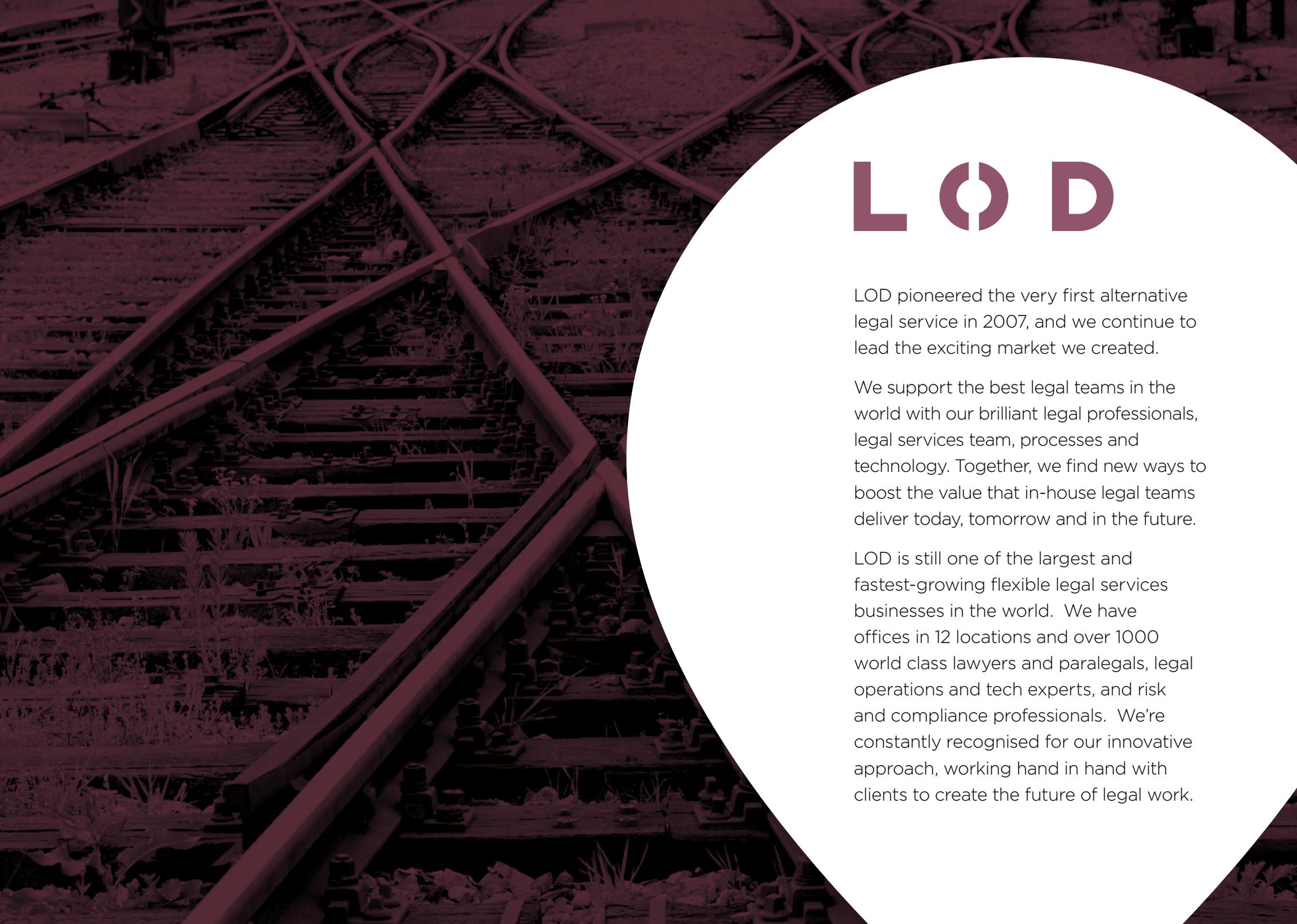




L O D

AT A CROSSROADS?

