Thomson Reuters Survey Reveals Developing Trend in Legal Departments



Image by NY Photographic

More than 40 percent of legal departments indicated the top benefit of increasing efficiency is being able to focus on more strategic work, and many are turning to legal department operations professionals to enable them to be more strategic in how they advise the business, according to the Thomson Reuters **2016 Legal Department In-Sourcing and Efficiency Report: The Keys to a More Effective Legal Department**. The report, conducted for a second consecutive year, surveyed 429 attorneys and operational professionals working in corporate legal departments and examines how in-house teams are managing internal and external resources to achieve greater efficiency and productivity.

"As expected, we continued to hear that corporate legal departments are doing more with less," said Mark Haddad, vice president of the Corporate segment for **Thomson Reuters**. "In-house teams are still dealing with the larger market changes that occurred following the 2008 global economic meltdown, and the survey uncovered how some in-house leaders are adjusting to these shifts: hiring legal department operations professionals to act as their change agents."

The report reveals a rise in employing legal department operations (LDO) professionals in response to a backlash against the time-consuming administrative work facing legal departments. Many departments reported being besieged by the

operational activities that come with being part of a corporation. Among the ways general counsel are addressing this is by employing LDOs to foster change.

“LDOs are managing outside counsel and employing legal managed services providers, as well as identifying and deploying new technologies across the legal department,” explained Haddad. “It’s an encouraging development in the legal profession. General counsel indicated a strong need to work more strategically, and bringing in LDO professionals to concentrate on business operations allows corporate counsel to focus on legal work and be more proactive and strategic in how they advise the business.”

The report found another upside to employing LDO professionals: By allowing corporate counsel to dedicate more time to the practice of law, less work has to go to outside counsel. The report analyzes how legal departments are keeping work in house, particularly with certain tasks related to contracts, intellectual property, mergers and acquisitions, and litigation. The report also explores which matters and tasks in-house counsel still turn to outside counsel for, and the reasons driving the work to law firms, including legal complexity and jurisdictional reasons.

“By changing how legal departments partner with outside counsel, hiring LDOs and implementing new technologies, legal departments are finding more ways to adapt to cost pressures and see a greater return on total legal spend,” added Haddad.

The report findings underscore general counsels’ awareness of the need for greater innovation to improve efficiency and productivity. It also assesses how in-house teams are introducing efficiencies within their legal departments – across people, processes and technology – and are further redefining the in-house/outside counsel relationship.

Download the report.