Free your lawyers to have the impact they deserve Through transformation and technology







We are operating a new paradigm

1990 Era of Engagement

2000 Era of Cost Containment

Gartner GCR Research

Expectations of Legal

85% of legal tasks go unsupported

Legal Resources

2010 Era of Risk Management

Today Era of Transformation







In the last 3 years GC turnover has increased 65%...because CEOs are demanding change

only 3% of GCs forecast they will people say they don't get the increase headcount by more Legal support they need to than 5% a year in the next 3 adequately manage risk years

The business is asking for more support...

For less...

n=1463 General Counsel Roundtable & Plexus Thought Leaders research

2	

	C
Legal & Compliance	38%
IT	38%
Finance	35%
Marketing, R&D & Sales 30%	
Audit 27%	
HR 26%	
Procurement 22%	

2

Resulting Legal being tied for the title of greatest blocker of execution...



"Our legal function delivers sufficient value to justify the time and money we spend"

Leading to enormous dissatisfaction with Legal value



'Though almost 40% of GC gave their team top marks for contributing to the commercial value of the company, only 14% of CEOs did so.'

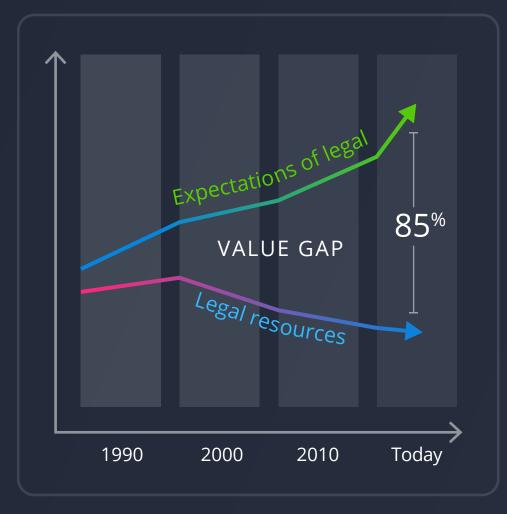
- Bain & Company



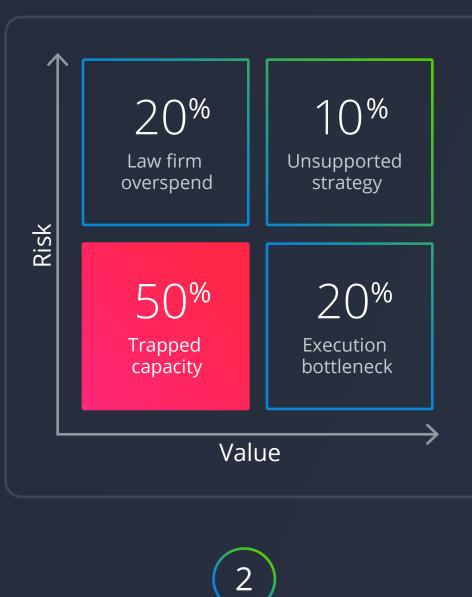




Four key challenges top GCs are focusing on

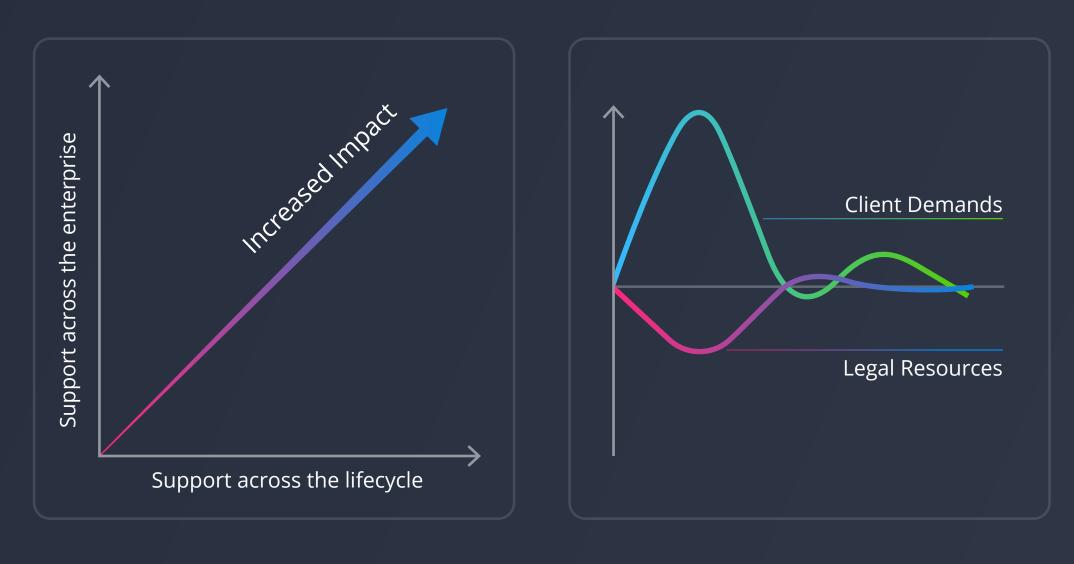


1 Doing more-for-less



Reducing time spent on 'churn'







Scaling legal risk management across the business and the end-to-end lifecycle

Matching volatile demand for with more dynamic and cost effective support options

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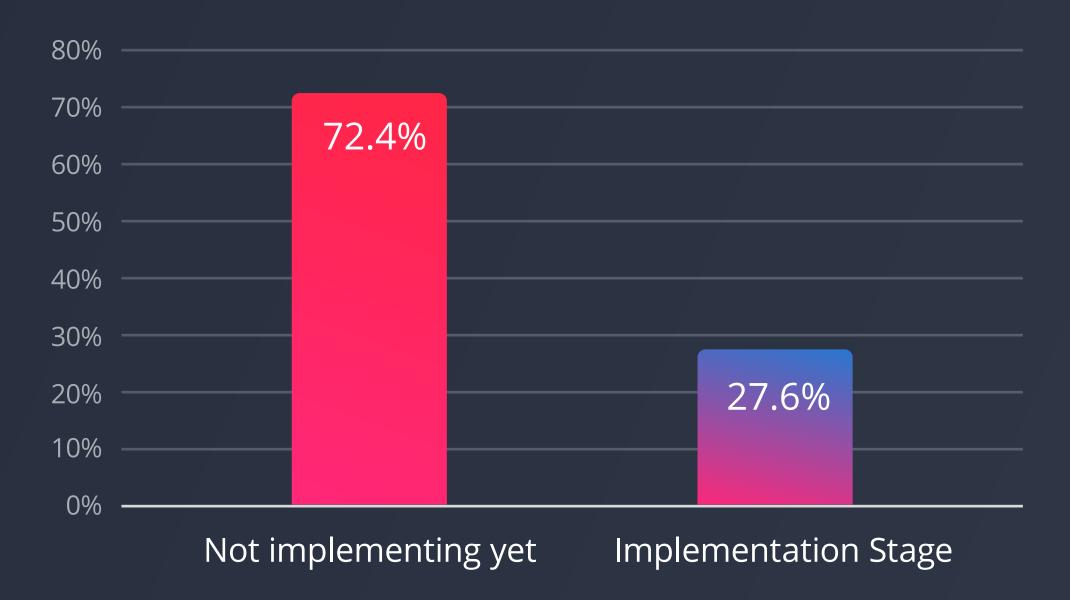
The core challenge: It is impossible for a legal team of any size to reach the +80% of employees who make decisions that impact legal risk every day.





