

# Digital Transformation Trends in Legal

Shift legal teams from reactive  
risk managers to strategic  
business partners

## The evolving role of in-house counsel

Historically, an organization's legal team has had a clearly defined scope: Provide legal advice and mitigate risk on contracts, employment, policy, tax, regulations and other issues.

But today, these teams are viewed as strategic business advisors, providing valuable guidance on product development, revenue generation, ESG initiatives, human resources, operations, government affairs and more. They work cross-functionally to drive business value and partner with executives on corporate strategy. In fact, **75% of CLOs** report that executives almost always look to them for input on strategic decisions and risk areas, according to the Association of Corporate Counsel (ACC)'s **2020 Chief Legal Officer (CLO) survey**. The report also revealed that on average, CLOs spend only **one-third of their time** providing legal advice—the rest is spent managing the department, working on corporate governance, contributing to strategy development and advising executives on nonlegal issues.

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of CLOs report that executives almost always look to them for input on strategic decisions and risk areas

ACC Chief Legal Officer Survey 2020

**87%**

of legal professionals report a large or moderate increase in demand placed on the legal function over the past five years

EY Legal Functions 2019 Report

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**“The legal function faces increased demands to do more with less, demonstrate strategic value and embrace innovation.”**

Corporate Legal Operations Consortium, 2019

Source

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**Several studies** have found that, across the board, legal teams and their budgets are not seeing significant cuts due to the ongoing COVID-19 pandemic. However, while most expect their budgets to remain steady, less than a third predict minimal change in how they manage work. **About 68%** of legal professionals are looking for better ways to get things done—ideally at a lower cost. As a result, many legal departments are embarking on digital transformation journeys, leveraging technology to maximize efficiency and drive business value.

**56%**

of millennial CLOs either plan to adopt a new technological solution or have already done so

ACC 2020 Chief Legal Officer survey

## The time for legal digital transformation is now

Digital transformation involves implementing software tools to speed up processes (like contract generation), increase efficiency and generate valuable insights to continually improve operations. For legal teams that are behind on their transformation journeys, now is the time to catch up. Many of their cross-functional partners have already adopted digital technologies, and if legal teams can't work efficiently with other departments, they risk slowing down the business.

As a new tech-savvy generation enters the legal industry, they're bringing with them a willingness to embrace apps and software in their day-to-day work. In fact, the ACC survey found that **56% of millennial CLOs** either plan to adopt a new technological solution or have already done so.

To keep up with their broader scope and satisfy greater demands for speed and efficiency, legal departments must transform their workflows to improve cross-functional collaboration.

“Part of implementing digital technologies is to streamline collaboration with other teams so the process moves faster,” explained Micky Colvin, a paralegal at Acrosa who is co-leading her organization's contract lifecycle management solution implementation. “That way, people won't think it's such a bad thing to get legal involved.”

## Laying the foundation for legal digital transformation

Digital technologies have a number of potential use cases in legal departments that can drive efficiency and business value. For instance, technology can enable smoother contract generation and negotiations that translate to a series of significant wins: faster time to market, faster turnaround times on key business matters, self-service capabilities that empower business stakeholders, business intelligence to drive improvements and transparency in the legal department.

Before any legal team embarks on a digital transformation, there are certain steps to take that will ensure careful planning and strategy are implemented every step of the way.

### Step 1 Conduct a work audit

As a first step in your legal transformation, conduct an audit to understand how your team spends its time. Ideally, you'll come out of this audit with an understanding of:

- What projects the legal team is working on
- The level of project complexity
- Which teams request legal assistance
- The average turnaround time for each type of request

Reviewing this audit with other departments will drive discussions around priorities and process optimizations, helping to build trust at the outset of your digital transformation journey. The audit also provides benchmarks to help you track and communicate progress, as well as demonstrate to external stakeholders how the legal team provides value.

### Step 2 Choose a pilot workflow to transform first

Once you understand your current processes, you can determine which workflow you'll prioritize during the initial stages of your digital transformation. For example, there are many technological solutions to automate NDAs—which seems like a logical first step in legal digital transformation. In fact, **an automated NDA workflow** can be up to seven times faster and 15 times more efficient than a manual process.

Perhaps after the audit you discover that your team only issues two or three NDAs per quarter, which may not merit the time and effort required for digital transformation. The audit might reveal that contract generation has the longest turnaround time. Prioritize digitizing that one to make it easier for the sales team to close deals.

In other words, choose digital transformation priorities based on the answers to these questions:

- Which workflow takes the most time?
- Which projects touch the most people?
- Which process happens the most frequently?

This foundational data will help focus your early digital transformation efforts.

### Step 3

#### Let your workflow guide your technology choice—not the other way around

As you evaluate technology vendors, avoid the temptation of “out-of-the-box” solutions, which force you to adapt your workflow to the tool rather than the other way around. Instead, look for flexible solutions that you can easily customize and configure to enhance your current processes.

“Digital transformation is not a ‘rip and replace’ of existing processes,” explained Andy Brereton, head of legal, compliance and ethics operations at ServiceNow. “It’s first understanding the process, then letting technology inspire you to change that process in order to do things more effectively.”

### Step 4

#### To ensure adoption, focus on user experience

Identify who will be using these new digital tools, and whether they have an appetite for technology. Make sure the team is aligned on how technology will make their jobs easier so they are more likely to accept change.

“Digital transformation is 100% dependent on people adopting and embracing it. Without that, you’re not going to get anywhere,” said Jill Fukunaga, director of legal operations at DocuSign.

