



BY HBR CONSULTING

EXECUTIVE SUMMARY

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INTRODUCTION

In an environment where the only certainty is uncertainty, fatigue is inevitable. Legal organizations are—despite time-saving technologies—continuously grappling with workloads that threaten to outstrip their ability to keep pace. Law firms and law departments are looking for ways to cut costs in the face of inflation and a threatening recession while not compromising on the quality of the services they deliver. At the same time, technology continually shifts what the workday looks like for legal professionals across the board.

At the center of all of this change is talent: the people who are tirelessly serving their clients, defining organizational culture, and deciding what investments to make in technology and other tools to drive efficiency. As law firms and law departments continue to transform in the post-pandemic era, they must also wrestle with key questions that will inevitably shape what the practice of law will look like in the future, such as:

- How can we best develop, engage, and retain our talent?
- How can we create additional capacity to provide legal services?
- How can we leverage technology to support law departments' and law firms' talent strategies?

At our eighth annual Legal Lab, leaders from the nation's top law firms and law departments, meeting in person for the first time since the COVID-19 pandemic began, gamely grappled with these questions. At times they offered solutions, while at other times they raised new questions, as you will see in the following sections. Our discussions lay bare the truth that challenges and conflicts are inherent in the practice of law. The key to surmounting them is working together as a team.

KEY TAKEAWAYS INFOGRAPHIC

Aligning People Strategies to Enable the Law Department and Law Firm of the Future

Legal organizations' teams have been challenged by and been the catalysts for considerable change in recent years. Legal Lab 2022 participants examined ways to align their people strategies by reducing systemic inhibitors and casting visions for the future.



TALENT

1 How can we best develop, engage, and retain our talent?

Minimize inhibitors:

Rethink the “up or out” model.

- Allow lawyers to **pivot into new roles** with different opportunities, including law and law-adjacent roles.
- Detail a **transparent, measurable career path** and communicate progress against strategic talent objectives.
- If lawyers choose to leave, **enable them to “leave well.”**



Wouldn't it be cool if we could...

- ...get better at providing positive, constructive, equitable, and **actionable feedback.**
- ...**shed light** on problems while employees are still **on the job** instead of during exit interviews.”
- ...acknowledge that **not every attorney aspires to be general counsel or a partner.**



SERVICE DELIVERY

2 How can we create additional capacity to provide legal services?

Minimize inhibitors:

Enable lawyers to focus on the most impactful work.

- Reshape existing roles, such as paralegal and legal assistant roles, to **take some administrative work off lawyers' plates.**
- Train lawyers proactively so they can be **redeployed into higher-value roles** as work is automated.
- Create and refresh **talent development** programs, including **business acumen.**



Wouldn't it be cool if we could...

- ...**add more value** to firm/client relationships and evolve law departments to be seen as direct **business value generators.**
- ...**broaden the definition of ‘lawyering’** to include the business of law and not just the practice of law.”
- ...**mine and commoditize** internal **knowledge** + learnings from other organizations.”



TECHNOLOGY

3 How can we leverage technology to support law departments' and law firms' talent strategies?

Minimize inhibitors:

Enable talent with technology.

- Fully **leverage existing tools** by providing awareness, access, and education.
- **Simplify the volume** of tech options to drive adoption/engagement.
- Invest in technology that can **automate** tedious, manual, less interesting work and allow lawyers to **work smarter.**



Wouldn't it be cool if we could...

- ...**embrace law students learning technology** that they can apply when they start their careers.”
- ...develop a baseline of **digital fluency** so people aren't afraid of technology.”
- ...build a true platform including all the **core technologies** and including an external **collaboration platform.**

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¹ Titles and organization names held at the time of Legal Lab 2022.

² 2022 Legal Lab Advisory Board member.

INDUSTRY OVERVIEW

SPEAKERS

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LAUREN CHUNG
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What's Driving Change in the Legal Industry

HBR kicked off Legal Lab 2022 with an overview of industry trends, outlining findings from its [2021 Law Department Survey](#) and its Sounding Board Series from the summer of 2022 with data and insights from more than 220 participating corporations.

LAW DEPARTMENTS

The vast majority of law department leaders (84%) predicted increased demand for legal services in 2022, with a focus on data privacy, cybersecurity, regulatory matters, contracts, and mergers and acquisitions. But that need is not balanced by increased spending on outside counsel and other service providers. Rather, spend is growing moderately or not at all for many law departments as they try to keep costs relatively stable. Law departments are also implementing more measures to keep outside counsel spending in check.

So, how are internal teams keeping up with demand? Many are continuing to bring more work in house: 56% of organizations planned to hire more lawyers, while 42% anticipated hiring new support staff and 23% planned to hire new legal operations professionals.

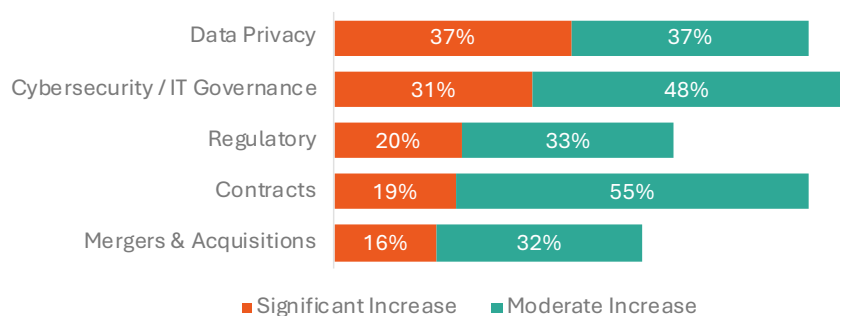
LEGAL DEMAND

Anticipated Increase in Legal Demand
 % of companies



Source: 2021 HBR Law Department Survey; N = 160
 companies with median \$11.5B median revenue

Top Five Anticipated Growth Areas
 out of 12 options



Law department leaders participating in HBR's Survey displayed an optimistic outlook for 2022, with **84% anticipating an increase in demand.**

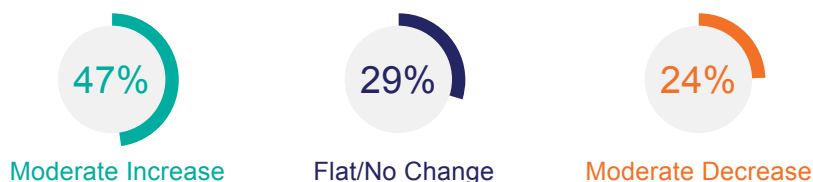


LEGAL SPENDING LOOKING FORWARD

How will 2022 budgets compare to 2021?