The impact & opportunities
of COVID-19 on legal
teams around the world



LOD

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.

FOREWORD

There is no shortage of articles, press and reports telling us we're in the "new normal". If you look on Google Trends, the worldwide search term "unprecedented" spiked to an unprecedented high. We all know and understand that COVID-19 has impacted almost everyone in a major way.

This report might not be a huge surprise on a surface level. But drilling down into the data we collected, speaking with hundreds of lawyers and clients, we find clear notes of optimism.

Yes, juggling childcare and working from home can be a significant struggle. Yes, not being able to walk into a colleague's office or desk for a quick chat or question can be frustrating...But I've read through hundreds of responses from in-house lawyers celebrating their new working from home situation.

Surprised at their new efficiency, lawyers have embraced this newfound flexibility. Free from more regular interruptions, people are finding new levels of productivity. Not only are they discovering that they are better workers, but their work relationships are becoming more human as well - engaging with new aspects of their colleagues' lives that pre-COVID life never allowed.

I don't want to paint too rosy a picture. The strong business uncertainty, the spectre of economic downturn and the feelings of isolation are powerful and real. It's harder than ever for many people to find the "space to think". But how we respond to these challenges will define us in the years to come.

It's more important than ever to latch onto the emerging positive changes, to propel ourselves forward.

Tom Hartley,

CEO, LOD | July, 2020

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1. EXECUTIVE SUMMARY

For this report, our team spoke to over **380 legal professionals around the world**. Most of these were done by survey and just under a third were interviews with LOD clients and lawyers.

We wanted to get a deeper sense of the nature of the impact for legal teams – to look at the types of challenges emerging, the different responses to those challenges and the opportunities ahead.

Some of what we see in this report is no surprise. 90% of the Legal Leaders we surveyed reported a moderate to severe impact on their business and 59% saw increased workload. 54% experienced new or more immediate priorities on their desks and over 65% found it difficult to predict how long their workload will remain at its elevated level.

But perhaps the more surprising elements are the positive ones.

Around 60% of the Legal Leaders surveyed said that the transition to remote working had gone smoothly, with only 12% experiencing challenges with remote working. Over 80% believe that many initiatives implemented in response to COVID will become permanent – signalling a lasting shift in how in-house teams work.

The most encouraging part of this global listening exercise has been the accelerated shift towards new and more sustainable ways of working. We're seeing positive changes in legal teams around the world – from the reimagining of how we digitally collaborate – to the simple and popular joy of losing the dreaded commute. And while it may have been true that some legal teams were not effectively using modern technology, the COVID crisis has forced many teams to quickly adopt new technologies (like Teams, DocuSign etc). **Having seen that change is not as hard as they thought and delivers tangible benefits, there is now opportunity to leverage this forward momentum.**

So, read ahead to see how your peers have been impacted, how they're responding to the COVID crisis and the opportunities that we see ahead.

2. METHODOLOGY & DEMOGRAPHICS

METHODOLOGY

For this report, LOD spoke with **383** legal and compliance professionals around the world.

271

were surveyed online
("Survey Cohort")

161

were **Legal Leaders**

110

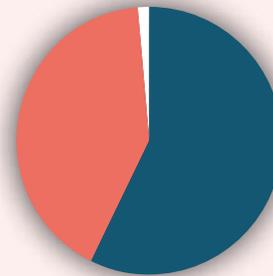
were **LOD lawyers and compliance professionals**

112

were interviewed by our team in smaller group discussions or roundtables ("Interview Cohort")

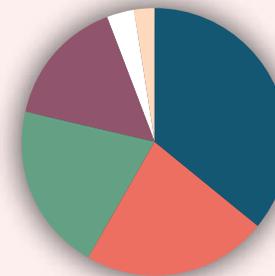
DEMOGRAPHICS

Below is breakdown of all our respondents by region. For our Survey Cohort of **Legal Leaders** (subset of 161 people), we provide a further breakdown by job title and sectors they work in.



