

LOD

Building the next in-house legal team

CLONING WON'T CUT IT. PART 4: NEW LEADERSHIP

TERRI MOTTERSHEAD



LOD pioneered the very first alternative legal service in 2007, and we continue to lead the exciting market we created.

We support the best legal teams in the world with our brilliant legal professionals, legal services team, processes and technology. Together, we find new ways to boost the value that in-house legal teams deliver today, tomorrow and in the future.

LOD is still one of the largest and fastest-growing flexible legal services businesses in the world. We have offices in 12 locations and over 1000 world class lawyers and paralegals, legal operations and tech experts, and risk and compliance professionals. We're constantly recognised for our innovative approach, working hand in hand with clients to create the future of legal work.

OVERVIEW

In Part 3 in this series, we focussed on the talent management strategy (TMS) components dealing with keeping the right talent: retention (and how that has been redefined), what you need to keep your best talent engaged and how you plan for the inevitable...retirement! In this Part 4, the last in this series, we'll turn the spotlight on legal department leaders and how, after reflecting on the new and emerging leadership capabilities, they may need to upskill or reskill to lead the next in-house legal team.

WHERE LEADERS GO, OTHERS FOLLOW!

The changes in the legal ecosystem and to the role of in-house counsel discussed in Part 1, isn't just impacting junior counsel – it's affecting the senior lawyers, leaders and managers of legal departments too. Leaders of legal departments need to model the change they want to see – demonstrate that change is important and possible. What that looks like is very different from what it used to be.

Leadership of a legal department, no matter what the business of the organisation, will need to demonstrate an understanding of, and deliver services/products to support and align with:¹

- A digital enterprise – businesses will continue to be fuelled by technology, leverage off a tech platform and make decisions based on data and predictive analytics; and, consequently
- A new business context of rapid, continuous improvement, agility, adaptability, innovation and change to meet or preferably exceed customer expectations; with
- A different workforce that is diverse, mobile, flexible, remote, global and expecting more from their leaders and organisation than simply providing a place to work. These employees want to be involved with the enterprise, its customers, and understand the leadership and organisational values so they, in turn, can determine if their purpose aligns.

For legal department leaders in this brave new world, most of the traditional capabilities like comprehensive legal knowledge, knowing the organisation's business, managing risk and quality, thinking strategically, being a gatekeeper for organisational ethics and maintaining financial efficiency, remain intact but, these may manifest themselves differently and, there are also some additions summarised in the table below – use this as your scorecard or as a quick review to see where you are on your own new leadership skills continuum:

SCORECARD FOR NEW CAPABILITIES FOR LEGAL DEPARTMENT LEADERS

Capabilities	Explanation	Score (1 lowest and 10 highest)
Focus on the client experience	For too long, lawyers, law firms and legal departments have designed, managed and delivered legal services/products in a way that best suited them – that’s changed. While talent management IS about managing your people, it is significantly about managing them to deliver services/products in a way that works best for your clients – your organisation. That goes beyond being efficient, it’s about being effective in the eyes of your organisation too. We’ve discussed the importance of aligning your team’s capabilities with your organisation’s priorities, the changing role of in-house counsel, and the new and emerging capabilities of your lawyers too - don’t forget underlying all those discussions is making sure that things like communication, relationship building, collaboration and empathy are skills you recruit for, nurture, develop, value and reward in your team. It’s the only way your legal department will earn the go to, user friendly, problem solver reputation within your organisation that you will want to emulate.	
Adopt a growth mindset and use it to create a culture of continuous improvement	If leaders are open to their own development through hard work, feedback and continuous learning, then they are more likely to create a similar culture in their teams – this growth mindset is a critical component for innovation, ² experimentation, adaptability, agility, continuous improvement and change.	

Capabilities	Explanation	Score (1 lowest and 10 highest)
Champion change	<p>How lawyers have typically worked (in silos), embraced risk (little or none), responded (slowly) and reflected on how to do things better for the client (seldom unless prompted usually by the client) won't cut it anymore. The new mantra for in-house counsel is digital fluency, data-based decision making, innovation and continuous improvement. The leaders of in-house teams need to communicate this new mantra, commit to it, be consistent about it, create the opportunities for intrapreneurs to shine (like time out or time with other teams or initiatives focussed on new idea generation like internal hackathons and resources to experiment with/ implement new ideas).</p> <p>This will inevitably mean that in-house team leaders will need to take time out alone or with the team and invest in the team taking time out too to think, reflect and be creative. Google long ago introduced the one day a week (20%) "creative time,"³ and some law firms have followed,⁴ this will become even more critical now! Establishing or contributing to Talent Incubators, like the one described in the case study below, goes a long way towards creating new solutions by engaging different voices and providing new opportunities for talent to shine.</p>	
Champion diversity and inclusion	<p>The new mantra referred to above, is not possible in the absence of different voices around the table – people with different approaches, experiences and backgrounds – diversity AND inclusion is no longer (if it ever was), just an important initiative, it is now the difference between business success and failure. Great in-house leaders know this and are leading the legal industry in making diversity and inclusion the only way to do business going forward.</p>	
Champion data through the lens of ethics and privacy	<p>Data has been described as the new "oil or electricity" and, conversely, the new "uranium." It has the power, through data analytics and particularly predictive analytics, to change the focus of legal services and products from being reactive to preventative.</p> <p>Likewise, the storage of, vulnerability of, and access to data (legally and illegally) as well as ongoing regulatory changes will continue to make this one of THE most significant areas on which in-house counsel will be called on to provide advice and encourage/support ethical organisational practices and vigilance.</p>	

