



**Title: *Maximizing the Value of Your Legal Department's Initiatives: What Really Works (and How to Make Sure it Does)***

**Date: September 9, 2016**

***Time: 11:00 AM to 12:15 PM***

**Moderator**

Leticia Padilla de Truman  
Commercial Contract Analyst - Legal Department  
INC Research  
leticia.padilla@incresearch.com  
Charlotte, NC

**Panelists:**

Karen Davila  
Senior Associate General Counsel  
Wal-Mart Stores, Inc.  
karen.davila@walmartlegal.com  
Bentonville, AR

Philip Algieri  
Vice President, Legal Services  
QuisLex, Inc.  
philip.algieri@quislex.com  
New York, NY

Arlene Zalayet  
Sr. Vice President & General Attorney  
Liberty Mutual Group  
Arlene.Zalayet@LibertyMutual.com  
Boston, MA

Carlos Bollar  
Partner  
Archer & Greiner  
cbollar@archerlaw.com  
Haddonfield, NJ

## Tab 1 – Biographies or CVs

# **Leticia Padilla De Truman**

## **Senior Commercial Contract Analyst - Legal Department at INC Research**

### **Summary**

A problem solver who is hard-working and result oriented. I will rise to the challenges of any task provided to me. I am a driven team builder who enjoys challenges and exceeding goals. I am one who is comfortable with the uncomfortable, all while ensuring to protect the internal and external assets of a company. I provide sound and solid legal guidance to meet the needs and time constraints of the business teams I work with.

### **Experience**

#### **Commercial Contract Analyst - Legal Department at INC Research**

##### **July 2015 - Present (1 year 1 month)**

Prepare and process contracts and transaction documents related to on-going business operations including, but not limited to, vendor contracts, purchasing, sourcing, IT and related functions as may be required.

Develop strategic relationships with business units and vendors to promote legal and contracts administration efficiency.

Draft, review, and negotiate various commercial contract vendor agreements and general business purpose agreements.

Review contract documents for internal and external factual accuracy and technical completeness.

Support business units and executive management by providing support, guidance, and information regarding vendor contract policies, contractual procedures, and business and legal requirements.

Perform risk analysis to identify potential risks and liabilities associated with various commercial contracts.

Perform due diligence in accordance with federal and local laws and regulation in accordance with industry standards.

Engage appropriate internal subject matter experts to assist with and participate in information gathering, document development, contract and issue reviews and pricing discussions.

Prepare documents in accordance with policies and procedures. Document all required approvals including deviations from policies, business processes, and standard operating procedures and legal and management authorizations.

Maintain a working knowledge of legal, contracts, clinical and business practices relevant to the CRO industry.

Provide contracts status information to business units and executive management.

Maintain and improve contracts standard templates and procedures and provide.

Participate in internal meetings and provide technical information relating to commercial contracts processes and procedures.

### **Global Contract Analyst at INC Research**

#### **March 2013 - Present (3 years 5 months)**

Manages assigned contract management processes, including but not limited to the coordination and finalization of the Customer contractual instrument including the project specifications and budget.

Negotiates and prepares contracts, budgets and related documents for participation in clinical trials.

Communicates and explains legal and budgetary issues to internal and external parties per department guidelines.

Evaluates and reviews Customer requested contract changes and based upon department guidelines; escalates deviations to department leadership and/or the Legal Department.

Serves as liaison between Contracts staff and internal and external Customers. Provides functional guidance and keeps Contracts team aware of all contract statuses or pending issues. Prepares correspondence as necessary.

Evaluates contracts for completeness and accuracy by comparing to department guidelines to determine adherence, and ensures that corrections are appropriately made and documented.

Initiates and participates in face-to-face or teleconference Internal and External Client meetings for the purpose of expediting the contract signing process, as directed or independently determined as an appropriate course of action.

Maintains contract templates, study specific files and databases.

### **Region VI Deputy President at Hispanic National Bar Association**

#### **2015 - 2016 (1 year)**

**Deputy Regional President at Hispanic National Bar Association**

**2015 - 2016 (1 year)**

**Charlotte Member at Association of Corporate Counsel**

**2015 - 2016 (1 year)**

**Attorney/ Owner at The Law Office of Leticia M. Padilla-Morales, PLLC**

**November 2011 - February 2015 (3 years 4 months)**

Business Advisory; Commercial Litigation; Represent Landlords in Landlord/ Tenant Matters; Contract Construction

**Contract Attorney at Special Counsel**

**May 2009 - December 2012 (3 years 8 months)**

Assist in analysis and construction of privilege logs for production request. Perform secondary analysis of reviewed documents for various legal matters (i.e. Banking, Employment, Government Regulatory & Compliance, and Medical Malpractice). Work with Staff Attorneys & Associates at large law firm to discuss strategies of cases. Review contracts (i.e. loans, service contracts, licensing agreements, healthcare industry, etc.) Assist with various tasks to prepare documents for depositions, witness preparation, negotiations, and trial. Assist in E-discovery for complex litigation and governmental inquiry cases. (i.e. tagged, coded, and reviewed documents).