% of companies

“
You need to get the
**blocking and
tackling** done—the
basics—so you can
focus on the actual
legal work and do it
effectively.
”

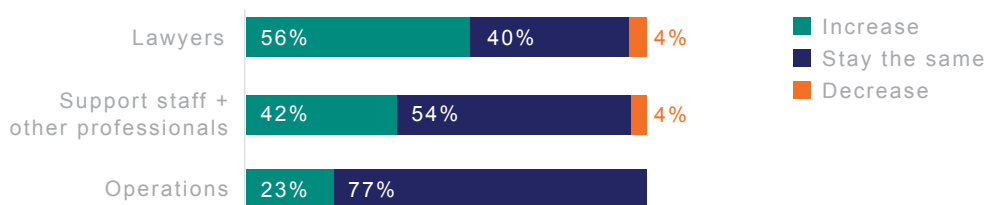


In-house leaders participating in HBR's Sounding Board Series displayed an optimistic outlook for 2022, with **nearly half (47%) anticipating a moderately increased or steady budget (24%)** for the new year.

IN-HOUSE HIRING OUTLOOK

Anticipated Changes in Law Department Staffing

% of companies



Law departments continue to **trend favorably in their in-house hiring outlook**, with anticipated increases in lawyer, support staff, and other specialist headcount.

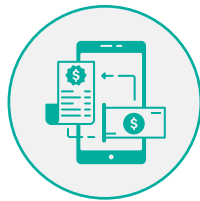
Law departments are also looking to more agile staffing models, including alternative legal service providers (ALSPs). Law departments most often turn to ALSPs to augment existing staff and aid in scaling, particularly with tasks involving e-Discovery, document review, contract drafting, and intellectual property. They are also looking for ways that technology can boost their efficiency, adopting tools to support hybrid work, contract management, and legal service intake.

But hiring and rethinking staffing models are only one aspect of the talent story. Faced—like everyone else—with the Great Resignation, law departments have become particularly concerned about talent engagement and retention. To that end, they are looking for ways to continue developing their team’s core competencies, create alternative career paths that provide for more of a lattice than a traditional career ladder, and build a pipeline of future talent that channels diverse candidates to legal and law-adjacent roles.

TECHNOLOGY

Top Three Areas of Technology Adoption, Movement + Optimization

Currently Implemented Technology



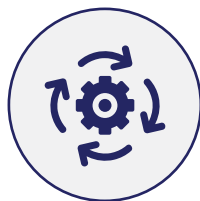
1. E-Billing: **86%**
2. eSignature: **81%**
3. Matter Management: **80%**

Considering Implementation or Moving/Exploring Vendors



1. Contract Management: **36%**
2. Legal Service Request: **30%**
3. Workflow: **30%**

In-Progress Optimization of an Existing System



1. Artificial Intelligence: **44%**
2. Legal Data Analytics: **24%**
3. Legal Service Request: **18%**

+7%

median increase in
tech budget for law
departments



Notable market movement is anticipated in **process automation-based tools** for law departments.



“
I don't want to be
charged for some
supposed
value-add
when firms are
just getting their
foundational
house in order.
We shouldn't be paying
for them to fix their
service delivery.
”

LAW FIRMS

In an effort to find a competitive advantage, law firms have renewed their focus on client service. They are taking a holistic view of the process, encompassing every stage from client intake through matter conclusion. To strengthen relationships, firms have created new roles, such as client experience officers. Firms are also looking for ways to accelerate client and matter intake, speeding up the conflicts and payment processes and reducing friction for clients. They are refreshing their client feedback programs and studying how they can improve compliance with stringent, complex outside counsel guidelines.

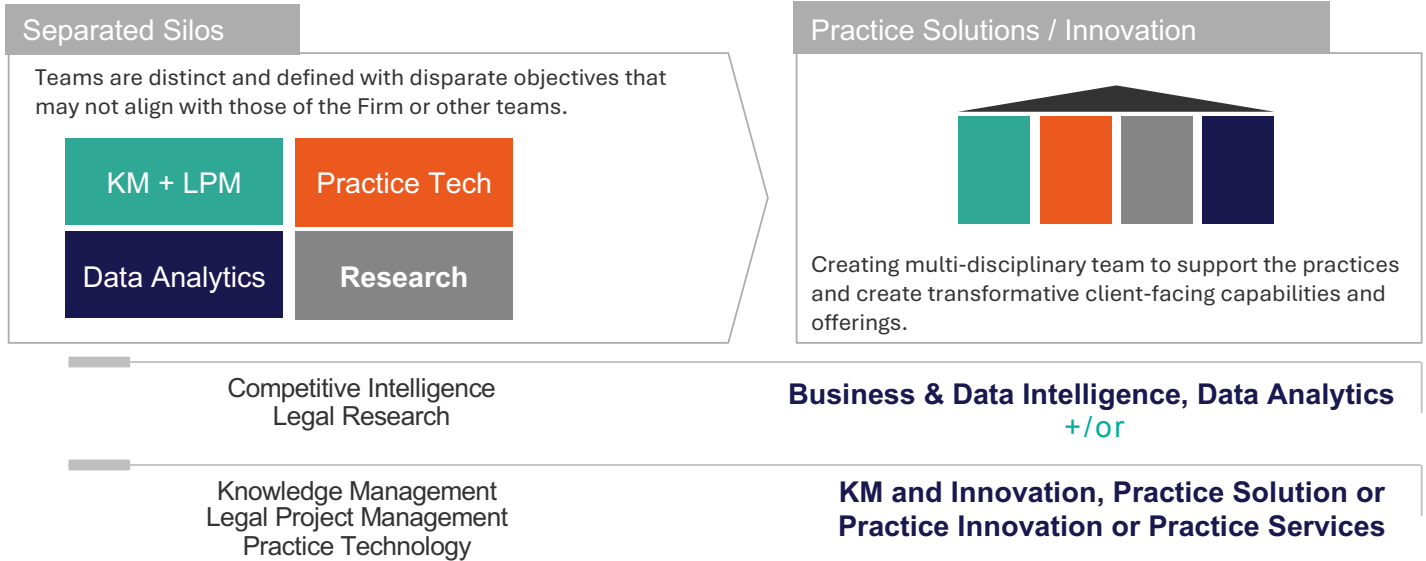
All of this activity is happening as law firms navigate a precarious financial environment. Lawyer retention and recruitment are the top risk to law firm profitability in 2022: according to Thomson Reuters Institute's "2022 Report on the State of the Legal Market," firms are at risk of losing 125 percent of their associates within the next five years. Emerging from windfall years driven by unsustainable, unique circumstances, firms must address fluid demand and rising expenses while placating shareholders who have unrealistically elevated expectations and engaging associates who may be contemplating a career move. To improve retention, firms are refreshing their programs for talent development, clarifying the partnership path, and defining alternative career paths for those who want to advance but are not interested in partnership.

