

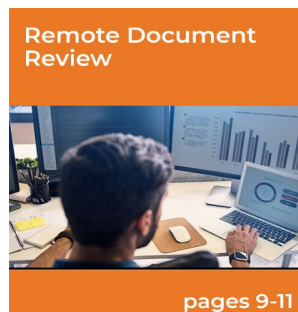
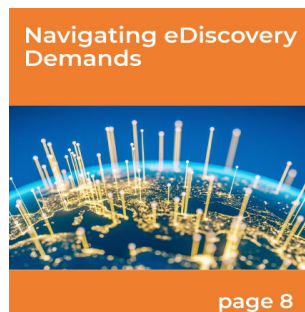
Change Brings Opportunities – Adapting to a New Legal Landscape

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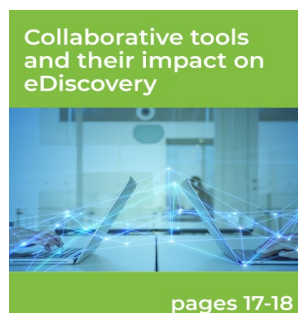
Digital transformation services



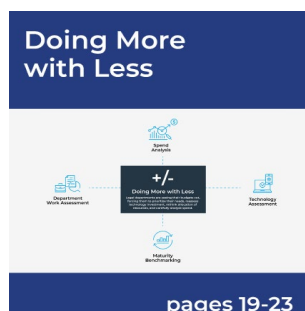
Litigation support needs during COVID-19



Impact of working in a remote environment



Corporate legal teams faced with economic constraints





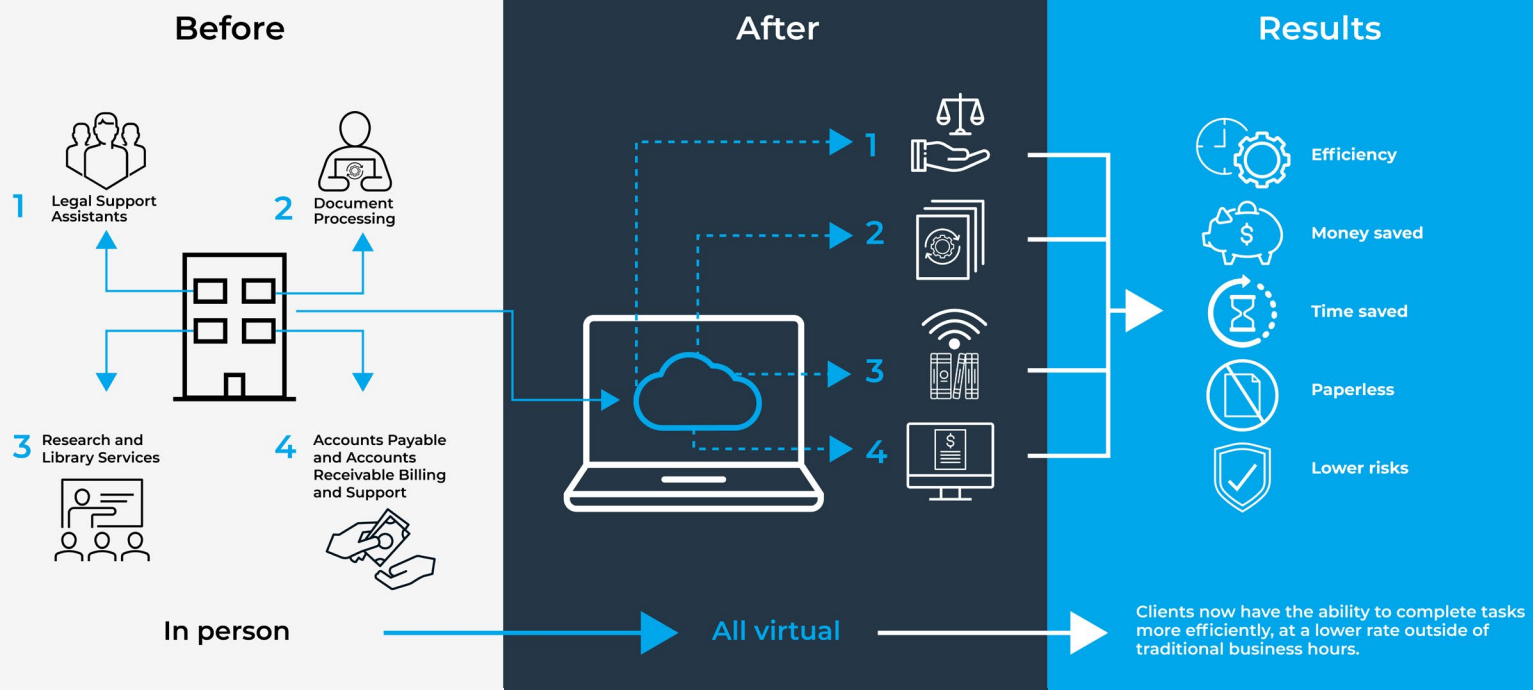
introduction

The legal industry has often prided itself on relying upon tried and proven practices. However, the magnitude of the COVID-19 pandemic has upended those practices and created a new industry landscape. Like most businesses, legal professionals have been forced to swiftly change their operating model. These changes have had a significant impact on the workplace, with numerous employees moving to a work-from-home setup. Organizations had to mobilize quickly to get all their employees set up remotely, while also supplying a secure, collaborative working environment. Initially, this task was challenging for many organizations, but many adapted well and have seen the benefits that come from utilizing remote collaboration functions across the board. In fact, a 2020 Gartner, Inc. survey of 127 company leaders, representing HR, Legal and Compliance, Finance and Real Estate, revealed 82% of respondents intend to permit remote working some of the time as employees return to the workplace.