To increase adoption rates, look for technology solutions that were designed for the end user, not an engineer. If the solution has an intuitive user experience and is aligned with your existing operational process, it will be much easier to convince people to use it.

“Aim for a solution that doesn’t require an enormous amount of training,” explained Doug Luftman, DocuSign’s deputy general counsel of product, IP and regulatory affairs. “The more training that’s needed, the lower the adoption rate.”

**“Digital transformation is 100% dependent on people adopting and embracing it.”**

**Jill Fukunaga**  
Director of Legal Operations  
DocuSign

## Understand the needs of cross-functional transformation teams

Because the legal team’s role is so cross-functional, it’s critical to identify all stakeholder needs during a legal digital transformation. For example, the sales team likely wants to accelerate time to revenue, while procurement wants to make the purchasing process easier.

### Cross-functional transformation partners (and their goals)



#### Legal

Maximize operational efficiency to drive business value



#### IT

Unlock self-service opportunities for nonlegal departments



#### Procurement

Improve transaction times and be a better customer



#### Sales

Achieve faster time to market and close more deals

Once you've identified their needs, bring the cross-functional stakeholders into the transformation process by inviting them to fill out surveys, attend product demos and provide input. Demonstrating that you want to make their jobs easier will help them feel more engaged in the transformation.

Be sure to choose stakeholders who are either decision-makers or individuals who can directly influence decision-makers. For example, your IT representative should understand your entire application portfolio and how a new solution will work with existing tools and integrations.

Though it may sound obvious, choose stakeholders who are excited about technology's potential. Digital transformation can be a challenging journey, so find people who have the passion to see it through.

## How legal teams can benefit from contract lifecycle management

One of the areas where digital transformation can make the biggest impact on legal teams is contract lifecycle management (CLM). According to **one survey**, 33% of contract management professionals said a typical contract takes more than 30 hours to negotiate. Why is such a critical business process still so cumbersome?

**DocuSign CLM** enables organizations to bring tens of thousands of contracts into one centralized repository. This enables legal teams to easily find and review existing contracts to understand current standards and policies. It's also an opportunity to flag outdated language around force majeure, privacy policies, noncompete or other critical provisions.

## Where are you in your CLM transformation?

Contract lifecycle management is a common way for legal departments to embark on digital transformation journeys. How would you assess your current use of contract technology?

### Not started

You have not operationalized contract management through technology.

### Early-stage

You use some sort of centralized contract repository (e.g., a modern CLM solution, network directory or SharePoint site).

### Implementation

You've implemented an end-to-end contract lifecycle management system.

### Automation

You've automated contract generation or are using technology to automate key workflows.

### Advanced

You're using AI or other analytics within your CLM to find additional workflow optimizations.

Inconsistent or unclear policies around common contract terms and clauses will slow down negotiations. Before implementing a CLM solution, it's best practice for legal teams to standardize their policies.

"If you can create and set a good policy, a CLM will help drive milestones and govern that policy as a contract goes through the deal cycle," explained Brereton.

DocuSign's CLM solution allows you to create "clause libraries," which provide legal-approved language for various contract provisions. Not only does this speed up the contract process, but it also empowers sales teams to be more self-sufficient and not have to rely on the legal team during every step of the negotiation.

**33%**  
of contract management professionals said a typical contract takes more than 30 hours to negotiate

Source

**38%**  
of organizations lack visibility into important data points in their contracts

Source

**90%**  
of organizations are burdened by manual agreement processes that lead to poor customer experiences, project delays and increased costs

Source

## The promise of AI in legal transformations

Bringing artificial intelligence capabilities into legal departments will not only help them work more efficiently, but it also helps them gather more insights from their work and processes. Already, about **69% of CLOs** expect the use of AI in legal technology applications to accelerate. Many are looking to use these technologies to help them reduce the time spent combing through numerous lengthy contracts. The **DocuSign Insight** solution, for example, can dramatically accelerate contract search and review. By leveraging AI to search large collections of agreements by legal and business concepts (rather than just by keywords), DocuSign Insight automatically extracts and compares critical clauses and terms side-by-side to quickly identify areas of risk and opportunity. To help make legal teams as data- and insight-driven as they need to be, DocuSign Insight provides visualized reports and dashboards that help solve legal and business challenges.

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Source

## Four phases of CLM transformation

### Phase 1

Import all contracts into a centralized repository.

### Phase 2

Create standardized contract templates and a library of legal-approved clauses.

### Phase 3

Automate contract generation and empower sales teams to be more self-sufficient.

### Phase 4

Continue to optimize the new contract workflow based on data-driven insights.

## Start your legal digital transformation today

As in-house legal teams continue to face higher demands and expanded responsibilities, digital transformation has become a vital strategic initiative. By starting with a holistic view of the legal department, you can implement technology solutions that drive business value and make legal teams faster, more efficient and easier to work with.

Contract management in particular often relies on slow, manual processes that frustrate employees and customers. But with DocuSign CLM and complementary tools from the DocuSign Agreement Cloud—like Insight and eSignature—legal teams can create seamless, automated contract workflows.

Learn more about what you can achieve in the DocuSign webinar **“Foundations for CLM Success Series: Digital Transformation Trends.”**

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### About DocuSign

DocuSign helps organizations connect and automate how they prepare, sign, act on and manage agreements. As part of the DocuSign Agreement Cloud, DocuSign offers eSignature: the world's #1 way to sign electronically on practically any device, from almost anywhere, at any time. Today, more than 500,000 customers and hundreds of millions of users in over 180 countries use DocuSign to accelerate the process of doing business and to simplify people's lives.

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