Firms are also examining how they deliver services to identify ways that they can reduce attorney frustration and burnout. They are reshaping existing roles, investing in technology and workflow automation, and reimagining support services and other roles to improve how legal work is delivered.

Law firms have also recognized that service delivery is a key part of the client experience. They are forming multidisciplinary teams to support practices and build transformative capabilities and offerings, and making investments to operate the business more effectively and deliver legal services in new ways to create greater value to clients. Efficiency and using data and technology to derive and inform legal guidance results in faster resolution of legal needs and mitigation of risks, and when they rise to the challenge of leveraging technology to enable the practice of law and service delivery, they are more likely to be able to weather a recession and build their practice in the years to come. An area for improvement, however, is communicating the purpose and intent of these investments to their clients to avoid the perception that the changes are solely profit-motivated. Participants at Legal Lab 2022 shared perspectives on the intent behind "innovations" and agreed that communicating and demonstrating benefit to clients is essential to improved relationship capital.

SERVICE DELIVERY ROLES + DEPARTMENTS

Roles are transforming and departments are evolving



“ **Listening** to this exchange makes me realize that we law firm leaders need to do a better job of **communicating** to our clients exactly how an investment we are making benefits them, **versus** simply promoting what we are doing. ”

TALENT

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“
**Law firm lawyers
need to get the nuts
and bolts of
business down.
Just give me the
experience I deserve as
a client. I want my firms
to understand
that I have business
clients behind me.
So, help me help you.**
”

Creating the Best Employee Experience

In the pandemic era, law firms and law departments are facing a myriad of talent-related challenges and opportunities, particularly related to attorney retention, development, engagement, and management. Law firms are emphasizing the need to formalize resource management, align career paths with work allocation practices, blend DE&I and resource management initiatives, and transform support services to create enabling capabilities. Law department staff-related focuses include training and development, resource optimization, diversity, and employee well-being.

ATTORNEY TRAINING AND RECRUITMENT

Law firms and law departments both need to rethink career paths for their employees. According to Thomson Reuters Institute’s “2022 Report on the State of the Legal Market,” in 2021, associate turnover in the AmLaw 100 was 23.7%. At the same time, the top law department management priority cited in our 2021 HBR Law Department Survey webinar was talent engagement and retention.

What we have heard from law schools is that not all students want to pursue the traditional practice of law, and those that do are considering options other than “Big Law” and/or wanting to gain skills in the business of law. Even those who are initially willing to work for larger firms are willing to grind for only so long before they consider other options; the average associate tenure at large law firms is a mere 2.7 years.

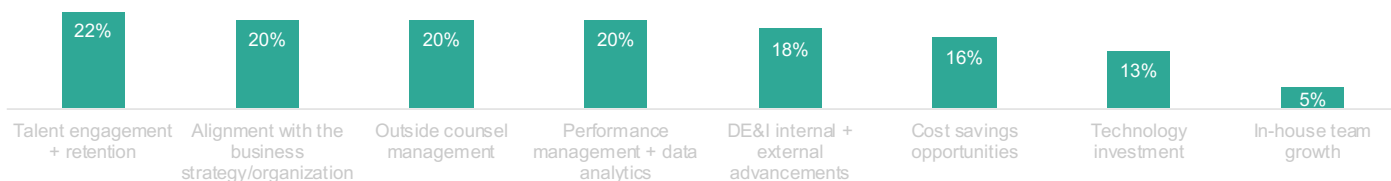
So, law schools and firms need to think differently about how they are training the lawyers of the future. They may need to expand their education to include opportunities with firm management, client service, and legal operations.

Firms also need to make sure their lawyers understand the essentials of conducting business, an expectation of law departments now. One general counsel noted the importance of getting bills in on time so law departments can plan their budgets. He lamented, “Law firm lawyers need to get the nuts and bolts of business down. Just give me the experience I deserve as a client. I want my firms to understand that I have business clients behind me. So, help me help you.”

TOP IN-HOUSE PRIORITIES IN 2022

Top Law Department Mgmt Priorities in 2022

% of companies ranking as top 1-3



Talent engagement and retention was a top priority for law departments heading into 2022.

LAWYER ENGAGEMENT AND RETENTION

Whatever career paths firms opt to provide must have well-considered routes that allow lawyers to leave gracefully. “We need to stop thinking of turnover as a measure of cancer and embrace it,” one participant said. “We need to think about giving lawyers the best possible experience a lawyer can have for two or three years. Just like water finds its level, lawyers suited to be partners will stay on, and we should let the others go gracefully.”

Many participants concurred that developing new and alternative career paths is important to lawyer retention. In the past, compensation has been an easy solution, but it is not always the right answer. For younger lawyers, higher salaries and midyear bonuses are less important than advancement and learning opportunities. These lawyers want to participate in development programs, such as secondments, that give them exposure to new opportunities. One participant suggested adopting a McKinsey approach: few people will make partner, but new hires will get feedback, a great work experience, and the chance to join an alumni network.

Law firms in particular need to adopt a boomerang strategy, realizing that letting lawyers leave well is both a business and retention strategy. Lawyers who leave can be a potential source of work when they go in-house, and if they return the firm will save significantly on recruitment and onboarding. One law firm participant explained that their firm never thinks of people as former employees but as future employees. That mindset has encouraged people to return to the firm after spending years with other employers.

Some of our law department participants pushed back on the idea of developing employees. One said, “If I can develop employees to go do their job elsewhere, that is a win for development but not a win for my company.” Another countered, “The key is to keep what is best for the industry and person, not just what is best for the company, as your North Star. If you have a track record of developing people, that is an attractive thing that others will notice.”