As it turned out, working from home presented little to no obstacles to business operations. Consequently, the legal industry has been rethinking its service and resource models. Working remotely and using more digital solutions have produced several cost saving benefits, like the need for less office and storage space. The digital work model also promotes better organization, efficiency, and communication practices. Additionally, while it seems like an oxymoron, it can actually be lucrative, and even profitable, for law firms that charge clients less when using more modern practices.

The global pandemic has thrust these modern practices into the industry and legal professionals have acclimated. For years, many in the legal profession have feared digital transformation, working from home, outsourcing large projects, and moving away from the billable hour model. While some things will undoubtedly remain the same, some will be changed forever. Organizations have seen that a digital model can work while also offering several business advantages. Going forward, using more remote tools and work models will be the new norm of legal practice.

Digital Transformation Solutions for Everyday Tasks



Globally, COVID-19 has disrupted standard operating procedures for many organizations. To support newly remote workforces, businesses had to get creative and expedite technology initiatives. Because of this, COVID-19 has functioned as a launching pad for digital transformation that enables legal teams and law firms to flourish.

Organizations that have embraced new technologies and automated solutions have benefited from seamless business continuity,

reduced risk, operational efficiencies, and cost savings. Some of these changes have created enough value that organizations will incorporate these technologies and process improvements permanently, even when the workforce begins to return to the office.

Below are several key areas where digital solutions deployed during the pandemic have proven to be transformative tools for the industry.

Digital Mailroom

Digital mailroom (DMR) is a technology-enabled solution that streamlines a mailroom's operations, increases compliance, and strengthens an organization's information governance strategy.

On a foundational level, a digital mailroom ensures that physical mail is collected, scanned, and delivered to its intended audience within a few hours, regardless of their geographic location. Indeed, law firms and corporations have been

converting physical documents into electronic content through basic scanning techniques for years, but a DMR solution is more than scanning and sending. DMR is an end-to-end workflow solution that captures data from receipt, logs incoming pieces through scanning, and has intelligent routing of digitized content to an organization's repository of record.

Organizations that have adopted DMR during the pandemic have already benefited from cost savings, a strengthened information governance program, and for most users, this solution has become their standard business practice.

Continuing to use this technology post-pandemic can improve efficiency and productivity. It can also help organizations reach their goal of having a paper-free environment and downsizing their physical office space.

Smart Lockers

Smart lockers are a storage solution powered by intuitive technology that supports mobility, flexibility, and safety in the workplace. Originally, smart lockers appealed to organizations due to its contactless and efficient delivery model, but this solution also enhances processes for package management, day storage, and more.

How do smart lockers work? When a package arrives to an office location, it is immediately sorted, scanned, and placed in a smart locker. Once placed in the locker, the employee is alerted by email that their package has arrived, and it is available for retrieval by using a scannable QR code. The employee can then scan the code and pick up the package at their convenience.

In addition to maximizing employee safety by minimizing physical interactions, smart lockers have numerous other benefits. One benefit is efficiency. Teams that have installed smart lockers have found that packages reached their intended recipients 70% faster than traditional approaches. Additionally, for teams with an integrated DMR service, smart lockers act as a key step by safely delivering any requests for physical copies of mail or packages. As many trends have demonstrated, remote working will continue to be the standard for many employees and teams – even after the pandemic. Smart lockers enable teams to work from anywhere, but still safely and efficiently access supplies, critical mail, and more.

Outsourcing Administrative Functions

As firms realign their operational strategies to support an actively expanding remote workforce, they are reimagining traditional employee roles to better scale productivity and maximize resources. While law firms are anticipating large percentages of their attorneys not returning to the traditional office, they have specifically begun to reconsider the delivery of administrative functions to support this new distributed workforce.

As firms explore these new delivery models, many have found that outsourcing these functions can competently support remote employees while also supplying:

- Higher quality output due to having support that has undergone dedicated training and development along with specific skills that are aligned with project requirements
- Reduced real estate and office space
- 24/7/365 availability
- Reduced expenditures as resources are located in secure, lower cost markets



Examples of outsourcing resources include:



- **Legal Administrative Assistant and Legal Support Assistant (LAA & LSA):** With attorneys working virtually, the need for legal assistants and secretaries to be present in the office has decreased significantly. LAAs and LSAs can efficiently complete tasks such as managing time entry, expense reports, calendars, and other administrative support tasks without being physically present.
- **Document Processing:** Document processing is a crucial part of legal operations and includes creating, converting, editing, and formatting different medias – like documents, spreadsheets, slide presentations, proofreading, and marketing support. Other tasks that can be completed remotely include EDGAR preparation, eFilings with the courts and other administrative bodies, transcription, and other practice-specific support.
- **Accounts Payable and Accounts Receivable Billing and Support:** Organizations can work with an outsourcing partner to streamline AP/AR solutions to help with tasks like billing and coordination, invoice scanning, data entry, general ledger coding, expense report management and auditing, financial reporting and analysis, bank reconciliation, and payment allocations.

Law firms are continuing to think creatively about their operational structures. Critical administrative support is vital. With experienced resources in high demand yet low supply, an aging workforce,

and a need for higher technical proficiency, remote resources solve many long-term operational problems.

Virtual Court Experiences



In response to COVID-19, courts and arbitration centers around the world have made the transition to online delivery of their services. Despite the current climate, courts still need to hear cases but without the parties physically entering a courtroom. Virtual hearings, which allow participants to join proceedings through video or phone, have now increased in their usage. While some jurisdictions already offered a similar service prior to the pandemic, the forced closures of courts accelerated the demand for this virtual alternative. For many matters, there is little difference in participating virtually. However, some legal professionals have pushed back when dealing with important motions and trials, arguing that a virtual presence does not provide the same experience as being in person.

For matters such as depositions or international arbitrations, being able to virtually take part in proceedings offers flexibility for those with busy schedules. The electronic presentation of evidence

allows lawyers to question a witness faster, which enables them to build momentum more easily, thus making cross-examination more efficient and effective. A complimentary service that has increased since the pandemic is virtual court reporting. This service is more readily available due to counsel or clients being out of town or having unavoidable conflicts.