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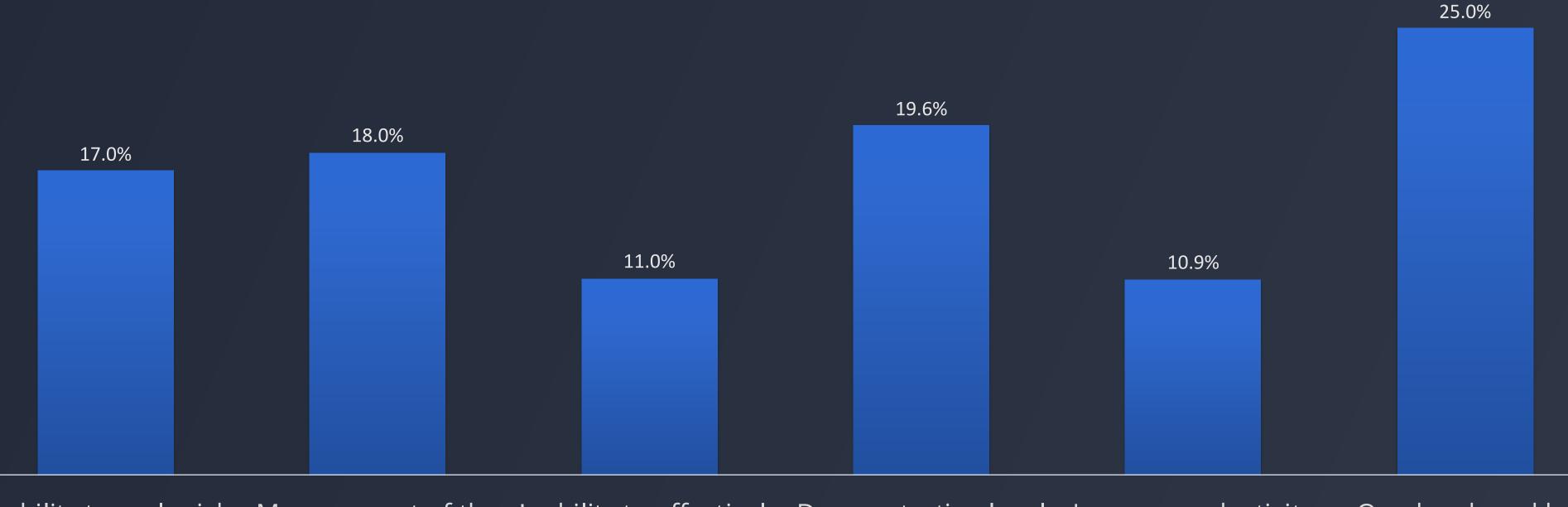
98% of GCs rate Transformation as critical to their future success. Yet few are implementing a strategy. Which stage of the transformation journey best describes your legal function





GC's appear to have divergent views on their key challenge

What is your greatest challenge?



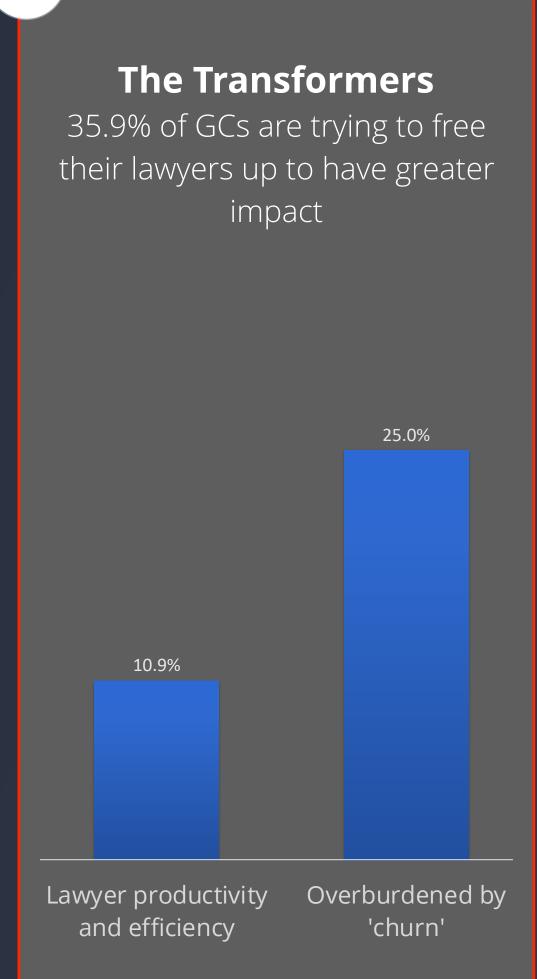
Inability to scale risk Management of the Inability to effectively Demonstrating legal Lawyer productivity Overburdened by management contract life-cycle manage work value and efficiency 'churn'



GCs are pursuing three strategies



3



The Three Pronged Attack Progressive GCs must pursue three concurrent, yet opposing objectives. Requiring them to rethink who, what, and how they create value. Requiring a rethink of structure, talent, performance management and operating methodology.

		Progressive GC	
	1 Business Facilitation	2 Technical Expertise	3 Decision support
Level of Strategic Risk	Low	Medium	High
Pre-Trans Budget (%)	60%	20%	20%
Post-Trans Budget (%)	30%	20%	50%
Activities:	Contract Management, Marketing Approval, Negotiation, Trademarks.	Litigation, IP, IR, Tax, Corporate Governance.	Business Partnering, Regulatory Analysis, Preventative Lawyering, Strategic Advice.
Core Mission:	Reduce legal drag & cost.	Risk Reduction	Generate Competitive Advantage
Locus of activity:	Automated, centralised & functionally aligned	Siloed & Centralised or Outsourced	Decentralised & BU aligned
Core Skills:	Process – optimisation, technology, literate, contract lifecycle management.	Deep 'Black Letter' Law	Critical thinking, business acumen & influencing



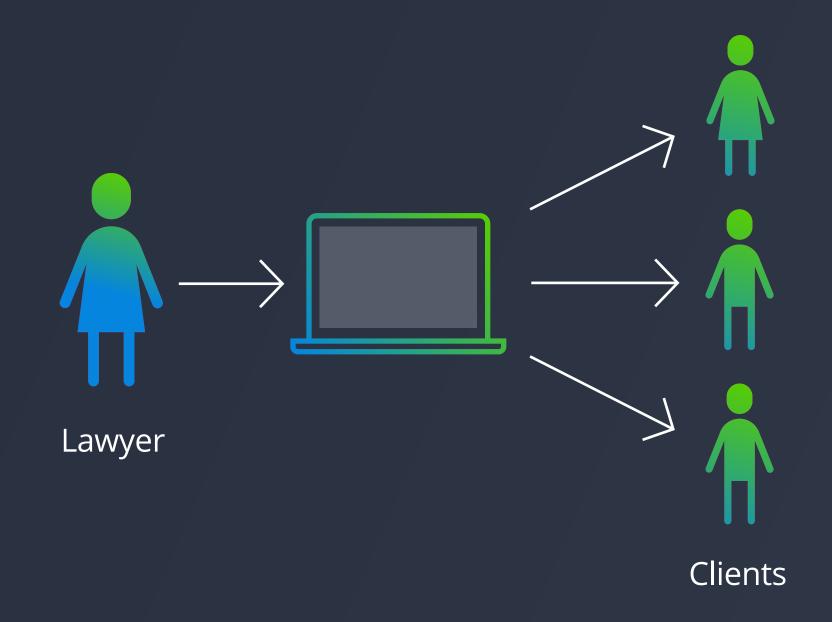
The Function of The Past

Legal focused on delivering value by building the legal departments capacity to support more decisions.



