



Report

Barriers to the (Digital) Transformation of Law Departments



By Global Law Integrated Solutions (GLIS)

REPORT

BARRIERS TO THE (DIGITAL) TRANSFORMATION OF LAW DEPARTMENTS

TABLE OF CONTENTS

Executive Summary	5
Thank you.....	6
1. Purpose of the project	7
Why.....	7
Genesis	7
Structure of the project	8
2. Participants to the project	10
Overview.....	10
The Respondents	10
The Firm	11
The Law Department.....	12
The Industry Sector	12
3. Recent changes	13
Overview.....	13
Nature of the changes	13
The Triggers	14
Opportunity for growth.....	14
To Sum Up.....	16
4. Barriers to change.....	17
Overview.....	17
Resistance of lawyers	18
Increased risks.....	18
Tech knowledge.....	19
Firm cultural resistance	20
Limited resources	21
No ROI articulated	22
Executive resistance	22

	Fear of job loss	23
	Regulatory constraints	23
	To Sum Up.....	24
5.	Legal function: value driver or cost center?.....	25
	Perception of the legal function.....	25
	Effective strategies to demonstrate value.....	26
	To Sum Up.....	28
6.	Budget control and resources allocation.....	29
	Budget management today	29
	Opportunities for growth.....	30
	Forward looking approach.....	31
	To Sum Up.....	32
7.	Key enterprise legal risks and opportunities	33
	Risk management today	33
	Risk maturity framework.....	34
	To sum up	36
8.	Data tracking and modeling.....	37
	Insights from the study	37
	Data what is it?.....	39
	Operational Data Maturity Assessment.....	41
	To Sum Up.....	42
9.	Forward looking	43
	Insights from the survey	43
	Tone at the top and key results: cash is king	44
	Connecting the dots, cross-functionality.....	44
	Strategic perspective, big picture	45
	AI-Gen-AI business intelligence data the real revolution	45
	To Sum Up.....	46
	Conclusion	47
	Biography	48

Executive Summary

The Cercle Montesquieu project on “Barriers to the Transformation of Law Departments” has yielded valuable insights into the challenges and opportunities facing law departments in their digital transformation journeys. Key findings include:

1. **Strategic Perspective:** Many law departments lack a long-term, big-picture strategic approach to transformation.
2. **Self-Awareness:** Leaders must be comfortable acknowledging areas for improvement within their functions.
3. **Capabilities Gap:** There is often a lack of drive, strategic experience, or dedicated personnel to lead transformation efforts.
4. **Curiosity:** A culture of inquiry and openness to new ideas is crucial for successful transformation.
5. **Siloed Approach:** Legal operations and legal tech are often treated as separate entities, hindering holistic transformation.
6. **Organizational Context:** The structure of the organization (centralized, decentralized, or “glocal”) significantly impacts transformation efforts.
7. **Data-Driven Decision Making:** There is a need for more granular, structured legal data to drive effective transformation and leverage AI technologies.
8. **Lawyer Engagement:** Providing space and time for lawyers to participate in transformation is essential for overcoming resistance.
9. **Resource Constraints:** Limited resources and unclear ROI are significant barriers to transformation initiatives.
10. **Value Demonstration:** Law departments need to better articulate their value as drivers of business success rather than cost centers.

To overcome these barriers, law departments should focus on developing comprehensive strategic plans aligned with business objectives, fostering a culture of innovation, investing in data infrastructure, and actively engaging both leadership and team members in the transformation process.

Thank you

We would like to express our sincere gratitude to Martial Houlle (President of Cercle Montesquieu), for enabling this project.

We would also like to extend our thanks to Olivier Belondrade (Vice Presidents of the Factory) and the participants for their invaluable contribution to the “Barriers to the Transformation of Law Departments” study. Their insights, experiences, and candid feedback have been instrumental in shedding light on the complex challenges facing law departments in their digital transformation journeys.

The diversity of perspectives represented by the participants – spanning various industries, roles, and levels of experience – has enriched our understanding of the multifaceted nature of law department transformation. Your willingness to share both successes and obstacles has provided a realistic and nuanced view of the current state of legal operations and the path forward.

We are particularly grateful for the time you dedicated to completing surveys, participating in interviews, and engaging in thoughtful discussions. Your commitment to advancing the legal profession and embracing innovation is evident and commendable.

The findings from this project will undoubtedly serve as a valuable resource for law departments across industries as they navigate their own transformation journeys. We hope that the insights gained will spark further dialogue and collaboration within the Cercle Montesquieu community and beyond.

Thank you once again for your participation and support. We look forward to continuing this important conversation and working together to shape the future of legal operations.

Alan Ragueneau

Amélie de Braux

Zurich, 20 November 2024

Paris, 20 November 2024

1. Purpose of the project

Why

This project seeks to understand why legal departments struggle with digital change. We aim to provide honest insights and practical tips to help members of the Cercle Montesquieu and beyond progress.

Genesis

The genesis of this project is a series of discussions between Amelie de Braux and Alan Ragueneau. They both realized that they shared similar experiences and common observations. Despite the upheaval of legal technology and legal operations for the past ten - twenty years¹, many law departments are still struggling to genuinely and successfully embrace (digital) transformation. Many law departments acknowledge the need to evolve but are not making fundamental changes to the way they operate.

For example, they are still paying law firms on an hourly rate basis and have no granular data regarding how the legal function is spending their time on. They are still cornered as a cost center and many of them do not have a seat on the board. The main driver they use to cope with this pressure is the in-sourcing strategy that has grown after the 2008 financial crisis. They spent less externally and insource more and more capabilities internally.

Some law departments started looking at technology and proclaimed that this evidences that they have engaged in a transformation process. The reality shows that most of the legal tech are applied to traditional ways of working (e.g., contract redlining). Providing lawyers with tools to continue their centuries-old practices does not constitute real change. At best it marginally drives incremental efficiency and effectiveness improvements. In many situations, technology is not an enabler but a distractor. It makes things worst.

¹ Some markets are more mature than others. Typically, the USA would be at the forefront of the transformation, followed by the UK, and some countries in Europe, like France, the Netherlands. Naturally, there can always have exceptions in each jurisdiction.

Artificial intelligence - generative artificial intelligence is clearly a game changer. However, the big shortcomings come from the lack of qualitative structured legal intelligence data. Garbage in, garbage out. We have tested and use daily many tools (ChatGPT0, ChatGPT01-preview, ChatGPT01-mini, Perplexity, Harvey, V-Lex, etc.) and if they are great for some tasks like improving the drafting of an email in a foreign language, the output is of poor quality when it comes to providing legal reasoning with the correct substantiation (e.g., case law) for complex legal topics (e.g., what is the applicable law to copyright ownership worldwide and how to draft an acquisition of copyright provision that maximizes the chances for a company to acquire as much right as possible in as many countries as possible).

This happens because legal texts are hard to understand, and lawyers aren't organizing or recording their thought processes.

Structure of the project

The president of the Cercle Montesquieu, Mr. Martial Houlle, validated the following project structure. It is inspired from the methodology developed by Global Law Integrated Solutions² used in digital transformation projects of the law departments of multinationals.

It initially involved a three-step process:

- (1) thirty members invited to respond to a questionnaire including 9 sections
 - (1) demographic information
 - (2) recent changes in the law department
 - (3) challenges in embracing changes
 - (4) demonstrating the value of the legal function to the business stakeholders
 - (5) budget control and resources allocation
 - (6) risk exposure measurement
 - (7) structuring data and information management
 - (8) outlook
 - (9) additional comments
- (2) interview of one hour with up to 10 participants.
- (3) a diagnostic with 3 of the participating members.

² Global Law Integrated Solutions AG (GLIS) is a company co-founded by Alan Ragueneau, incorporated in Switzerland. The mission of GLIS is to transform legal operations for multinationals by providing a data driven platform that quantifies and systematizes legal risk, enabling law departments to shift from reactive to pro-active management with focus on high-value-add activities.

Embracing agile methodologies, we decided to modify the initial plan. Instead of conducting a diagnostic with three members (step 3), we opted to share the knowledge gained from steps 1-2 with a wider group of participants through a workshop, given the richness of insights obtained.

Some of the key findings of this patronage project will be summarized in a report (the present document). Members who participated in this project should see this as a starting point and build a strategic legal and compliance plan where they make commitment to pursue (digital) transformation with the right capabilities and resources.

2. Participants to the project

Overview

Fourteen respondents participated in the first phase of the project (Survey). They represent a highly diverse range of industries, geographic footprint and context. The commonality is that they are all global businesses, with 1Bn above turnover and rather large legal teams. However, as we explain below, GLIS supported companies with € 100 million turnover. So this report, its key insights and tips are equally applicable to small, medium and large companies.

The Respondents

Diversity in this report covers two main dimensions: the respondent's experience level and their role within the legal department and organization. We believe diversity should go beyond these criteria. The limited scope of this study does not allow for a more detailed analysis³.