**Bankruptcy/Loss Mitigation at Wells Fargo**

**December 2010 - June 2011 (7 months)**

Review home loans for loan modifications in the loss mitigation/bankruptcy portfolio. Participate in mediation and negotiation calls between Wells Fargo outside counsel and debtor's counsel. Negotiate actual terms of the modifications between Wells Fargo acceptable servicing guidelines and the mortgage investors/government sponsored guidelines. Adjust loans for borrowers by providing proposed loan modifications to assist them in reaching affordability, so that borrowers may remain in their homes. Review financial statements, analyze credit information, monitor adherence to terms of agreement, correspond with Wells Fargo outside counsel and legal staff,

assist in handling workouts, and restructuring problem loans. Participate in business calls to provide and disseminate information to Bankruptcy/ Loss Mitigation team about proposed changes which affect our day to day operations.

### **Project Attorney at Womble Carlyle Sandridge & Rice PLLC**

**July 2009 - December 2009 (6 months)**

Assisted in legal analysis and reviewed documents in Regulatory Compliance and Corporate litigation cases. Provided quality control of reviewed documents. Worked with various members of legal team to discuss legal strategies. Wrote memorandum and case summaries for attorneys in pro bono cases. Assisted in appellate brief writing and editing in pro bono cases.

### **Languages**

Spanish

### **Skills & Expertise**

Legal Writing; Litigation; Trials; Mediation; Bankruptcy; Litigation Support; Licensing; Depositions; Analysis; Medical Malpractice; Government; Negotiation; Banking; Legal Research; Westlaw; Civil Litigation; Commercial Litigation; Courts; Corporate Law; Appeals; Document Review; Alternative Dispute Resolution; Legal Compliance; Legal Advice; Document Drafting; Business Litigation; Consumer Law; Contract Law; Trial Practice; Dispute Resolution; Hearings; Editing; Immigration Law; Loans; Administrative Law

### **Education**

#### **Vermont Law School**

JD, Law, 2005 - 2008

Activities and Societies: LALSA, ABA Negotiations and Mediation Team, HNBA, ABA

#### **North Carolina Central University**

Master of Science (M.S.), Criminology, 1999 - 2003

#### **North Carolina Agricultural and Technical State University**

BSW, Social Work

1993 – 1999

## **Karen Davila**



### **KAREN L. DÀVILA, JD/MBA**

Karen Dàvila is Senior Associate General Counsel for Walmart, providing regulatory compliance advice on its health and wellness related products and services, including its 4,800 pharmacies, 3,300 vision centers, and primary care clinics throughout the United States. In her role, Karen advises on fraud and abuse issues, pharmacy operations and compliance, drug diversion controls, pharmacist-administered immunizations, and quality/patient safety. Additionally, Karen represents the company with respect to FDA, DEA, pharmacy board and other regulatory issues.

Prior to joining Walmart, Karen was executive and General Counsel for several hospitals/health systems, including Mercy Health Partners, Wuesthoff Health System, and Rush-Copley Medical Center. In these roles, Karen served as strategic advisor and business partner, advising on complex Stark and anti-kickback issues. Her scope of responsibility included the oversight of compliance, audit, transactions, physician practice acquisitions/divestitures, litigation, risk management, risk financing, and various labor and employment issues. During these years, Karen also served in other executive capacities, including as President/CEO of a physician-hospital organization and Vice President of Strategic Planning/Business Development.

Karen honed her legal and business acumen at the boutique health care law and international consulting firm of Murer Consultants in Joliet, Illinois. There she provided regulatory analysis and advice on compliance, reimbursement, and operations for a myriad of health care systems throughout the U.S. and consulted on health care policy issues with various governmental and quasi-governmental organizations internationally.

Karen graduated from Wheaton College with a degree in Economics. She earned a juris doctorate from IIT Chicago Kent College of Law and a Masters in Business Administration from Case Western University in Cleveland. She is a frequent speaker on various health care topics and former adjunct professor at University of Central Florida. Karen currently serves as the Chair of the Hispanic National Bar Association's Corporate Counsel Division.

# **Philip Algieri**

## **Vice President, Legal Services at QuisLex**

Phil is responsible for overseeing all aspects of QuisLex's client services and operations, including managing key client relationships, implementing process refinements for the effective delivery of complex legal services, and helping to manage the launch of new service lines and delivery centers. Phil has extensive experience working closely with clients on large-scale, complex legal matters and designing innovating solutions to streamline the document review process, as well as overseeing project execution to ensure these measures are effectively implemented. He also has authored numerous journal articles on topics relating to eDiscovery and document review, particularly on the concepts of process design and efficiency. Phil began his legal career as an attorney in the antitrust department at Skadden, Arps in New York, where he gained significant experience in both regulatory matters and litigations and oversaw all aspects of eDiscovery. He received his J.D. from Columbia University School of Law, where he was a Harlan Fiske Stone Scholar, and earned a B.A. with honors from the University of North Carolina at Chapel Hill.



***Biography***  
**Arlene Zalayet**

Senior Vice President and  
General Attorney  
Operations Head  
Group, Boston, MA  
Field Legal  
Liberty Mutual

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Arlene Zalayet is senior vice president, general attorney and manager of the Field Legal Organization for Liberty Mutual Group. In that capacity she oversees 1600 staff members and is responsible for the management, organizational structure and talent of staff counsel in 68 offices within 38 states. The offices represent Liberty Mutual and its policyholders in a variety of legal matters including personal injury defense, worker’s compensation, construction defect, subrogation and fraud investigations.

Ms. Zalayet’s responsibilities include workforce management, office administration, financial efficiencies, quality assurance, and client services satisfaction. She has implemented key long ranging strategic initiatives essentially redesigning the organizational structure, including a focus on workflow process reengineering. The organizations restructuring features centralized processing units for administration process tasks and remote paralegal hubs. The process reengineering focuses upon an implementation model for litigation based on severity and customized service level agreements linked to specific litigation types and characteristics.