The Function of The Future

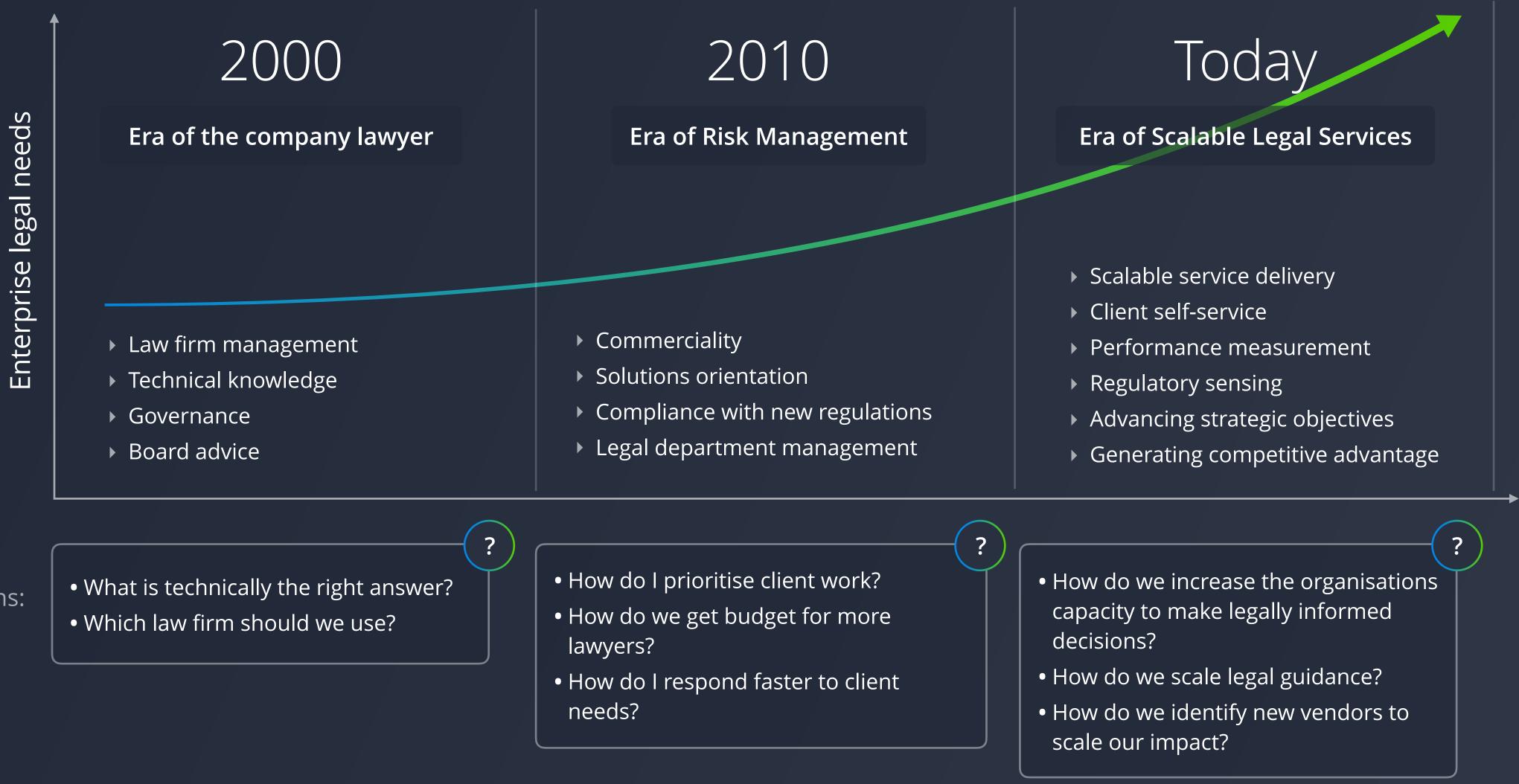
Now progressive functions build the organization's capacity to make better decisions.





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In this new paradigm: Legal Functions need to build the capability to answer a new set of questions

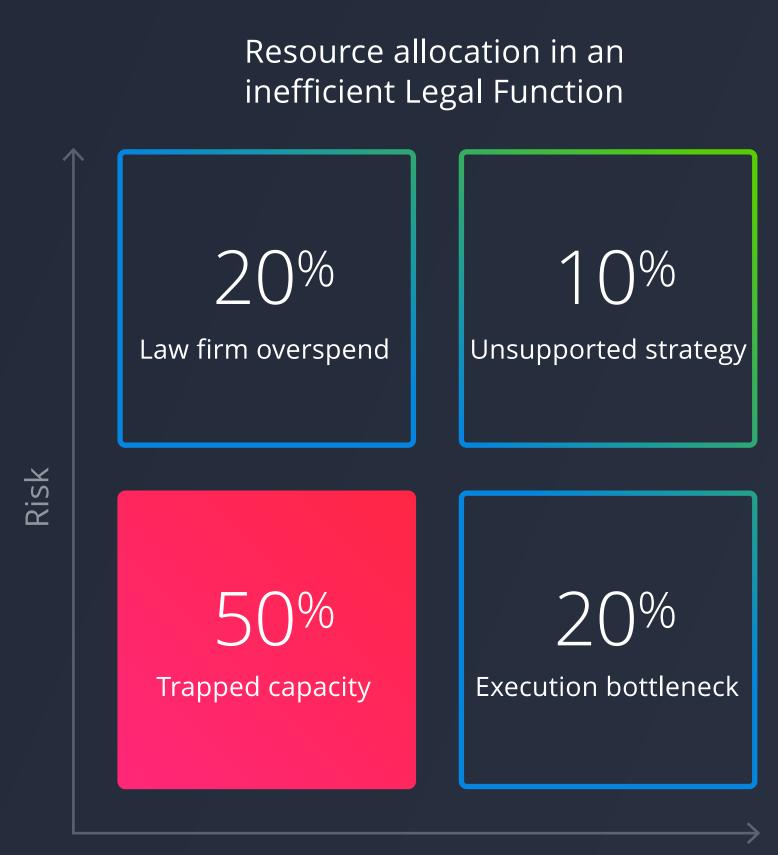


Key Questions:



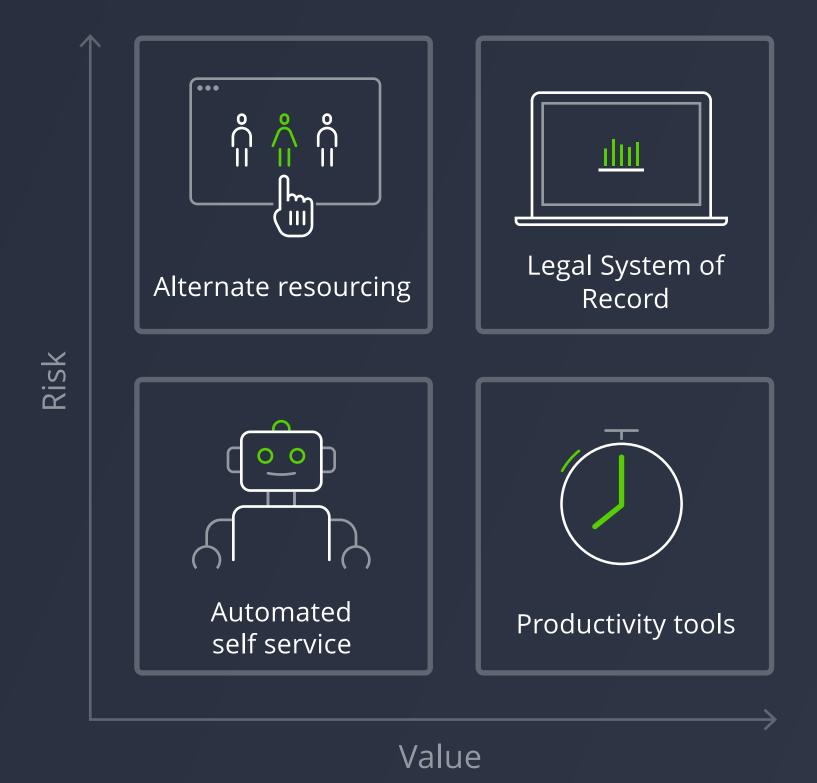


The Legal Transformation Playbook



Value







Harder *has fai* smarter.

The only way to deliver more value is to change *how* legal risk gets managed.

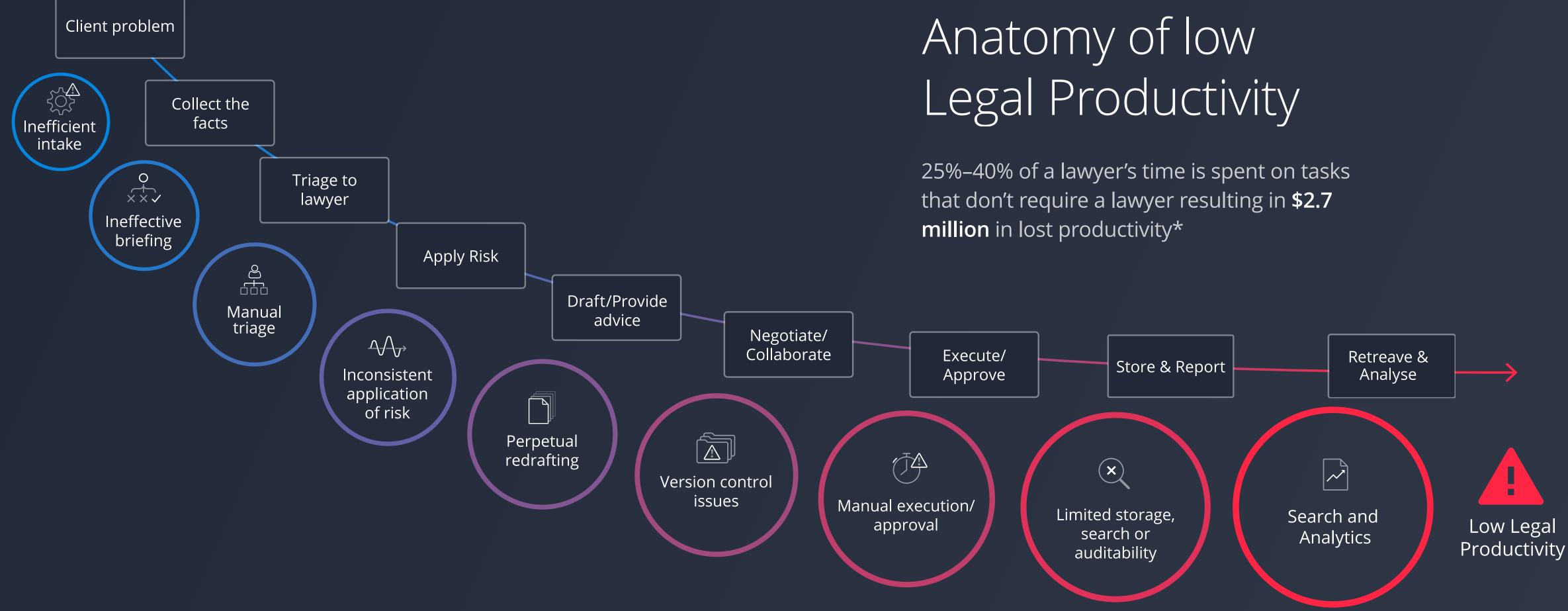


Transforming Legal Value

Harder has failed. It's time to work











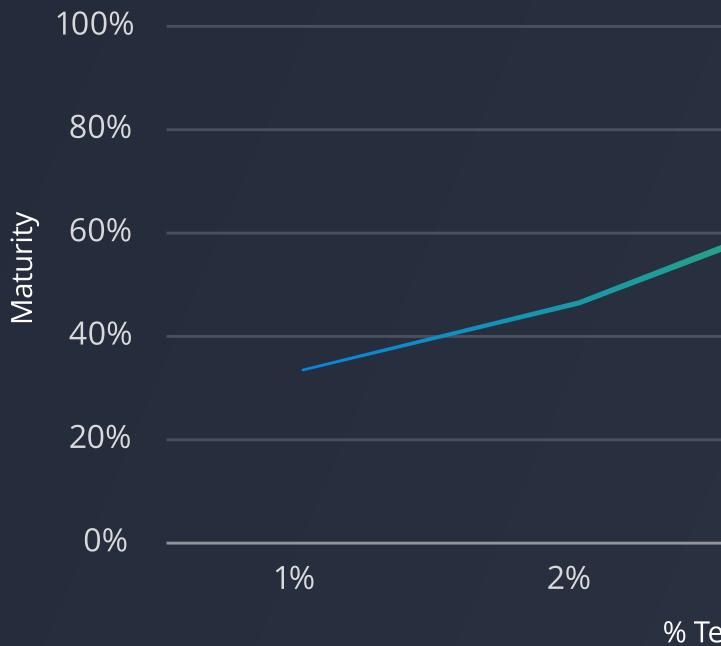
"The average lawyer spends 25-40% of their time on activities that don't require a lawyer" — General Counsel Roundtable





Those functions who report the greatest Transformation maturity also report the highest (%) spend on technology





Transformation maturity Vs Technology Spend

4% chnology Spend	6%	8%







Adopting the tools lawyers



"I know I should be leveraging technology...but I don't know what I should be doing about it." - ASX 50 GC









