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Your Guide to Building a Strong Legal Operations Team

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A recent study from [Bloomberg](#) suggests that a third of law firms don't have a dedicated legal operations function. But is that true?

To paraphrase Shakespeare, we think it's a case of a rose by any other name smelling as sweet. Even if firms don't have a formal legal operations team or use specific job titles like "director of transformation" or "manager of service delivery," they're still engaging in at least some [operations-related activities](#). For example, they're probably:

- gathering business intelligence,
- forecasting and managing legal spend,
- sourcing and coordinating third parties,
- managing knowledge and information,
- optimizing their organizational structure and workforce,
- ensuring work and projects are assigned strategically, and
- selecting technology to improve automation of work and increase firm oversight.

If you're dabbling in these activities or considering whether your firm needs a dedicated legal ops professional, you may be wondering how deep to go down the rabbit hole in forming your team. Let's take a closer look at what a legal ops team does and how you should go about building yours.

What is legal operations?

In a nutshell, [legal operations](#) is about running the business side of a law firm. It includes managing law firm productivity, avoiding risks, monitoring compliance, handling department budgeting, implementing technology, studying data from legal analytics tools, and sourcing and managing third-party providers, among other things.

Legal operations' mandate is to ensure that the firm provides legal services efficiently and in a profitable way that stimulates the firm's growth. In short, legal ops is tasked with optimizing a law firm's performance.

What are the key functions of a legal operations team?

According to the Corporate Legal Operations Consortium (CLOC), there are [12 main functions of a legal operations team](#):

1. Business intelligence: Making better decisions through data
2. Financial management: Maximizing your firm's resources
3. Firm and vendor management: Developing strong relationships that deliver value
4. Information governance: Designing information policies that fit your business and minimize risk
5. Knowledge management: Tapping into the knowledge and capability of your entire firm
6. Organizational optimization and health: Building effective, motivated teams
7. Practice operations: Enabling your lawyers to focus on what they do best—practicing law
8. Project and program management: Launching and supporting special programs and initiatives
9. Service delivery models: Matching the right work to the right resource
10. Strategic planning: Setting meaningful goals
11. Technology: Innovating, automating work, and [solving problems using technology](#)
12. Training and development: Supporting your team with targeted professional training

CLOC explains that addressing these 12 functional areas leads to operational excellence. According to CLOC, [operational excellence](#) is “a philosophy that embraces problem-solving and leadership as the key[s] to continuous improvement and a mindset that embraces certain principles and tools to create sustainable improvement within an organization.” It involves the execution of a business strategy to reduce risk, lower operating costs while increasing productivity, and raise revenue through tactical and strategic objectives.

Given the breadth of these functional areas, it will be difficult for a single legal ops professional to oversee and optimize all of these areas. That's where a legal ops team comes in.

Why do midsize law firms need a legal operations team?

As law firms feel greater pressure to do more with less, they need to find new ways to trim their bottom line and optimize their productivity. Midsize firms are already lean, so they can't meet their goals by simply reducing headcount and raising their billable hours targets.

Legal operations helps midsize law firms find new ways to deliver better service to their clients. Not only can it help lawyers attract more clients by developing alternative fee arrangements that are beneficial to both sides of a transaction, but it can also ensure that law firms are maximizing their profitability by staffing properly. That means assigning the right work to the right level resource, whether that's a paralegal, junior associate, senior associate, or partner.

Adding technology to the mix can simplify the practice of law and improve the quality of life for lawyers in midsize firms. And, most importantly, the data that tech tools, such as e-billing, matter management, contract management, document management, and data management tools, collect for firms can help them ensure compliance with client billing guidelines as well as understand opportunities for the firm to improve. Analytics from these tools help increase the firm's transparency with clients and allow lawyers to better predict case budgets and outcomes.

Who is on the legal ops team, and what are their job descriptions?

You don't need to be a lawyer to work in legal operations—but a legal background, whether as a lawyer with a law firm or in an in-house corporate legal team, won't hurt. Legal operations professionals must be able to understand the law firm's business model and be able to add value in conversations with law firm leaders.