SERVICE DELIVERY

FACILITATORS

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Improving the Client Experience

Law firms and law departments are both focused on improving service delivery. Firms want to increase the quality of their interactions with each client, while law departments want to make sure they are receiving top-of-the-line service.

This focus has become evident as law firms have created a host of new roles focused on clients, including chief client officers, client experience managers, and client service teams. But, as participants at Legal Lab made clear, it takes more than a dedicated role or function to meet law department expectations.

WHAT LAW DEPARTMENTS EXPECT OF OUTSIDE COUNSEL

In-house attendees repeatedly emphasized that they want their outside counsel to serve as an extension of their in-house teams. They expect their firms to be proactive, staying ahead of the curve as laws and matters develop and advising their clients of potential problems before they arise. They also expect their outside law firms to provide strategic advice informed by a deep understanding of their business. One participant explained, “Firms that understand us can be proactive and see around corners. They can keep us ahead of trends with key insights.”

Other participants suggested that firms should look for more opportunities to build relationships with in-house counsel. One department leader recommended that firms should “showcase what they’re good at.” Another chimed in that offering to run no-cost CLE programs is a good way to build the goodwill that can lead to more business down the road. One firm brought its lawyers on-site to shadow in-house lawyers in their roles. This allowed the firm’s lawyers to see the impact of their advice and feel more invested in helping the business.

But these proactive offerings seem to be the exceptions. One general counsel cited a problem she has seen with multiple firms: “Skilled counsel come in and talk down to our inside team. They focus on what is going to happen and how, sharing piecemeal information without talking strategically about cases. That is a complete 180 from being an extension of the team.” Others observed that sometimes partners believe they can drive decisions about case strategy. At the end of the day, “law firm partners need to recognize that strategy is a business decision—or at least a collaboration where they have to talk through the options.”

“

**Firms that understand us
can be **proactive**
and see around corners.
They can keep us
ahead of trends
with key insights.**

”

HOW LAW DEPARTMENTS CAN HELP LAW FIRMS BE GOOD SERVICE PARTNERS

The panel also asked law departments what investments they were willing to make to help outside lawyers deliver greater value. Answers included establishing a boot camp to set the firm up for success by reviewing the company's culture and outside counsel guidelines in depth. One company partners with its top 30 or 40 law firms to run this type of program, during which business units shared how they operate and make decisions, which enabled the firms' lawyers to understand the business better.

Another corporate leader commented on the need for greater interaction between a client's legal operations team and its law firms. One company holds monthly seminars for new firms and new lawyers at existing firms where they can learn about billing and communication protocols and outside counsel guidelines. Interactions like these seemed to be a rarity among participants.

One law firm leader said, “Law firms tend to follow a pretty standard structure. But we have thousands of clients, and no two use the same operational setup. It would be helpful if clients would give us an introduction to how their operations department works.”

In some cases, firms have met with clients as they are trying to build out their operations team. One in-house leader noted, “There's a significant ROI in these exercises. You just have to make a business case to get the resources to do that—and it will pay dividends from a results and value perspective.”

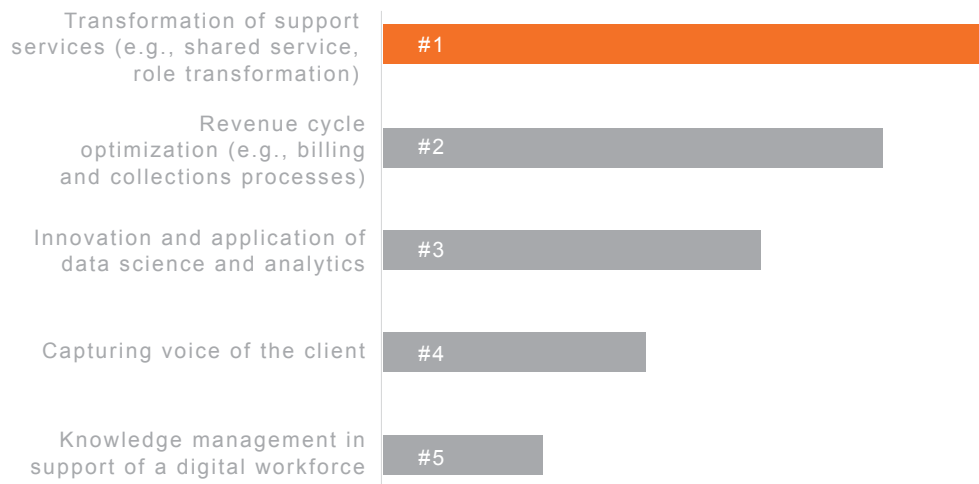
For many law departments, the problem is the number of hours in the day. One corporate leader mentioned, “I would love to go the extra mile for our main law firms. But outside of a few top firms, I have no time for that. It is no different on the firm side: with thousands of clients, they have to prioritize.”

HOW LEGAL SUPPORT FUNCTIONS ARE EVOLVING

The pandemic has accelerated larger initiatives that had been held back because of change management and culture resistance challenges. Today, the future of support services is top-of-mind for many law firms, according to our Law Firm COO Sounding Board Series. Law firms are rethinking service delivery for a number of reasons, including the high associate turnover rate that has seen firms losing almost a quarter of their associates per year.

EVOLVING LEGAL SUPPORT FUNCTIONS

Key Initiatives in 2022
Ranking of COO priorities



Firms have learned that compensation is not the fix for high turnover; it does not allay lawyers' concerns about work-life balance, and it drives the cost of serving clients higher. Instead, law firms are looking for ways to alleviate frustration and burnout.

Many associates feel that they aren't doing enough lawyering, complaining that a significant portion of their work involves administrative tasks that any smart person could do. To take this work off associates' plates so they can focus on their core lawyering responsibilities, firms are reshaping the roles of legal administrative assistants and paralegals and creating legal support teams.

According to HBR's March 2022 "Workplace of the Future Pulse Survey," almost all law firms (92%) are examining the roles of legal administrative assistants. A third are expecting significant changes, such as moving to team-based assignments, adjusting headcount and ratios, redefining and disaggregating the role, and centralizing administrative tasks to shared service centers.

Meanwhile, firms are shifting activities that do not require a law license from associates to paralegals. These shifts include reallocating work along practice-specific lines and creating new adjacent roles, such as closing specialists and coordinators.