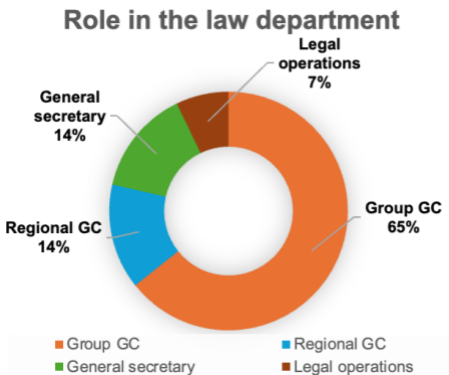
The respondents are diverse group within a range of highly experienced professionals. This is logical as the member of the Cercle Montesquieu are mostly legal directors or general secretaries. Some respondents involved some of their team members who are managing legal operations in their

companies. This explains the existence of the group below 10 years of experience.

Turning to non-quantitative dimension, there was a well-balanced gender representation as well as several respondents with a diverse cultural background, some of the respondents for whom French language is not their mother tongue or some of the respondents established in France recently.

³ Diversity is a hot topic today and has become a legal requirement in many jurisdictions, including the European Union. See, European Sustainability Reporting Standards, ERS1, article 24d. Diversity should go beyond the traditional (simplistic) perspective of gender, demographic, sexual orientation, religion or other broad characteristics. In the context of digital transformation, diversity should touch upon more nuanced dimension such as the variety of experiences (e.g., entrepreneurial experiences including P&L responsibility, experience in the development of technology or in a legal software company, experience in working in different countries, knowledge about a broad area of the laws, etc.

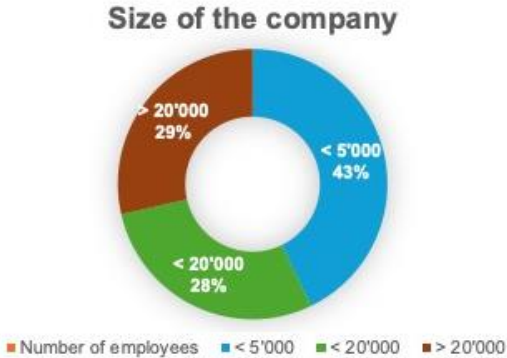
Our experience is that the so called “early adopters” are people with a curious inquisitive mindset, who have been exposed with different cultures (and legal systems).



The other dimension of the group of respondents is the position within the law department or the organization.

In terms of geographic responsibilities, 87% of the respondents have global responsibilities and 23% have regional responsibilities. Two of the respondents are general secretary and the assumption is that they have an easier access to the board of management which is one critical element when considering digital transformation.

The Firm



Based on the number of employees and the categories defined in the European Union⁴, the respondents are all large enterprises. There is still a balanced diversity with three categories of respondents: below 5'000 employees,

between 5'000 and 20'000 employees and above 20'000 employees.

One should not conclude that this report, key insights and tips are only for companies of 1Billion and above. We have supported firms who had a turnover of 100 million Euros. This is a country, industry sector and company size agnostic approach and philosophy.

⁴ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements, and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, Article 3.

The Law Department

Size of the law department



Interestingly, the size of the law departments is less varied. Two third of the respondents have a legal team below 50 people and close to half of the respondents have a legal team of less than 25 lawyers. This shows the one-to-many typical

situation where, for one lawyer, you have an army of business employees to support. A few respondents have a higher number of lawyers. This cannot be interpreted to an exception to the common one-to-many archetype. Those larger legal function in terms of number of lawyers corroborate a very high number of employees

The Industry Sector

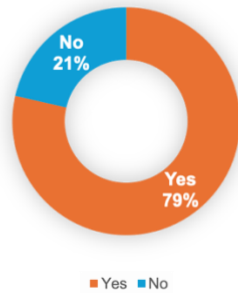
There was a broad variety of industry sectors represented by the participants to the project: information technology and consulting services, oil-gas and renewable energy, real estate investment trust, energy, testing inspection and certification services, fast moving consumer goods (FMCG), news and media, public company.

Our experience, and this is confirmed by this project, is that if the specific context of an organization is very important in the execution of a transformation plan, the methodology and success factors are the same (e.g., tone at the top, budget, curiosity, bias for action, etc.).

3. Recent changes

Overview

Recent changes in law departments



Nearly 80% of participants reported significant changes in their law departments over the past two years. The types of changes that were mentioned in the question are technology adoption, process redesign, strategy shift.

This marks a promising foundation as a strong majority indicates that there had been a change. Let's go deeper and understand what triggered this change and what does this change mean for the legal function: a better positioning within the organization? A better work life balance for the legal team?

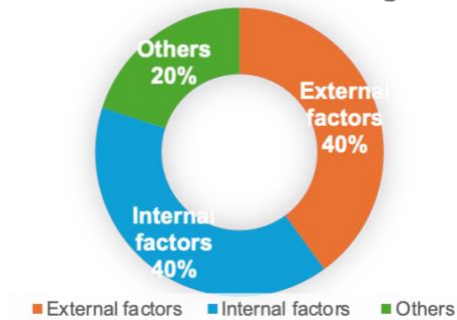
Nature of the changes

The changes reported are as follows (some respondents provided very detailed responses which have been broken down for didactic purposes):

1. revamping processes and workshops
2. automation of simple acts, project team creation including external advisors and in-house counsels
3. adoption of AI tools for contract analysis
4. process evolution, focus on e-signature
5. alignment with business organization,
6. setting up ticketing system to track legal support queries
7. establishing KPIs relating to volume of activities and internal training
8. new training format for business stakeholders (e.g., video)
9. implementation of document management system ("GED")
10. establishment of KPIs to track volume of work, esp. training
11. adoption of new technologies to manage privacy activities
12. deploying new processes to manage contracts
13. elaborating a transformation roadmap involving the deployment of two hubs
14. tech obsolescence - renewal

The Triggers

Rational for the change



There is an equal split between the fact that changes were the result of internal or external triggers (e.g., legal industry trend, regulatory changes, internal clients' demand). This marks a promising foundation as a strong majority indicates that there

had been a change. Let's go deeper and understand what triggered this change and what does this change mean for the legal function: a better positioning within the organization? A better work life balance for the legal team?

Opportunity for growth

Fragmented picture. Most of the changes reported are relating to specific small areas of the law departments (e.g. AI tool for contract, tracking volume of work). There is no trigger relating to a broader seismic transformation such as business driving a companywide AI strategy involving the law department, or an overall organization cost optimization program impacting the legal function or pressure from the business to cut cost.

Consolidated picture. The most advanced law department involved in this project is a recently appointed general counsel who created a new legal ops position and promoted a 5+ year post qualification lawyer in her team. They have a broadly defined transformation roadmap that focuses on the operational aspects such as legal cost and contracts. Transformation also involves the creation of two center of excellence one for contracts and one for marketing-IP activities. They highlighted that this has been and still is a journey given the fact that their organization is rather decentralized. Another challenge was managing the fears of lawyers to stop doing some low value-add work. The trigger for change was the arrival of the new GC and an increasing centralization of some aspects of the business.

Strategic picture. If this is a very good position to be in, there are some further important aspects that could be further developed.

First, the starting point of the strategic⁵ legal and compliance plan should be connected to the business objectives (and business model(s)) of the organization. For example, if the business wants to grow a direct-to-consumer distribution channel, this involved building in the legal and strategic plan reinforcing the competition law risk management system. A **second** critical aspect is to intentionally build the legal operating model and making decisions about what capabilities you want to build internally or externally with the highly dynamic evolution resulting from the advent of generative artificial technology. Developing the legal operating model as is and forward looking involves a multi-faceted dimensions that requires strategic perspective and long-standing diverse experience. **Finally**, it is fundamental to connect the legal operating model, the activities performed by the law department with the underlying granular quantification of the legal risks and opportunities. This requires embracing an in-depth change of the legal industry. From the posture that every situation is different, the law is complex, it is not possible to do ex ante quantification to the law can be systematized, the legal risks and opportunities can be quantified.

Leadership. One member expressed a compelling vision resulting from her personal highly diverse experience (entrepreneur, management responsibilities in big law, American law departments). However, this compelling vision cannot be implemented for the following reasons:

- the transformation of the law department in her organization falls outside her remit.
- the person in charge of the transformation is not delivering on the promises (no progress reg. tech roadmap for the last 2 years).
- fear to speak up because head of legal wants to display a perfect image of the law department.
- too busy to spend time on influencing the course of action.

Data. The most significant gap identified in the responses relates to data. Data can be a term that brings a lot of confusion, and we invite you to refer to chapter 8 on data and knowledge management for further insight.

⁵ Strategy means a long-term plan of action designed to achieve specific goals or objectives. For law department, the first step is to comprehend the company's business model and overall strategies. This provides the foundation for aligning legal and compliance efforts with business goals. Working backward to define legal priorities: Based on the business strategy, determine what it means for the law department in terms of key activities, capabilities needed, and legal risks to manage.