Legal professionals should expect the debate between virtual and in-person proceedings to ensue as the world slowly reopens. Many will push to revert to in-person hearings, trials, depositions, and arbitrations. However, as more cases go global, the shift to virtual hearings will continue due to reduced costs and more efficient hearing processes. This could also lead to lower value events, like routine depositions or case status meetings, to remain virtual. Organizations should monitor how these services fare during the remainder of the pandemic and beyond.

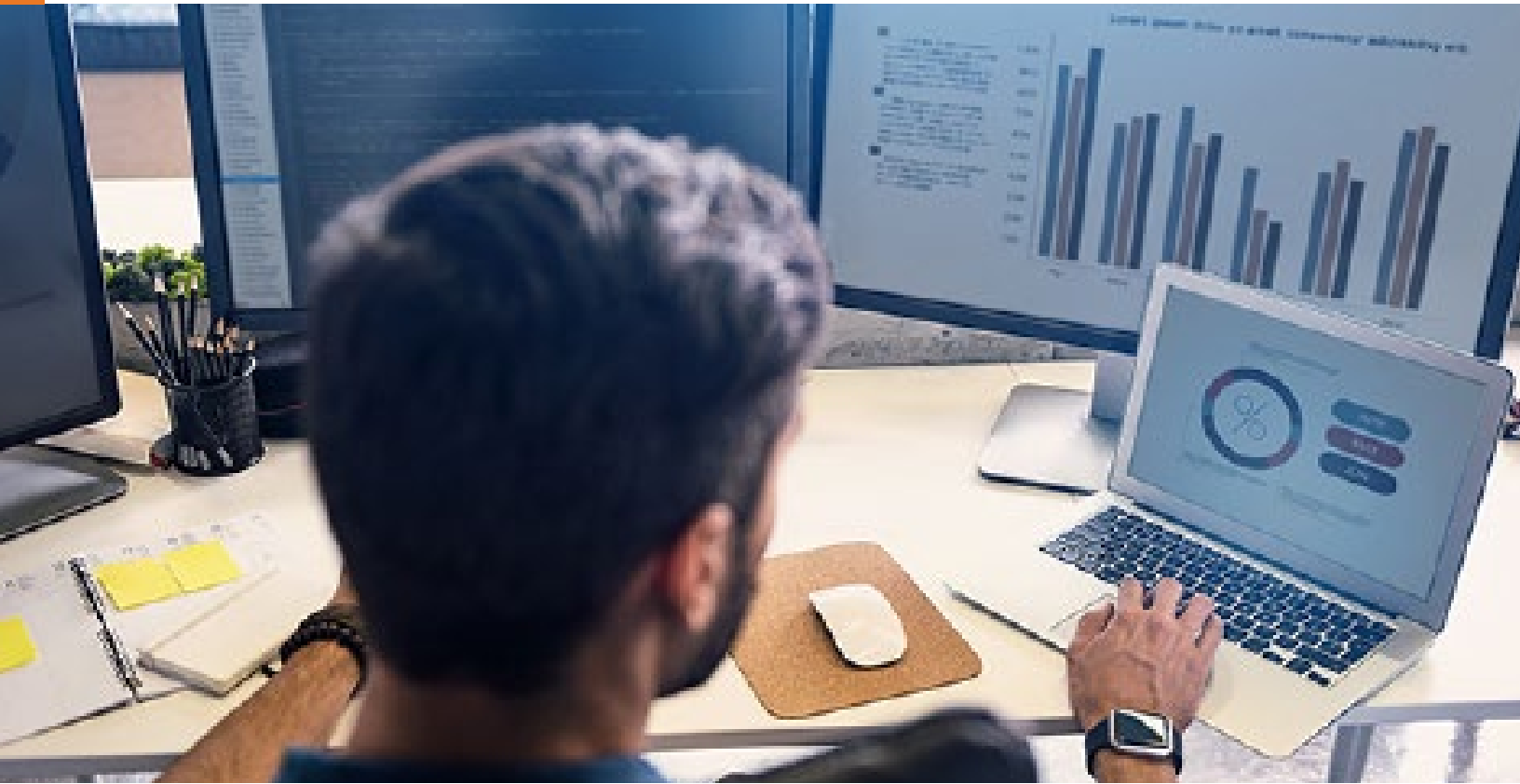
Navigating eDiscovery Demands



In recent years, law firms have learned to adopt new practices and technology that can assist with the eDiscovery process. Because the modern world is driven by digital technologies, lawsuits yield more data to sort and disclose than ever before. Many have embraced eDiscovery solutions to help with tasks like data collection, document review, sorting, and analytics. All of this improves compliance efforts and streamlines the litigation process. While firms can perform document review onsite, because of its digital nature there is merit to outsourcing large projects to a third-party provider. As physical offices around the

globe closed because of the COVID-19 pandemic, more organizations had to turn to the latter choice. Even with office closures, looming deadlines still remained, and document review teams had to go remote. While initially, many legal professionals had doubts about how successful a large review team could work virtually, it turned out to be a highly successful venture that offered several benefits.

Remote Document Review



One of the anticipated demands for eDiscovery is for more remote document review services. While remote review is certainly not new, the COVID-19 pandemic has shifted reviews to being almost all remote. Prior, organizations were free to perform document review in-house or to use an external provider that operated using in-person review centers. While not all organizations were initially comfortable with the remote review arrangement, many have tried and liked this solution. There are benefits to remote review including the ability to rapidly create teams of document reviewers across locations to respond to the needs of clients. Another perk is that document review can be a 24/7 function by using reviewers worldwide, and

specifically, skilled and diverse contract reviewers are far easier to plug-in “as needed” since they can be pulled from anywhere globally. By being able to recruit worldwide, firms can obtain the best attorneys for a specific case or practice area and can find people who are multilingual if needed. Remote document review can also offer cost-saving benefits like the ability to hire reviewers from lower cost market locations for portions of the review or cutting down on physical office space. As organizations become accustomed to this arrangement and see the benefits, there will be a rise in remote review.