“
If firms give us the
information we need
[regarding pricing
assumptions]—
if we can find a
win-win on the
real numbers—
we can build better
relationships.”

Legal support teams are also becoming more popular, with law firms integrating professional resources into their practice groups to improve efficiency. For example, firms are removing silos, creating multidisciplinary teams, and leveraging knowledge management resources. Many of these support functions, including knowledge management, innovation, practice support, legal research, data analytics, competitive intelligence, and practice management, are consolidating under the leadership of knowledge and innovation professionals.

The [2022 Strategic Knowledge & Innovation Legal Leaders Summit](#) (SKILLS) survey of law firm chief **knowledge and innovation professionals** reflects that practice enabling support functions are combining under unified leadership.

FUNCTIONS TO REPORTING TO RESPONDENTS' DEPARTMENT



Source: Survey Report for 2022 SKILLS Summit, January 2022.

No matter how law firms change their roles, the key is for them to demonstrate value to their clients. As one in-house lawyer said, “If firms are unbundling work and getting it done at a lower cost, that’s what we want to see. But make sure you show us the value.”



HOW DATA IS ENHANCING SERVICE DELIVERY

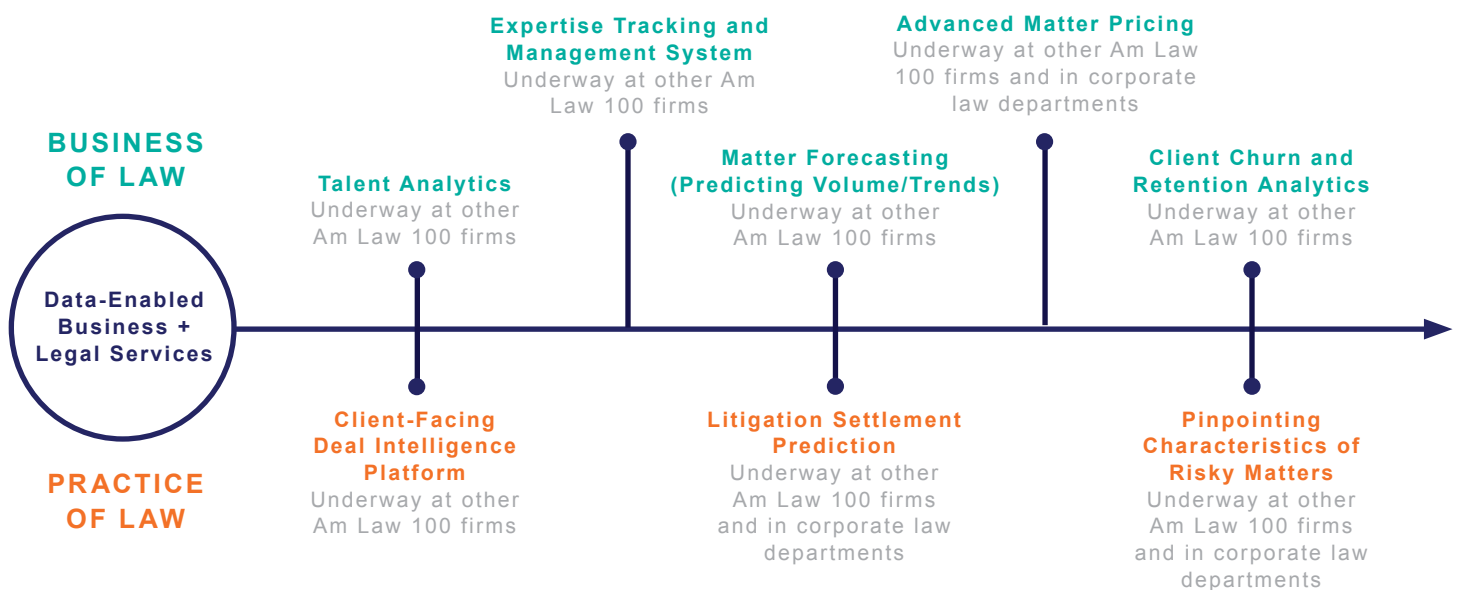
Law firms and law departments are both turning to analytics to help them make better decisions and support the business and practice of law.

On the business of law side, law firms are using talent analytics to inform recruiting and hiring strategies or to determine how to create viable paths that better engage associates to encourage them to stay longer. Analytics tools are also helping firms capture and track lawyers' knowledge and expertise. These tools are informing firm matter management, including predicting case volumes, identifying trends, setting pricing, and aligning legal needs to the most suitable resources. They can also highlight opportunities for firms to be more proactive with clients and pinpoint problems that may lead to client churn.

On the practice of law side, law firms and law departments are using data to inform deals and predict the outcomes and potential settlement value of matters. Data analytics platforms are also giving firms and their clients insight about common characteristics in risky matters, such as the business behaviors that may contribute to legal action such as claims, litigation, or regulatory investigation, or even potential reputational damage.

MODERN ERA LEGAL SERVICES

...use data to support the business and practice of law





“

We have a choice in who to hire. **Great results are table stakes.** If we see a firm improving productivity only to increase their profits per partner while another firm does the same but **passes the savings to us,** we're going to hire the second firm.

”

WHAT CAPABILITIES LAW FIRMS AND LAW DEPARTMENTS NEED TO MOVE FORWARD

Much of the discussion about capabilities focused on pricing. Law firms need to better explain their thinking around the price of their services. One corporate lawyer recalled that a midsize firm had recently quoted him a price, but the partner could not articulate any benchmarking or data to support it. He added, “We are going to pay what the market will bear. Every other industry has cost analysis. But with law firms, partners just decide the price. If firms give us the information we need—if we can find a win-win on the real numbers—we can build better relationships.”

The group agreed that firms should ultimately be trying to reduce the cost of legal services. “The quality should go up, and the price should go down,” observed one in-house lawyer. But corporate law departments are not willing to pay for firms to retool their billing and administrative practices unless they see added value.

Another in-house leader chimed in, “We have a choice in who to hire. Great results are table stakes. If we see a firm improving productivity only to increase their profits per partner while another firm does the same but passes the savings to us, we're going to hire the second firm.”