To Sum Up

To sum this chapter, please find some practical tips:

- (1) **Self-awareness at the top.** Leaders should be comfortable looking at their function as is what is working well and what is working less well.
- (2) **Vision.** The vision of the general counsel aligned with the business strategy and board of management should be articulated in a compelling and detailed strategic legal and compliance plan. This plan should be the backbone of the law department transformation roadmap.
- (3) **Strategic legal and compliance plan** (embedding transformation). They should build a strategic transformation plan, with the support of a T-Shape lawyer with broad, diverse and at least one decade of experience in large law departments.
- (4) **Legal operating model.** The legal operating model should be developed based on multiple considerations such as without limitation, the business strategy, the business organization as is and to be, the underlying risks and opportunities, the strength and weaknesses of the incumbent legal team, the foreseeable impact of AI-Gen-AI and the legal industry.
- (5) **Operational data.** The key performance indicator of any legal function is knowing the time spent by each member of the legal function on low vs. high value add activities which requires the development of a consistent taxonomy regarding the activities performed by the in-house counsels.
- (6) **Business intelligence legal data.** This is where the biggest gap probably lies today. It requires a fundamental transformation of the legal industry. Moving from a posture that each situation is different, it depends to an approach where it is possible to systematize the law and develop systematic quantification of the legal risks and opportunities.

4. Barriers to change

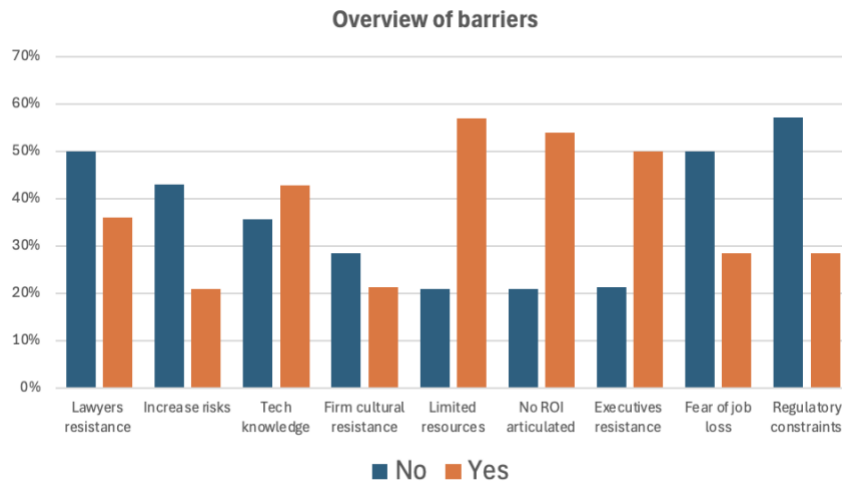
We are at the heart of this report. As Einstein was saying, if I had one hour to solve a problem, I would spend 55 minutes to think about the problem and 5 minutes to think about the solution.

We will expand our analysis beyond respondents' feedback, which provides only a partial view. Their perspectives might not reflect their entire team's views. We will supplement this with data from authoritative reports, our firsthand experience, and daily observations with multinational legal departments we support.

Overview

Based on our experience and observations, the questionnaire and interviews looked at 9 barriers to transformation.

1. Resistance of lawyers
2. Fear of increased legal risks
3. Lack of understanding of new technologies
4. Cultural resistance of the organization
5. Limited resources
6. Lack of clarity of return on investment
7. Resistance of the top-level management
8. Fear to lose job or change of responsibilities
9. Regulatory constraints



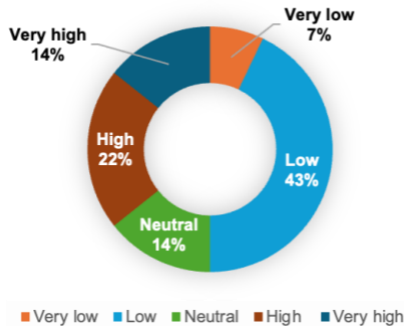
The main obstacles are not enough resources, unclear benefits, and resistance from the top management. However, it's essential to recognize that law departments are actively finding ways to innovate and evolve despite these challenges, leveraging creative strategies and a strong willingness to adapt.

We will now consider each one of those barriers and analyze the feedback from the participants with some benchmarks and our own experience.

Resistance of lawyers

This shows a mixed picture. 50% of the respondents indicate that the lawyers are open to transformation and 36% consider that it is

Legal professional pushback



a high or very high barrier to transformation. Ideally, one would need to ask each member of the legal team directly to bottom out the reality. Our experience, that echoes an insight from the respondent is that there may be a disconnect between the top-level management of the legal function and the team on the ground especially when the team is very big and scattered in multiple jurisdictions.

A widespread reality in many companies is that the legal team is firefighting and responding to a multitude of queries coming every day from multiples business stakeholders. Simply put, lawyers do not have the time to deal with transformation project which is often perceived as a lower priority than the critical M&A project or material triple digit millions of Euros litigation. This is one of the main barriers to transformation.

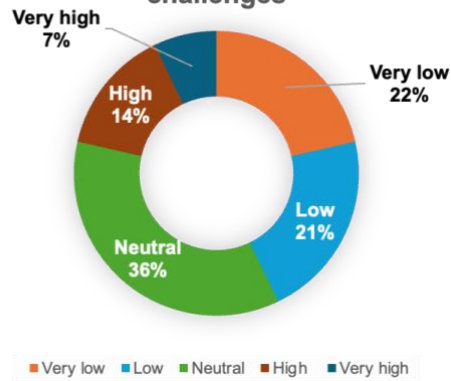
Despite these pressures, many lawyers are exploring innovative ways to integrate transformative practices into their routines and empower their departments to lead change.

Transformation requires time. Leaders and managers should empower their team (and themselves!) to spend time on transformation (at least up to 20% of their total available time). This triggers another barrier, relating to budgeting and articulating the return on the investment.

Increased risks

Increased risks or negative impact on noncompliance is not perceived as a barrier to the digital transformation.

Fear of a risk increase or compliance challenges



This is very positive given that lawyers are risk averse and risk management is at the heart of their responsibility. At the same time, it will be interesting to see whether this perception changes with the increasing adoption of Gen-AI in many tech solutions (specialized for the legal industry, e.g., LawVu, ContractPodAi, or

enterprise-wide tech, e.g. CoPilot).

There are four main risks for lawyers right now. Lawyers are often dealing with very sensitive information and there is a risk of information leakage⁶. Second, the accuracy of the output of the large language model can be very dangerous especially for lawyers who are learning about a legal area⁷. Third, the risk of copyright infringement resulting from the training of large language model on restricted proprietary data⁸. Finally, using highly energetic consuming technology may increase the ESG risk of a company⁹.

Tech knowledge

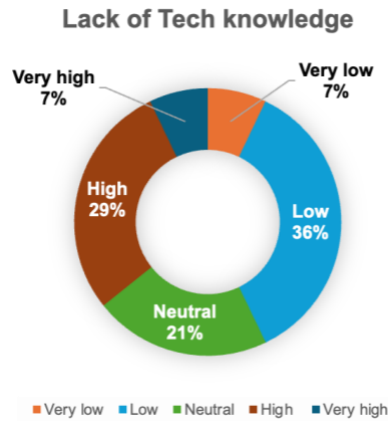
Lack of tech knowledge is split almost equally. This probably translates the progressive increase of technology awareness in the legal community. As we have reported earlier some of the participants have promoted some of their team members in the position of legal operations and are driving a digital transformation agenda. Some respondents by contrast acknowledges that they are lagging regarding the implementation of technology. Our

⁶ See Samsung case, Samsung Bans Staff's AI use after spotting ChatGPT Data Leak, Bloomberg, Mark Gurman, May 2023. There are ways to go around it through the implementation of Open-AI in your private environment. Even with this solution, you may still have some risk of leakage when using some of the features like open searches leveraging web data. This is the reason why a law firm like Dentons restricted the use of Harvey for non-client related data.

⁷ See, Judge finds out why brief cited nonexistent cases—ChatGPT did research, ABA Journal, Debra Cassens Weiss, May 23, 2023,

⁸ This is a developing area of the law. Compare, the recent decision from the Hamburg deciding that building datasets for training LLMs falls within an exception to German copyright law with Article 30-4 of the Copyright Act of Japan that provides a broad exception for text and data mining, including for AI training purpose with the case filed before the Federal Court in Manhattan by The New York Times that argues that OpenAI unlawfully used millions of copyrighted NYT articles to train its artificial intelligence products, including ChatGPT.

⁹ See recent development of large language models' companies securing investment in the nuclear energy to anticipate risk that current energy consumption by data centers that power AI operations are not consistent with the ESG targets that those companies (and their investors) have set. For example, Google reported 48% increase in greenhouse gas emissions between 2019 and 2023, largely attributed to the growing energy demands of AI in its data centers. See AI drives 48% increase in Google emissions, BBC, Imran Rahman-Jones, 3 July 2024.



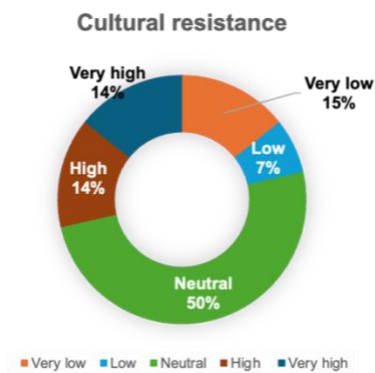
observation is the lack of consistency regarding knowledge of technology. Lawyers are keenly learning and integrating new skills to navigate tech challenges,

Does the interest of a legally educated person and a few years of experience in looking at technology, selecting and implementing technology

amounts to tech expertise? Or is the threshold to pass the test of tech knowledge having the skillset of coding with at least ten years of experience working full time in software development? Our observation is a tendency of lawyers claiming knowledge while they miss some critical skills and experience to successfully deliver digital transformation project. The very technical language and difficulty of tech expert to communicate about their technical knowledge does not help. Tech geek seems to be fond of using fancy names or brands to call the same concept. A simple example is legal front door, that can be labelled legal portal and that can cover different features such as intake, collaboration platform, business self-serve and dashboarding. What is critically missing is a taxonomy where the smallest denominator is clearly defined in simple lay man terms. In the same way as lawyers are perceived as a black box, legal tech and tech generally is an equally dark space. When one adds complex highly politically charged matrixed organization, it is the perfect recipe for failure.