With this shift to remote review, providers made several changes to adapt.



1. Security comes first.

As with traditional review, remote review must maintain proper security. Challenges can arise in court regarding improper review practices, especially when the documents contain sensitive information. The cornerstone of a defensible document review is security. Taking a “clean room” approach to a review site ensures that data stays safe and secure. In a document review space, the term “clean room” has come to mean a room where data remains secure. With the outbreak of COVID-19 causing so many businesses to close their brick-and-mortar facilities, the question became how could providers keep a defensible, clean room approach to a remote document review option?

To enable contract reviewers to work remotely, providers put time and expense into creating effective security protocols that ensure data cannot be replicated, stolen, or breached from a home location. Providers must vet all document review solutions to ensure they are secure. A good remote document review solution will be built to ensure secure remote work by using multi-factor authentication and other verified protocols that include a complete set of safety measures ranging from disabled data redirection to automated data clearing on virtual desktops. Additionally, with an array of oversight options, including comprehensive reporting metrics, confidentiality agreements, and training, digital teams can be managed as if they were all in the same physical review center.

Vendors that offer remote-based document review should have already considered these obstacles and maintained secure, defensible practices. Organizations should ensure that these security

measures are in place before choosing a vendor for remote document review. When working with remote contract attorneys, it is crucial to safeguard the security of review documents. To do that, organizations must implement practices and policies for remote attorneys to follow.

- A secure virtual desktop should have the following features to maintain the proper level of security:
- Client approval to access the Internet
- Multi-factor authentication
- Inability to print from the virtual desktop
- A secure interface that allows for access only to the database review platform
- No data stored ever on any personal device or vendor provided laptop at any time
- Disabled clipboard access, preventing the ability to copy or paste information
- Disabled device redirection, preventing data transfer between the device and the virtual desktop
- Restricted ability to save documents to the user profile on the virtual desktop only and not on the device being used
- Ability to wipe the virtual desktops each night, clearing any user data or browsing history from the virtual machine



2. Active management over remote document reviewers.

To mimic a live document review atmosphere, organizations need to implement remote-enabled project management, oversight, and teaming. The same high standards and comradery of a traditional clean review room should be replicated in a virtual clean room. Management should utilize digital tools to monitor and ensure these standards are upheld. Having telephone or video meetings at regular intervals to discuss project progress and work expectations are a good way to improve successful oversight. Utilizing built-in collaboration technologies, like rapid chat, can support knowledge sharing that often organically emerges in a face-to-face environment.

All contract reviewers should also sign confidentiality agreements, including information related to the policies and procedures that contractors must follow for a remote document review. This will provide working guidelines for contract reviewers and help safeguard confidential client data. It will also provide a written document for management to refer back to when discussing project goals and work product with remote reviewers.

Lastly, the same comprehensive reporting that clients were previously receiving should not be altered in any way. Vendors performing remote review should still provide organizations with

metrics showing that productivity and quality standards are being met. To help maintain the highest standards of quality control, there should be frequent and regular internal calls to discuss feedback from the team, review protocol updates, and to conduct additional trainings. These practices are in addition to any virtual meetings that management has with vendors or remote contract attorneys completing a document review. Managements should use metrics to provide remote reviewers with quality control feedback through email, phone, instant message, or other electronic communication tools to maintain appropriate quality levels.

Implementing the practices above will help keep remote review moving efficiently and safeguard confidential data. This provides the same defensible practices for eDiscovery disputes that would result from an onsite document review. Being able to shift this large part of practice to a wholly remote operation allows organizations to take advantage of cost and time saving benefits that remote review offers while also being able to yield superior document review results that new technologies provide.

Remote and Mobile Data Collection



Another area that legal service providers believe will have higher eDiscovery demands is remote data collection. Remote data collection refers to gathering data from physical machines by VPN or other virtual means. Just as with remote review, remote collection is not a new endeavor in the legal industry. However, the COVID-19 pandemic has forced professionals to get a better understanding of the remote collection process. Technicians are able to access machines and pull data across secure networks rather than physically taking it directly from the machine. This option allows for collection to occur during off-hours, which limits business disruptions while keeping everyone safe from COVID-19.

Mobile devices, like cell phones or tablets, are being increasingly used for work and personal reasons. While mobile devices are extremely easy to use, the mobile operating system's security restrictions and mobile device management policies are highly complex. Consequently, collecting data from mobile devices can be challenging, especially remotely.

The first step in the remote collection process is for an organization to have a grasp on where company data exists. Beyond cell phones, laptops, and other

commonly used devices, there are other potential data sources out there. For example, sometimes an eDiscovery request could ask for data on an activity tracker, like a FitBit or Apple Watch. This is a nontraditional data source that many would not think of adding to a list of potential data sources. Data and metadata can also be found on a number of different Internet sites, like social media platforms or messaging applications. To fulfill eDiscovery demands, lawyers should ensure that their clients know where their data resides and issue a legal hold on preserving relevant data after a lawsuit ensues or is on the horizon. Being proactive and anticipating collection efforts helps the eDiscovery process run smoother and will assist in choosing a remote collection service.

The next step is to determine what collection efforts should look like. Before the COVID-19 pandemic, some organizations were just enlisting their onsite IT employees to identify data custodians and use technology to collect data. However, many have been forced to either transition their internal employees to a remote data collection set up or explore using a third-party vendor for remote collection.