TECHNOLOGY

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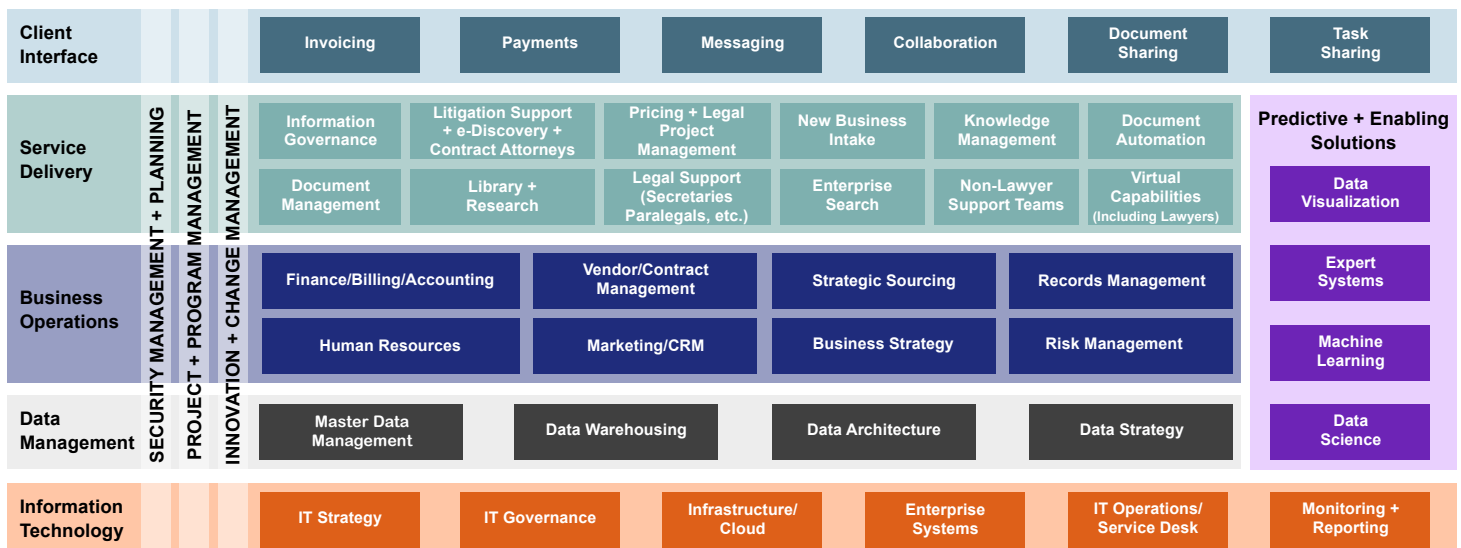
The Continued Battle for Adoption, Efficiency, and Collaboration

While legal technology adoption is on the rise, law firms and law departments continue to seek ways to drive operational productivity, innovation and collaboration between firms and clients. Both are investing in tech tools to support the substantive and operational aspects of legal work, such as automating routine tasks, storing information in the cloud, and enabling remote work.

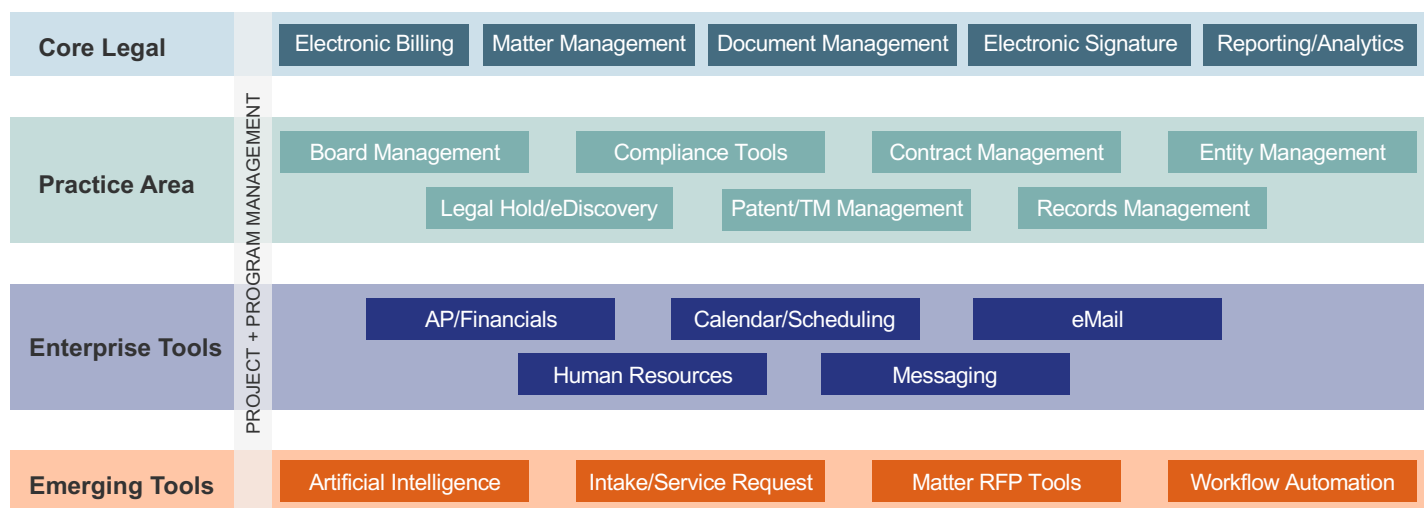
On the law firm side, the tech ecosystem includes a variety of tools that support the firm's client interface, service delivery, business operations, data management, and information technology.

For law departments, the tech ecosystem spans core legal, practice area-specific, and emerging tools specific to law departments, along with enterprise tools used across the organization.

LAW FIRM TECH ECOSYSTEM



LAW DEPARTMENT TECH ECOSYSTEM



Our 2021 HBR Law Department Survey included 21 tech vendor categories and 228 unique products, with the highest adoption rates as follows:

- E-billing (86% have adopted)
- E-signature (81%)
- Matter management (80%)
- Legal hold (75%)
- Board management (74%)
- Document management (74%)
- Contract lifecycle management (60%)

“
We are trying to help everyone in the department move past thinking of **automation** as a scary, job-eliminating word and see it instead as an **enabler**.
”

USING TECHNOLOGY TO FILL GAPS AND SOLVE PROBLEMS

As tech adoption increases and users gain proficiency with tools, leaders find new ways to fill gaps and to accelerate solutions. Participants highlighted sourcing tools, subscription models, and AI solutions as recent value levers within their organizations.