Arlene Zalayet graduated Suma Cum Laude from St. Johns University in 1978 receiving her B.A. She then received her Juris Doctor from the University Of Miami School Of Law. In 1982, Arlene was admitted into practice in New York and Florida. She has been an adjunct Professor of Law at Hofstra Law School and currently at the University Of Miami Law School. She has testified as an expert on insurance related matters in both State and Federal Court, including the landmark decision of *Pavia v. State Farm Ins. Co.*, a seminal case on bad faith in the State of New York.

Additionally, Ms. Zalayet is a published author. Her Published books include: Modern New York Discovery, Civil Trials in New York, NY Examinations Before Trial and other Discovery Devices.

These texts are published by West-Thompson Reuters Group. Arlene is a past president of the Nassau Country Bar Association and Founding Chair of the ABA TIPS Staff Counsel Committee, where she currently serves as a Vice Chair of the ABA TIPS Diversity in the Profession Committee, and as a member of the ABA TIPS Ethics Committee.

## **Carlos Bollar - Biography**

Carlos represents clients in complex toxic tort, product liability and environmental litigation matters. He is adept at handling environmental litigation cases in all of the contexts in which they arise, including single plaintiff cases, mass actions involving hundreds of plaintiffs, class actions and defending clients against state and federal government. Carlos typically handles high stakes litigation with massive potential damages. He has tried numerous contested matters in federal and state courts and has experience in all aspects of pre-trial and trial work.

Carlos' cases often involve claims for personal injury, medical monitoring, property damage and natural resource damages. Carlos routinely handles claims involving exposure to various types of hazardous substances including benzene, MTBE and chlorinated compounds. Carlos also has experience in environmental insurance cases, representing policyholders in their efforts to obtain coverage against insurers for environmental claims. Carlos regularly counsels clients in state and federal regulatory matters and represents those clients in administrative hearings.

Carlos has been involved in numerous professional, charitable and community organizations over the years. Carlos is currently the President of the Hispanic Bar Association of New Jersey. He is also the Deputy Regional President for Region III of the Hispanic National Bar Association. In 2015 Carlos was appointed by the New Jersey Supreme Court to serve on the Working Group on Judicial Fundraising. Carlos also currently serves on the Legislative and CLE Advisory committees of the New Jersey State Bar Association. Carlos also actively participates in other organizations including the Hispanic Bar Association of Pennsylvania, the New Jersey State Bar Association and the Camden County Bar Association.

Carlos frequently lectures on various topics relating to environmental law, complex litigation, e-discovery and diversity in the legal profession. Recently, Carlos was a panelist for a seminar "Ethical Implications of Social Media" sponsored by the Hispanic National Bar Association in Boston (September 4, 2015). Carlos was a panelist for a seminar "Litigation in the Age of Technology" discussing e-discovery and emerging litigation issues at the 14th Annual Sun, Surf & Seminars sponsored by the HBA-NJ (May 7, 2015). Carlos was also panelist for a seminar "Dealing With Difficult Situations Dealing With Diversity" sponsored by the Philadelphia Diversity Law Group (May 15, 2015). On November 6, 2015 Carlos was a speaker at the Hispanic Business Forum presented by the Chamber of Commerce for Southern New Jersey.

Carlos has received numerous awards and recognition over the years. Carlos was recently named by the Latino Leadership Alliance of New Jersey (LLANJ) as one of the "55 Most Influential Latinos in New Jersey." Carlos is rated AV Preeminent by MartindaleHubbell. Carlos was named to the New Jersey Law Journal's "Forty Under 40." Carlos also received the Campiones de la Justicia Award presented by Alianza, Rutgers School of Law.

Carlos graduated from Rutgers College in 1994 and Rutgers School of Law, Camden Campus in 1997. Carlos clerked for the Honorable William J. Cook in the New Jersey Superior Court, Camden County from 1997-1998.

Carlos lives in Mt. Laurel with his wife and three children.

## Tab 2 – Course Materials (articles, publications, other materials)

## QuisLex HNBA Session Outline

**Suggested Title:** Maximizing the Value of Your Legal Department's Initiatives: What Really Works (and How to Make Sure it Does)

**Description:** There are a lot of solutions that purport to streamline legal department functions, improve efficiency, allocate resources, and control costs. Naming them is the easy part. The more difficult task for in-house counsel is determining which ones actually work and, more importantly, how to implement them so they accomplish their goals. Finally, counsel also need to understand the risks inherent in these decisions and how to properly assess and weigh them. In this panel, in-house counsel, outside counsel and legal service providers will pinpoint actionable concepts that will enable effective decision making in this crucial area. Specific topics include:

- What are some of the myths and facts about potential solutions, and how should you implement them properly?
  - Alternative fee arrangements
  - Predictive coding
  - Outsourcing
  - Billing guidelines and audits
- How can you better manage and leverage external law firms and providers to facilitate these improvements:
  - What does in-house counsel expect their outside counsel to bring to the table?
  - Relationships and the law firm bottom line – what are the intangibles that matter?
  - How can you create a “tiered” engagement model to more efficiently allocate work among different sized or skilled law firms and providers?
  - How can you more effectively use the RFP process to identify solutions that fit your legal department?
  - How can you successfully leverage new types of service providers and technology developments?
- How can Six Sigma and defined, enforced processes lead to better outcomes AND lower costs?
- What is the relationship between quality, efficiency and cost?
  - Decisions are not made in a vacuum
  - Assessing short- and long-term risk
  - Managing monetary and reputational risk if things don't go smoothly
  - How can apparent short-term improvements be negated by long-term costs?