There were some fears about using an outside vendor for remote collection, but now, it is apparent that there are several advantages. Outsourcing this task to an experienced third-party vendor is appealing because it cuts down on internal training time, costs, streamlines the collection process, saves on travel, can be performed at any hour by experienced professionals, and yields defensible methods. The

investment for buying data collection software or contracting with a third-party vendor will pay off, and organizations will see profit increase from utilizing new, remote collection tools. However, an organization must first perform extensive research into third-party vendors to ensure the vendor provides these benefits.

Here are some things to keep in mind when choosing remote collection vendors:



- Ensure the vendor's offerings tailor to the organization's specific collection needs. While several solutions can help with remote collection, it is not a one-size-fits-all kind of tool. Some solutions are specifically geared towards one type of device, like an iPhone or Android. In this instance, the collection process is different based on the nature of the cellular device and a vendor offering the capability to meet collection needs for both types of devices is necessary. The vendor can work with custodians to ensure they have access to all data they need to collect and discuss the best collection efforts, like whether a selective collection would be sufficient or if they need to do a more in-depth dive into the device to obtain all relevant data.



- Just as with remote review, organizations need to use secure and legally defensible remote services for data collection. Make certain that the vendor performs all collections over a secure network in order to maintain confidentiality of sensitive data.



- Regularly check in with remote collection vendors about the status of a project with phone calls, emails, or video chatting. This will help make sure that things are moving according to plan and provide an opportunity to discuss any roadblocks or additional expenses that may be necessary to finish a collection project. Many cloud-based data collection options include consulting prior to collection to determine what data needs to be collected and the best method for meeting collection goals. This will keep the organization involved in the entire process, even though the work is happening remotely.



- Providing both media and media-less solutions for remote collections. This should provide peace of mind to clients as they do not have to handle hard drives and can comply with social distancing and/or shelter-in-place requirements since they would not need to leave their homes as long as they have an internet connection.



- The ability to collect iPhone data directly from the cloud. Often, it isn't necessary for a custodian to part with their phone – their data can be collected directly from the cloud – which is contactless and can be far more efficient.



- Encryption is key. Ensure your vendor uses encrypted drives to send all sensitive and confidential data that gets collected.
- Ensure your provider is doing the work. It should not be up to the individual custodian to figure out how to back-up and collect data. Though an expert will not be physically present, it should be the same experience. The collections expert should be sharing the user's machine and doing all the work.

The popularity of mobile devices for personal and business communications is ever-growing. During the COVID-19 crisis, it is imperative for end-users to be able to continue to use their devices, while also having those devices collected for eDiscovery purposes. Identifying data location and adopting appropriate collection methods, especially when data is scattered or derived from non-traditional

data sources, can be challenging. Because of this, being familiar with data custodians and learning suitable collection methods are critical. Using a team of experienced professionals to perform remote collection will address these needs while providing several cost and time saving benefits, alongside defensible practices to fight any court challenges.



Moving to the Cloud



Moving a company's data to the cloud has become increasingly appealing over recent years because it allows organizations to reduce on premises infrastructure. Keeping data in the cloud allows an organization to manage their users, their data, and configurations which, statistically, allows for over 99% uptime. While most organizations have already started migrating data to the cloud, the COVID-19 pandemic highlighted these needs and propelled these efforts. Simply put, having company data in the cloud makes remote working easier because it allows employees to access their

data anywhere, at any time, and avoids needing to send someone into an office to fix physical infrastructure. Since the pandemic barred many people from returning to an office, cloud offerings like Microsoft 365 help keep operations running smoothly while navigating working remotely.

There are additional benefits that cloud management tools offer to organizations. Keep in mind that the cloud has many more potential perks, depending on business demands, and that these benefits remain useful even if people working remotely return to an office full time.



- Having data in the cloud will help mitigate loss if any future unforeseen events arise that could physically destroy data, like a hurricane or flood. The same is true when dealing with instances of theft or lost devices. Cloud technology has built in redundancy that will ensure that important data is not lost in case of a disaster or unexpected event without having to consider costly backups. Storing data in the cloud helps keep the continuity of business up, even when people are unable to physically enter an office, like during the current pandemic.



- Cloud technology vendors handle implementation of all hardware and software system updates to keep the technology on the cutting edge and the data safe. By shifting this responsibility to vendors, important, time-consuming, and costly tasks are taken off the agenda and put in the hands of the cloud software experts. The most important task will be doing proper research to determine which vendors offer the best platform options.



- The ability to remotely access data from the cloud offers flexible working hours and provides access to data from any device connected to the internet. It also promotes better collaboration among employees since several people can access a single document from separate locations, which allows for increased visibility on edits and project progress. Being able to retrieve data from home, at court, on a business trip, or anywhere else, means business operations flow better than ever before.

Organizations who are already in the cloud or are still migrating need to make sure they update their information governance programs to account for cloud considerations. Updates could include revising policies related to data storage, retention, security, and compliance. There should also be someone overseeing data migration and checking for redundant or stale data. All of this makes for better reporting efforts, especially when it comes to privacy law obligations. For example, the General Data Protection Regulation (GDPR) and California Consumer Protection Act (CCPA) imposes responsibilities for responding to data subject access requests (DSARs) that consumers make. A DSAR is a request for personal data that can include many things, such as information about usage purpose, retention, disclosure, and data sources. Having a comprehensive information governance program that addresses the cloud will make responding to DSARs much simpler and avoid GDPR and CCPA compliance roadblocks.

Overall, the most important thing to keep in mind is that cloud migration is an opportunity for organizations to go through what data they have and only put forth what they need, thus bringing important information to the forefront and cutting associated costs in the process. Several tools can help with this feat, like auto-classification software. This analysis is also an opportunity to verify any in-place preservation practices to systematically retain data for legal hold obligations and leverage new technologies that make this process more efficient and defensible. Organizations who have utilized these tools and started embracing the cloud further during the pandemic should monitor the progress and benefits resulting from this change and see how it continues when business operations revert.