Firm cultural resistance

Cultural resistance does not come across as one of the main



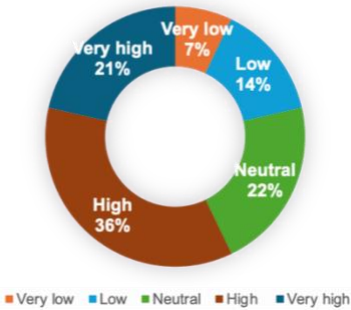
barriers to transformation even though the respondents who indicated that it is a significant factor (28%) is more important than those who said it is not (22%). It probably depends on the industry sector. A company whose core business is to drive digital transformation for their clients will be more inclined to implement

digital transformation internally within the law department. In the

best-case scenario, we have seen companies bring the Gen-AI, AI transformation as one of their key global strategies. The legal function is fully part of the company wide strategy.

Limited resources

Insufficient budget or resources



This is one of the most important hurdles. It is a barrier for 57% of the respondents. It does not come as a surprise. What is critical and this may be one of the key learnings of this study are the root cause of this situation. First, the positioning of the legal function is often sub-

optimal: they are largely perceived as a cost center as opposed to a value driver. Value is often reduced to direct contribution to the top line. Second, they have an increasing pressure on cost. There has been an acceleration after the 2008 financial crisis. The famous more with less challenge. The main remedy that many law departments have implemented is the in-sourcing strategy.

Despite these limitations, many departments are exploring innovative cost-saving measures while enhancing their strategic contribution to the organization.

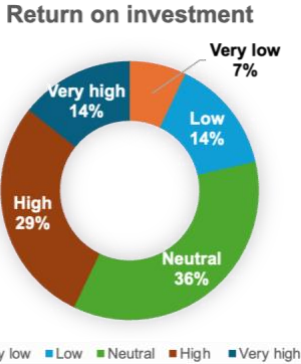
Rather than paying outside counsel 350-1400 an hour, they build competences internally and show cost optimization¹⁰. This triggers another phenomenon: in-house counsels who are close to the business fostered by the desire to be perceived as business partners, ends up spending too much time on low value add activities¹¹. What is the impact of this situation for digital transformation project? Lawyers in the trenches have very little time to spend on having a step back to reflect on what is working well, what is working less well, imagining new ways of working, mapping current (informal) processes or even contributing to the drafting of technical requirements and testing different solutions.

¹⁰ Average cost of an in-house counsel is between 90 and 130 an hour in average. See for example Major Lindsey & Africa ACC Law Department Management Benchmark Report 2024, p. 23

¹¹ In some of the projects GLIS has managed, legal team was spending more than 75% of their time on low value add activities. This is consistent with the Harvard Law School on the Legal Profession, 2021 where 83% of the respondent to a survey indicated that they spend too much time on low value work. They do not dare saying no to queries from the business that do not bring incremental value (e.g., review of non-disclosure agreement).

Many tech projects fail because users don't have enough time to explain their real problems and needs.

No ROI articulated

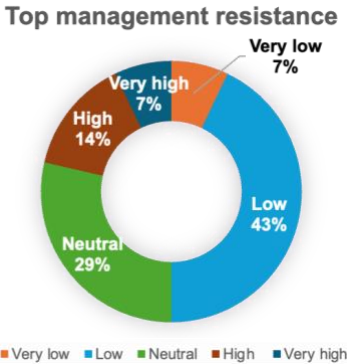


This is the second most stringent barrier to transformation. 43% of the respondents consider it is a high or very high factor compromising transformation.

This happens because there aren't enough resources or budget. To articulate a return on investment, you need **granular** data on what the legal function is doing. You cannot have data because the legal function does not have the time to provide data. Many times, providing such data will be interpreted as filling up a daily time report and will trigger a simple NO GO from the legal team and the general counsel alike.

As a matter of fact, there are solutions to have such data without spending hours every week on completing reports. This is a chicken and egg situation which can be unlocked with the adequate level of leadership and positioning of the legal function. With a minimum budget, one can have the support of external consultant to get the data (with minimal involvement of the legal team) and make the demonstration that a successful implementation of new ways of working and technology can deliver millions of Euros of cost optimization.

Executive resistance



Respondents indicate that it is not a significant barrier to transformation.

This is very interesting and would probably deserve further exploration. One can assume that top management is favorable to transformation if such transformation brings cost optimization or increased value for the business. In other words,

they will not oppose transformation if it does not involve additional cost or impact the level of service.

The real question is whether the top-level management will support the transformation effort as they would lead an organizational restructuring program.

This is where we observe in many organizations a gap. Because the legal function is perceived as a small part of a company and as a function that does not bring revenue, transformation of the legal function will not be on the agenda of the board of management.

Fear of job loss



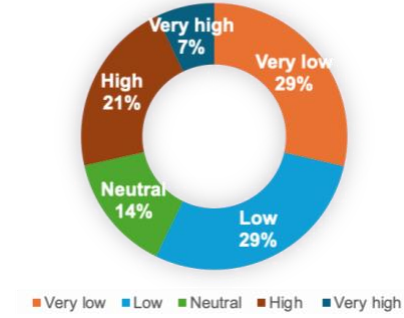
Fear of jobs' losses is not a critical barrier. A large majority of the respondents consider that it very low, low or neutral barrier.

This is a very positive insight. In some organization, this can be an important deterrent. We witnessed lawyers especially solo contributors who were concerned about being replaced by technology or were concerned that the skills and knowledge they honed over many years would become obsolete. The group of respondents are very experienced people, and they have developed managerial and leadership skills that put them in a safer position.

Regulatory constraints

A large majority of the respondents consider that regulatory is not a barrier (72% very low, low or neutral). This makes sense if one looks at the type of technology involved. Even for the increasing integration of AI Gen-AI features in the mainstream legal technology, this will be probably falls within the low-risk category under the EU AI Act. This does not contradict our earlier analysis regarding risk increase, especially, regarding confidentiality of

Regulatory constraints



information. Our observation is that many organizations managed this risk through the implementation of strict AI policies where employees, here the legal team, are prohibited from using Gen-AI tools such as Chat-GPT for work purposes. If this is not a regulatory constraint per se, as it is an internal policy or soft law, it amounts to a potential barrier to the adoption of tech.

To Sum Up

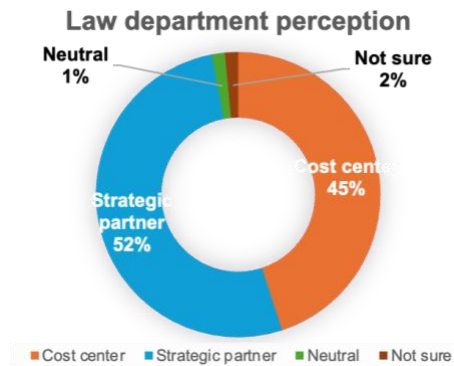
Nearly 80% of participants reported significant changes in their law departments over the past two years, including technology adoption, process redesign, and strategy shifts. Many changes are small-scale, such as the adoption of AI tools for contract analysis and establishing KPIs. Internal and external triggers such as regulatory changes and client demands have driven these changes. A comprehensive strategic plan aligned with business objectives is necessary for broader transformation. Some departments have initiated larger transformations by appointing legal ops positions and creating centers of excellence. However, there remains a fragmented approach to transformation, with a need for connection to overall business strategies.

5. Legal function: value driver or cost center?

After looking at the perception of the law department as a cost center or value driver we will review the strategies of the respondents to demonstrate their value and provide some tips how to develop a winning strategy to show that lawyers are driving value like any other function.

Perception of the legal function

Most of the respondents consider that their function is perceived



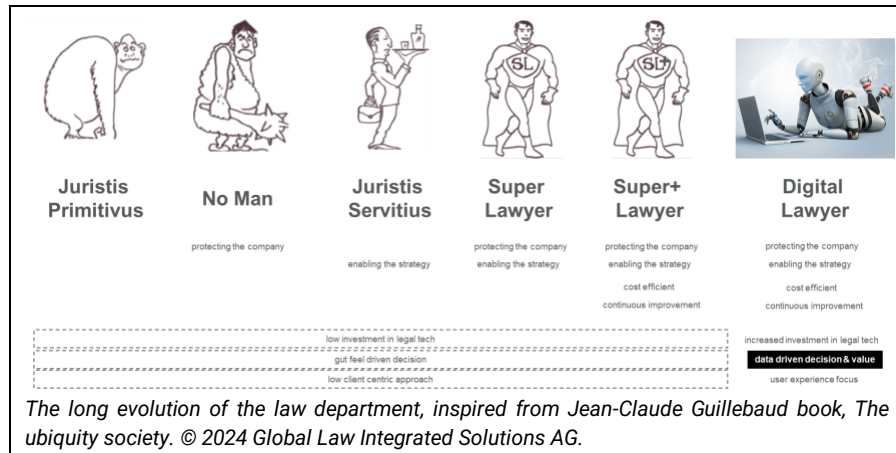
as a business partner (52%) and many participants also acknowledge that they are seen as a cost center. As we have explained earlier, both perceptions often correlate. Because the legal function is cornered as a cost center, they feel compelled to “justify” their existence by

providing a white glove level of service, i.e., say yes to the ask of the business even when it involves low value-add activities.

