

The Legal Disrupters Report 2023

Inside the In-House Legal Department:
Challenges and Opportunities

LEGAL
DISRUPTERS
REPORT



Summize



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A word from Tom Dunlop, CEO

As businesses navigate an ever-changing legal landscape, the role of the in-house legal department has become more crucial than ever. With increasing demands and responsibilities, legal professionals must be prepared to tackle complex issues swiftly and accurately.

From contract management to risk mitigation, legal teams face many challenges that require innovative solutions. As the scope of the legal department continues to widen, it is essential to have the right tools and resources in place to meet these challenges. In this dynamic environment, adapting and responding quickly is critical to success.

While working as a General Counsel at several high-growth tech companies, I saw the other departments utilising technology to streamline their processes, improve data accuracy and analysis, and enhance customer and employee experiences. But the legal department was always one of the last groups to use technology and innovation, which can be a costly mistake. In fact, by investing budget into legal transformation tools, businesses can benefit from increased efficiency, resilience and agility, better collaboration, and reduced cost. Digitally

empowered legal teams can fast-track negotiation cycles by up to 50%, leading to increased sales and profits.

Legal in 2023

Looking back over the year, 2023 has certainly proved to be a challenge for many in-house legal teams. The rising cost of living has led to significant budget constraints, resulting in reduced headcount and resources for legal departments. Legal teams have had to focus on increasing efficiency and productivity by leveraging technology to cope with these challenges. With bigger workloads and fewer resources, it will be crucial for legal teams to find ways to do more with less.

The legal team's role has also expanded beyond traditional responsibilities, with basic tasks such as simple contract reviews dominating daily workloads and leaving little time for high-value, strategic work.

The research

In this report, we can see how much the role of the in-house department has changed. Its scope is now broader and more diverse than ever, as are the challenges this brings. So it's important to explore how we can shift the legal department up the value

chain to truly benefit from its expertise and unlock its full potential.

We surveyed 100 global in-house legal professionals, including General Counsels, Legal Counsels, Legal Operations Managers, Heads of Legal, and Legal Directors. They were asked about their current challenges, attitudes around digital transformation and whether they have a legal representative on their organisation's board. They also provided their views on the most significant challenges within contract lifecycle management (CLM) and the advice they would give to other legal decision-makers who want their teams to be seen as a value-adding, strategic resource in 2023.

Our Legal Disrupters survey has identified some fascinating insights into the current world of in-house counsels. I hope that you find it as useful and informative as I did, and I look forward to seeing how the landscape of legal teams continues to change over the next few years.



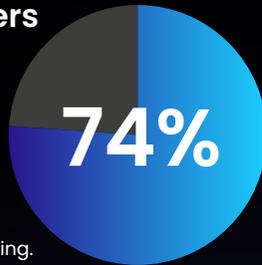
Tom Dunlop



Research highlights

We asked over 100 in-house legal professionals their opinions and this is what they said...

Almost three quarters agree legal teams are behind other departments when it comes to digital transformation



such as sales, finance and marketing.

81% agree basic tasks such as standard contract reviews dominate the daily workload



leaving no time for high-value strategic work.

More than half (63%) say their biggest pain point around contracts is not having them in one place or being unable to locate them easily.



Four-fifths say their contracts are handled manually, which takes up too much time.

72% agree that increased workloads will be the biggest challenge



for in-house legal teams in 2023.

75% say the contract intake process is inconsistent and hard to manage.



81% believe that legal teams must foster a culture of better collaboration with the rest of the business



in order to be seen as a value-adding, strategic resource.

Inside the Legal Department: Navigating the Demands and Challenges of Daily Workload

In the current climate, departments are under pressure to demonstrate value while keeping costs low. Throw this together with the economic landscape and ongoing recovery from the COVID-19 pandemic, and you have the “perfect storm” of workplace challenges. The in-house legal department is no exception.