## Article 1 of 4



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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | [customerservice@law360.com](mailto:customerservice@law360.com)

### **Legal Ops Pros Come Together To Push Industry Change**

By **Melissa Maleske**

Law360, New York (March 16, 2016, 1:22 PM ET) -- Cross-company collaboration propels innovation in legal departments and forces legal service providers to follow suit. Here, six legal operations directors discuss how working together is driving industry change.

Legal operations managers have risen to prominence in corporate America, but 15 to 20 years ago, the role was still brand-new and the directive to reduce costs, manage service providers and increase efficiency came with a question mark. Law firms were resistant to change, technologies were still rudimentary and there were no best practice blueprints for the germinating field of legal operations.

Today, however, the legal operations community is changing the way law departments work, helping them become leaner while growing in sophistication, and it's happened not by innovating in a bubble but by learning from one another's trials, errors and triumphs. Members of the Corporate Legal Operations Consortium's leadership team say there's power in numbers, and working together is changing the legal industry.

#### **Law360: How did collaboration become such an important part of legal operations?**

**David Cambria, Archer Daniels Midland Co.:** A lot of us in the [legal operations] community had known each other from either industry events and/or informal networking. At any point, any one of us could pick up the phone and one person would know another person who could get you in touch with someone who was doing something that you were doing to change the way law departments deliver service to their clients, but also manage this thing called the legal function.

You don't graduate from law school or business school and get a specialization in law department operations. It really is a pulling together of a series of skill sets and insights that come from having an operational awareness, business insight and acumen, and a political agility to manage an organization.

**Stephanie Corey, Flextronics International Ltd.:** Going on six years ago, I'd recently gotten a promotion to [legal] chief of staff at [Hewlett-Packard Co.] and wasn't quite sure what that

entailed, so I was reaching out to other companies in the area to figure out who else had the role and what they were doing. We started benchmarking and then Connie [Brenton, a CLOC founding member] said, "Hey, why don't we start meeting in person?"

**Connie Brenton, NetApp Inc.:** It's a new role, and so all of us were certainly in a state of educating ourselves and developing a set of best practices. Everything was new when we were starting, so it made sense to collaborate. The other thing that was different is that we were collaborating with some of our providers, so our providers were oftentimes connecting us. They, too, were seeing common threads.

### **What are some of the ways you've collaborated with providers?**

**Corey:** At the genesis of this role, there weren't many technologies that were geared toward legal departments because they were not seen as a place where technology companies could make money. There wasn't really a market there. Through collaborating, we've gained power. There's strength in numbers. We've gone to vendors and asked for specific things. We've gone to law firms and asked for creative ways to price things, which are bringing rates down in general. The market has responded. All kinds of technologies are being developed for us and we've seen law firms really starting to do things in a different way to make us happy.

**Christine Coats, Oracle Corp.:** Back in 2006, when I took over the role as a person of one - and a lot of us didn't have teams yet - legal lacked IT funding. It was not even on the radar. Legal operations directors had to help the third-party technology vendors that were then small teams or very small startups. We helped them work with the IT teams, work with the legal team and make that tool or solution efficient. This technology was starting to take off, but we actually helped them develop their product.

**Jeffrey Franke, Yahoo Inc.:** We both guide and connect. We oftentimes see synergies between not just technology providers but other players in the industry, whether it be law firms or some of the legal service outsourcers. We can see where they can come in and create economies of scale and leverage those solutions for others in the industry.

One example is ThinkSmart workflow solutions, a tool that many of us use in-house to drive policies and processes and create solutions, all of our companies utilize nondisclosure agreements on a regular basis, and many of us have created portals or automated solutions to create NDAs. And it would be logical for law firms to take that kind of portal and make it available to their clients. They can draft the NDAs or be involved in the process for creating the flow if the company hasn't done it.

Another area where we're working across industries is in leveraging Uniform Task-Based Management System codes. CLOC has gotten in there to connect with the law firms, the standard-setting industry and the e-billing providers of the world to try and create standards we can all use.

## **Does competition ever stand in the way of collaboration?**

**Franke:** No, I think it's the opposite. On the law firm side, all the law firms are looking for ways to rethink how they deliver and price their services, and the same thing is true for corporations. We're trying to drive as much efficiency as we can, so there's a real energy and excitement about connecting the different players and creating a connected industry where we're thinking about things at least similarly. We're looking for ways to leverage what's already there and figure out what are the new business models, what service delivery models and technologies should look like, and how they should operate.

**Corey:** For vendors or law firms or any of the service providers, I think they see it as a huge advantage to be able to get in front of us and figure out what we want. And when you reach out to other legal operations people, even if you're in competing markets, everybody seems really willing to share information. I haven't seen anybody who would look upon this negatively.

**Brenton:** Well, law firms are not excited about sharing some of their ideas with other law firms. We have encouraged competitors, for example, to get into the room together and do trainings and develop processes for us, and the idea is so nascent that at the onset it is uncomfortable. It's happening because the client is asking, but the results are profound.