Collaborative tools and their impact on eDiscovery



When a workforce goes remote, keeping communication lines open and flowing is critical to a team's ability to make decisions and ensure that projects get done on time. As a result, organizations are enhancing their collaborative tools by using new software or increasing technological investments. In a remote work environment, utilizing collaboration tools allows employees to keep in touch and see each other's faces, which helps mimic the traditional working day that everyone is familiar with when physically in the office.

While email and phone calls are always helpful for communication, collaboration tools like Microsoft Teams are a great addition to remote legal departments and remote review teams because it provides more options for live teamwork. For example, Microsoft Teams allows for information sharing in real time through functions like private chats, group chats, and videoconferencing. Teams also provides screen-sharing functionality within a specific project team to easily and securely share documents. These options are a perk for

everyday work projects and, especially with remote document review, as it offers better management options over remote review projects. Reviewers can easily ask coworkers or managers urgent questions and share results with the team in seconds. Realtime conversations and information sharing are even more valuable when it comes to large data sets involving several reviewers who all need to remain on the same page to provide the most efficient results.

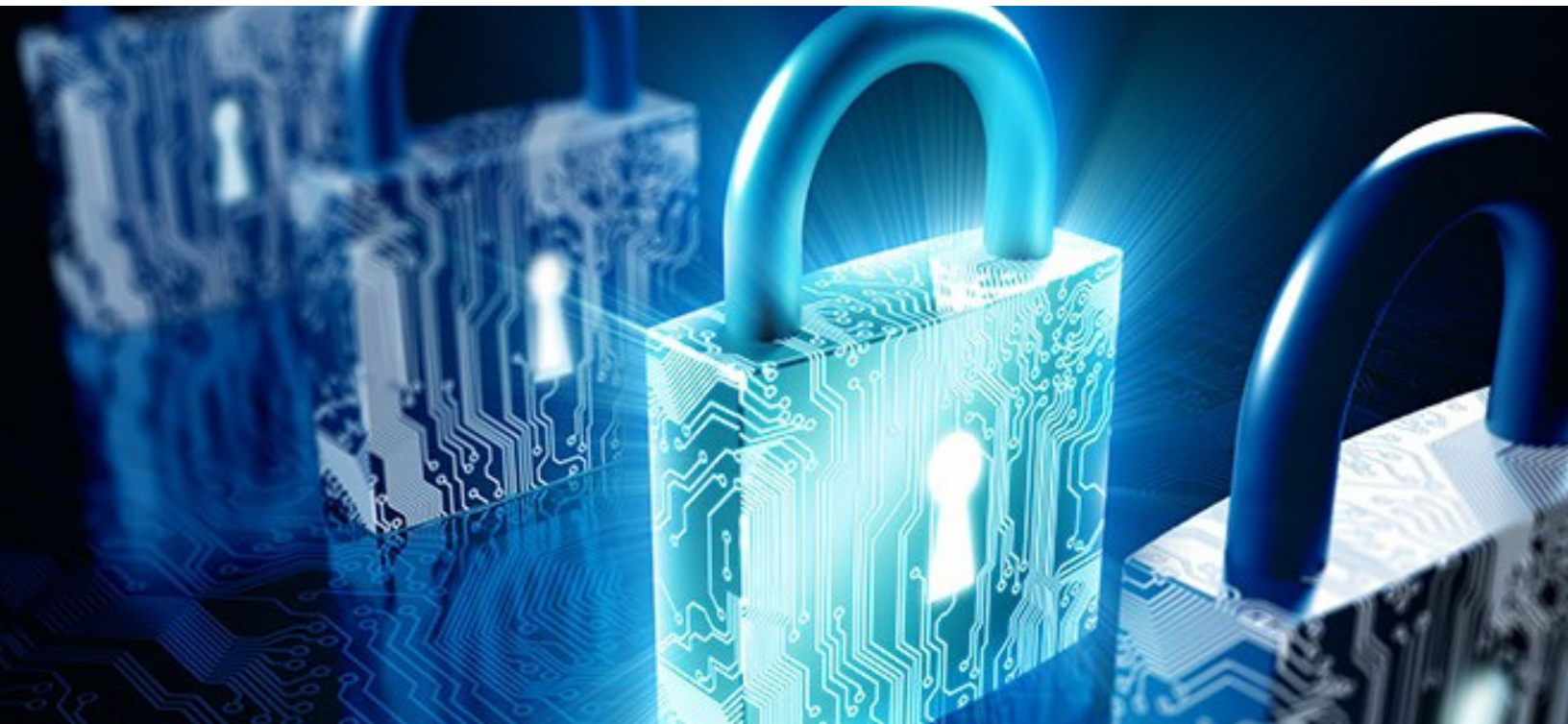
One thing to consider is that collaborative tools invoke new eDiscovery implications, specifically when it comes to collecting and reviewing data shared in these types of tools. Undoubtedly, there will be less email and text usage if employees are using other collaborative tools during working hours, so this is where important company data will now reside. Determining how these systems natively store this data is an important issue. At a basic level, organizations need to learn how these tools operate and store data in order to assist with any future collection efforts.

For example, Microsoft Teams houses all types of data, like conversation threads and chat attachments. In a collection scenario, organizations will need to use a solution that allows this data to be put together as a single data point. In other instances, Teams also stores information in Exchange Online Mailboxes, SharePoint Online, and OneDrive for business. Considering all of these sources, it is paramount to ensure all data is collected from these various repositories. Organizations should update applicable information governance policies continually to ensure that when data is collected from Microsoft Teams, it is done properly to keep chains together.

As with every other technological investment, security is a prime consideration when choosing a vendor that provides collaborative tools. Organizations need to ensure that the vendor will take all reasonable steps to keep both internal and client data safe from infiltration. Many laws, including newer ones that address consumer privacy, require that organizations must try safeguard sensitive consumer data. If organizations do not adequately protect data, they could face

serious penalties and reputational damage which could cause revenue loss and decreased client retention. It is important to choose collaborative tools that provide enhanced security features like advanced encryption, threat protection security, and data loss prevention options in order to help protect sensitive information and keep it secure.