Legal demands from across the business are increasing, and results need to be delivered quickly (and accurately) but with fewer resources. And with many companies bringing most of their legal work in-house, GCs must devise new methods to stay on top of their responsibilities and ensure their department continues to thrive.

Basic Tasks Dominate the Workload

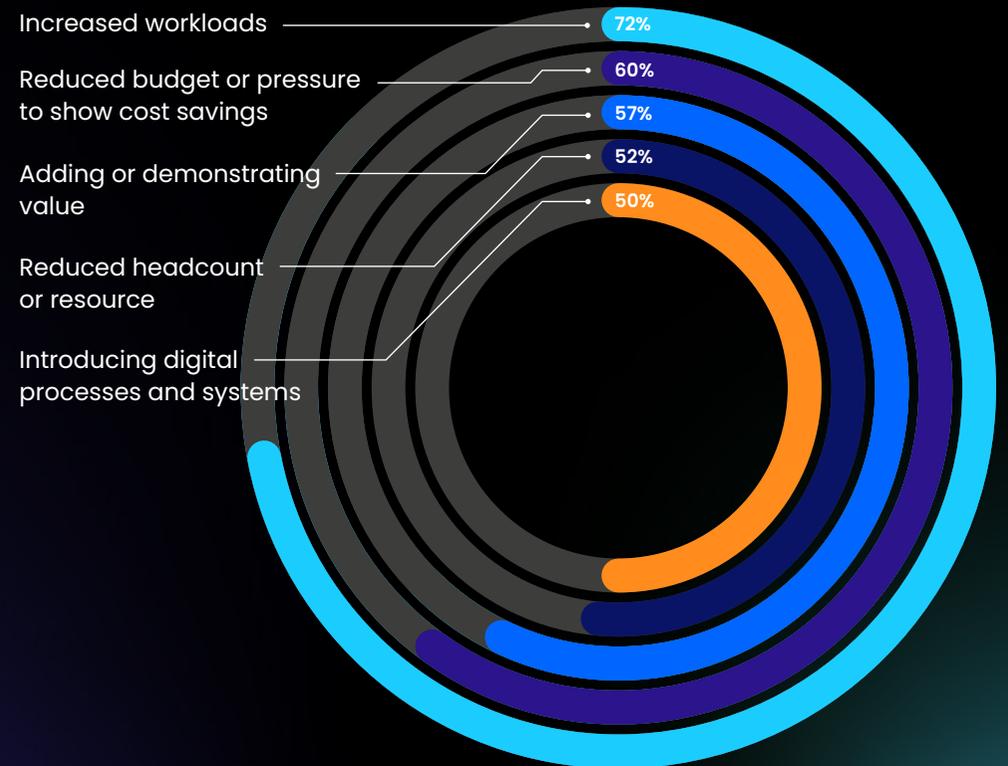
81% of in-house legal professionals agreed that basic tasks, such as standard contract reviews, dominate the in-house legal department’s daily workload, leaving no time for high-value, strategic work.

Being swamped with basic tasks is a significant challenge for legal departments that want to provide strategic value to their organisations. When it takes up most of the legal team’s time and resources, there is significantly less time to focus on more complex and high-value work that can help drive the organisation’s success.

Therefore, legal departments must identify methods to streamline these tasks. This could involve leveraging technology, outsourcing specific tasks, or restructuring the department’s workflow to prioritise high-value work. By doing so, legal departments can more effectively support the organisation’s goals and objectives, and also be more prominent and noticeable in the business.

Many in-house legal departments need help with their other challenges, including reduced headcount, increased workloads, reduced budgets, and pressure to demonstrate cost savings.

What are the biggest challenges for in-house legal teams in 2023?*



* respondents were asked to choose their top three answers

Inside the Legal Department: Navigating the Demands and Challenges of Daily Workload

Lack of Legal Representation

Our research demonstrates that **almost half (42%) of in-house legal teams do not have a legal representative (such as a General Counsel or an equivalent position) on their organisation's board.** This means that important legal decisions that shape the department's direction may not receive the input and perspective of a legal expert.