**Lisa Konie, Adobe Systems Inc.:** I totally agree. In February, our patent team pulled together all of our patent firms and our engineers and brought in other companies for two days. We had multiple firms here talking to our engineers and in-house patent folks about what the process looks like, how it works, what they're doing well and what they're not doing well. We had someone from a law firm who was a secondment to us speak to all of our firms about what it was like being in-house. It's an example of bringing multiple firms together to sit at the same table and effectively see who they're competing for business against.

## **Is that something you would have seen 10 or 15 years ago?**

**Konie:** No. I think it's because of what the legal operations role is doing. We are forcing change and we're getting ahead of it and encouraging things such as these kinds of collaborations amongst the firms. I don't think anybody was doing stuff like that 10 years ago.

**Cambria:** There were law departments who were thoughtful and were acting in the way my colleagues have described. They were doing it very episodically or were spending lots of calories and energy consulting firms in the mid-to-late '90s to figure out creative ways to move the needle. Typically, they found they were able to move the needle in legal operations only slightly because they were dealing with the people who provide services to the legal industry in a very lumpy fashion.

The coordination, collaboration and communication amongst all the different companies to help drive the change at a more rapid pace, that's really the magic of what you see here. You're really

seeing a confluence of a lot of events that are driving the momentum toward the changes we're seeing. The noise is harder and harder for the vendors to ignore, for the law firms to ignore and for the law schools to ignore.

**Does that collaboration extend to companies without a formal legal operations role, that might only have a very small legal function?**

**Konie:** Absolutely. When we used [a request for proposal] process to do a firm convergence, we gave a significant amount of feedback to one of our firms that didn't make it and we explained our whole process. And kudos to this firm, because they actually asked me to talk to a general counsel of one of their other clients who was going to start down the path of doing an **RFP**. They didn't have a legal operations role, she just wanted to put me in touch with their client just so her client could gain learning from an operations perspective.

**Cambria:** As newer general counsel are hired into corporations, they tend to very quickly realize that there are things they have to get informed on and get smart about pretty quickly: saving costs, managing legal spend, mitigating risk, providing service to their client and overseeing a whole portfolio of business problems that have a legal solution. And so what you see is, if GCs don't add the legal operations function, they are very quickly looking throughout their organization or looking to their peers and colleagues to see how they've solved it as well. Oftentimes, those discussions turn right to the operations functions that exist in more mature law departments.

**Can you share some more collaboration success stories?**

**Brenton:** The reason many of us have an instant NDA is because it was presented at a CLOC meeting and that became viral. There was such a high [return on investment] and it was such an easy implementation. That solution was a direct result of collaboration within CLOC.

**Konie:** Another example would be best practices around billing guidelines. CLOC had seven companies bring each of our respective billing guidelines to the table and hash through everything and talk about what should be the best practices so that we can try and get efficiency gains for everybody involved. Because now the law firms aren't dealing with seven different sets of billing requirements, they're getting one. I think that's a beautiful example of the collaboration amongst CLOC participants and way we're benefiting the community at large.

**Brenton:** These guidelines are up on the CLOC website for anybody to leverage. You can imagine how good that also is for our e-billing providers. It takes resources to create a set of billing guidelines. This way, smaller in-house departments can leverage a best practices document already created for them.

**Coats:** We've all grown. Knowing each other has taken our roles from basic one-offs in the department to teams, from managers to senior directors to vice presidents. It has been quite an

interesting niche and career path that I've experienced, and I think everyone has grown along the way because we have been collaborating.

**Corey:** That's our greatest success story: How much we've elevated this role and proved the need for it.

**What's your message to law firms, vendors and schools?**

**Franke:** Collaborate, reach out. For the longest time, we've been operating in silos. Almost everything we've talked about today centers on the notion of collaboration and reaching beyond your area of expertise or outside of your institution - whether that institution is a law firm, a corporation, an educational institution, or a technology institution or discipline – and working with others to understand their challenges and their opportunities.

**Cambria:** Corporate legal departments are driving the changes that they're seeing within legal service delivery and within the legal space. And the best way to really understand where that change is going is to become part of that change with us. The bulk of the \$300 billion legal marketplace comes from corporate law departments, and so we have no choice but to change the way things are happening because our companies are demanding we do it. And we need you along for the ride.

--Editing by Katherine Rautenberg and Kelly Duncan.

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## **Article 2 of 4**

### **New study forecasts growth in technology spend for the legal market**

By Amanda Ciccattelli, Inside Counsel: February 17, 2016



Today, corporations are handling more legal matters without significant growth in their law departments, while at the same time, reducing spend on outside counsel. Higher stakes and more responsibilities continue to put high demands on corporate legal departments. In addition to managing complex legal matters, General Counsel is also accountable for building and protecting the organization.

Because of this, legal technology is now a rapidly growing industry. While there are a number of legal departments and law firms who are not leveraging legal technology, workloads will soon become unmanageable without it. It is critical that legal departments look toward technology in order to efficiently manage outside counsel, be practical about managing workloads, and work in tandem with vendors and business partners.

In “Catching the Wave: Legal Technology Spend at \$3 Billion and Growing,” Mitratech, a provider of Enterprise Legal Management (ELM) solutions, shared the results of its survey of the U.S. legal technology landscape among law firm and legal department decision makers. The survey predicts growth for legal technology investments by corporate legal department and law firm buyers.