Regional breakdown of All Respondents

- Asia-Pacific
- The UK and EMEA
- Other



Job title breakdown for Legal Leaders

- General Counsel
- Lawyer
- Head of Legal
- Other
- Legal Operations Professional
- Compliance Professional

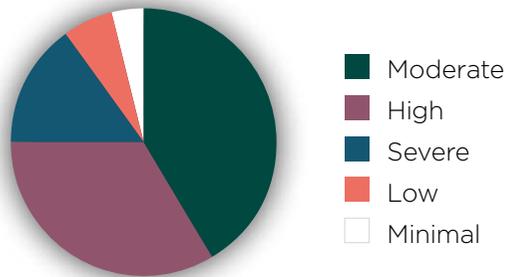
Legal Leaders came from 25 sectors. The top 10 were:

- Financial Services
- Energy
- IT
- Industrials & Manufacturing
- Professional Services
- Property & Real Estate
- Public Sector
- FMCG & Retail
- Construction & Infrastructure
- Education

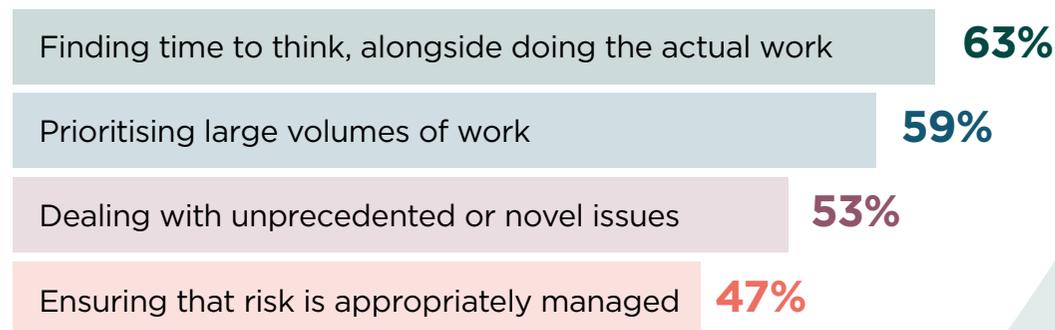
3. IMPACT & CHALLENGES

Over 90% of legal teams have been moderately to severely impact by COVID-19.

How would you rate the impact of the crisis on your organisation?



For our **Legal Leaders**, the top 4 biggest challenges they faced have been:



“You need to push to be on the management crisis team calls.”

GENERAL COUNSEL, UNITED KINGDOM

“It has been difficult to strike a balance between communicating enough and over-communicating.”

GENERAL COUNSEL, ASIA-PACIFIC

3. IMPACT & CHALLENGES

For our **LOD lawyers and compliance professionals** around the world, the most common challenges that emerged were:

-  **Juggling childcare and working from home**
-  **Missing the office environment and the social aspect of work**
-  **Virtual on-boarding of new hires during lock-down**
-  **Clients demanding ever greater responsiveness**
-  **Fatigue from back-to-back virtual meetings**

What's the biggest negative of the COVID crisis?