Capabilities	Explanation	Score (1 lowest and 10 highest)
Focus on teams as well as individuals	Legal department leaders need to understand the pros and cons of automated, assisted and augmented legal practice. They need to know how to work with digital and human labour inside and outside their team/organisation and understand this is the new definition of “labour.”	
	These leaders manage teams and not individuals, because high performing teams get more done through the leveraging of collective capabilities. Teams do more than any one individual. Internally, these leaders also create flat team structures (and remove hierarchies and bureaucracy) so team members can, must and will collaborate. ⁵ Externally, these leaders facilitate seamless service/product delivery – it doesn’t matter who you work with or where they are located, working collaboratively to get the job done with the right output and on time is the expectation and responsibility of every team member, the team leader included! It follows that these teams will need to be diverse – multi-disciplinary, multi-generational, multi-cultural, full-time, part-time, casual, in-house, outside, and geographically dispersed.	
	Having noted the importance of the team, leaders also need to understand and recognise that teams are comprised of individuals, understand the capabilities of each team member and, in consultation with them (mentorship and coaching), customise individual development so he/she can match their strengths to what the team/organisation needs.	
	Creating a high performing, engaged and empowered team and team culture, will require advanced leadership skills in emotional intelligence, facilitation, influencing, persuasion and remote management. It will also require transparent leadership that espouses a clear vision of how the legal team aligns with business performance goals, contributes to them and where each individual fits into that picture. A picture that should include the opportunity to give back to the community.	
	Pro bono opportunities for legal department internal teams (perhaps in partnership with their external team members from e.g. outside counsel or suppliers) will become increasingly important as will the need that these align and demonstrate not only organisational values and purpose but that these match employee expectations and needs in these areas too.	
	Finally, leadership needs to focus on individual and team resilience and well-being – not pay lip service to it, but actually treat people as the organisation’s greatest asset!	

Capabilities	Explanation	Score (1 lowest and 10 highest)
<p>Be ready to lead in an environment of increased complexity and ambiguity</p>	<p>Legal department leaders will continue to operate in an increasingly complex and ambiguous legal world. The disruption and innovation in the legal industry will give rise to new laws, new ways to practice, new ethical challenges and, different combinations of all of these and more. Legal work will change.</p> <p>Here’s a few scenarios to illustrate how innovation and technology might redefine the legal conceptualisation and relationship with risk:</p> <ul style="list-style-type: none"> • Experimentation means going to market without all the “Is” and “Ts” crossed and, depending on the product, that might require the A grade legal service/product from legal (full attention of the legal team) or the D grade legal service/product (no legal team on the front line but instead the use of automated documents or self-service check lists). • Predictive analytics will allow lawyers, like doctors before them, to change their approach to lawyering from reactive to preventative. • RegTech may eventually lead to an interface between the organisation and government agencies where non-compliance will be reported automatically with a request to “please explain” – that will redefine ethical practices for an organisation and quite likely the concept of confidentiality and privilege for lawyers advising them too. <p>The ability to solve complex problems, critical thinking and creativity have been identified as the top three skills by 2030 for a reason⁶ – leaders will need to not just demonstrate them but develop and let them shine in their team too.</p>	

Capabilities	Explanation	Score (1 lowest and 10 highest)
Be brave!	The legal ecosystem has changed and we won't reset to zero! Right now we are on the cusp of being able to do more than innovation but reinvention of the legal industry. Leading from the front sets you up for all manner of criticism. But, settling for comfortable complacency will inevitably lead to irrelevance. Leadership in the 21 st century is about being willing to be different when it means doing something of value, right and better for you, your team and your organisation (i.e. your client and their clients). Be brave!	