One company credited the deployment of a legal sourcing tool with driving efficiency and savings. The tool gathers bids from a pool of firms for litigation matters, providing transparency for bidders to see what competitors are bidding and adjust their pricing and approach. The tool has saved both the law department and participating firms considerable time compared to the traditional RFP process.

One law firm created a subscription-based solution to publish content to address privacy and employment issues for clients that lack in-house expertise, to ensure compliance with these quickly changing laws.

With the continued evolution for artificial intelligence (AI), law departments are finding new use cases to leverage AI to drive not only efficiency but quality. One department leverages an AI tool to facilitate negotiation of low-risk, low-complexity agreements. Another in-house team uses AI to learn insurance policy language and associate previous matters related to specific policy terms.

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BUILDING DIGITAL FLUENCY

Law school faculty participants shared ways in which their law schools have started embedding technology in the curriculum, to students' delight. When those graduates begin looking for jobs, they tend to gravitate towards more tech-savvy organizations and are better-prepared to leverage technology within their work processes.

Still, some lawyers continue to lag behind the digital curve, both in law firms and in law departments. One firm leader noted that the word “tech” has become a “swear word.” Getting lawyers to embrace technology remains a challenge for many law firms and departments. And the speed of innovation introduces further complexity: “By the time we get the investment and buy-in from the legal team, everyone else has already moved on to the next thing.”

How to overcome this resistance and embrace the value that technology can bring to the business and practice of law? One GC sets a “digital fluency” goal for each member of her corporate legal team, with the hope that lawyers will become more tech-savvy and explore ways to leverage their tools to further improve the way they work. “We are trying to help everyone in the department move past thinking of automation as a scary, job-eliminating word and see it instead as an enabler,” she said. “Lawyers need to learn to reframe the questions they are asking and find ways to use these tools to improve their workflows.”

The key, according to one legal operations professional, is to identify the organization's key influencers and have them evangelize technology in their practice by telling their own stories of success. Others advised beating the drum of “technological competence” and “not let people off the hook for their lack of knowledge about technology.”

Another corporate counsel emphasized the need to reassure the legal team about their future as more processes are automated. “We are thinking about what automation is going to do for our team down the road so that we can proactively start retraining people in the roles we anticipate needing. We do not eliminate people because of tech; we redeploy them into higher-value roles.”

STREAMLINING WORKFLOWS AND CLIENT INTERACTIONS WITH COLLABORATION TECHNOLOGY

According to the 2022 SKILLS survey, legal leaders identified collaboration technology as their number two priority. But what does the collaboration journey look like? Most firms and law departments are progressing through the fundamental levels of collaboration – file sharing, chat, virtual meetings, shared calendars. Collaboration tools such as the Microsoft 365 suite connect people, processes, and data in a centralized location and simplify communication. Lawyers can also use these tools to co-author documents in real time and access the knowledge and insights they need without running labor-intensive manual searches across multiple systems. These tools accelerate the drafting process, reduce costs, and eliminate friction in legal work.

However, although according to the 2021 LTN Tech Survey 59% of law firm executives reported that their firms are using Teams, not all lawyers within those firms have adopted the Teams platform. Legal Lab attendees noted that the chat function of Teams is discoverable, raising privacy and cost concerns. Law department members worried about where the chat data goes and how much the obligation to collect and review chat data might exacerbate discovery costs.

A COLLABORATION JOURNEY: WHERE ARE YOU?

Fundamental 	Advanced 	Optimal 
File Sharing	Task Management	Workflow
Chat/Messaging	Project Management	Document Automation
Virtual Meetings	Knowledge Management	Data Visualization
Calendar		Dashboarding
Basic Collaboration Having repeated interactions with team members inside and outside your Firm	Purposeful Collaboration Delivering higher value work more effectively and efficiently	Smart Collaboration Knowing why you are collaborating while solving complex problems

More advanced and optimal levels of collaboration via technology solutions – within clients or firms or between clients and firms – remain largely unexplored.

The key to driving successful collaboration through technology, the group agreed, is aligning tools with practice needs and boundaries. As law departments and law firms progress along their journey of digital transformation and begin embracing more advanced tools, they should continue to explore ways of driving closer collaboration.

“ We are thinking about what **automation** is going to do for our team down the road so that we can **proactively start retraining** people in the roles we anticipate needing. We do not eliminate people because of tech; **we redeploy them into higher-value roles.** ”

WORKSHOP

FACILITATOR

HEIDI GARDNER, Ph.D.

Distinguished Fellow
Harvard Law School

Balancing the Drive for Performance with Compassionate Leadership

The final session of Legal Lab 2022 was a workshop led by Dr. Heidi K. Gardner, Distinguished Fellow at Harvard Law School and author of *Smart Collaboration: How Professionals and Their Firms Succeed by Breaking Down Silos* and *Smarter Collaboration: A New Approach to Breaking Down Barriers and Transforming Work*.

