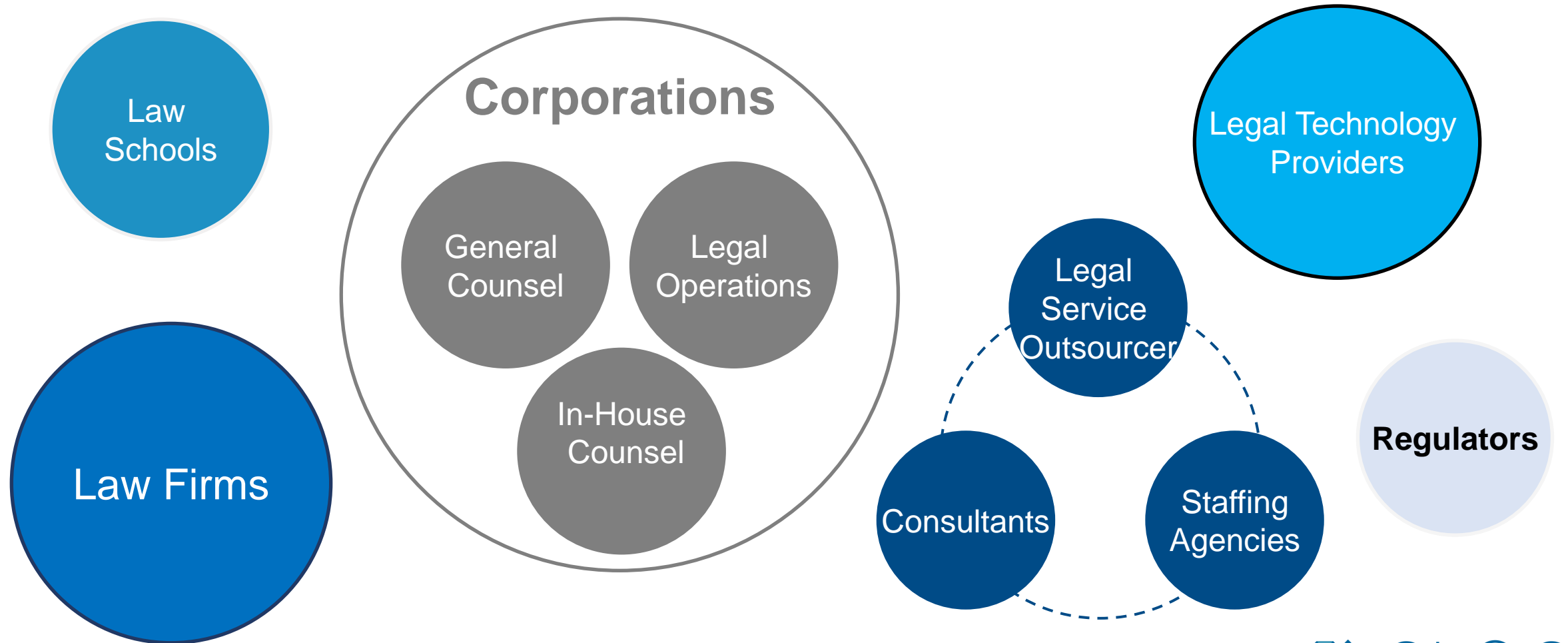
- Industry Standard Metrics
- Industry Policies
- Industry Change
 - ABS
 - UPL
 - COI

The Corporate Legal Services Ecosystem

How Most People Thinks of Our Industry



How CLOC Views the Legal Services Ecosystem



Challenges Facing The Industry Players

What's Driving Change

- Law Firms Under Pressure
- The Evolving Role of GC's
- The Expectation to Run Legal like a Business
- Enter Legal Operations
- Advances in Technology
- LSO's & Legal Labor Arbitrage
- CLOC

Law Firms

- **Demand is Flat or Increasing Marginally**
- **Downward pressure on realization is constant**
- **Pressure to deliver quality support is constant w/reduced margin for error**
- **Pressure by Industry Groups Such as CLOC, ACC, ILTA etc. for efficiency**

Law Firms

- **Extreme Competition**
- **Pressure from Clients moving from Delivering “More for Less” to Working Differently**
- **Associates Not Accepting the Status Quo**
- **Corporations Not Paying for 1st Year Associates**
- **Regular Lateral Moves**
- **Pressure from Cheap International Resources**
- **LSO’s Growing and Winning Business**
- **Tech Companies are Automating Services and Services Delivery**

Corporate Legal Departments

- **Need for Legal Services**
 - Business is more complicated
 - More global
 - Involves more technology and SaaS solutions
 - Need to be more transparent
 - Biz recognizing the value of in-house legal support
- **Cost of Legal Support is going Up**
 - Cost of law firm services is too high, but clients still willing to pay to a large extent
 - Pressure to drive cost down
 - Pressure to bring work in-house because it's cheaper and better
- **Legal Support Options are Myriad**
 - Law Firms, LSO's, Independent Contractors, Staffing Agencies, Axiom
- **Advent of Legal Operations**
 - Right quality, Right Price, Right Service
- **Changing Role of In-House Lawyers**

Legal Service Outsourcers (“LSO’s”)

- **There are More Big Players**
- **Work is coming back on-shore (to the U.S.)**
- **Employing Technology**
- **Broad Talent Set Offered**
- **Broad Set of Services Offered**
- **More Creative than Law Firms**
- **Access to Talent Across the Globe**
- **U.S. Based**
- **Nationwide Operating Model and Virtual**

Legal Technology Companies

- There are More Big Players
- Work is coming back on-shore (to the U.S.)
- Employing Technology
- Broad Talent Set Offered
- Broad Set of Services Offered
- More Creative than Law Firms
- Access to Talent Across the Globe
- U.S. Based
- Nationwide Operating Model and Virtual

Advances in Technology

- **Automated Workflow Tools**
- **Electronic Signatures**
- **e-Discovery**
- **AI (Artificial Intelligence)**
- e-Billing
- Contract Management
- IP Management
- Knowledge Management
- Data analytics/BI Tool/Dashboards
- Records Management

Regulatory Agencies

- Key Issues:
 - Alternative Business Structures (“ABS”)
 - Unauthorized Practice of Law (“UPL”)

Implications?

Implications

- Legal is a Business—as well as a Profession
- New Buyers of Legal Services—Legal Ops & Not Procurement
- Budgets Controlled by Legal Ops
- Efficiency is a focus
- You Need to Know How to Navigate a Complex Ecosystem
- Rules are Changing And You Should Be Prepared to Drive the Change and Use that Change to Your Advantage
- Labor Arbitrage is an Opportunity
- More Types of Legal Services are being Commoditized Daily
- Technology Will Eliminate the Need for a lot of Types of Legal Work
- Corporations want and need legal support

Coming Soon: Law Firm Membership

Q&A

Thank You