This is the crux of the dilemma. Following a long evolution of the inside counsel from “*Juristis primitivus*” to “no-man”, to “*juristis servitus*,” the legal function has mutated to the stage of super lawyer recognized for striking the right balance between enabling the business strategy and protecting the company¹². The concept of strategic partner is part of the enablement face of this dualism.

This stage of super lawyer after the financial crisis of 2008 is marked by the more with less challenge which involves this perception that the law department is a cost center. This makes the concrete situation of lawyers very challenging at a very personal level. The Liquid Legal Institute association has reported that there is a high level of burnout.

¹² See, The Inside Counsel Revolution, Resolving The Partner Guardian Tension, Ben W. Heinemann.



Effective strategies to demonstrate value

Here are some ways to demonstrate the legal team's value:

1. Internal training, increased participation of lawyers in **strategic project** of the company
2. Clear **key performance indicators** to show the gains generated by the law department and risks that have been avoided
3. Share successes, highlighting **sums recovered** from litigations or claims and implications of lawyers at a very early stage
4. Lawyers' **soft skills**, proactive listening, empathy
5. Know **when to say no** and coming with **alternative solutions** when the initial proposed plan is not compliant
6. Ensure that the legal function has a **seat in all strategic projects' committees**
7. Alert the business regarding the **risk and opportunities** resulting from new regulations
8. Train lawyers to a **culture of availability**
9. Pragmatic **risk management**
10. Agile resource management
11. Seeking regular **feedback**
12. Manage complex matters, crisis, and postmortem feedback session
13. Provide **transparency** regarding the activity of lawyers
14. Rigorous **budget management** external third parties (law firms and others)
15. Simplifying complex legal matters to cross-fertilize learnings across the company
16. Business partners' strategy
17. Increased regulations make the role of lawyers necessary

18. Fostering a **risk culture**
19. Developing and rolling out a strategic communication **explaining the key role of lawyers**

There are three main themes that emerge from the above reported activities. First, some objective key performance indicators, on the top line successes of the law department (sums recovered), and bottom line, e.g., rigorous budget management. Second, there are some subjective key performance indicators, e.g., soft skills, culture of availability, can-do attitude (alternative solutions). Third, there are some operational success factors, e.g., lawyers being present in strategic leadership meetings, communication regarding activities and roles of lawyers.

This is consistent with the (traditional) vision of the legal function as business partner or super lawyer and the struggle to resist the constant pressure on cost. There are four critical elements that we do not see.

First, the connection between the strategy and activities of the law department and the business strategies and business plan. The key question is how the legal function contributes and create value for the business on the top and bottom line. For example, if the business wants to launch a new business line that involves getting close to some of expiring intellectual property rights of a third party, developing an IP strategy to anticipate and dodge the reaction of the incumbent. It can include leveraging competition law offensive tactics in case of abusive behaviors of the incumbent (e.g., modification of its product to make the product of your company incompatible).

Second, the measurement of the level of internal efficiency of the law department, i.e., demonstrating that the number of hours spent on low add value activities is decreasing year on year. Many law departments claim they have data through rigorous budget management but cannot indicate how many hours their team spend on low value vs high value add activities. This can have two critical implications. For the legal team, the allocation of work is not equally spread within the team and some lawyers can suffer burn-out. We have been involved in project where the CEO or CFO of companies required to have granular transparency (the legal function is a black box). Pulling out a list of wins or a high-level overview of activities performed by the law department is not sufficient. By analogy with

the business, it would amount to a CEO not being able to articulate the net revenues, gross margin and Ebidta of the company.

Third the level of empowerment of the business employees is increasing within the boundaries of the risk's appetite. This requires a unique skill, i.e., the translation of legal intricacies into simple directly actionable business terms. It is moving from the world of "it depends" to a world of systematization and quantification of the law. We heard many times, business jokingly indicating that problems start when a lawyer enters the room... or less jokingly explaining that lawyers tend to complexify the reality blowing up a legal issue out of the proportion of the operational risk. We will come back to this below in the risk section of this report.

Fourth, there is no technology strategy roadmap supporting the overarching legal and compliance strategic plan. This legal tech roadmap should not be legal siloed but connected to the overall digital strategy of the company and bring the data at the center.

To Sum Up

The role of the legal function is focused today on the concept of business partner. If this is a testimony of a positive evolution of the in-house counsel it falls short of the challenges that grew after the 2008 financial crisis. The law department, like any other function in companies must contribute to the pressure on cost. This puts them in a very difficult position to show their real value. They cannot collect and structure the right level of granularity of operational data and as a result it is very difficult to articulate a compelling return on investment. Adding to this, is the lack of strategic view connected to the business strategy. Articulating a real strategic perspective requires more than a few years of experience and some interest in legal tech¹³.

¹³ See I know the Future of Legal Ops. Welcome to the Space Age, Jenn McCarron, April. 15, 2024. Jenn explains that 3.0 elevates the role of legal ops to its new height, strategic ops.

6. Budget control and resources allocation

We will first provide insights from the respondents' input (Budget management today) before providing some practical tips to improve (low hanging fruit, opportunities for growth) and move to the ultimate level of development (forward looking approach).

Budget management today

Budget Management Practices in Legal Departments: A Synthesis of Feedback. The feedback provided by respondents offers a comprehensive snapshot of how legal departments currently manage their budgets. While these practices vary across organizations, they can be grouped into five levels of maturity. Below is an analysis based on the criteria of budget autonomy, allocation structure, integration of KPIs, strategic cost management, and alignment with legal risks and opportunities:

1. High-Level Perspective. At this level, the budget is primarily allocated in advance by region or functional area, often determined through a top-down process approved by General Management. While this ensures alignment with overarching business priorities, the legal department's role in defining budget needs appears limited. A portion of the budget is earmarked for legal initiatives, but there is room to enhance visibility into how these funds are utilized.

2. Ad Hoc Approach Some respondents described an unstructured approach to budget management. Budgetary constraints often lead teams to seek cost-effective solutions, such as leveraging free resources (e.g., seminars) or developing tools internally. However, the lack of centralized visibility and reliance on local management of budgets poses challenges in ensuring consistency and alignment with broader business objectives. Addressing this could unlock significant efficiencies and better resource utilization.

3. Functional Budget Management. A more structured approach emerges in organizations where the budget is divided into key categories, such as external law firms, recruitment, training, and subscriptions. These budgets are monitored regularly, providing a level of control over spending. However, the absence of clear KPIs—such as total legal cost as a percentage of revenue or the number of lawyers per billion dollars—highlights an opportunity to enhance

decision-making and demonstrate the value delivered by the legal function.

4. Business-Aligned Budgeting. At this level, legal departments begin to integrate their budgeting processes with business strategy. Budgets for specific projects are validated in advance, with clear communication of implementation stages and cross-departmental collaboration. Some respondents indicated efforts to align spending with business risks, focusing resources where they are most impactful. This approach reflects a shift towards managing the legal department as a strategic partner rather than a purely reactive function.

5. Dynamic and Agile Budget Management. The most advanced respondents are actively working to implement processes and tools that provide an integrated view of their budgets. This dynamic approach supports agile decision-making, enabling more effective allocation of resources to address emerging risks and opportunities. Such practices reflect a forward-thinking mindset and position the legal department as a proactive contributor to business success.

Opportunities for growth

The collective insights reveal that many legal departments operate at lower levels of maturity in budget management. This is not uncommon, given the unique challenges legal teams face in quantifying and aligning their activities with broader business goals. However, the following areas represent key opportunities for improvement:

1. Empowering Legal Teams with Budget Autonomy: A more proactive role in budget determination would enable legal departments to advocate for resources aligned with their strategic needs.

2. Introducing Key Performance Indicators (KPIs): Metrics such as legal cost per revenue, external vs. internal cost split, and lawyers per billion dollars could provide valuable benchmarks and improve financial transparency.

3. Strategic Cost Allocation: Distinguishing between day-to-day operations and one-off strategic initiatives (e.g., litigation or digital transformation projects) can optimize resource allocation.

4. Modernizing External Spending Practices: Shifting away from the billable hour model and requiring detailed justifications for law firm activities can enhance cost predictability and foster innovation.

5. Risk-Based Budgeting: Linking budgets to the underlying legal risks and opportunities ensures resources are focused where they can drive the most value.

Forward looking approach

Budgeting is not just a financial exercise; it is a fundamental component in managing a law department like a business. At its core, our philosophy emphasizes the creation of what we call the "Profit and Loss of Law." This concept involves framing a P&L statement for the legal department that begins with the value it generates. This value encompasses risk mitigation (quantified in the next section), additional cash flow achieved through strategic initiatives like extending payment terms in most of your purchasing contracts combined with invoice factoring or securing intellectual property rights including freedom to operate for the launch of a new triple digit millions revenue product. Efficient allocation of internal and external resources to deliver on these projects should be part of the P&L of law.