Having a legal representative on the board also helps to ensure that the company operates within legal frameworks and makes informed decisions with a legal lens, reducing potential risk across the business.



While innovation and entrepreneurship are often key to a successful business, they are broken by the lack of awareness around risks and failure to protect the downside. We have seen time and time again that businesses are learning this the hard way, from the largest to the smallest.

Although you might get by without involving your in-house legal too much on the way up, they are the first people you call when things get difficult. If you only use your in-house legal team like this, you are missing a key strategic asset in your boardroom.

The most successful businesses include their legal teams on the way up too. The skills good lawyers have are valuable in interrogating commercial ideas from all angles, offering creative solutions to problems and helping you find a path through to a desired outcome. In addition, they are often good advocates for culture, equity, diversity, and inclusion and can add a lot to the conversation.



Kate Preston

Chief Legal Officer and Company Secretary at GP Bullhound.

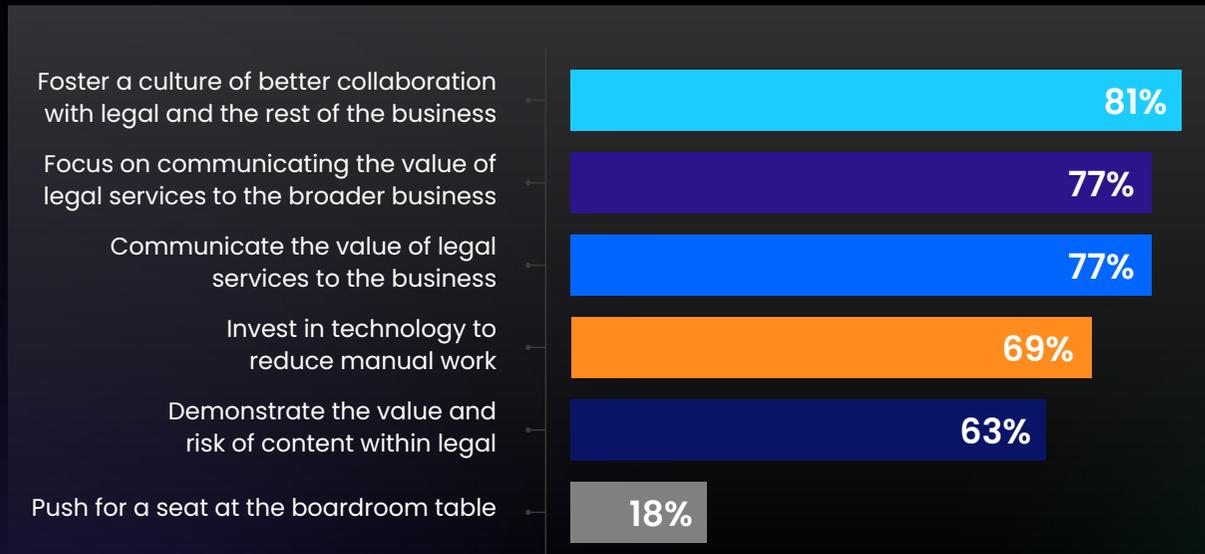
Inside the Legal Department: Navigating the Demands and Challenges of Daily Workload

The Reputation of the Legal Team

The need to be seen as a value-adding, strategic resource is essential for in-house legal teams if they want to position themselves as a critical component of a business's success. When legal teams are seen as strategic partners, they are more likely to be included in key decision-making processes and less likely to have those all-important budgets cut. This helps to ensure that legal considerations are integrated into the organisation's overall strategy and that legal risks are managed effectively.

It can often be challenging to know what to prioritise to generate the raised profile of the legal department, especially when the requests just don't seem to stop! So where should you begin? We asked our respondents what advice they would give to General Counsels that want their teams to be seen as a value-adding, strategic resource.