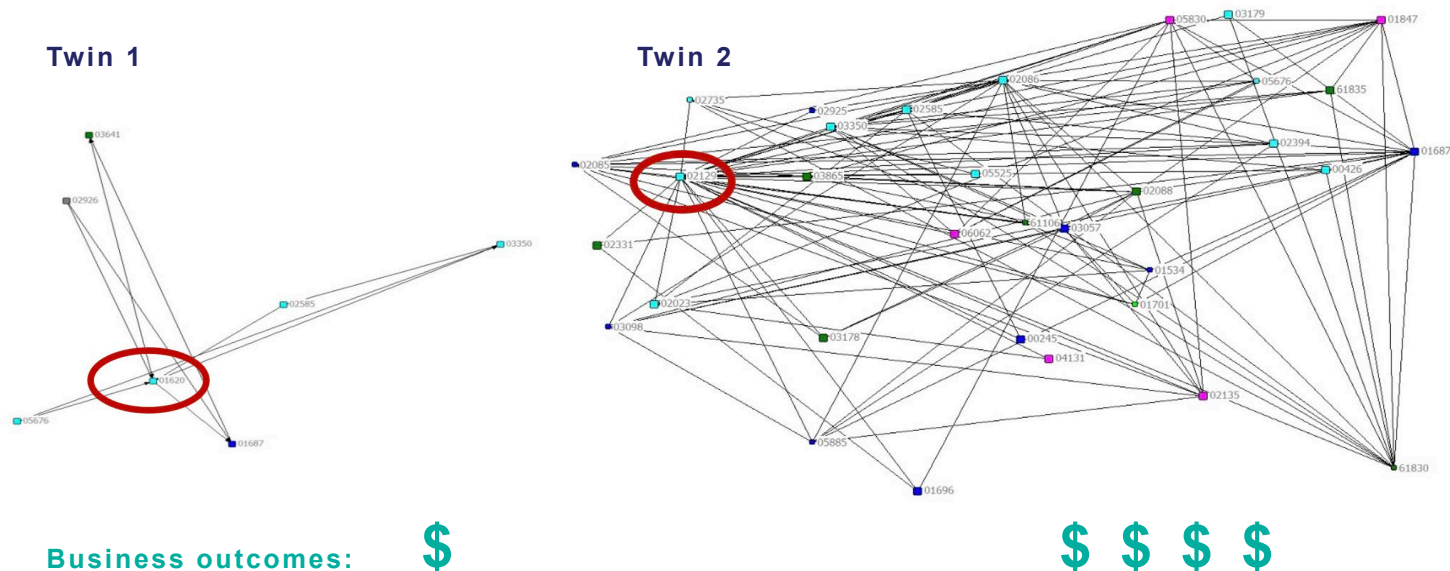
Gardner introduced the principles of smarter collaboration and explained the compassion/performance tradeoff.

SMART COLLABORATION

As a foundation for the compassion/performance discussion, Gardner opened by comparing two nearly identical lawyers ("Twin 1" and "Twin 2" for purposes of this discussion). They graduated from law school in the same year. They spent the same amount of time in the same practice within the same firm. They billed the same number of hours. But Twin 2's network is more diverse, with broad connections to a wide range of people both inside and outside the firm and across different practice groups.

SMART COLLABORATION AND BUSINESS PERFORMANCE

Two (nearly) identical professionals:
same practice, graduation year, time with organization, annual hours billed



When Gardner's team analyzed the results of the two twins in terms of client satisfaction and profitability, they found that Twin 2's projects were four times more productive than Twin 1's. Why? Because Twin 2 had wider exposure to clients and individuals, providing greater market intelligence and business insight. Twin 2 recognized the need to develop the confidence and leadership skills to unite people. Twin 2 also saw the importance of building trust, which set the stage for greater innovation.

There is room for both twins in law firms, Gardner urged. Firms need some people to be Twin 2; without them, the firm will not be able to use the full force of its talent and skills. But bigger is not necessarily better when it comes to a collaborative network. As Gardner said, "Better is better. The key is to figure out what makes it better. Who is missing? Who do you no longer network with? Who in the broader ecosystem do you need to interact with?"

THE COMPASSION-PERFORMANCE TRADEOFF

While facilitating smarter collaboration is important for delivering results, leaders must also recognize that legal professionals have additional needs that fuel their performance, including the need for flexibility, understanding, and compassion. People in all industries are facing a conundrum today. On the one hand, they are trapped in a vise, feeling extreme pressure to deliver results. Fear of recession is in the air, so people are getting nervous and pushing themselves to excel. But on the other hand, people are suffering. If organizations want to get the most out of people, they cannot just drive them relentlessly to perform at ever-higher levels. They must show compassion for their people and the challenges they face.

But how do organizations keep delivering high performance while meeting people where they are? How do they make compromises and tradeoffs and show genuine compassion when the work is not going away or even letting up?

Participants workshopped those concepts and discussed how they could maximize compassion by minimizing pressure. Gardner suggested the following principles, which stem from *Smarter Collaboration*:

- **Plan for the onslaught of pressure by understanding your behavioral tendencies and encouraging your team to do the same.** People under pressure tend to revert to their primary tendencies, such as risk aversion or extreme risk-seeking, overcommunicating or under-communicating, micromanaging themselves or others, and so on. Reflect on your own behavioral tendencies and how they have manifested themselves in the past when you have been under pressure. With these patterns in mind, you can be alert to those instances where your reactions could unintentionally limit compassion and undermine collaboration.

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- **Plan how your compassion will play out in a crisis.** Put structures in place that will facilitate understanding and communication. For example, are you calmly assigning tasks and convening people across departments? Remember that frantic, dictatorial, and go-it-alone urges tend to arise under pressure, and plan for how you'll recognize and counteract these impulses.
 - **Avoid the avoidable by managing yourself.** Start by getting some sleep. The prefrontal cortex, which controls executive functioning tasks like seeking different perspectives and weighing inputs, functions poorly without adequate sleep. These functions are at the core of compassionate and collaborative leadership. When you are sleep deprived, you are also more likely to succumb to bias, misinterpret contextual clues, and overreact to events or emotions. You are also more likely to express your feelings negatively with your words and tone of voice. All of this hurts empathy and smart collaboration.
 - **Manage others.** Identify those around you who are mishandling the pressures you are facing collectively. Give those individuals peer coaching (or engage a professional for them) so they can recognize their counterproductive behavior and learn more functional approaches.
 - **Look outside the organization.** Examine your clients and how they are treating your employees. If they are not treating them compassionately, take steps to correct the behavior. Fire the client if necessary.
 - **Manage the pressure.** Strike the right balance between adopting a sense of urgency and summoning the positive energy needed to achieve the goal. Talk less about stress and more about reaching for a higher purpose.

CONCLUSION

The energy and excitement about returning to an in-person Legal Lab permeated every event, from breaking bread together in the morning to enjoying honky-tonk in Nashville's Gulch. Though we had provocative discussions about how pricing should be more transparent and what it means to practice law, the collegiality of the group remained strong.

That spirit of collaboration underscored our need to work together as a unified force, whether we are operating in law schools, law firms, or corporate law departments, to eliminate the silos and blur the lines in our practice, whether those lines divide staff and attorneys or leaders and legal operations.

We remain encouraged about our efforts to make the practice of law better for everyone. We must all remember the importance of our work: nothing in the world gets done on a mass scale without a lawyer's involvement, whether it's a corporate transaction, a patent filing, or a peace treaty negotiation. If we can, ourselves, thin the line between practice and business, we will have done our part to reduce friction in the law.

We are optimistic that the relationships forged at Legal Lab 2022 will continue to deepen until we meet again. We look forward to reconvening in April and to continuing to work together as a team.



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