The Transformation **Doom Loop**



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13

Abdication instead of delegation

Delegating to a team member who is ill-equipped to get it done

Under resourcing

Failing to 'ring fence' the capacity and budget required

Stakeholder 'sign-off'

Allowing other functions the right to veto your technology strategy by 'seeking buy in'

Over-reliance on traditional vendors

Hoping law firms will solve the problem for you 'as part of the relationship'

Falling for 'integrations' fools gold

Believing that integration with other systems (e.g. CRM, ERP) will deliver material ROI

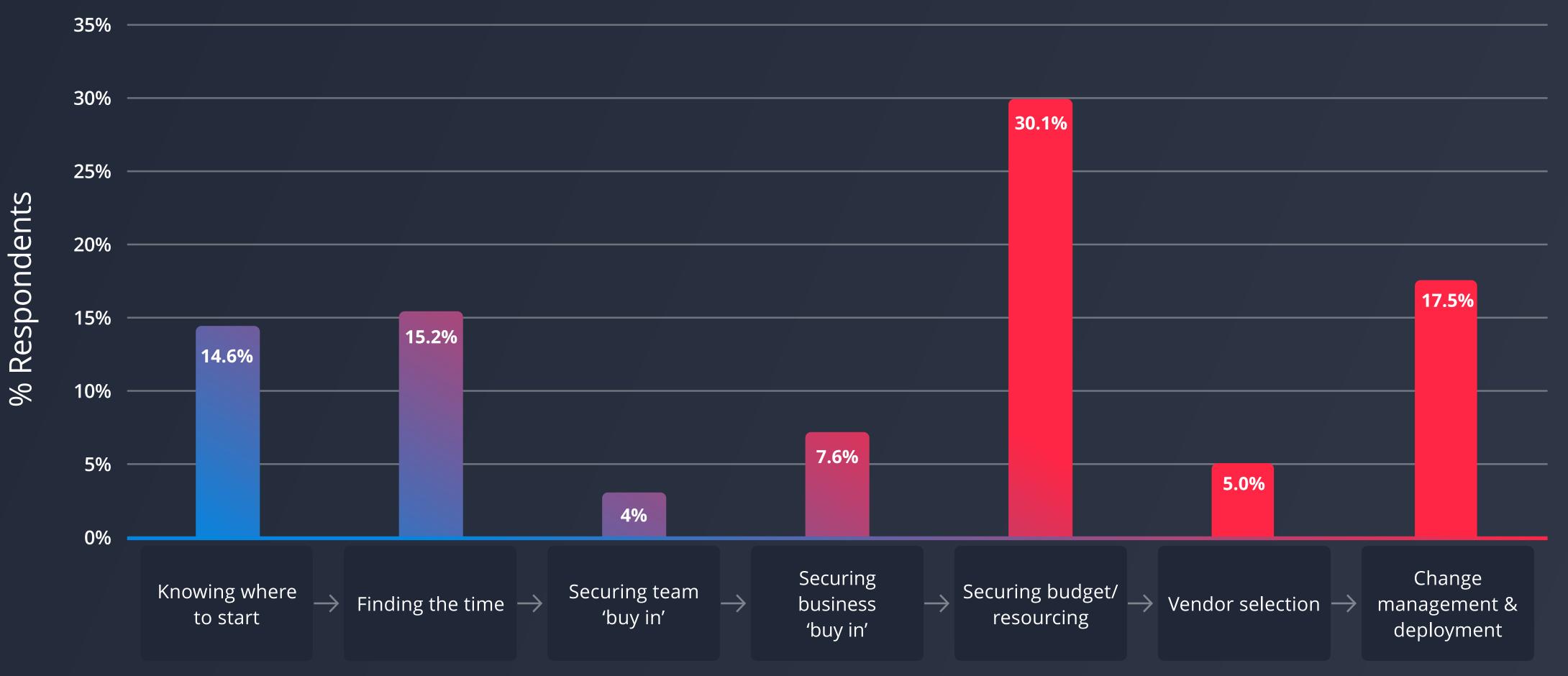
Under focus on adoption

Failing to 'sell' and 'tell' to mandate adoption





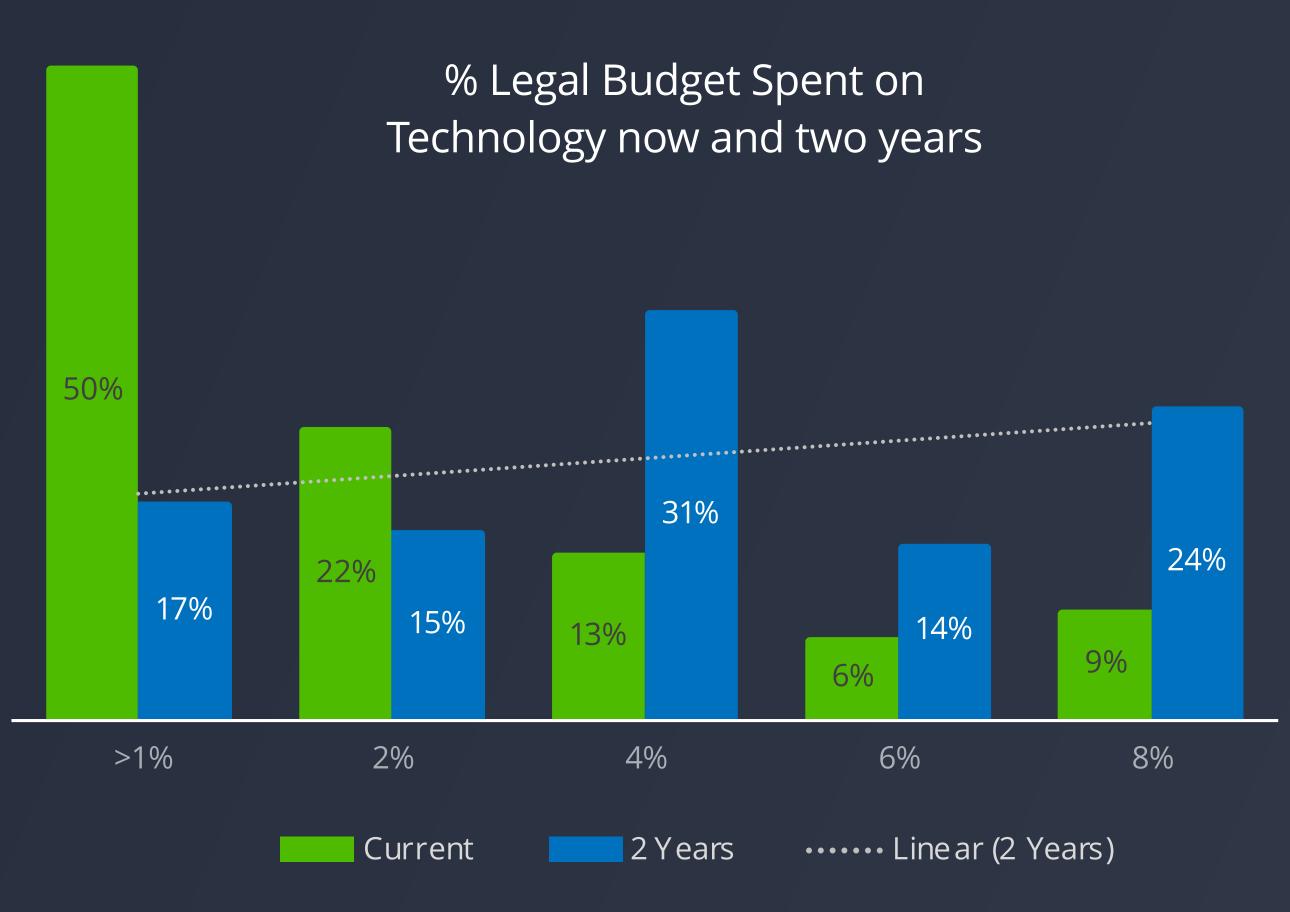
The greatest roadblocks to implementation



