

MITR/TECH

WHAT DO LEGAL PROFESSIONALS EXPECT FROM 2021?

Survey Results & Predictions
on Challenges, Changes, and
Legal Tech

ALM

CONTENTS

03 | Introduction

04 | 2021 Primary Initiatives

04 | Legal Software Solutions Are Getting the Most Investment

Artificial Intelligence (AI) and Machine Learning (ML)

Data Privacy and Security

07 | Increasing Litigation Due to the Pandemic

08 | Increasing Collaboration

Workflow Automation

10 | Increasing efforts toward diversity, inclusion, and equity in 2021

Immigration and Worker Eligibility

12 | Conclusion

On the horizon



INTRODUCTION

The idea of making predictions for 2021 may at first appear strange. What did we learn in 2020, if not that we are not masters of nature, and that the world has a way of surprising us with disastrous diseases, raging wildfires and murder hornets?

We have learned that we cannot precisely predict the future. But we have also learned that we can strive to be masters of ourselves. One thing is for certain in 2021: the world will go on, unexpected events will occur, and we will do the best we can to handle what comes our way.

We commissioned ALM Media to conduct a survey for us to learn what Legal Operations leaders and lawyers predict will take center stage for the coming year. What are the biggest (foreseeable) trends, the types of technology in which companies plan to invest, and the metrics that we may all want to start measuring?

Methodology

Respondents to our survey came from the legal profession, and the data presented in this paper was drawn from among those respondents who worked in-house. Their roles include general counsel, in-house and corporate attorneys, legal operations or administrators, paralegals, and legal secretaries. The survey itself comprised 13 questions that asked about different technologies and initiatives that respondents may (or may not) see as necessary for their roles, departments, and companies, based on their experiences while planning for 2021. Most questions were multiple choice, with one open-ended question soliciting their individual predictions about what to expect in 2021; these are called out throughout the paper.

Drawing on expert opinions and thought leadership from legal superstars, we feel confident in saying that **in 2021, legal professionals are looking to restabilize after a year of unpredictability**, and use the wisdom born out of challenge to inspire new shifts in the way we work. Legal teams have gone through massive changes in the past year and we know that 2021 will be an opportunity to hone what has been working and shave off what has not.

By reviewing the results of the survey and the predictions that we have drawn from them, you'll be in a more informed position to address the future needs and direction of your own legal department or practice.

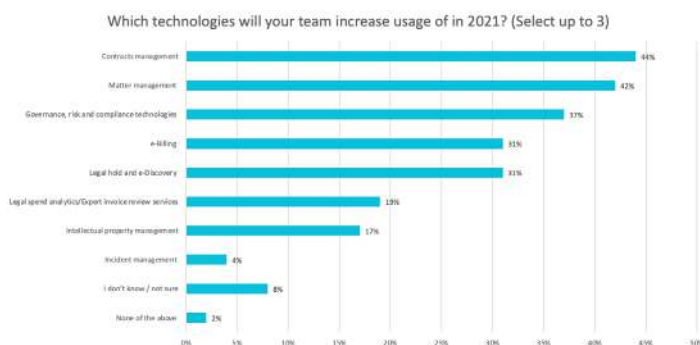


2021 PRIMARY INITIATIVES

Our respondents **were adamant in their belief that corporate legal technology will get more advanced — and more common — in 2021.** To grow your legal tech stack, however, it's important to know the trends, understand the use cases, and know yourself.

Legal Software Solutions Are Getting the Most Investment

Placing general trends is important as these initiatives will drive the technology needed. We surveyed corporate legal departments to see where they would increase legal tech usage.



Respondents each selected a few technologies that they saw increasing in usage in 2021. Based on interest in and general trends, it's not surprising that 44% are interested in contracts management, 42% are interested in matter management, and 37% in governance, risk and compliance technologies. These are important for legal departments to show the increasing influence of the General Counsel as an overall risk manager within the organization.

The metric on e-Billing stands out:

Approximately one-third of respondents listed e-Billing as a technology that will increase in usage.

Ideally, those who responded already have systems in place and therefore don't see an increased need; instead, they will maintain the spend management solutions including e-Billing, they already have. For those that do not, e-Billing provides an almost immediate return on investment in hard dollars that operational teams can use to fund other future endeavors.