What advice would you give to General Counsels that want their teams to be seen as a value-adding, strategic resource?*



* respondents were asked to choose their top three answers

Inside the Legal Department: Navigating the Demands and Challenges of Daily Workload

Proving Value at a Reduced Cost

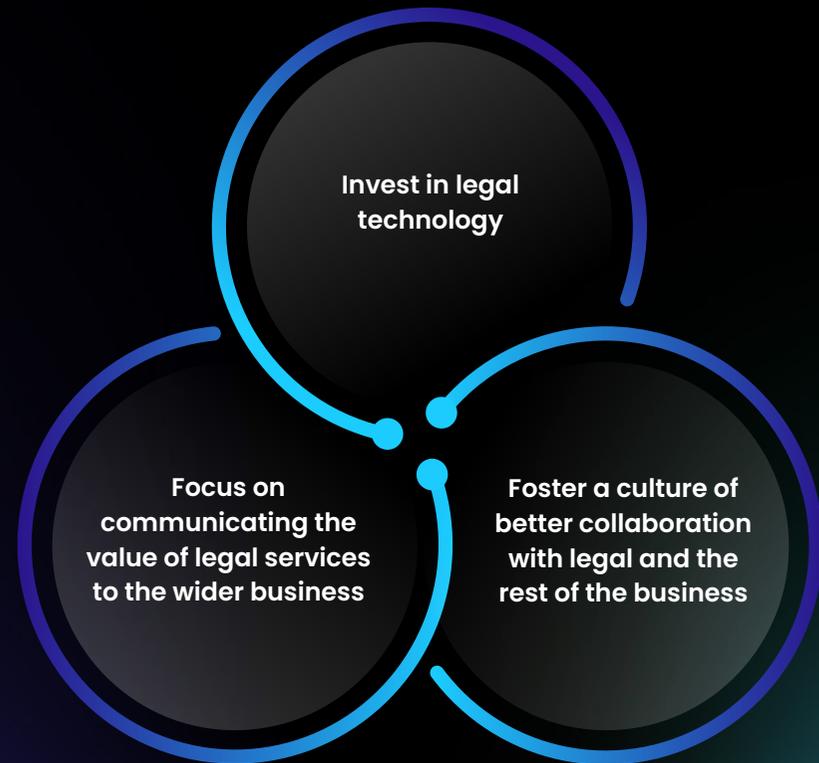
But what can in-house legal professionals do to prove their value to the broader business while keeping costs low?

As an in-house legal professional, you play a critical role in mitigating legal risks within your organisation while keeping costs as low as possible. A good place to start is by leveraging the correct digital tools to ensure you and your team are no longer bogged down by administrative or repetitive work, thereby reducing bottlenecks in the contract lifecycle.

CLM tools are ideal software solutions to help with this challenge. They allow GCs to automate routine legal processes, such as document review and contract creation. And by streamlining this process, the administrative burden faced by many legal professionals is significantly reduced. In fact, some CLM solutions can speed up contract lifecycles by up to 37% and cut contract review time by up to 85%.

On average, large organisations manage up to 350 contracts every week, so these savings lead to an enormous step up in business efficiency. But any size of company will experience an improvement if they adopt the right tool for their business.

Improving the challenges faced by legal teams



Playing Catch-Up: The Legal Department's Journey to Embrace Digital Transformation and Technology Investment

The legal sector is one of the most traditional industries, operating for thousands of years, with an unfortunate reputation for being slow to adopt new technologies and processes. Our survey found that **three-quarters of legal professionals agree that legal teams are behind other departments (such as sales, finance, and marketing) in digital transformation and technology investment.**

However, over the past few years, there has been a noticeable shift in the attitudes of in-house legal teams towards adopting legal technology. With the increasing pressure to reduce costs, improve efficiency and deliver greater value to the business, many legal departments are now more open to leveraging technology to streamline their operations, automate routine tasks, and improve the accuracy and consistency of legal work.

The pandemic also played a significant role in changing the behaviours of all departments. Remote work highlighted the need for digital collaboration tools and cloud-based solutions, further driving in-house legal teams' adoption of legal technology.