% of respondents rating greatest implementation challenge

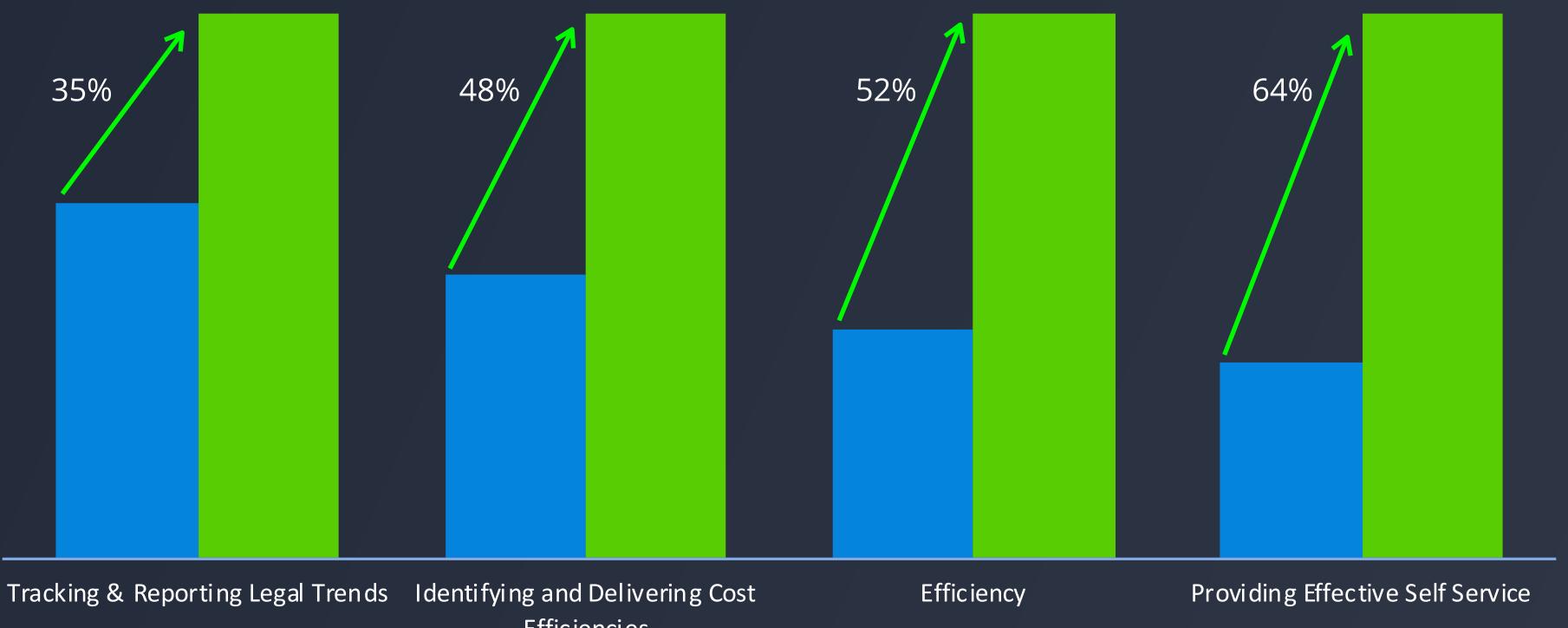


Almost half of legal functions have no technology....yet **average spend will increase** 111% over the next two years.





GCs report the greatest impact from investments in Self-Service



Efficiencies

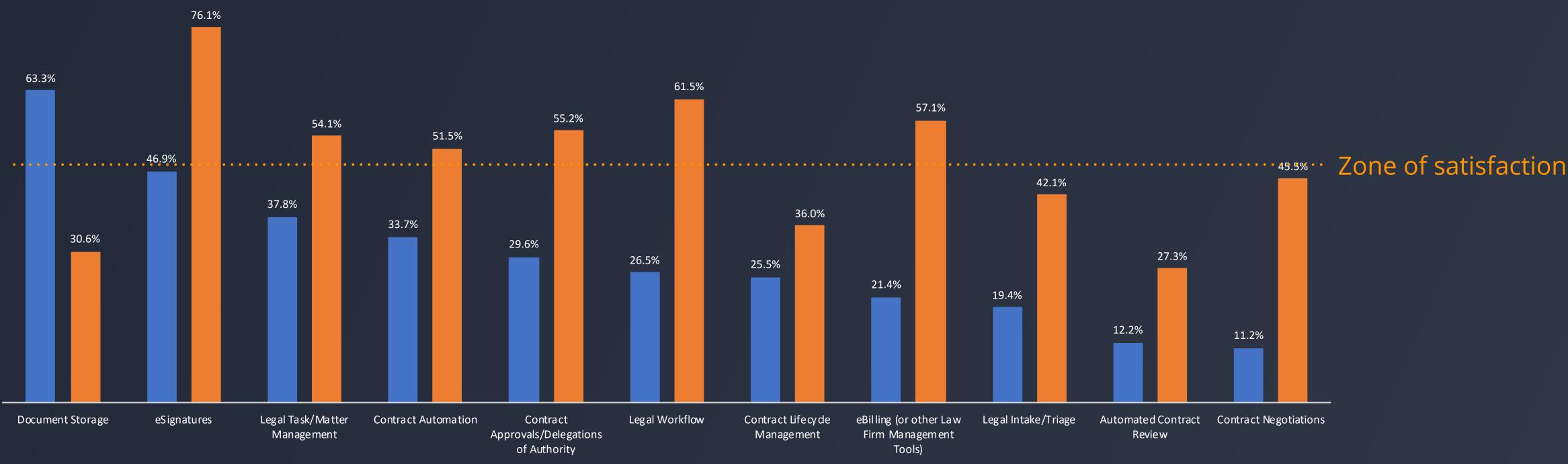
Not Established Established

Source: Corporate Executive Board

% increase in Legal output as a result of initiative



While GCs report reasonable satisfaction levels with some technology solutions - adoption still remains