Organizations using these tools are now seeing the benefits that these solutions can offer, including when a workforce is not completely remote-based. With globalization of offices and employees, working collaboratively will only become a bigger need going forward. Even onsite offices will encounter situations where someone needs to work remotely – whether it is after-hours, during travel, for a remote review project, or as the result of a hybrid office/remote operational model. Using collaborative tools will help facilitate these needs and provide additional benefits. As long as organizations stay on top of any eDiscovery implications and security measures, collaborative applications will remain a great tool to for their business.



Doing More with Less



The legal field is constantly evolving, especially with all the technology available today. Legal departments need to embrace these changes while simultaneously keeping on top of legal functions, remaining cost conscious, and inventing new and efficient modes to deliver their services. To do these tasks well, maintaining a strong legal operations team is necessary. Since legal operations include many functions, hiring a dedicated, specific staff or using a third-party provider to handle this role will promote efficiency and allow the department to thrive. Throughout all this, determining how to “do more with less” must be the forefront of business planning. Figuring out ways to maximize work product and outputs by using less time and money will give legal departments a competitive edge in the market. This has become a top priority for many organizations as the pandemic ensues. While some hard cuts are inevitable, there are several other options to consider – like using evaluative

tools, relying on technology, and partnering with third-party vendors.

Keeping information governance concerns paramount when making decisions about new investments is necessary to promote compliance and protect cost concerns. With the overwhelming amount of data and client demands, it can be difficult to sift through the noise and determine the best business strategies. Investing in technology that can help alleviate these concerns and control data issues is necessary. In the long-term, this will save money and provide better case outcomes due to increased efficiency. This can also cut down on unnecessary internal and external resources that weigh down the business, thus promoting the goal of “doing more with less”.

Where to begin

The COVID-19 pandemic has caused corporate counsel to reassess their needs, prioritize what they can accomplish, and decide who should be performing what tasks in order to become more efficient. Since there is not a one-size-fits-all model to improving spend management, it is important to take a deep dive into spend

analysis. A comprehensive review can provide a better understanding of where the bulk of the budget is being spent, where dollars can be cut or reallocated. There are a variety of tools that can help departments complete these assessments and focus on how to better allocate their resources.



1. Spend Analysis: One option is to perform a formal spend analysis, which refers to the process of collecting, cleaning, analyzing, and categorizing a department's billing data to provide visibility into spending habits and trends. This will also identify anomalies in spending and opportunities for cost reduction without losing business knowledge or reducing service quality. By pulling historic data from matter management and billing systems to undergo spend analysis, organizations can obtain a clear view of the "who, what, and where" of company spending. It is important to get a detailed view of a department's true costs and spending with inside work, outside counsel, and third-party vendors. It can be especially valuable for departments who allocate a majority of their budget to litigation.

The department can take these findings to decide what mix of people, process, technology, and business intelligence will aid in making better data driven legal and business decisions. The goal is to create a strategic business plan for reaching both short and long-term goals, while reducing costs and managing spend more effectively. By gaining budget clarity, teams can improve efficiency by using this insight to determine who should handle what both inside and outside the company. While this can be done internally, using a consulting service to perform spend analysis can provide additional insight into the market through benchmarks, industry comparisons, and domain expertise.



2. Technology Assessment: Another way to assess spend is to perform technology reviews. This consists of looking at all current technological investments that the department is using to see which solutions are the most efficient and profitable. Implementing a ranking system can help departments determine what technology to keep using and what technology to phase out. Overall, comparing cost and performance is key to deciding what is worth utilizing and how it will interfere with current or future legal spend budgets.



3. Department Work Assessment: Department work analysis is also a useful tool for examining spending. Generally, supporting attorneys are pulled in several directions and get assigned work based on who is less busy at a given moment. Department work analysis takes a deeper look at substance and allows management to hone in on each employee's strengths. Doing this will supply insight on the best way to distribute work and improve efficiency. Department work assessments also identify non-critical work that adds time but minimal value to a legal department's service offering. These low value tasks are opportunities for automation or right-sourcing to a trusted vendor.



4. Maturity Benchmarking: A maturity benchmarking exercise is a tool that departments use to understand where their department sits today and what it must prioritize to achieve a desired state of maturity. This exercise is typically done at the outset of a department transformation program to provide a reference point for the organization. Many organizations will use follow-up maturity assessments to track progress and measure change, as well as to gauge satisfaction levels of the department.

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Tech investment in the time of COVID

After looking at budgets, departments should figure out what technology investments are most beneficial. This task can be daunting because making the wrong investment could seriously hinder operations. The first thing to consider is whether the department currently has an appetite to make a major technology shift. If the department has performed technology reviews, then it will have a better idea about whether new investments are necessary. Pinpointing helpful technology that will make the task of vetting new investments more manageable and less expensive can be useful. Overall, the need for new technology will definitely be less if an organization determines how they can expand current investments. This is one feat many organizations have taken during the pandemic to keep operations running smoothly and cut costs while remotely working. Carrying these practices into the future will only improve operations, case outcomes, client relations, and industry reputation.

Reusing existing technology is a great way to maximize resources, which is especially important as businesses attempt to navigate the changes to daily operations. If organizations can figure out how to get work done without reinventing the wheel or purchasing new investments, efficiency rises, and costs will be driven down. In today's legal climate, even before the pandemic, lawyers are always expected to do more with less. Clients want lower costs but still expect highly efficient, high quality work product. Organizations want their counsel to utilize front-line technology but also expect them to be cost conscientious. All of this

can be difficult to navigate when there is so much technology available that can assist with legal operations and information governance, ranging in sophistication and price.

To address these concerns, organizations should first consider what technological investments they already have. Oftentimes, these solutions offer capabilities to aid with other tasks. For example, if an organization uses Microsoft 365 for cloud capabilities, they can likely use it to meet other needs.