Digital transformation initiatives and the higher percentage of remote work environments gives way to how instrumental contract lifecycle management (CLM) is to organizations.

“The conversations our teams are having continue to show the importance of the contract lifecycle to organizations and their business requirements. Challenges include making sure requests are not lost, integrated systems are able to manage all tasks within the solution, and stakeholders within the process aren't duplicating work.”

Brian Wardell,
Product Manager at Mitratesch.

2021 PRIMARY INITIATIVES

The highlights of a fundamental contract solution?

- Contract creation
- Delegation
- Document review, redlining, tracking changes, and execution
- Contract management, auto-triggers, notifications, amendments, renewals
- Audit trails
- Analytics, optimized search

What's been true for years, and continues to resonate, can be summed up by HBR's managing director Lauren Chung: "Law departments are building internal capacity, increasing capabilities and effectively managing demand by training internal clients to be more self-sufficient. By leveraging available technology, law departments are optimizing internal resources and automating routine tasks."

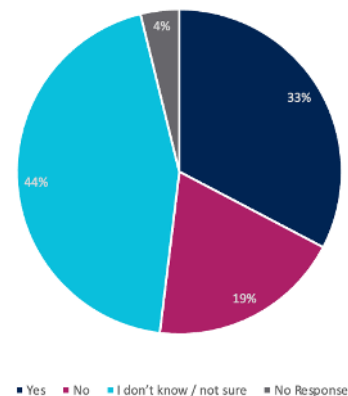
Artificial Intelligence (AI) and Machine Learning (ML)

While 32% of respondents believe that AI and ML will be part of their technology roadmaps in 2021, another 42% are uncertain or not sure about how it fits into the business strategy overall. Major challenges that can be solved are analysis, management, and predictability. By using the data that you've mined all these years, or if you have the opportunity to pull from industry data, your legal tech investments can take you even further.

"Use of data analytics and artificial intelligence will combine to drive deeper insights into external spend."

2021 Survey respondent

Will artificial intelligence (AI) and machine learning technologies be a part of your technology roadmap in 2021?



According to Bodhala CEO, Raj Goyle, "You can't poke holes through clean, structured data—the data says what the data says. To establish credibility with your CFO and stakeholders, providing data-backed justifications to your legal spend and operations decisions is key. It's your ticket to results-driven collaboration, success, and—most importantly—a healthy bottom line."

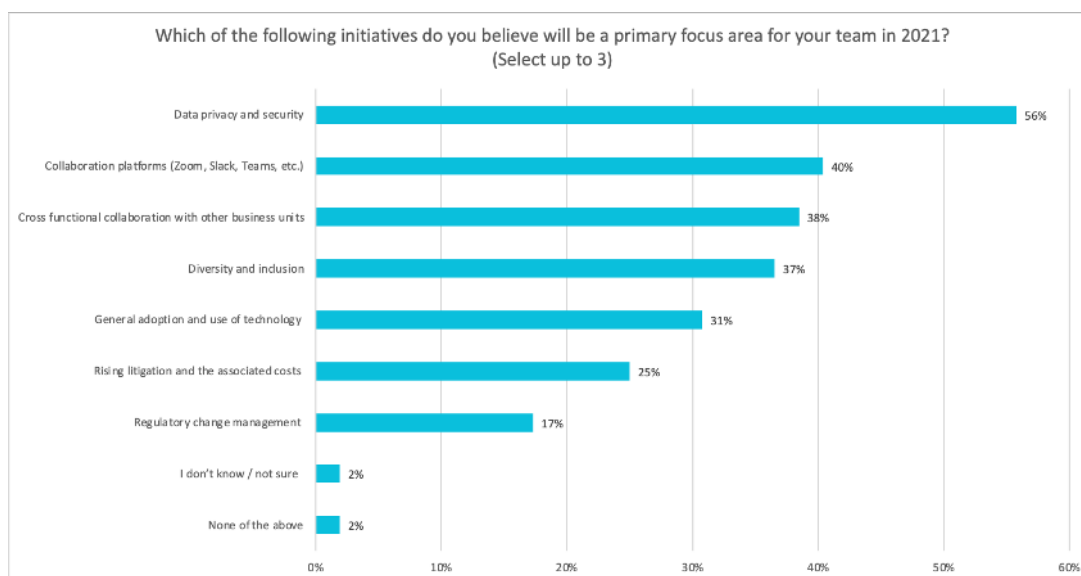
Data Privacy and Security

Our survey results show that data privacy and security is the top initiative that companies believe will become their primary focus in 2021.