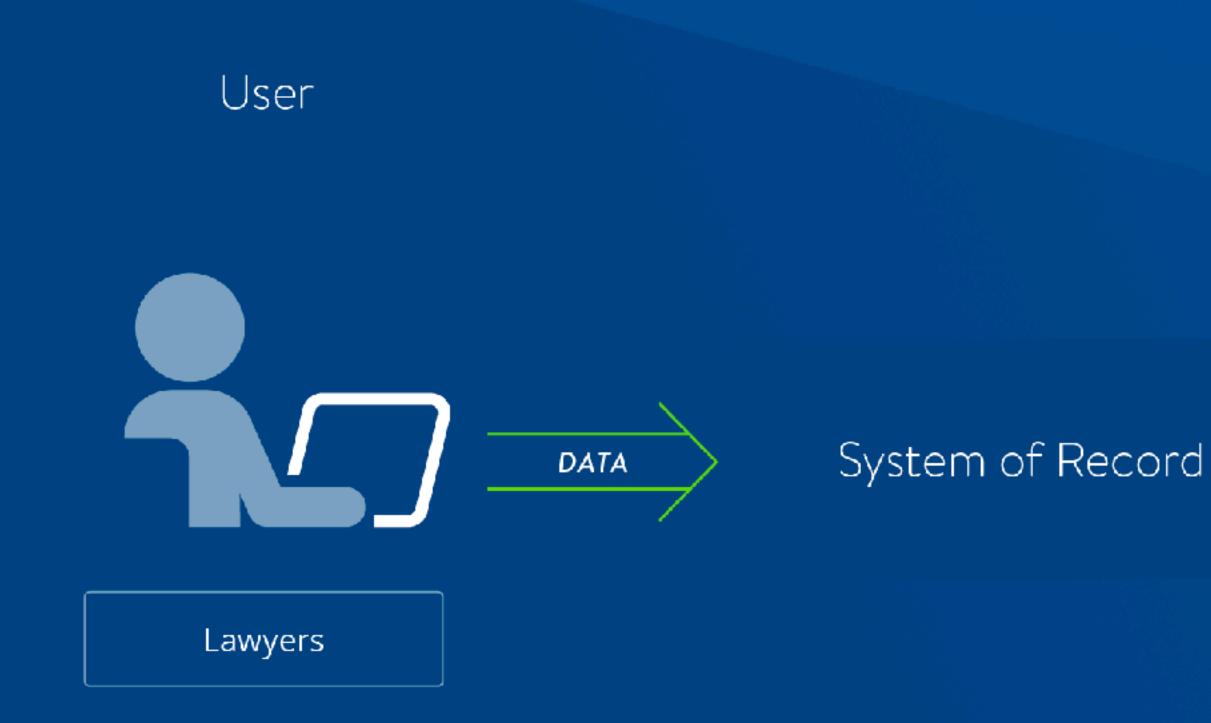
Functions that report high to very high satisfaction Vs adoption

Adoption Satisfaction

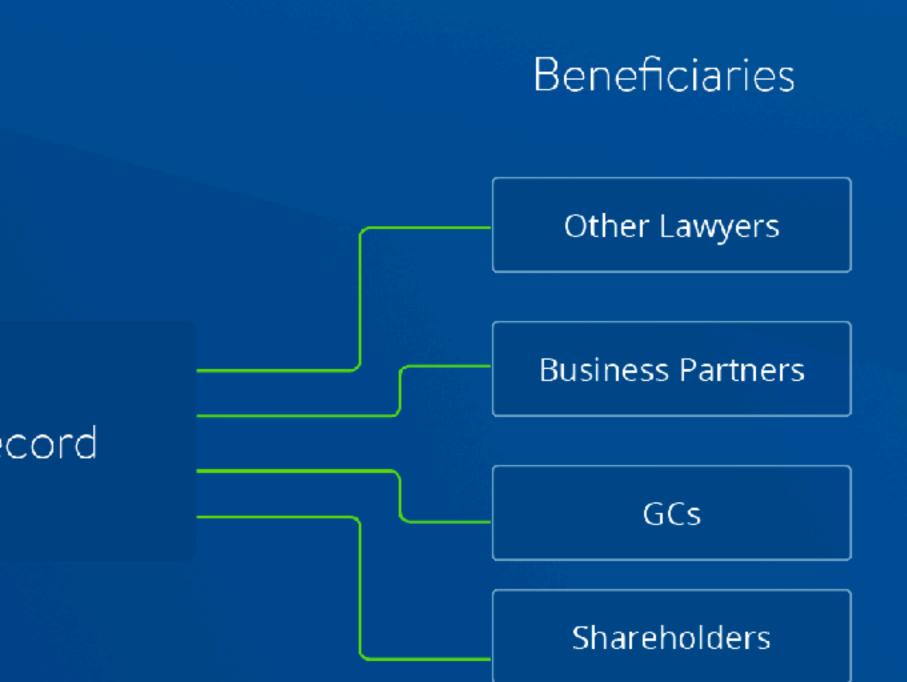


The data clearly shows that many functions are adopting outdated or ineffective solutions - leading to poor satisfaction.

Satisfaction increases considerably with those who have adopted integrated solutions. These functions report an average Customer Satisfaction of 86%.