Several key insights came out of the survey including: The total addressable market for legal software – both corporate law departments and law firms—is \$15.9 billion annually; the market spends \$3 billion each year; law departments spend \$1.5 billion annually on 11 types of software—from matter management to compliance to legal analytics – in a market with a \$6.5 billion potential and; while all technology segments are growing, governance and compliance and contracts management are predicted to represent a large percentage of the GC’s budget in the next five years; corporations are handling more legal matters without significant growth in their law departments,

while at the same time, they are reducing spend on outside counsel. As a result, each lawyer is taking on a greater workload.

While adoption of various legal technology solutions is still minimal, especially in smaller legal departments and law firms, the forces impacting the market will require that law firms and legal departments leverage technology in frequent ways in order to manage their increasing workload. Mitrastech CEO Jason Parkman recently sat down with Inside Counsel to discuss the implications of the survey and the best ways for corporate legal departments and law firms to develop a legal technology roadmap.

Legal technology investments by corporate legal department and law firm buyers will grow in 2016 and beyond in many ways. An environment of increased litigation and regulation means legal departments have a growing need for tools and processes that enable them to help their organizations achieve core goals and results.

“This, in turn, has created market demand for actionable data used in predictive and strategic decision-making to protect the organization from risk, as well as tools that allow the legal department to collaborate with other areas of the business and with outside counsel,” Parkman explained. “As legal departments are expected to meet new challenges with existing staff and budget, needing to increase the efficiency and productivity of existing staff while controlling legal costs, the answer has been to increase investments in legal technology.”

These days, law firms find themselves in a competitive market where legal services are increasingly brought in-house or outsourced to legal service providers to reduce cost. These firms seek to differentiate their services from competing firms and offerings. Technology provides a way for these firms to become more collaborative and transparent with their corporate clients, while defending the value of the more specialized services they offer.

Parkman added, “The confluence of these forces ensures that the trend in investment will be maintained in 2016 and beyond.”

Today, the types of software in which the legal industry invests is dependent on the size of the legal department, the complexity of their needs, and the regulatory environment. According to Parkman, matter management and document management are high on the list, along with e-Billing and contract management. A matter management solution serves as the hub of activity for the legal department, driving efficient collaboration with both internal and external stakeholders, providing transparency into detailed legal data, and ensuring maximum value to the organization.

“Having an integrated document management system is critical in any organization where fast access to the correct version of documents can mean the difference between success and failure,” he explained. “A complete e-Billing solution plays an important role in supporting the client-vendor relationship for legal departments and law firms, optimizing productivity and providing cost savings.”

Governance, compliance and contracts management are predicted to be a large percentage of the GC's budget in the next five years. Organizations are facing complex and multiplying governance, regulatory, and compliance challenges. So, according to Parkman, general counsel need to find compliance and entity management solutions to enhance corporate governance, reduce organizational risk, track investigations, and efficiently manage projects. The legal and compliance teams maintain the most important records for an organization, chronicling the legal life of the company.

"These teams are responsible for handling a high volume of GRC or entity-management-related inquiries while complying with rigorous reporting requirements; they must have a single source of truth regarding the structure, officers, and hierarchy of the entire organization," he said.

"Managing the regulatory reporting and compliance needs of an organization requires a flexible system that can accommodate changing laws while enabling secure collaboration."

A contract management solution enables the legal department to oversee contract tasks and deadlines while ensuring nothing slips through the cracks. For legal departments with many individuals involved in contract reviews, having a contract management solution ensures the latest version of a record is saved while preserving prior versions.

"Now more than ever, general counsel are being asked to run their departments more efficiently, with more responsibility and pressure to remain on budget," explained Parkman. "Corporate legal departments are increasingly viewed as key strategic partners of organizations, becoming fully integrated and aligned to goals and business objectives."

Moving forward, both law firms and legal departments must leverage technology in order to manage their increasing workload. Technology will help law firms and legal departments manage their workload by reducing organizational risk, increasing operational efficiencies and reducing legal spend.

Parkman said, "Technology helps mitigate organizational risk by providing the structure to ensure compliance to best practices, making a reduction in fraudulent claim payouts, saving costs by improving proactive disclosure of policy violations, and reducing regulatory non-compliance incidents."



**April 7, 2015**

## **ASSESSING DOCUMENT REVIEW USING THE CAPABILITY MATURITY MODEL**

**BY ADAM BESCHLOSS AND PHILIP ALGIERI**

How can counsel effectively assess the ability of a document review operation to deliver a competent review that is cost effective, timely, and accurate?

Most attorneys would agree on what they expect when it comes to document review. There is, however, much less certainty around how to effectively assess the ability of the document review operation to meet these requirements. Of course, references, employee qualifications, reputation, and relevant experience are all critical to the evaluation process when using an external provider. But, even with a well-developed internal operation, how can one be confident that the complex, high-volume matters that have become more and more prevalent can be properly handled? How can one be sure that past successes can be replicated on future matters in the constantly evolving environment of eDiscovery?

The Capability Maturity Model may provide the needed framework for doing so.

Document Review has become—particularly with the advent of electronic discovery—a system of diverse and complex functions that requires mastery of:

- **Technology:** the management and optimization of the review platform capabilities, the appropriate use of technology assisted review, and strong data (and physical) security controls.
- **Process Discipline:** the right time/right place deployment of various applications and processes, robust policies and procedures, and the internal controls necessary to execute those policies and procedures consistently and effectively.
- **Intellectual Capital:** effective knowledge transfer; knowledge retention; learning, training, technological, statistical, linguistic, and legal acumen. And, of course, document review expertise, which is to say: the ability to quickly and accurately identify not just relevance and privilege, but the myriad coding requirements associated with a review.

