

# THE DIRECTOR OF LEGAL OPERATIONS

*By Richard G. Stock*



Over the last 15 years, I have had the opportunity to work with dozens of corporate and government law departments responsible for legal resources in 25 countries. Most have at least four features in common. First, the leadership and lawyers of the department must comply with a broad range of financial, human resource and technological requirements identical to those affecting all other departments in the organization.

Second, as inside counsel become more closely aligned and sometimes embedded, with business units, the demand for their advice and legal services increases.

The average work week gets longer with much legal work getting done after 6 p.m. There is never enough time to meet real deadlines. It is the new normal with no relief on the horizon in the post-pandemic workplace.

The third feature is pressure to manage relationships with external counsel more effectively and more efficiently. Very few law departments have the experience and the appetite to rely on progressive practices to manage the “supply chain” with law firms.

The fourth feature is a performance imperative. Law departments must have business plans and objectives with measurable targets. Some of these are financial and readily quantifiable, but others are strategic or developmental and can be difficult to frame. Key performance indicators are here to stay and law departments must add measurable value.

Part of the answer is to professionalize law department operations. In most cases, this means introducing a new management position in the form of a Director of Legal Operations. The job title may vary, but most financial institutions and many government law departments have had such positions in place for more than 15 years. I recently spoke to incumbents and General Counsel at Air Canada, Bell Canada, CN, SNC-

Lavalin and the Regional Municipality of York about the current state of law department management and about the prospects for the future.

Air Canada’s Director of Legal Operations was in place for several years, bringing with him 20 years of experience in legal leadership positions with two Montréal-based law firms. He supported the General Counsel on efficiency projects, tracking departmental objectives, managing professional development programs, the introduction of new technology, and concluding fee arrangements with law firms. I was told that law departments would be capitalizing much more on emerging technologies to improve service delivery soon. Today, there are significant resources for the law department management community: the Corporate Legal Operations Consortium (<http://www.cloc.org>), the Association of Corporate Counsel (<http://www.acc.com>), the Association of Legal Administrators (<http://www.alanet.org>), and last but not least Legal Operators (<https://legaloperators.com>)

The Regional Solicitor for the Regional Municipality of York, north of Toronto, recently retired. The department of 26 lawyers and 26 staff has a full-time Manager of Business Operations and Financial Planning. The position has evolved since 2005 from a purely

administrative one to include strategic planning for the department and oversight of retainer agreements with external counsel. The Manager brings business and budget planning experience to the position. Forecasting resource needs as the region grows and securing legal and technical resources are central to the job. The primary responsibilities of the position are planning / performance measures, arrangements with external counsel, financial planning, and technology in support of the courts program.

Bell Canada's Legal Ops Manager divides his time between Legal Operations and the role of Assistant Corporate Secretary. His longstanding responsibilities for relationships with external counsel were formalized in 2013. Since then, the emphasis has been placed on harmonizing arrangements and controls for legal fees. He predicts that technology will continue to transform legal service delivery for in-house and external counsel. However, technology literacy will need to improve for all counsel to keep pace.

CN is one of North America's Schedule One railways. Legal operations are the responsibility of a Financial Analyst in the law department who facilitates the flow of information between the law department and the Finance/Accounting Department. Budget and performance targets are tracked. One initiative was to invest considerable time in working out the operational details of con-

verging external legal work to two primary firms.

SNC-Lavalin added a Director of Legal Operations in March 2017. This multinational construction engineering firm is active in more than 50 countries. The company once retained dozens of law firms and managed a decentralized team of 70 lawyers and staff across 15 countries. The Director of Legal Operations has helped transform the law department into a new "Center of Excellence". His responsibilities cover systems and technologies, policies and procedures, training, talent retention, and measuring performance. A significant role was to manage SNC-Lavalin's convergence of global legal services to two primary firms. He believes that business and legal technologies must drive change in how firms are retained and service delivered across 24 time zones. Innovation, management information and focus are the watch words.

General Counsel leading departments of 10 or more lawyers should consider the cost-effectiveness of hiring a full-time Director of Legal Operations. The return on investment is significant.

#### **About the Author**

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