A robust P&L of law should also provide a historical perspective, showcasing how the team systematically reduces risk or increases value year over year while continuously optimizing its resources. This approach not only provides transparency but also builds a strong case for investing in technology and transformation. For instance, a targeted investment of \$0.5M in year N can drive a projected \$5M return on investment by year N+3. Such metrics demonstrate the tangible impact of strategic budget management, transforming the perception of the legal department from a cost center to a value-adding business partner.

This is the methodology we have successfully implemented with our clients, equipping them with the tools and frameworks to articulate the value of their legal function while making the case for future investment. By adopting this approach, law departments can transform from cost centers into indispensable value drivers, achieving measurable results that resonate with the broader business.

To Sum Up

While the feedback indicates varying levels of maturity, it also highlights a clear path forward. By adopting best practices from more advanced respondents and leveraging tools and processes that promote agility, legal departments can evolve into strategic business partners, demonstrating greater efficiency and effectiveness in budget management.

7. Key enterprise legal risks and opportunities

Legal risks and opportunities should be the corner stone of the legal function to establish itself as a value driver as opposed to a cost center. We will not deal with opportunities here because of lack of space. A simple concrete example about opportunity is the legal support to a material M&A project that brings an additional non-organic revenue of several hundreds of millions. Without the law department, such M&A would not be possible, and a certain percentage of those additional incremental revenue should be allocated to the legal function.

As we explained above, this is the top line of the P&L of law. This is where a data structured systematic approach can help moving the needle and enable the general counsels discussing at par with their peers on the board of management.

We will first look at the feedback from the participants to the project before explaining GLIS risk maturity model.

Risk management today

Below is the feedback provided by the participants to the project.

1	No measurement to date.
2	No tool to date except for tracking provisions for risks.
3	Through its contribution to the group's governance framework based on cases encountered in the field (development of procedures in collaboration with stakeholders), its contribution to the definition of the group's insurance programs, and close collaboration with operations.
4	We have an established analysis grid shared with General Management.
5	Via Excel tables for cases / through committees (interprofessional) reviewing most projected commercial operations.
6	Empirically, this analysis is part of the general risk analysis and mapping carried out for the company approximately every year.

7	Our activity is highly regulated, with regular interactions with supervisory authorities, almost weekly interventions in stores, and annual controls at headquarters. Suppliers may also trigger alerts with DGCCRF, and customers with CNIL. Internet sales also allow DGCCRF checks without store visits... Risk is therefore omnipresent regarding commercial operations. Our risk estimation is based on the recurrence of checks, the nature of supplier contracts, turnover, relationship duration, and service substitutability.
8	Risk matrix of the group.
9	No tool at the legal procurement department level.
10	Implementation of a risk map.
11	Internal analysis.
12	In a manual way.
13	We have quarterly risk reporting to escalate risks identified locally by our teams and close collaboration with the Public Affairs team to identify regulatory risks.
14	Mainly through provisions.

Risk maturity framework

Global law integrated solutions has designed a unique framework to assess the level of maturity of an organization¹⁴.

Before providing insight into the six criteria, let's clarify the concepts of risks. We are looking at big enterprise risks such as without limitations, competition law risks, privacy risks, cyber security risks, FCPA, etc. Those are material risks because if something goes wrong it will involve significant amount of fines, private damage claims reputational loss and external legal cost and internal cross-functional resources for the infringing company.

There are 6 criteria that underpin the level of maturity. The first two are relating to the countries and risks covered. Have you completed a risk heat map exercise in all your markets some of your markets and in respect of some or part of the key enterprise risks. The third criteria is whether the law department is working hand-in-hand with other risks functions, like chief risk officer and her team, compliance function if it is separate and the business line owners

¹⁴ This is the result of longstanding firsthand experience in several Fortune 100 companies and recent work with clients where we connect the activities performed by the legal function and the underlying risks and opportunities. We were fortunate to manage triple digit millions of Euros of fines litigation in key enterprise risk areas as well as leading global innovation projects (new products launch) that involved the same level of risks.

to manage the risks. Activities deployed refer to the activities that are implemented to mitigate the risks holistically (e.g. code of conduct, hotline, etc.) and specifically (e.g. policy regarding contact with competitors, privacy law risk management system, etc.). Risk quant and metrics performance are where the unique approach of GLIS comes into play. It is about quantifying the risk ex ante, anticipating unknown risks and setting out KPIs (total amount of damages paid lower than total amount of damages claimed year on year).

	Countries Covered	Risks Covered	People involved	Activities deployed	Risk Quant.	Perf. metrics	Total
Optimized	5	5	5	5	5	5	30
Managed	4	4	4	3	3	2	20
Structured	3	3	3	2	1	0	12
Defined	2	2	2	1	0	0	7
Ad Hoc	1	1	1	0	0	0	3

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Maturity Level	Definition
Ad Hoc	Risk management is informal and reactive, with minimal coverage of countries, risks, and involved personnel. Mitigation strategies are nonexistent or improvised. Risks are neither quantified nor tracked using performance metrics.
Defined	Some risk management activities exist but are fragmented. Coverage is limited to specific risks or geographies. A few individuals are involved, with basic mitigation strategies. Risks are identified qualitatively but lack quantification or metrics.
Structured	A formal process is in place for managing risks, but it is siloed. Coverage of countries and risks improves, and mitigation strategies are more systematic. Some risks are quantified, but performance metrics are absent or inconsistent.
Managed	Risk management is comprehensive, covering most risks and countries with a cross-functional approach. Risks are quantified, and mitigation strategies are well-integrated. Basic performance metrics are tracked to measure outcomes.
Optimized	Risk management is fully optimized with global coverage and systematic processes. All risks are quantified, and mitigation strategies are supported by data-driven insights. KPIs and performance metrics ensure continuous improvement, with a SaaS platform streamlining operations.

Leveraging this framework the question is how would you assess your level of maturity today?

To sum up

The report confirms what we see and hear every week from Fortune 100 companies. The legal function can be perceived by the top-level management including the risk function like a black box: risk and opportunities are not systematically quantified.

As a result, companies end-up navigating risks with best guess estimate and resources to manage those risks are not optimized. Either the level of spending is too much, or the resources deployed are not targeting the most acute risks areas.

This is the opportunity for the legal function to shine and if not already the case, obtain a seat at the table of the board of management and have a constructive discussion relating to budget. It will no longer be about “reduce your cost”, it will be about what resources does the law department need, and what is the best legal operating model to help the company mitigate the risks and grow its business opportunities.

8. Data tracking and modeling

After drawing the insights from the project's participants input, we will provide some perspectives and tips to help law departments moving to the next step of development. We will explain the difference between operational and business intelligence legal data, provide a maturity framework and give some practical steps how to move things forward.

Insights from the study

Challenges. The feedback received enabled to build five categories of challenges: no challenge, organization challenge, volume of data, budget-ROI, and lack of time-diversity of activities.

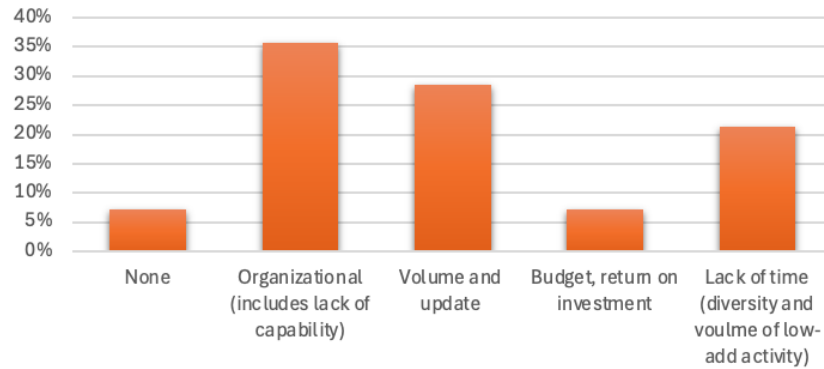
The main challenge is **organizational**, i.e., many companies are decentralized. They are active in multiple countries with a matrixed organization, comprising a global, regional and local layer. It is difficult to bring alignment regarding one tool that should be used to build one source of truth. Some commentators hinted on the fact that they may have the constraint resulting from the decision of the broader organization how they should organize for effective data management and analytics. This category also includes the lack of adequate capabilities within the legal function. Data management will require a multi-disciplinary team (e.g., lawyers, or para-legal, data scientist, data governance, data architect, data risk, etc.)¹⁵. This does not come as a surprise and highlights the multi-faceted aspect of transformation.

The second main challenge is the **volume of data** and the time that will be required to update such data. Documents, thus data, is at the heart of most of the activities of lawyers: contracts, all the documents evidence relating to a pre-litigation or litigation.

The third challenge is the **lack of time**. As we have seen above, transformation is not a simple plug and play exercise. It requires to secure a minimum time investment for each team member of the legal function. This should be factored in when building your strategic legal and compliance plan.