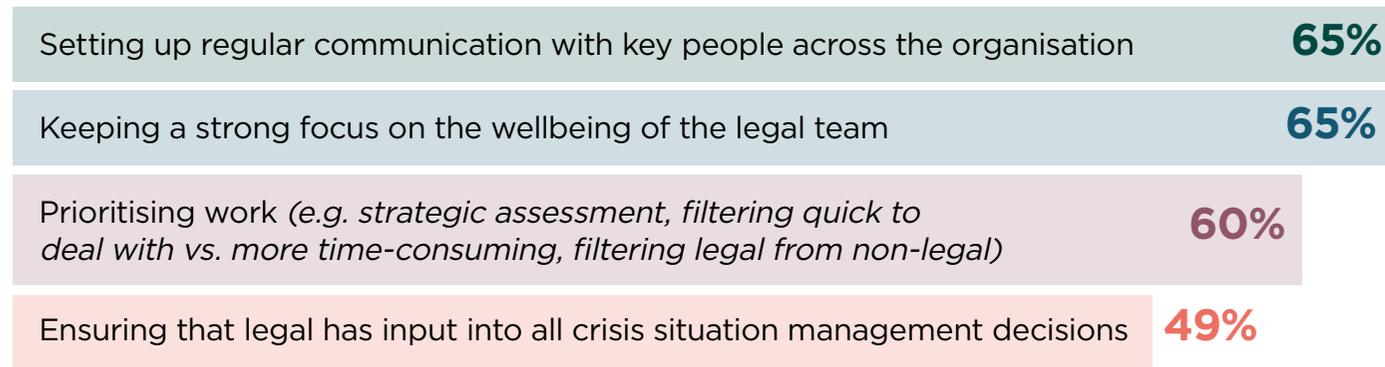
“Too long hours. The business expects 24/7 turnaround time and is demanding. Evening meetings have become the norm. Totally exhausting.”

IN-HOUSE COUNSEL, AUSTRALIA

4. RESPONSES & PRIORITIES

Approximately 60% of our **Legal Leaders** surveyed said that the transition to remote working has gone smoothly. Just under 12% said “they faced challenges with remote working”.

For our **Legal Leaders**, the top four most common responses to these challenges have been:

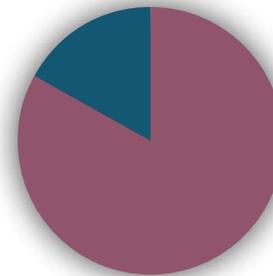


Of the above responses and initiatives,

83% believe that these are likely to be permanent.

Some or all the above initiatives that I have selected are likely to be permanent.

■ Yes
■ No



4. RESPONSES & PRIORITIES

TOP PRIORITIES

We also asked our **Legal Leaders** what their top three priorities were in response to COVID. From the data we collected, we saw five main themes emerge:

-  **The health, safety, and well-being of staff**
-  **Helping the business to secure revenue**
-  **Adapting to changing laws and regulations**
-  **Ensuring work is appropriately triaged**
-  **Managing costs**

“My top priority is guiding the business to build sustainable initiatives, while helping the business to continue to grow.”

HEAD OF LEGAL, AUSTRALIA

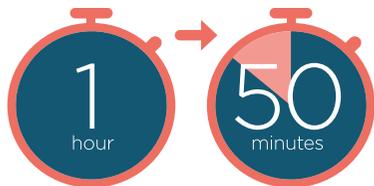
5. TOP TIPS

We asked our **Legal Leaders** for their top three tips for managing the current environment. Reading through hundreds of these tips, they tended to distill down into four broad categories of advice:

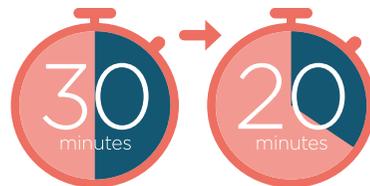
1. **Well-being.** Ensure the well-being of yourself, your reports and your wider team.
2. **Clarity of purpose.** Establish a clear legal strategic plan to prioritise your team's work, aligned to your organisational priorities and individual KPIs. Capture and share the right data to prove the value Legal adds. This also helps clarify each team member's sense of contribution to the legal team and wider organisation.
3. **Bravery.** Have the willingness to be good and not perfect. In a crisis (and beyond), you need to ensure your advice is short, timely and easy to action.
4. **Bias to action.** Work hard to anticipate the needs of your stakeholders and proactively manage your key relationships within the organisation. Don't wait for people to come to you with an issue, and where possible, nip issues in the bud.