There are a lot of moving parts, and as scale and complexity rise, the need for a well-functioning system rises exponentially. In other words, the value of organizational competence as denoted by process maturity far exceeds the value of the component parts (people, process, technology). In short, the best technology (if one exists) and the “best” people may be utilized, but if the process

maturity within which they operate is deficient, the result will be sub-optimal. It is process maturity that provides the framework in which the contribution of people, process, and technology can excel, or be inhibited. As Peter Senge notes in *The Fifth Discipline*, “Organizations break down, despite individual brilliance and innovative products, because they are unable to pull their diverse functions and talents into a productive whole.”

And while it may be difficult—if not impossible—to assess the performance levels of the individual components a priori (independent of actual experience), process maturity can function as a leading indicator that allows one to gauge the level of competence, the likelihood being that the service provider can indeed perform a document review at the standards necessary.

The Capability Maturity Model (“CMM”) was developed to do precisely this, albeit in a different context, but its core principles can be adapted to assess organizational competence in a variety of settings.

It may therefore be beneficial to adopt the CMM to assess the ability of a document review provider to deliver an effective and efficient review in a more meaningful way than is currently conceived by the majority of RFPs and other pre-engagement vetting practices.

The Capability Maturity Model was developed by the Carnegie Mellon Software Engineering Institute in the late 1980s. The research was funded by the Department of Defense, which wanted an objective standard to determine an organization’s ability to deliver to specification on a software development project. The “maturity level” refers to process maturity, and while originally developed to assess the ability of a contractor to deliver a software development project, the model has been adopted in other areas as well.

There are five defined levels of process maturity.

#### Level 1: Initial

This “initial” stage in organizational maturity is defined as having ad hoc processes. The organization is largely reactive, lacks systematic controls, and process outcomes are, in many ways, unpredictable. Ad hoc processes in document review result in a great deal of variation in outcomes from matter to matter (even within a single matter that spans long periods of time and is subject to the disbandment and reassembling of review teams). With ad hoc systems, past performance is never predictive of future success.

Consider that as data volumes grow, and as review and matter complexity increase, significant issues develop if processes remain ad hoc and reactive. The lack of established processes becomes a significantly limiting constraint. In the days of banker boxes stacked along conference room walls, systemic controls were perhaps less critical. Bright, capable associates could muscle through. But as electronically stored information (“ESI”) ballooned, the sheer scale alone demands something more.

## Level 2: Repeatable

An organization functioning at a level-two maturity is still often reactive on an organizational level, but has developed some level of project-based processes. In terms of document review, operations are improved (increased efficiency comparative to ad hoc services) which may result in a better cost basis on individual matters. But there will be variation between groups within the document review organization, or from matter to matter, as processes are likely driven by the individual project managers and the systemic policies and procedures necessary to achieving consistent outcomes are absent. As a result, service levels across matters can still be unpredictable and overly dependent on the individuals involved.

## Level 3: Defined

At level-three maturity, processes are now organizationally defined. Each project is executed within the organizationally-defined methodology. It is important to note that there is not one methodology that is right or best. Organizations will adopt differing strategies that solve these challenges in a manner consistent with their internal goals and philosophies.

The key is that with well-defined processes and the organizational structure in place to support them—that is to say, management of resources and how work is allocated, coordinated, and supervised to solve problems and meet challenges—variation from project to project and among different teams is greatly reduced. The efficiency of the document review will be further improved from that of an organization functioning at Level 2; however, the effectiveness of the service may still be unsatisfactory, absent of the establishment of key performance indicators (KPIs) and other management measures that enable assessment of both inputs and outcomes. Needed improvements will be difficult to identify absent effective management controls.

It is important to recognize that processes can be efficient (fast and cost effective), but ineffective (poor results and perhaps ultimately more costly). Similarly, processes can be inefficient (untimely and costly), yet effective (end results are consistent and high quality). A competent document review must be both efficient and effective (this pursuit of both effectiveness and efficiency is the central tenant of Lean Six Sigma).

## Level 4: Managed

At this stage, organization-wide processes are not only in place, but are measured and controlled.

Metrics such as KPIs and CTQCs (Critical to Quality Characteristics) have been identified, and are measured and tracked. The ability of the process to deliver the desired results consistently is established and continuously monitored. At this level of maturity, processes can be adjusted for individual review projects as needed and unique requirements met, without sacrificing quality or negatively impacting fundamental operational standards.

Clients will enjoy a high level of predictability in the delivery of services across matters. Organizations operating in a truly managed environment will evidence strong internal controls and likely have adopted practices such as Lean and Six Sigma throughout the firm. Mature

policies and procedures will be in place and continuously monitored and reported, along with the policies and procedures (as well as the resident expertise) in place to implement corrective actions as necessary. In this regard, disciplines like Lean Six Sigma are not “overlays” or simply a discrete function within an organization (although there are often teams that oversee the work); rather, the processes, methodologies, and discipline are integral to the way all work is approached.

#### Level 5: Optimizing

An organization functioning at this level focuses on continuous process improvement. The opportunity for learning and growth, that is to say, the ability to leverage experience and expertise across projects, is greatly enhanced. Improvements to existing processes and innovations can be introduced, completing the virtuous cycle known in Six Sigma as “DMAIC” (Define, Measure, Analyze, Improve, and Control). This continuous process of improvement (and it is ongoing) typically results in driving operational costs lower over time.