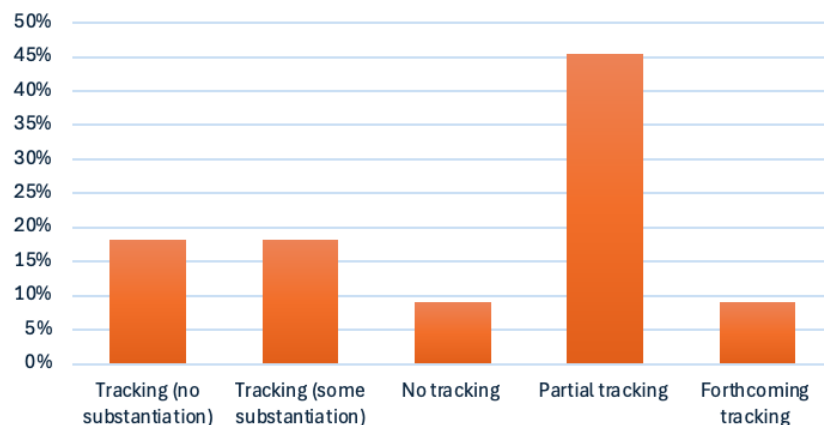
¹⁵ See for example, Rewired, The McKinsey Guide to Outcompeting in the Age of Digital and AI, at 69 ss (building your talent bench).

Data challenges

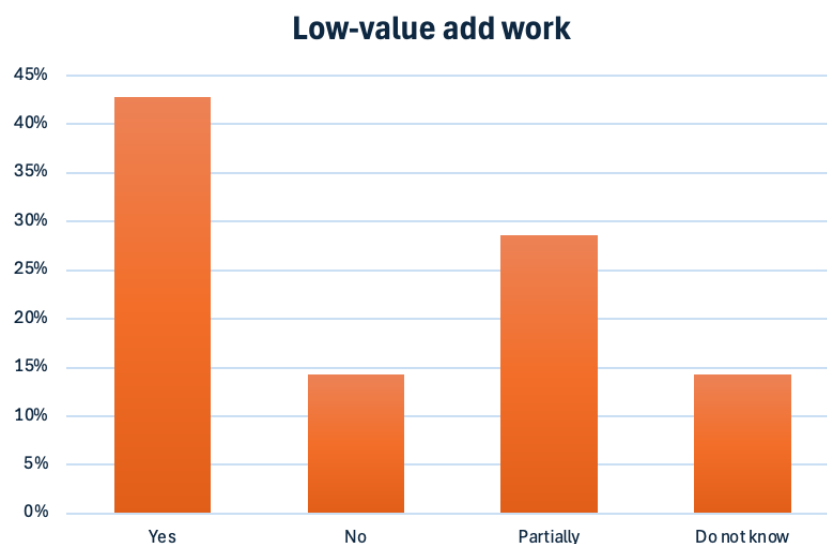


Data tracking. We organized the responses from the participants in five categories. The first two are legal function that claim to have data relating to the number of contracts, or litigations and do not provide specific explanation while some others provide some details regarding the type of contracts, claims or litigations they manage. A large majority of the respondents acknowledge that they have no or partial or endeavor to have data. This is probably closer to the reality for most of the companies. The question is simple: can you provide the exact number of contracts, litigations, claims with a breakdown per country and level of complexity. If you cannot answer this question, provide the exact number, you do NOT have the right level of granularity regarding data.

Matters tracking (contract, litigation)



Low-add value work. The feedback from the respondents confirms what is probably the biggest shortcomings of the in-sourcing strategy. Lawyers spend too much time on low-add value work. 75% of the participants indicate that this totally or partially resonates with their situation.



Data what is it?

Data. There are two main types of data: operational data and business intelligence legal data.

- ▶ **Operational data.** Operational data has been developing significantly over the past two decades with the upheaval of the legal operations capabilities. However, our observation is that the data points that have been articulated (e.g., turn-around time to manage a contract, cost of an in-house counsel in different countries, percentages of paralegals or other staff's vs percentages of lawyers) lacks a fundamental dimension which is the time spent by lawyers on high-low-add value activities. This is from our perspective the key success metric for any law department. Unfortunately, this is the missing metric because of push back such as I do not want to do daily time report or the lack of competence to build systematic taxonomy regarding activities of lawyers and their underlying level of complexity¹⁶.

¹⁶ A few years of experience and some interest in technology is not enough to develop this dimension...

- ▶ **Business intelligence legal data.** This brings us to the second dimension of data, i.e., business intelligence legal data. This is not about looking how much time a lawyer spends on reviewing a contract but what is the best practice to draft an intellectual property right provision in an international contract to maximize the opportunity for a company to acquire as many rights as possible in as many countries as possible. This second dimension is the biggest opportunity to optimize the legal operating model of any company, in any country and any industry. This is also probably the most complex endeavor as it requires mastering the law, in an international setting, to be able to systematize the legal output and value creation for the business. This goes back to our point above about structuring business intelligence legal data to enable the maximization of the revolutionary AI-Gen-AI technology.

Tech: a means to an end. Technologies begs the question of how those two categories of data are organized, for what purpose and with what type of tech? The critical question one should ask is what pain points are you trying to solve, what are is your short-, mid- and long-term objective and how your data strategy can help you get there, what critical challenges you are facing to get there, and what type of data are involved? Technology may solve part of this challenge, but it will not be the magic bullet that solve everything. Our experience is that it may contribute 10 to 20% to solving the challenge. There are many steps and aspects that need to be considered above and beyond tech.

Challenges, pain points. If your pain point is the lack of budget and resources to drive (digital) transformation of your legal function, the first step is to do a granular activity mapping including a consistent taxonomy across practices (IP, contract, M&A, compliance, etc.) and countries. This taxonomy should articulate the key underlying risks and opportunities (previous chapter).

The tech to address this challenge about operational data will be what is called a legal front door. It will help you automate the tracking of the activities of your legal team.

Requirements. The next step once you have identified the pain point the type of tech that can help you solve this challenge is to draft specific technical and functional requirements.

Operational Data Maturity Assessment

Below is GLIS framework to assess your operation data maturity assessment¹⁷.

	Data strategy	Categories of Work	Standard Activities	Countries Covered	Risk Quant.	Perf. Metrics	Total
Optimized	5	5	5	5	5	5	30
Managed	4	4	4	3	3	2	20
Structured	3	3	3	2	1	0	12
Defined	2	2	2	1	0	0	7
Ad Hoc	1	1	1	0	0	0	3

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Maturity Level	Definition
Ad Hoc	No formal strategy: data is scattered and inconsistently managed. No taxonomy, no standardization of activities, and minimal country coverage. Underlying risks are undocumented, and no performance metrics exist.
Defined	Basic strategy exists with an initial taxonomy and some standardization of routine activities. Coverage expands to additional regions, and some risks are identified, but metrics are basic and not decision driven.
Structured	A formalized strategy is aligned with goals. A comprehensive taxonomy and standardized procedures exist, with coverage extending to most regions. Risks are documented, and metrics show initial improvements.
Managed	Strategy is fully implemented, and data is consistently leveraged for decision-making. Taxonomy is fully adopted, processes are standardized globally, and risks are quantified. Metrics drive continuous optimization.
Optimized	Strategy is dynamic and continuously refined. Taxonomy evolves with emerging needs, routine tasks are automated, global coverage is seamless, and risks are proactively mitigated. Metrics show consistent, measurable improvements.

It starts with building a data strategy and answer the simple question, what data do you need for what purpose and what is the most efficient way to obtain such data? The second and third criteria are relating to operational data, i.e., mapping precisely what

¹⁷ We have a similar framework for business intelligence legal data. Feel free to reach out if you would like to know more.

every team member is spending her or his time on with the underlying risks and opportunities. Concrete example, team member in the UK is spending 40% on reviewing marketing material review that involve an ESG risk (green washing claims) of 3.2 billion USD or a second team member in Zurich is spending 80% of his time on medium complexity purchase contract negotiation that can be autonomously and safely managed by the procurement team. The last aspect is a dashboarding system, that enables the Regional General counsel and her staff to have a breakdown of time spend and matters managed by lawyer, by country team including center of expertise.

To Sum Up

Data is critical to tackle the biggest barrier to digital transformation, i.e., lack of budget, resources and return on investment. This is what will enable you to demonstrate the value that your function brings today, and the expected improvement with underpinning figures in financial terms.

9. Forward looking

After summarizing the insights from the participants to the project, we will provide some perspective looking at the legal industry.

Insights from the survey

Digital Transformation. Legal departments are adopting digital tools and AI to automate routine tasks like document review, risk analysis, and contract drafting. By leveraging technology and structuring legal data, they are improving operational efficiency and freeing up time for strategic initiatives.

Strategic Integration. Legal teams are increasingly aligning with company strategies, with many joining executive committees and reporting directly to top management. This shift aims to elevate their role to match the influence of finance departments, contributing more significantly to overall business decisions.

Regulatory Pressures. The rising complexity and volume of regulations require legal teams to manage compliance more effectively and mitigate risks of sanctions. As legal teams face budget constraints, they must find ways to navigate regulatory inflation efficiently.

Efficiency and Pragmatism. Eliminating low-value tasks allows legal departments to focus on high-impact activities that drive business value. Lawyers are expected to use tools and resources pragmatically, prioritizing productivity over deep specialization in specific areas.