PRACTICAL TOP TIP

Change the one-hour default meeting from:



Change the half-hour default meeting from:



“Use the opportunity to show how valuable you are, solve problems, be pragmatic – it will strengthen relationships for the future and make you feel good too.”

HEAD OF LEGAL, UNITED KINGDOM

6. OPPORTUNITIES

For legal professionals around the world, the COVID-19 crisis has presented positive opportunities to change the future of their work. We've divided these into two broad categories: opportunities for changing the “*how*” of work and the “*type*” of work.

EVOLVING THE HOW OF LEGAL WORK

The pandemic has been a global proof of concept for experimenting with different styles of working. From our analysis of the data we collected, these are some clear opportunities for in-house lawyers to change *how* they work:

- 1. Location agnostic?** The number of joyful responses about the loss of the daily commute was overwhelming. The evidence for most organisations is that remote working has been effective – at least in the short term. The opportunity here is to retain this newfound flexibility and not to default back to co-location as assumed best practice. Most of the written responses showed a preference for the “autonomy to flex” between the office and home. Not only does this bring benefits to your current workforce, it opens a new world of possibility for your future workforce.

“Perfect is
the enemy
of done.”

GENERAL COUNSEL, AUSTRALIA

6. OPPORTUNITIES

- 2. Deeper connectivity & collaboration.** The crisis has spurred new types of connectivity and flattened hierarchies for many of our respondents. A chorus of lawyers repeated that they grew closer to their colleagues, as they gained a more personal insight into their lives – most commonly by impromptu cameos of children and pets in video calls. And while we also saw evidence of “video meeting fatigue”, collaboration remotely isn’t just video – it’s instant messaging, it’s live collaboration in document creation and even just regular old telephone calls. Several respondents experienced a “levelling of global teams” and a diminishment of strict hierarchical structures. This more human approach has led to more productive collaboration.
- 3. Weekly goal setting & daily “stand-ups”.** The resolute focus forced onto legal teams prompted new organisational management methods – a top reported adjustment being the installation of regular, quick meetings to align on work. This doesn’t need to go away once the crisis fades. However, note that you need to be strict on what requires a (physical or video) meeting and what can be covered in other mediums. Perhaps the morning “stand-up” is simply a chat thread to confirm priorities for the day.

“During the COVID-19 crisis, we began daily meetings with the legal team as a way to ensure both cohesion for a newly distributed team and to align on team objectives and workflows. This has continued, and is likely to remain in the longer term.”

LEGAL MANAGER, AUSTRALIA

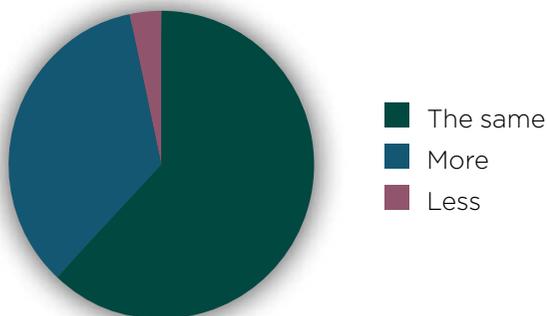
6. OPPORTUNITIES

EVOLVING THE *TYPE* OF LEGAL WORK

Beyond changes to how in-house legal teams are delivering their work, there has been a more material shift – the reconsideration of the type of work they do. Looking at the data we collected, we identified three opportunities in this sphere:

- 1. Beyond legal.** We've seen an acceleration in the existing trend of in-house legal getting involved in a wider range of work – not just purely legal work. During the crisis, organisations have witnessed the value of “*calm, legal thinking*” and how it can help in more than just legal problems. As seen in the chart below, over a third of **Legal Leaders** reported feeling more of trusted adviser than pre-COVID-19. A growing sphere of influence is something to be well embraced by in-house leaders and team members.