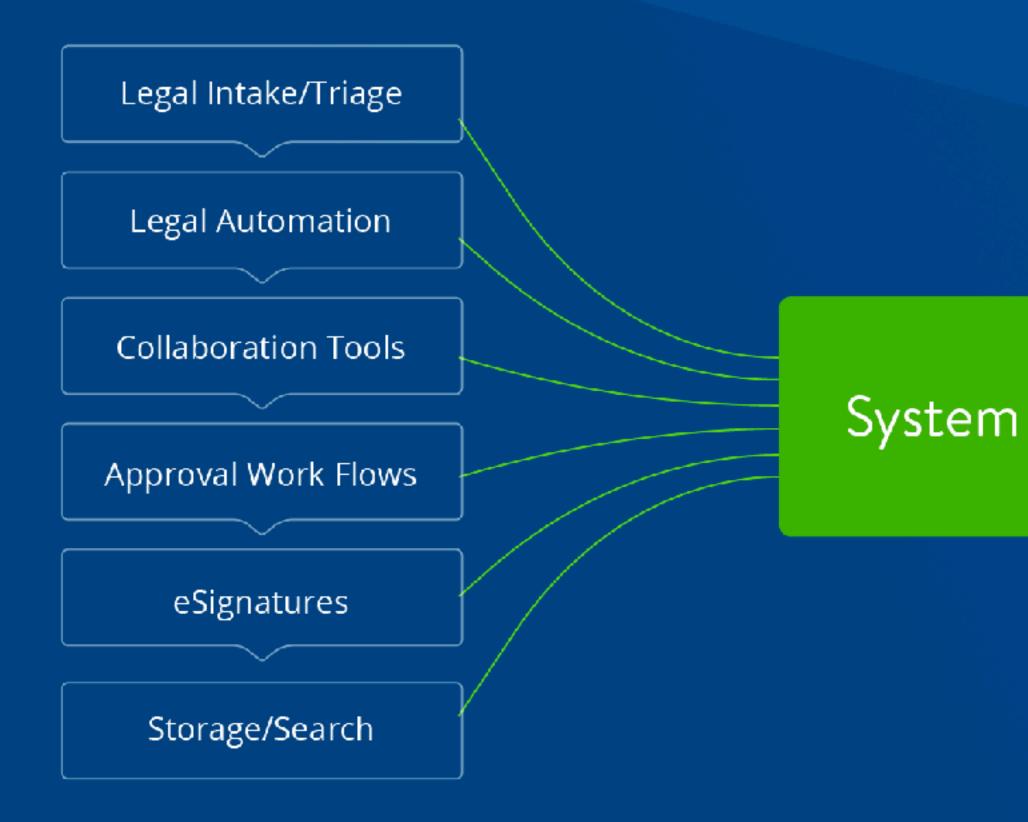


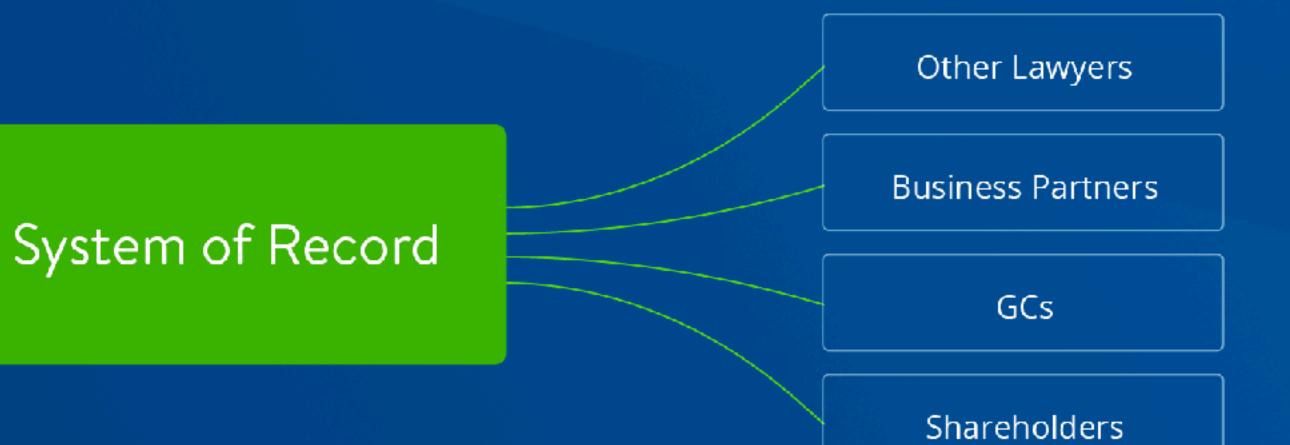
The 'One More Thing To Do' Model





The Integrated Workflow Model

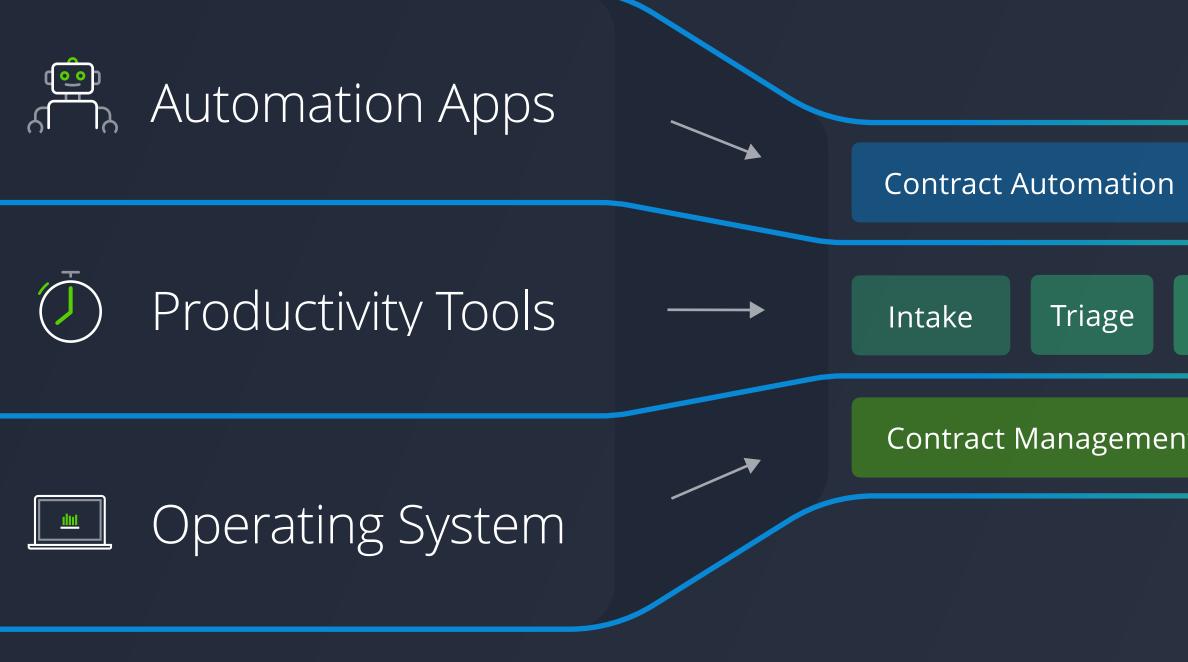








Plexus Gateway — one modular platform to magnify your impact



Automated Advice		s Au	gations	Deleg	n
egotiation	Ne	provals	Appro	rkflow	Wo
Analytics	nt	anageme	ter Mana	Matt	nt

- Improved risk management
- Increased client satisfaction
- Increased productivity
- Improved employee engagement





The evolution of automation



Contract Automation



Best used when assisting lawyers to draft contracts. Limited by range of outcomes, and often not scalable across the enterprise

A game changer. Like having your best lawyer on their best day on the desktop of every person 24 hours a day

- Advanced Logic
- Contract Automation
- Workflow
- Negotiation Portals
- eSignatures
- Approvals/risk triggers/reminders
- Contract lifecycle management
- Reporting & Analytics
- OCR/Search
- Audit Trail
- Fully integrated
- Matter management

Accelerates business performance, legal productivity, while reducing risk.

• Clause Library

• Client facing 'forms'

• May integrate to other tools (e.g.Docusign, workflows)

Over time easier to call a lawyer.



Free your time To have strategic impact



"What used to take us multiple days is streamlined down to about 12 minutes"

Marissa Corda: EVP, Global Head of Legal & Compliance, Sonnedix



The Hamster Wheel or the Flywheel?

While most functions are stuck in a hamster wheel



transformation

Progressive GCs are investing in a Transformation Fly Wheel



Frees some budget capacity Brings in some additional resources Stops doing some churn work

Makes small investments

Automates some templates Changes their supplier mix Adopts some productivity tools

Reinvests additional capacity in further

- Invests further in Automation
- Adopts a sophisticated System of Record
- Establish Legal Operations Capability

Gains business buy in Collects ROI and tracks impact Seeks investment from other functions



We challenge you to make a start

- 1. Implement productivity tools
- 2. Automate legal tasks
- 3. Adopt a legal system of record
- 4. Gain additional support through alternate resourcing



Resource allocation at a modern Legal Function



Value

To make a start go to our Transformation Toolkit @ www.plxs.com.au/insights

Playbooks eBooks How-to videos Case studies ROI calculators Business case templates Or email <u>insights@plxs.com.au</u>



