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corp.counsel.com | July 25, 2018

Data Governance for Legal Ops: Adding Value Through Contract Intelligence and IG

Legal departments are beginning to address the growing pressure to measure and boost value in numerous strategic and innovative ways.

By Stephen Allen and Deana Uhl

In a recent Q&A with Vox Media, anthropologist David Graeber discusses his theory, and new book, on how technology has rendered many white-collar jobs useless. Corporate lawyers are among the careers Graeber claims are pointless, and he argues that if all corporate law jobs went away, nobody would notice their absence, or even, the world may be improved. Graeber's comments are provocative and hotly debated. But, as in-house law departments face increasing scrutiny to demonstrate value and bolster the bottom line, they have an edge that, on some level, may ring true.

To understand how legal value can be ascertained, it is important to first examine why business "buys law." Typically, legal departments are invested in to achieve two outcomes: 1) to ensure that money comes in, through securing the right to operate, realization of contract value, protecting IP and brand rights and pursuing claims; and 2) to ensure that excess money does not go out by avoiding restrictions, sanctions and penalties, maintaining obligations and defending against claims. Within these expectations, legal departments are beginning to address the growing pressure to



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measure and boost value in numerous strategic and innovative ways.

Legal operations professionals are defining and analyzing KPIs for the law department, adoption of emerging technology is increasing and budgets are being managed closely. Often spearheaded by the legal team, information governance (IG) was once a catch-all, "boil the ocean" pursuit that struggled to impact the bottom line. But it has since matured to a series of practical, concrete programs that enable legal to add value by reducing risk and gaining efficiencies—through streamlining data volumes,

protecting critical data assets and mining value from documents.

IG's Value Add

An information and data governance program can provide the framework and accountabilities to drive continuous improvement and responsible stewardship of business information to support operational excellence, reduce risk and meet legal and regulatory compliance requirements. A strong data governance program will balance business value and risk and address the needs of multiple stakeholders across an organization. Programs should align

with and support strategic goals and competitive advantage, reduce costs associated with managing and finding information, avoid unintentional misuse of data, better manage information and improve the processes that protect it, evolve the compliance posture and increase adherence to information policies. These benefits can span multiple areas of an organization in the following ways:

- **Business needs:** Driving business requires ready access to customer, product and market information that drive shareholder value, while containing costs. IG technology and processes enable business value by providing mobile and localized access to the specific information needed for various activities. It also provides programs that streamline workflows and eliminate spending on unnecessary IT or legal services.
- **Legal needs:** Counsel must satisfy duties to preserve, produce and protect information and minimize the costs of meeting legal obligations for information. With IG in place to mitigate risks, in-house legal teams can manage and coordinate the legal hold and collection process more efficiently, ensure privacy duties are met and lower e-discovery costs.
- **Records management needs:** IG helps records managers define and meet regulatory and policy requirements to keep records, rapidly respond to regulator inquiries, syndicate and enforce retention schedules for all information globally and across all employees.
- **IT needs:** Like legal, IT is under pressure to minimize “run the shop” costs to increase in “grow

the investment” activities, even while the total volume of data is consistently rising. IG enables this by disposing of data debris consistently, defensibly and automatically, and archiving structured and unstructured data as it ages.

The Role of Contracts

In the context of IG, contracts, when organized and mined effectively, can also help reduce risk and add value for an organization. In an organization’s overall data universe, contracts overlap on the Information Governance Reference Model (IGRM) between legal risk and the business profile. They at once encompass the organization’s duty/legal obligation for specific information, the value and business purpose of specific information and assets that contain critical information.

To access the value from contracts, contract management and analysis must be considered part of or adjacent to a comprehensive IG program. When organized, accessible and properly preserved in a central repository, they can be analyzed as needed to respond to data requests. This allows the legal team to add value by leveraging contract documents as part of the lifeblood of the business.

Some examples of legal and business activities that benefit from the value found within contracts include:

- Pre-close diligence for merger, acquisition or divestiture.
- Post-close diligence for business integration and synergies.
- Risk assessment (to appreciate liabilities and exposure).
- Gap analysis (versus standard provisions).
- Audit business practices.
- Compliance/ regulatory response.

- Data investigations.

Legal teams and legal operations professionals looking to deliver creative, efficient solutions can facilitate value by identifying and promoting the profitable use of technology for IG and contract management. When built on contract intelligence and IG best practices, programs can be designed to utilize cutting-edge technology platforms and analytics alongside strategic processes and experienced people to find insight from data stores, reduce costs and mitigate risks.

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