As a result of the crisis, do you feel like more or less of a trusted adviser within your organisation?



“For me, the biggest positive factor of working during the COVID crisis is the flexibility and ability to work from home, which makes it easier and quicker to complete the tasks.”

GENERAL COUNSEL, AUSTRALIA

6. OPPORTUNITIES

- 2. Self-serve away lower value work.** One of the clearest examples emerging from the responses has been the delegation of low-value, low-risk legal work to a technology or workflow solution. Without any luxury of time and whilst dealing with urgent new priorities, legal teams have been forced to create portals, playbooks, and other “self-service” type tools, just so business can continue within predetermined risk parameters (while they are prioritising more urgent work).
- 3. Data-driven decision making.** Greater visibility of legal work has been demanded during the crisis – particularly as concerns like cost control, prioritisation and technical demands have become more pointed. Legal teams need access to the right systems and processes to be able to work effectively and prove the value they add. The pandemic has accelerated this growing requirement and it’s become less and less acceptable for legal teams to work in a “data poor” environment.

While it will be increasingly harder for cost-functions such as legal to onboard stand-alone tech (not used by the rest of the business), these needs can be met by properly configuring existing systems to report data and streamline workflows. There is a real chance for proactive in-house leaders to drive fast progress in this area under the auspices of responding to COVID-19 and future proofing.

“We’ve been able to use the current environment as a driver for change and to accelerate our automation workstreams. It’s one my top priorities – to better use technology to do away with low-value work.”

GENERAL COUNSEL, AUSTRALIA

7. THE LOD PERSPECTIVE

COVID-19 has forced the legal profession to revisit many of our assumptions about how work happens. The default is no longer always going to be co-location, large offices, and the daily commute. The default might no longer be face-to-face meetings. The presumption of the past – a centralised and co-located workforce – has begun to crack under the weight of the pandemic.

The default settings of how we organise legal teams are going through a metamorphosis and we have an opportunity to spread our newly forming wings. The new initiatives we've seen in this global survey shouldn't disappear as soon as the immediate crisis abates. Where new styles and approaches to work have been successful, keep them and build on those. Let's not lose the spirit of experimentation or the willingness to adapt just as soon as it's no longer par for the course.

And based on the data, it doesn't seem like we will lose these initiatives – with 83% of **Legal Leaders** reporting that some (or all) of these recent initiatives are likely to become permanent. The genie is out the bottle and we think this is cause for both excitement and motivation.

“The biggest positive coming out of the COVID crisis for me has been the wider acceptance of remote working. It's been great to see people really embracing the positives that come from home working.”

LOD LAWYER, UNITED KINGDOM

7. THE LOD PERSPECTIVE

SO WHAT DOES THIS MEAN?

Flexibility has been the hallmark of successful and resilient organisations throughout this crisis. There is something instructive in that. The most consistent feedback we saw – whether from a General Counsel or a junior legal ops specialist – has been an enjoyment of the greater flexibility. The focal shift to effectiveness of work delivered, as opposed to hours recorded in the office, has been a liberating experience for many. Further, the adoption of more flexible models has another vital benefit – the enhancement of diversity. The previous rigidity of legal workplaces has been preclusive for many diverse and talented legal professionals – so we should welcome greater flexibility with open arms.

Technology and process solutions should be embraced. High-performing legal teams, particularly during the crisis, have embraced clear and well-documented processes. They have automated some of their lower-risk and lower-value legal work and have been able to play a more strategic, valuable and trusted role in their organisation as a result. With technology helping to keep the BAU work flowing, they could not only more proactively manage the crisis, they could also better report back to senior management on how they are delivering value to the business.

We believe that the legal profession can emerge from the crisis in an even better place than when it started. If we can embrace some of the more sustainable work practices that were made in the depths of the crisis, we can flourish further.



If you'd like to find out more about this report or the ways LOD is working with great legal teams to reassess how they work, then we're here to help.

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