AI and Innovation. AI technologies, including Generative AI, are transforming legal operations by automating processes like due diligence, risk analysis, and document summarization. These advancements are enabling lawyers to focus on strategic decision-making and high-level advisory roles.

Business Alignment. Legal departments are developing a deeper understanding of business priorities to position themselves as enablers of growth and success. By offering rapid and creative solutions, they help operational teams navigate legal challenges autonomously and efficiently.

Evolving Roles. The role of lawyers is shifting to encompass broader, cross-functional responsibilities within organizations. Creativity, adaptability, and strategic thinking are becoming essential to delivering value in increasingly complex legal and business environments.

Tone at the top and key results: cash is king

The insights from the leaders who participated in this project resonates with other studies¹⁸ and commentators.

We would like to move one step further and go back to the key challenge raised by a large majority of the respondents: budget and return on investment.

The key to unlock the situation is money. Without the right level of investment, you will end up with many failed digital projects where at best there is a low rate of adoption and in the worst-case scenario, tech is perceived as an unnecessary distraction.

The question is how to get the adequate resources? This is about getting the data to articulate a return on investment of 10x. You invest 1 million and will deliver 10 million in 3 years... This involves bottoming out the hours spent on low vs. high value work and the underlying risks and opportunities. This is the biggest gap we observe today with, for some highly experimented legal professional, a posture of denial. There is no problem, I have the data, I am modernizing my legal function.

This brings another critical point about the mindset. The future general counsel should have an entrepreneur's mindset, i.e., experiment¹⁹, fail fast, bias for actions and key results²⁰.

Connecting the dots, cross-functionality

The second main component is to move away from the silo approach. The future legal professional should have the ability to connect the dots. They should be able to connect the dots, between different legal areas (e.g. M&A and competition law risks, or

¹⁸ See Legal Professionals & Generative AI, Global Survey 2024, 2nd Edition, European Legal Tech Association in collaboration with ECLA and Lefebvre Sarut, Nov. 2024.

¹⁹ With the prudent calculated risk approach. Make experiment in testing environment and when it works scale.

²⁰ How many hours is your team spending on low add value work this quarter vs last quarter, how has the cash flow increased, how has the competition law risk been optimized...

intellectual property risks), the laws of different countries (Baxendale case in the UK and causation contract law concept in Germany), complex legal concepts and business reality (is an exclusion of liability in the context of SaaS platform tech product a big risk, how can I leverage competition law to stop a competitor from making technical change to its product with the sole purpose of excluding new entrants)...

Strategic perspective, big picture

This is another very important aspect. If it is important to go into the weeds of some issues, small, very narrow in-depth insight into a very specific problem (e.g., what is the operational risk to use a Gen-AI tool from a privacy risk perspective), it is fundamental to be able to go back to the big picture and have a vision about your legal function, where it is and where it should go based on the strategy of your business.

This is the concept of T-Shape professional or lawyer in our specific context²¹, having the ability to build a vision, building an outstanding team to execute on it and if needed deep dive into a specific challenge and go back to the helicopter view level.

AI-Gen-AI business intelligence data the real revolution

The real disruption will not be about equipping lawyers with super gen-ai agent but will come from the systematization and quantification of the law. Daniel Kahneman, in his seminal book, *Noise*,²² shows that the same case, handled by the same lawyer, will have a different outcome depending on whether it is morning or afternoon.

To get there, it will not be enough to vectorize, a batch of regulations, directives, decrees, case law or arbitration decisions. Why? Many of those sources are full of contradictory reasoning²³ and they are missing one critical aspect: an in depth understanding of the business world. This explains that today, most of the tools'

²¹ Listen to Françoise Borugher, - Google, Pinterest, 30 ans de Silicon Valley : celle qui murmurait à l'oreille de géants, Generation Do It Yourself Podcast, #430, November 2024. Françoise explains very well the concept of T-Shape professional.

²² See Daniel Kahneman, Olivier Sibony & Cass. R. Sunstein, *Noise: A Flaw In Human Judgement*, 2021.

²³ For example Edouard Rottier, judge at the French Supreme Court is working on a project to analyze the contradiction between the decisions of the Cour de Cassation.

output is poor. At best it provides the correct piece of law or case law, but it misses the legal reasoning and the application into business world. More importantly it does not translate legal intricacies into simple business terms.

This will be the ultimate progress, one where, businesspeople are fully empowered to manage their business with the legal risks and opportunities fully embedded. This will be possible because the law has been standardized and systematized. We will be moving away from a situation where you ask the same question to a room of ten lawyers and obtain eleven different answers.

To Sum Up

Real progress in the legal industry lies not in equipping lawyers with AI tools but in the systematization and quantification of the law. While technology like generative AI can improve efficiency by automating tasks, the ultimate disruption will come from embedding legal principles seamlessly into business operations. This transformation demands exceptional legal expertise combined with a strong understanding of business dynamics.

Standardizing legal reasoning eliminates inconsistencies—like varying decisions based on the time of day—enabling uniform, predictable outcomes. Beyond digitizing regulations, it requires translating complex legal concepts into actionable business insights. Future legal professionals must adopt entrepreneurial mindsets, break siloed approaches, and connect legal intricacies with strategic business objectives. By empowering business teams with self-sufficient risk management tools, the industry will shift from reliance on lawyers for every decision to a system that integrates legal risks and opportunities into the business fabric.

Conclusion

The key challenge for most law departments remains securing adequate budgets and articulating a compelling return on investment (ROI). To unlock the resources needed for transformation, law departments must focus on collecting and structuring operational data that reflects their key activities and the associated risks and opportunities. By grounding their approach in this data, departments can demonstrate the tangible value they deliver today and the potential for even greater impact tomorrow.

The next step is to craft a strategic legal and compliance plan that aligns with business goals and outlines the benefits of digital transformation. This plan should serve as a foundation for General Counsels (GCs) to advocate for resources and secure a seat at the executive table. Adopting an entrepreneurial mindset—embracing experimentation, rapid iteration, and clear outcomes—is essential for engaging effectively with the board.

In the second phase, leveraging qualitative business intelligence legal data will enable law departments to fully capitalize on advanced technologies like generative AI. This approach is not about replacing lawyers but empowering the business to autonomously and safely manage legal activities within a robust framework. By integrating these tools and strategies, the legal function can transition from a perceived cost center to a strategic partner that drives measurable value and enhances organizational resilience.

Biography

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Born in 1975
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Co-Founder of GLIS to transform legal operations for multinational clients by providing a data-driven platform that quantifies and systematizes legal risk, enabling legal departments to shift from reactive to proactive management. Leveraging contract playbooks as a core offering, GLIS empowers business users to negotiate medium-complexity contracts autonomously, reducing negotiation times by 30% and enhancing compliance consistency. Built a high-impact team and established strategic partnerships with leading legal tech providers to support scalable, integrated solutions. GLIS's focus on contract and risk management streamlines legal functions, driving efficiency and empowering business teams across industries.

Education

2024	EDHEC Business School, France Entrepreneurship Etincelle Program, Business Administration and Management
2008	University of Nantes School of Law, France Ph.D. in Law, Summa Cum Laude
1999	UCLA School of Law, USA / California LL.M. in Intellectual Property and Entertainment Law
1998	University of Nantes School of Law, France Master degree in Intellectual Property Law
1997	University of Wales, Cardiff School of Law, UK Diploma in Legal Studies for Law Exchange Students
1993	University of Nantes School of Law, France Bachelor of Law (LL.B.)

Professional Experience

- Since 2024 Global Law Integrated Solutions, Zurich, Switzerland
CEO and Co-Founder
Lead the development of a SaaS platform to transform legal functions with quantifiable, systematic risk management tools and contract playbook advisory activity.
- 2020 – 2024 Dentons In-House Solutions, Zurich, Switzerland
Managing Director
Expanded Dentons' In-House Solutions globally, developed risk-based contract solutions and achieved significant revenue growth.
- 2018 – 2020 Whirlpool, Milan, Italy
General Counsel Market Operations and Sales EMEA
Redesigned EMEA legal operating model and managed compliance practices across 140 countries.
- 2007 – 2018 Mondelez International, Zurich, Switzerland
2014-2018 **General Counsel** - Corporate & Categories Europe
Oversaw legal support for high-profile projects and significant M&A, Board Member
2011-2013 **General Counsel** - Procurement-supply chain EMEA
Developed and implemented contract playbooks that drove 40% productivity efficiency
2007-2011 Senior Counsel-Global IP (including R&D, licensing contracts)
- 2004-2007 Galderma, Lausanne Switzerland, Global head of IP
- 2002-2004 Business Law Research Center, Law School, Lausanne, Switzerland
Focus on IP, international contracts and cross-border litigations (American Law Institute Project, IP, Choice of Law)
- 1999-2002 BIG-4 (Arthur Andersen), Big Law (Salans-Dentons), France, Paris
Focus on tech industry, American clients expanding activities in Europe

Other Activities and Mandates

- 2023-present European Legal Tech Association, Europe Ambassador Switzerland
- 2021-2022 Hautes Etudes Appliquées du Droit (Head), Paris, France
Visiting professor, Course on contract playbooks
- 2019-present Mont Blanc Circle Legal, Europe Member, Exclusive association of general counsels of large multinationals
- 2018-present CLOC, corporate legal operations consortium, Global
Member, leading legal operations association