In addition to improving the department's information governance program, reusing technology is a big cost saver and cuts down on the time needed to research new technology. Before piling on new expenses, it is prudent for organizations to analyze their current technological investments and determine if they can use it or upgrade it for other tasks. However, departments should still be realistic about what new investments can address any gaps and areas of underperformance. Besides new internal investments, leaning on an expert consultant or alternative legal service provider are other options for managing technology efficiently. Another way to avoid a large technology investment is to work with a provider who can manage certain services that require constantly evolving technology, such as eDiscovery.

Alternative legal service providers

The biggest area where organizations can cut costs is by outsourcing certain work to alternative legal service providers (ALSPs). Because of the COVID-19 pandemic, many corporate budgets were slashed and there have been numerous reductions in workforce. The resulting dilemma is how to get the necessary work done with less people and less money. ALSPs can transform several aspects of the legal industry. ALSPs refer to providers who specialize in one or a few legal services – like document review, litigation assistance, billing, legal research, and contract management. These are just a few examples, as there are several legal functions needed to successfully run a firm or legal department. ALSPs use innovative solutions to conduct projects and often employ legal professionals working on a contract basis.

A survey featured in LegalTech News examined 1,058 legal departments from 25 countries to analyze ALSP usage. It concluded that 37% were using ALSPs and seeking to expand these resources; 35% were aware of ALSPs and their benefits but only utilized them on a minimal basis, specifically for litigation functions; and 28% were generally smaller departments that had no current

interest in using ALSPs - even if they knew about the benefits. While ALSP usage is increasing, there are still more opportunities to embrace and expand these partnerships. Departments, both small and large, need to continue their education on the advantages of using ALSPs and rethink incorporating them into their business models.

Traditionally, the appeal of ALSPs was optimizing work that should have been optimized long ago. This was a plus because it provided departments with immediate cost savings. Using ALSPs provides lawyers with the ability to focus on more high value tasks like risk analysis and case strategy, rather than spending their time on administrative or other lower priority legal functions, which makes for better outcomes and happier clients. The ALSPs will also devote more time and skill to routine services that may have been rushed through when done on an in-house basis. In addition to these tasks taking up a lot of time, performing them in-house is often more expensive as well. Cutting costs while also yielding more efficient work product are two perks that all legal departments should keep at the forefront of their business models. ALSPs are a great way to achieve these benefits.



Among those benefits, there are numerous other advantages to using an ALSP:

- They can provide flexibility in resourcing, including fast ramp ups and overflow capacity.
- ALSPs supply a knowledge retention strategy. The data that an ALSP archives will create more consistency than data from an at-will employees.
- Since ALSPs are experts in specific areas, using these resources gives the department an in-house partner that supports higher value work product.
- Given that ALSPs have large client bases, they are able to consistently surface new technologies and ways of working. Being able to tap into these resources is extremely valuable because otherwise, legal departments would not be able to receive these insights as quickly as their ALSP partners.
- ALSPs help clients think differently about how to run a law department. While partnering with an ALSP is a different business model than many are used to, the benefits alone prove that they are an invaluable resource that can provide organizations with even more ways to work efficiently, outsource, and save money.

Becoming aware of the advantages ALSPs offer is important, especially now since the effects of the COVID-19 pandemic have forced organizations to change their business philosophy. But where to start? The first step is to determine what needs to be handled in-house and what outside sources like ALSPs can tackle. Departments that already started shifting more responsibility to ALSPs and identified opportunities through alternative resourcing or captive support are achieving their goals without deploying drastic measures. These solutions are efficient, smart, and safer alternatives to hard cuts or delaying work. Leveraging an ALSP to support creative solutions provides a solid

foundation for an organization to safely flex smaller during times of crisis, and to be well prepared to scale up quickly once the work comes. However, when making the determination about where to utilize ALSPs, spend analysis needs to be at the forefront. If the organization has a legal operations team, they should gather the metrics that can shed valuable insight about performance. As discussed above, this allows the department to predict a future need for an ALSP or in-house technology to maintain a competitive edge in the field.

During the pandemic and beyond, legal professionals should watch for new ALSP services that enter the market. As this part of the industry grows, more skilled offerings will emerge. Those departments that have increased their ALSP usage during the pandemic have already seen several benefits. It is safe to say that others will continue to jump on the ALSP bandwagon as the legal industry continues to redefine itself.






conclusion

In recent years, organizations across several industries have been trending towards business models that focus more on technology and remote workflows. The legal industry has been hesitant to transform and disrupt those processes that have proven successful for decades. However, the COVID-19 pandemic pushed the legal world to accept new ways of operating. Transformation is a good thing because it allows organizations to remain competitive and keep clients happy while business directions and budgets continue to evolve. The legal industry needs technology and the flexibility that remote working offers. So far, legal organizations embracing these changes have seen the immense benefits and are satisfied with the results. The future will shift the way the legal industry operates by incorporating more remote options and partnerships with vendors offering digital transformation services and eDiscovery tools. There will also be more reliance on cloud-based solutions and collaboration platforms with global capabilities. All of these changes will help to drive improvements to previous workflows and processes, while allowing lawyers to focus their time on more high-value tasks, like strategy and risk-analysis.

While the impact of COVID-19 is ongoing, it is the resilient organization that uses this time to pivot and recalibrate. Those who adopt transformative solutions now are the ones who will continue to set the standard for years to come. As the pandemic's effect on the legal landscape starts to take shape, the industry will be more willing to adopt changes and enjoy the benefits that have proven more than worthy.

A dark blue world map with several countries highlighted in a lighter blue color. These include the United States, Canada, Mexico, Brazil, South Africa, India, China, and Australia. The text "7,000+" is in large orange font, and "people distributed globally" is in white font, positioned over the map.

7,000+ people distributed globally

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