In fact, our research found that **84% of legal professionals believe their businesses should invest more in legal technology this year for productivity and efficiency gains.** This statistic indicates the growing recognition of legal technology's benefits. As the legal industry evolves, legal professionals are beginning to realise the importance of embracing technology to optimise their workflows, reduce manual work, and improve their ability to deliver value to the overall business.



Playing Catch-Up: The Legal Department's Journey to Embrace Digital Transformation and Technology Investment

Overall, all signs point to a positive outcome for the legal industry regarding digital transformation. In-house legal professionals are becoming increasingly aware of the potential benefits of legal technology. They are willing to invest in it to drive productivity and efficiency gains, breaking away from traditional methods and empowering themselves as true legal disrupters. In fact, legal departments that fail to adopt legal technology may be left behind in an increasingly competitive industry.



It is great to see that such a high percentage of legal professionals believe their businesses should invest in legal technology. Embracing digital transformation within my department has helped free up the legal team and other business units' time to focus on where we can add value.



Automating processes, increased transparency, and reporting have improved efficiency in our contracting processes and provided important data points to allow us to have a handle on our contracts. It's also made us more collaborative and share responsibility for contracts instead of assuming it as something legal do.



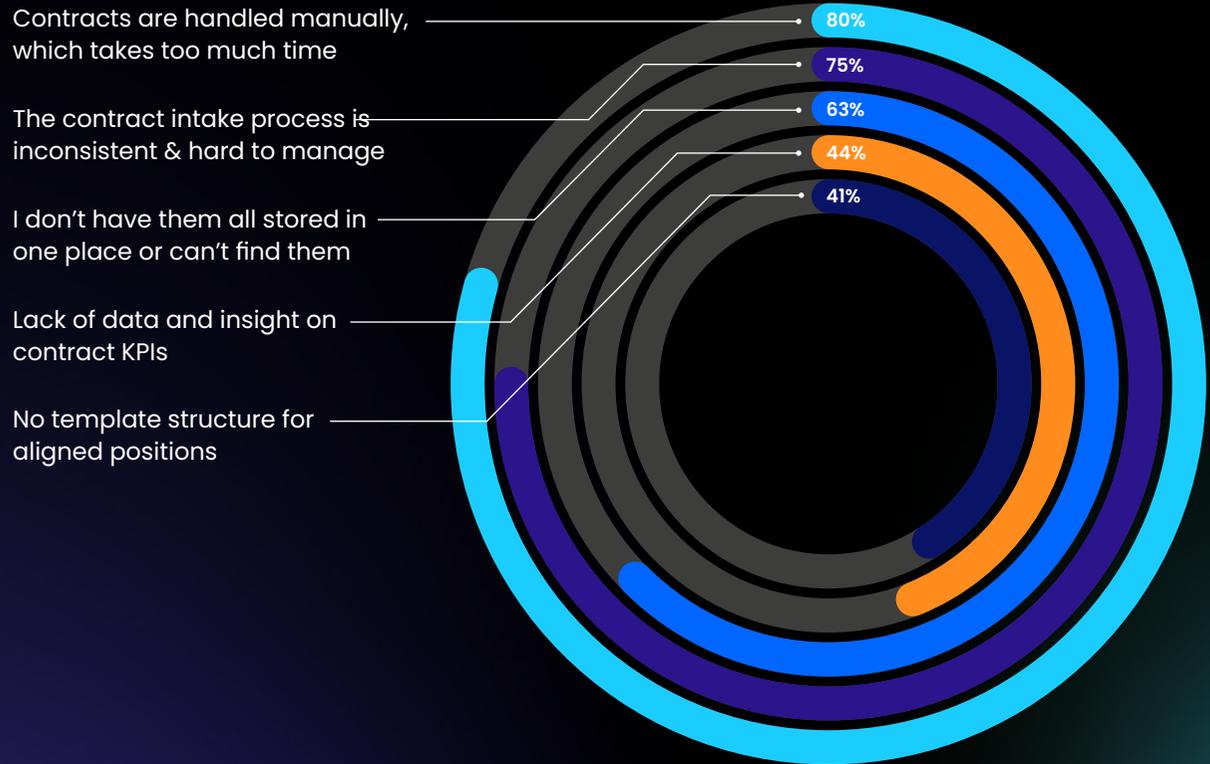
Natalie Salunke
International General Counsel at Zilch.