CONCLUSION

This concludes the four-part series on Building the Next In-House Team. In Part 1, we encouraged you to identify where your team fits on the new legal team continuum – how did you do? Building the next in-house legal team won't start from the same foundations, especially not now. It won't operate the same way or even with the same people. And, it will continue to evolve with a unique set of capabilities, different from those found in private practice. We trust this series has prompted you to reflect on, review and take steps towards building your next in-house legal team – not a clone of the past but a product of a new future – digital, transformative and exciting – who wouldn't want to be a part of that team?

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THE BUSINESS CASE FOR IN-HOUSE LEGAL DEPARTMENT TALENT INCUBATORS⁷

Talent incubators (TI) are not new. The convergence of technology, the demand for new capabilities in the legal industry, the rapid pace of change, and the need, post the COVID-19 pandemic, to find permanent solutions to the band aids we have applied to get through it, have all contributed to a strong business case to establish TIs in legal departments...but, here's a little more on the why...

At their core, TIs seek to identify real, practical problems that need to be solved, identify the capabilities needed to solve them and bring together the people with those capabilities to get the job done. But the benefits tend to reach well beyond the obvious deliverable:

First, the process forces organisations to identify and prioritise problems. For legal departments, that might mean articulating internal pain points for users like the need to change processes to speed up the receipt of legal advice. The ideas might come from anywhere, the more suggestions the better, and delivered in-person or digitally, locally, nationally, regionally or internationally.⁸

Second, the capabilities needed to solve these pain points will likely extend beyond the legal department. In fact, if you are designing anything with the users in mind, and you should, you MUST have those users in the incubator. It's also an opportunity for legal to get to know people and

what they do outside their department and vice versa. If participants are also drawn from outside the organisation, e.g. external partners in the legal service/product delivery like outside counsel, ALSPs, legaltech developers, etc., it can bring in external capabilities, experience from other industries and different points of view too. This in turn will enhance communication, understanding, help everyone to see things from many different perspectives and, once implemented, ensure that the solution will have seamless use, application and viability across the organisation. It will also likely result in more people in all the internal (and possibly also external) teams getting more work and working together more – a positive by-product of groups working together successfully and knowing more about what everyone can contribute. However, the opposite may also be true if this process is not well lead, managed or has the wrong people contributing to it so, think carefully about who you invite to participate.

Third, it encourages people to experiment – try something different, test assumptions and not jump to conclusions or solutions before the problem is fully understood or articulated. It also provides the opportunity for diversity and inclusion because everyone will need to be heard. Making sure everyone is heard and, the right amount of time is taken to reflect on contributions, are critical success factors in the TI process.

Fourth, it showcases and encourages mentoring and coaching – those who want to do it, or are good at it, and how to create the sort of environment where it can flourish – an opportunity for all to see, first-hand, the benefits of it.

Fifth, it will deliver an outcome – the solution! And, when delivered in the right way e.g. at an organisation wide event that’s fun to be at and well attended, it will encourage feedback and engage a lot more people in the whole process going forward too.

Finally, the solution is implemented or, as a result of constructive feedback, goes back to the drawing board (Post It party time as it tends to be known) to be refined, either way one more pain point gets resolved immediately or, part of it is resolved or it is well on its way to resolution in the future. All good!

On reflection, the TI can look a lot like a design thinking workshop or perhaps even an internal hackathon and, in a way it is but, for the TI, the talent identification, capability development, and collaboration is every bit as important as the process that brings the people together and the outcome itself. It’s all about the people! In a time when in-house legal teams are re-forming, forming, storming, norming, performing, and adjourning,⁹ the TI may provide a way to showcase legal team talent and find solutions that can enhance the business performance of their organisations.

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Prior to joining the Centre, Terri was a practising lawyer and subsequently led the in-house talent management departments for firms and associations including Lex Mundi, the Inter-Pacific Bar Association (IPBA) and DLA Piper LLP (US). She has also led or taught on practical legal education initiatives in law schools in Asia, Australia and the US. In 2010, Terri founded Mottershead Consulting in the US, and later expanded it to Australasia, to focus on supporting lawyers, legal business specialists and law firms in identifying, developing and transforming their capabilities and practices to a new way of delivering legal services/products to the market.

Terri is a frequent keynote speaker at legal industry events and contributes regularly to legal industry publications on the future of the legal profession, practical legal education and legal talent management. She acted as the general editor/contributing author for *The Art and Science of Strategic Talent Management in Law Firms* (West, 2010) and for *Innovating Talent Management in Law Firms* (NALP, 2016).

Terri holds an LLB (Honours) and a Graduate Diploma in Legal Practice, both from QIT; an LLM from the University of Queensland; and an MBA (Distinction) from the University of Wales. She is admitted to practice in Queensland, the Australian Capital Territory, the High Court of Australia, England & Wales and Hong Kong.

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