The optimal candidate is likely someone with business acumen and possibly a financial and data analytics background. Someone with a law degree and MBA may offer the right blend of expertise for the role. But don't be afraid to tap someone inside your firm if they're already contributing to work on your firm's processes, vendor management, technology, or data analysis.

Director of Legal Operations

The director of legal operations, sometimes called the head of legal operations, runs the legal ops team and usually reports directly to the firm's managing partner.

The director is responsible for managing the entire legal ops team and for making higher-level decisions. These decisions might include the final opinion on resource allocation, vendor procurement, personnel matters, or leadership initiatives. The director of legal operations might also recommend whether to implement new technologies, advise on pricing structures, or suggest ideas to streamline processes that are wasting money. Usually, these recommendations are based on a synthesis of data and information provided by the lower-ranking members of the team.

It is important to hire someone with a demonstrated ability to identify and implement changes in legal technology, people, and processes. The director should also have well-developed change management and leadership skills, especially since they will be leading and acting as a role model for the rest of the team.

Legal Operations Manager

The [Legal Operations Manager](#) is the second in command of the legal operations team. They oversee all legal operations projects and manage team members' day-to-day activities.

The manager should have strong leadership and communication skills since they will be guiding the team directly and interacting with a variety of stakeholders, including law firm leaders and possibly even a client's general counsel or other department leaders. They should also have a strong sense of judgment, knowing when to share information with the director and with firm leadership. You should look for someone with years of experience managing people, driving process improvement, and collaborating across multiple departments.

A strong legal operations manager will understand the ins and outs of the law firm, including its hiring needs and the intimate financial details of the firm's daily operations. They must be highly organized and detail-oriented with extensive experience in project management and streamlining processes to maximize operational efficiencies.

Legal Operations Specialist

A legal operations specialist generally focuses on identifying areas of need and optimizing workflows. It is a highly collaborative role that requires strong communication skills and the ability to understand how other departments function. Examples of their work might be following up with legal operations analysts or researching new technology.

A legal operations specialist works directly under the legal operations manager. This position is usually generalized and a catch-all for the remainder of the work that falls under the purview of the legal operations manager.

It is important to hire someone who can handle a variety of projects and thrives in a fast-paced work environment with minimal guidance. A self-starter and easily motivated legal operations specialist is an excellent addition to round out your team.

Legal Operations Analyst

A legal operations analyst is a more specialized role than that of a legal operations specialist. Unlike a specialist who (somewhat paradoxically) performs more generalized tasks, an analyst collects and synthesizes data specific to the legal team's metrics.

The analyst does a deep dive into the functioning, caseload, work habits, and key performance indicators (KPIs) for each lawyer. This helps the legal operations manager decide where to allocate resources and how to better manage the legal department to increase profitability. Their work might affect the number of cases that each lawyer takes on, influence decisions about whether to hire additional local outside counsel or improve attorney management practices to boost productivity.

You should look for a detail-oriented individual with experience monitoring and [reporting](#) on data who can also collaborate on a larger team and between multiple departments. An analytical employee with an understanding of both the minutiae and the bigger picture will be an asset to any legal operations team.

A mature legal operations function might be closer than you think

Assembling a legal operations team might feel a bit daunting, but it doesn't have to be. Instead, look at it as an exciting opportunity to grow your firm.

Start by identifying any gaps in your current legal operations team (or draft a plan for implementing one). Then create a plan for how you'll start tackling the core functions we outlined above, whether it's by recruiting new hires for the roles described here or sharing the work between existing staff. (Keep in mind, though, that legal operations responsibilities are often extensive enough to require a full-time role!)

The sooner you build out and formalize your legal operations team, the sooner you'll start to see results in terms of more efficient processes, better client service, and more robust profits. Legal operations can also eliminate some of the headaches of practicing law, as your firm's lawyers benefit from more organized knowledge management and accelerate their work with data-driven tech tools.

Remember that the purpose of a legal operations department varies from firm to firm based on each firm's needs and current operating practices. Look at what your law firm needs today and strive to craft a legal operations team that can not only handle those needs but also bring your law firm into a future that you may not have yet imagined.

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