A Closer Look at Legal Teams' Challenges with Contract Management

In-house legal teams often face numerous demands from different areas of the organisation, which can pull them in different directions. They may be required to provide legal advice and support for various issues, from regulatory compliance to employment law to contract negotiations. Additionally, they may need to liaise with external counsel, manage litigation, and provide training and guidance to other teams. All these demands can lead to bottlenecks with other departments within the business, as legal teams struggle to manage their workload effectively and prioritise their responsibilities. This can knock on the rest of the organisation, as delays in legal approvals or advice can impact business operations, and legal issues can become a roadblock to progress.

As our survey suggests, creating, reviewing, and managing contracts can take substantial legal time and resources. We asked our survey respondents what their most significant pain points around contracts were, and they told us.

Most significant pain points around contracts*

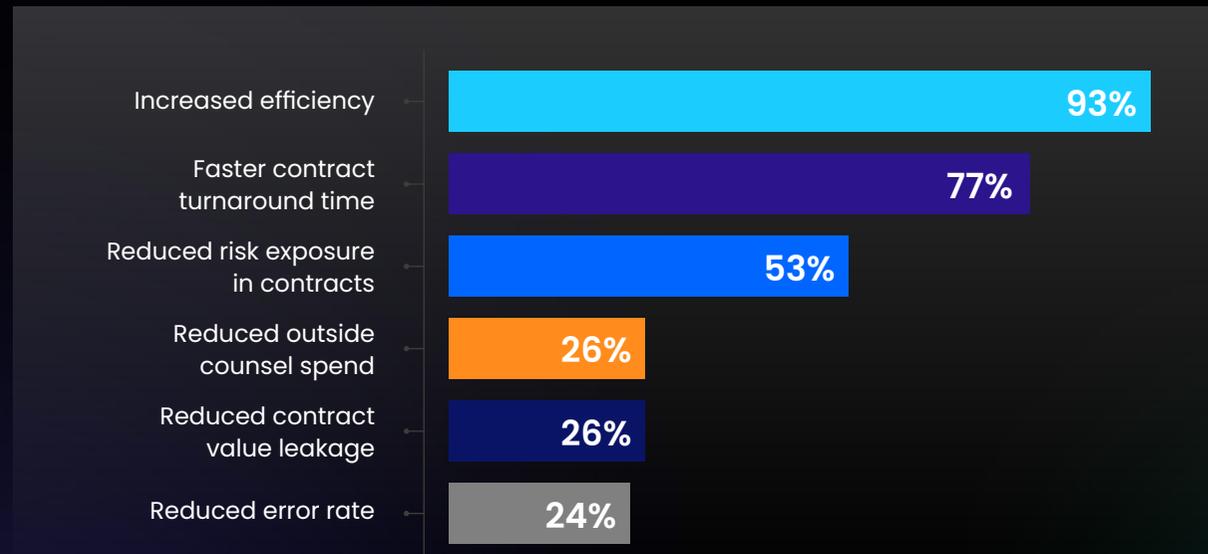


* respondents were asked to choose their top three answers

A Closer Look at Legal Teams' Challenges with Contract Management

I believe the main benefits of CLM software for in-house legal departments are:*

CLM software can help legal teams manage the lifecycle of a contract from creation to termination and track and organise all relevant information so legal teams don't have to do it manually. Due to its efficiency and cost-saving benefits, CLM has universally gone from being nice-to-have to critical-to-have. We asked our survey respondents what they believed to be the main benefits of adopting a CLM solution, and they were:



* respondents were asked to choose their top three answers

A Closer Look at Legal Teams' Challenges with Contract Management

The benefits of adopting a CLM solution are clear. With the changing attitudes of legal professionals when it comes to implementing technology to automate the more low-value admin tasks, legal professionals are choosing to empower themselves as legal disrupters, making time for more high-value and strategic work. By prioritising strategic work, in-house legal teams can help their organisations stay ahead of the curve and remain competitive in a constantly evolving business landscape.



