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Legal Ops Corner: A Yardstick for Legal Ops?

Law Department Management



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Last month's column raised a question: [How can law department leaders operationalize their pursuit of strategic objectives and realize their vision for their department's future state?](#) This month, co-author Andy Krebs, senior director and head of legal operations at Twilio, and Steve Harmon, Elevate COO and GC, provide an answer.

The role of metrics in a legal department

Unlike competitive figure skating, lawyering does not lend itself to a 10-point scoring system. Crude measures — win-loss records and numbers of deals closed — cannot account for all the nuances involved in nearly every legal matter. Even qualitative measures — think of the annual lists proclaiming the “best” practitioners — are of limited value in assessing a given lawyer's skills, abilities, and effectiveness.

Metrics are indispensable in solidifying a law department's — and its leader's — role and reputation as a strategic asset.

Nevertheless (and whether they like it or not), law department leaders need ways to assess the performance of their organizations and staff. It is hard to imagine a general counsel achieving the critical goal of being a valued business partner and advisor to corporate leaders without extensive use of quantitative measurements to optimize law department operations. Metrics are indispensable in solidifying a law department's — and its leader's — role and reputation as a strategic asset.



Law department leaders measure their team's performance by using a variety of quantitative measurements. Pasuwan / Shutterstock.com

Given the necessity of metrics, the question becomes, what's the best way to assess and prioritize the value of various types of legal work done or supervised by a law department? The answer begins with understanding what metrics can — and can't — provide.

Listen to this audio excerpt of Steve Harmon and Andy Krebs of Twilio. Krebs and Harmon discuss measurement in the legal world – what to measure, baselines, using data insights to implement change, benchmarking, and establishing an organization risk profile to pair resources.

Audio file

Quality over quantity

To begin with, and as Douglas Hubbard explained in his book, we can easily obsess over the “accuracy” of measurements. We often lean towards disregarding or devaluing data that we believe might be subject to error, no matter how minor or inconsequential, or non-quantitative measurements. But that misunderstands the value of metrics, namely, that any measurement that brings us closer to drawing meaningful conclusions is helpful. If someone tells you, “it’s cold and snowing outside,” that’s enough to draw helpful conclusions even without learning how deep the snow is, how long it has fallen, or the exact temperature outside.

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This leads to another crucial point: a metric need not be numerical nor precise to be useful. In legal ops, numbers are not the point: the qualitative needs of the business are. Which matters more: that your law department’s contract review cycle times are now 2.3 weeks longer than a year ago or that the sales and procurement organizations believe (never mind the current cycle review times) that your law department is doing a better job meeting their needs than last year? To be sure, numeric metrics have an important role in legal ops, but they can mislead. They often require context and interpretation that are unnecessary with qualitative metrics.



Numeric metrics play a significant role in legal operations but are not always accurate. NicoEINino / Shutterstock.com

The example in the preceding paragraph underscores the vital importance of aligning law department operational metrics with the value you provide the department's clients. After all, a law department's *raison d'être* is to support its clients' goals. Your metrics must reflect the metrics your clients apply to their performance and the metrics senior management uses to assess them.

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Deciding appropriate measures

It is impossible to overstate the importance of that last point. And so, the answer to the question above — i.e., the best way to assess and prioritize the value of law department work — is, “it depends.” You need to know your customers' goals and the metrics they use.

But where does this leave legal ops leaders in formulating appropriate metrics? With so many factors to consider across so many types of work, the possibilities can seem endless. How should legal ops and law department leaders decide which measures to use?



Determining appropriate metrics is critical when leading a legal department. ImageFlow / Shutterstock.com

We know first-hand how hard it is. As legal ops began to develop as a field, metrics often were *ad hoc*, and standardized approaches were rare. You can imagine the difficulty of assessing outside counsel performance when different groups within a law department used different outside counsel

for matters yet relied on different metrics.

The proliferation of metrics has continued, with no single law department or law firm promulgating a set of standardized metrics. As a result, a collaborative effort seemed warranted, one being the joint initiative of Elevate, PwC Australia, NetApp, and Is Inspired on the open-sourced [Legal Metric Portal](#), launched last April by [LegalOps.com](#).

Appropriate metrics enable better quality risk management, improve legal judgment, facilitate effective benchmarking, and help clarify the overall return on investment driven by a legal department. It is no exaggeration to say that without metrics, optimizing legal ops becomes impossible — and, consequentially, a law department and its leaders cannot establish their value as a strategic asset to the entire enterprise.

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[Elevate General Counsel and Chief Operating Officer Steve Harmon is an internationally recognized leader in the genesis of and continuing evolution of legal operations and the professionalization of the field. He co-founded CLOC \(the Corporate Legal Operations Consortium\) and his 20-plus years of experience includes business development and in-house legal organizations. He was vice president and deputy general counsel at Cisco. His responsibilities included technology licensing, oversight for the legal development of product lines, Global Export Compliance, Trademarks, and Cisco's award-winning legal operations function.](#)

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