



Transform your legal operating model for the “next normal”

The resilient leader series for general counsel

COVID-19 has caused unprecedented disruptions to business and supply chains of various enterprises. Many companies are looking to identify and mitigate the operational, economic, and legal risks related to this outbreak. The legal function has been under enormous pressure to cope with the situation—from privacy issues surrounding employees testing positive for the virus, to dealing with contract breaches in the supply chain.

The increased complexity and divergence of measures around the globe have exposed companies to additional legal, reputational and commercial risks. While vaccines are providing hope for an end to the pandemic, general counsels and their teams need to re-evaluate how they can support the business in the “new normal”, identify the demands and opportunities they face, and put together the business case for change

Key issues of concern to recover after COVID-19

- Non-performance of obligations
 - Increasing regulatory pressure
 - Resource capacity and constraints
 - Being asked to do even more with less
 - Managing data
 - Mitigating risks
 - Creating a vision for future of legal
 - Demonstrating wider value to the organization
 - Knowing which technologies to use
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Doing more with less

While once again increased pressure and stretched resources pose constraints on the legal function, it becomes ever more important to rationalize and consolidate external spend, free up talent for higher-level work through alternative sourcing (or automation), and reducing cost/increasing efficiencies through the use of technology and process redesign.

Suggested approach:



Scenario planning

Capture the lessons learned from the pandemic so far and develop potential scenarios for both short-term and long-term readiness.



Reformulate your aspiration

Determine what your legal department needs to do to be a true business partner today and tomorrow based on the potential outcome scenarios



Set KPIs and develop a road map

To the extent possible, determine what needs to be done in the next couple of months and even in the next 1, 2, and 3 years, and how success will be measured



People,
processes, and
technology

How do you develop a new legal operating model?

Define the strategy:

- The legal strategy needs to align with the overall strategy of the organization and also reflect its risk appetite. It needs to be a tactical response to the revised expectations of stakeholders.
- Gain buy-in from senior stakeholders, as significant efforts can only be initiated once the GC has backing and the budget to take action.

Identify the behaviour:

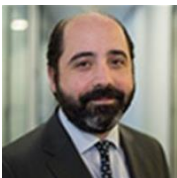
- Assess what behaviours are needed to achieve the strategy, the changes required, and the key performance indicators (KPIs) that will measure whether the strategy's objectives are being met.
- Define a strong governance structure, with clear role descriptions & responsibilities, and implement the proposed changes – make it reality.
- Perform a diagnostic test to identify which other components take priority in moving to the [target operating model](#). An operating model which would help assessing operational performance (efficiency, effectiveness, and customer satisfaction). Also a very useful tool when planning any structural reorganization.

Implement and enable:

- Once defined, turn to the enablers: organization & people, process and technology & data.
- Use a robust approach to knowledge management: keep team members up to date, learn from external providers, use technology to track and report, and provide regulatory databases to capture lessons learned, improving efficiency and minimizing legal risk and cost.
- The “next normal” may see sustained higher levels of remote working – keep your workforce connected, provide the infrastructure and support they need, and address any performance-related issues.

Creating and managing a new legal operating model is not a quick task. Time, effort, and external advice is needed to review the appropriate sourcing models, procure the appropriate technology, determine the optimal legal team, and implement the new strategy. It may not be a quick task, but it most certainly is a necessary task to transform the legal function to remain resilient in the post-pandemic era.

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