In-house legal departments have a significant impact on the business both internally and externally.

In numerous organisations, legal is seen as a “blocker.” The cause of this can differ, but usually, it’s due to the lack of communication between departments, limited visibility, and transparency.

With dedicated tools such as CLM, legal can track the process step by step and liaise quicker and more effectively with each other and other departments within the business. We found that using dedicated legal tech tools played a pivotal role in the transformation of the legal department, and legal requests are now easier to raise and monitor.

As a Legal Team, we can intervene to speed up the process. The data from CLM software allows us to view all matters of the contract lifecycle, specifically, how long a matter sits with legal or other departments and all negotiation processes, even after a contract is fully executed. We use the data to show its effectiveness to the broader business and stakeholders.



Mariano Miccoli

Director of Legal Operations at Euronet





Challenges for the 2023 legal department

In-house legal departments are facing significant challenges in 2023, including reduced headcount, increased workloads, reduced budgets, pressure to demonstrate cost savings, and the need to add value and demonstrate strategic relevance. Basic tasks like simple contract reviews often dominate the daily workload, leaving little time for high-value strategic work. To address these challenges, legal departments can identify ways to streamline basic tasks and free up time for more strategic work, such as leveraging technology. Legal departments must also improve collaboration with other departments, communicate the value of legal services to the wider business, and demonstrate the value and risks of content within legal contracts to enhance their strategic relevance.



Embracing Digital Transformation

The legal sector is considered one of the most traditional industries, often slow to adopt modern technologies and processes. However, there has been a shift in attitudes towards adopting legal technology. Many legal departments are now more open to leveraging technology to improve efficiency and deliver greater value to the business. Embracing legal technology can be used to streamline operations, automate routine tasks, and improve the accuracy and consistency of legal work, which can free up time for high-value work such as complex legal analysis and strategy, and help legal professionals to optimise their workflows, reduce manual work, and deliver greater value to the business.



The Power of CLM Solutions

In-house legal teams face many demands that can lead to bottlenecks and delays, impacting business operations and creating friction between departments. One central pain point for legal teams is the manual handling of contracts, which can take up significant time and resources. However, adopting a Contract Lifecycle Management (CLM) solution can help to ease these issues, as it can automate many aspects of the contract lifecycle.

Special Thanks

Special thanks to Natalie Salunke, International General Counsel at Zilch, Mariano Miccoli, Director of Legal Operations at Euronet and Kate Preston, Chief Legal Officer & Company Secretary at G.P Bullhound for further insight into our research findings.

Please note that this report does not express the views of each business. Where individuals are quoted, opinions represented are those of the individual, not the organisation.

About Summize

Summize is a game-changer for any business that works with contracts. It's digital contracting done differently.

We're different because we focus on three core elements of the contract lifecycle. Firstly, we automatically extract and summarise content, making the valuable data inside them easily accessible, automatically adding actionable tasks to your calendar and tracking through to completion.

Secondly, we use intelligent automation to make workflows simpler and smarter across the business. We're the first solution that plugs directly into Word, Teams and Slack. It's an intuitive Q&A-style bot for all business users, acting as the digital legal front door for all intake and legal requests.

Thirdly, our robust data engine will give businesses access to better decision-making and actionable insights, summarising risk and potential cost savings and accelerating revenue opportunities.

We exist to simplify and accelerate the entire contract lifecycle without replacing existing working methods. That's why it's digital contracting done differently.



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