Interestingly, the Capability Maturity Model not only captures much of what legal counsel has come to expect from services providers, but charts the evolved expectations of legal departments that seek to control litigation and compliance costs and enhance their efforts to better measure and manage spend.

However, while many legal departments or law firms have concrete expectations regarding the level of capability and the type of results they demand from service providers, they may not possess a reliable framework in which to correctly determine if a service provider is able to meet those expectations. This assessment model can be used to “score” a prospective provider holistically, as well as for discrete attributes. As a method for vetting prospective legal service providers, the CMM provides indicators of the ability to deliver, and provides counsel and procurement professionals a method for focusing on the truly meaningful and important characteristics in choosing a document review provider.

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**Adam Beschloss**, Director, Client Solutions, QuisLex, has over 15 years of experience designing and implementing eDiscovery workflows for litigation matters and investigations. Beschloss received his B.A. from Columbia University and is located in QuisLex’s New York City headquarters. **Philip Algieri**, Associate Vice President, Legal Services, QuisLex, oversees the supervision of its litigation services, manages client relationships, designs and implements litigation training programs, and helps refine processes for the effective completion of complex matters. He received his J.D. from Columbia University School of Law, and B.A. from the University of North Carolina at Chapel Hill.

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## **Article 4 of 4**

### **Building a world-class legal vendor management program starts with identification and goals**

**When programs are properly developed, implemented, and administered, a legal department can save millions of dollars that could be reallocated.**

**By David Cambria, Aaron Van Nice April 10, 2014, [Insidecounsel.com](http://Insidecounsel.com)**

While there are many areas of a legal department that typically fall within the scope of responsibilities of the head of legal department operations (LDO), almost none impact the legal department's finances as profoundly as outside counsel spend and legal vendor management. In fact, most law departments spend more than 60 percent of their budgets on outside counsel and legal vendors. Efforts encompassing outside counsel and legal vendor management may involve the identification, selection, utilization, measurement, or some other aspect of a legal department's law firms and other vendors. Optimizing outside counsel and legal vendor management only results when the general counsel and LDO make productive changes to the internal and external relationships that consist of the right mix of in-house professionals, outside counsel and clients.

### **Types of outside counsel and legal vendor management initiatives**

Developing and implementing creative programs to manage outside counsel and legal vendors is a critical aspect of the job of LDO professionals. Building world-class outside counsel and legal vendor management programs that aligns the work of outside service providers with the objectives of the client should always be a top priority among LDO's. By focusing on substance rather than form, LDOs can develop and implement outside counsel and legal vendor management initiatives. Ultimately, outside counsel and legal vendors will be able to take on more of a strategic business advisor role, and contribute to goals such as cost savings, improved relationships, increased service quality, reduced risk, efficiency, and better decision making.

Initiatives and programs falling under the umbrella of outside counsel and legal vendor management include the following:

- The convergence of firms and vendors (or other preferred counsel or vendor programs);
- The development and maintenance of outside counsel and legal vendor guidelines and engagement protocols;
- The administration of standardized rate request processes;
- The development and management of matter budgets and other aspects of financial and spend management to ensure that baseline budgets are set and are modified as needed throughout a matter;

- As a part of financial and spend management, initiatives involving robust company-specific spend data analytics, with an eye toward learning from both current and historic spending data;
- Resource allocation planning, optimization and management or similar programs to ensure that the right service provider is providing the right work, with appropriate risk tolerance and alignment with business objectives;
- The development and management of alternative fee arrangements appropriate for an organization's matters and related goals;
- The design and implementation of technological tools involving outside counsel and legal vendor management, such as matter management and e-billing;
- The development and administration of counsel and vendor performance scorecards and similar performance assessment initiatives;
- The development and management of RFI/RFP programs, e-auction processes and similar innovative competitive bidding programs;
- Periodic comparative benchmarking initiatives related to outside counsel and legal vendors, which may include a regular analysis of spend based upon business industry, geography, subject matter, and other factors;
- Additional strategic, people, process, or technological initiatives and programs focused on outside counsel and legal vendors.

### **Goals of outside counsel and legal vendor management initiatives**

Under increased pressure to deliver value, legal departments, often work with corporate finance and procurement to become even more sophisticated in building and managing centralized, comprehensive, and world-class outside counsel and legal vendor programs. This collaboration helps to achieve certain goals such as reducing costs, improving relationships with outside counsel and vendors, increasing service quality, reducing risk, improving departmental efficiency, and making better and more informed decisions.

While cost reduction should never be the only objective, when programs are properly developed, implemented, and administered, a legal department can save millions of dollars that could be reallocated to the needs in other departmental areas. As demonstrated by the recent results of the Blickstein Group's Sixth Annual Law Department Operations Survey, saving money is viewed by nearly 70 percent of LDO's as one of their top three priorities over the next few years. In fact, the majority of LDO's are focusing on some of the "low hanging fruit" in the area of outside counsel and legal vendor management, believing this will help them accomplish their cost saving objectives.

In the next part of this series, we will give you four considerations to ensure the success of outside counsel and legal vendor programs.

*Editors note: that the views expressed in this article are the personal views of the authors, and do not necessarily reflect the views of either Archer Daniels Midland Company or Baxter Healthcare. You can contact the authors at [David.cambria@adm.com](mailto:David.cambria@adm.com) and [Aaron\\_van\\_nice@baxter.com](mailto:Aaron_van_nice@baxter.com).*