2020 has taught organizations they need a federated compliance management strategy.

There is no one single department responsible for every aspect of compliance. Today, compliance functions are often scattered and operate independently of each other. There is IT/information compliance, privacy compliance, HR compliance, environmental compliance, health and safety compliance, government contracting compliance, procurement compliance, quality compliance, corporate compliance and ethics, and more.

2021 PRIMARY INITIATIVES



To be agile in the midst of a changing and dynamic business world requires collaboration across the departments, roles, and functions of compliance. 2020 has shown us that the CEO needs to step up and lead an organization-wide collaboration and strategy on federated compliance across these functions.

2020 has also shown us that manual compliance processes or siloed technology solutions slow down organizations that need to be agile. A federated compliance strategy that is agile also requires an integrated compliance process, information, and technology architecture that enables the organization to achieve greater levels of efficiency, effectiveness, and agility in the midst of chaos and change.

In 2021, we expect to see companies take on both top-down, leadership-led data privacy and security initiatives, as well as bottom-up policy initiatives. To battle against siloes, duplicated efforts, and accidentally increasing risk while attempting to decrease it, we hold that policies are the foundation of compliance and compliant cultures.

When the pandemic struck and employees began working from home, companies turned to their policies to manage new risks, only to find a slew of outdated, confusing, or contradictory policies.

To support a culture of compliance, companies will continue to invest in policy management systems and supporters who will guarantee consistency and communication from the rules.



2021 PRIMARY INITIATIVES

Increasing Litigation Due to the Pandemic

Another trend that the community of legal professionals responding to our survey clearly noted for 2021 is the anticipated spike in litigation related to COVID-19. The industry already has witnessed a spike in insurance related claims as noted by the Insurance Journal who found that the pandemic spiked more class actions for all types of workplace issues, with a record number of 1,548 rulings in 2020.

Our survey respondents feel this will shift to more contractual litigation in 2021 around breaches related to what organizations delivered or failed to deliver during the pandemic as well. Return-to-work policies will only increase the scrutiny and the number of questions around how such policies are implemented and the new normal for managing a company's most important asset - its people and staff. Regulations are rapidly evolving as well, creating a perfect storm for both corporations trying to meet obligations and the law firms who help manage the legal and regulatory risk of their clients.

Among the open-ended responses we received to the biggest predictions of 2021, it was hard not to notice COVID's impact on litigation volumes:

- "A huge increase on litigation and regulatory related matters related to the pandemic"
- "Lots of COVID-related litigation and legislation"
- "Increase in employment litigation and privacy"
- "Increasing litigation related to COVID-19, including breach of contract claims"

And how will this litigation be conducted? Part of the new normal for attorneys in our survey includes virtual courts and that may be something that is here to stay. According to one of our respondents:

- "Court Call will go out of business, replaced by Zoom, and trials will never be in person again. Companies that prepare demonstrative exhibits will go out of business."

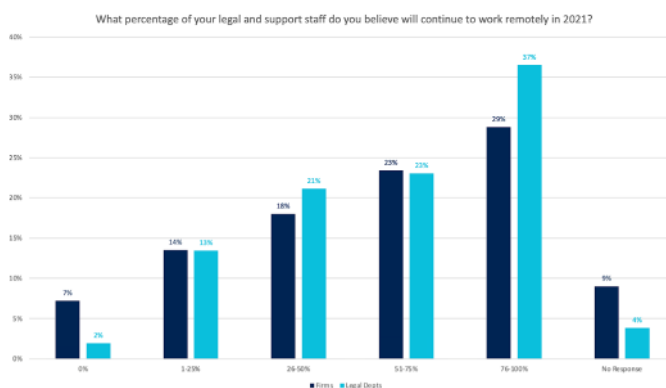
The reality is that COVID-19 is impacting much of the legal profession and will continue to do so in 2021.



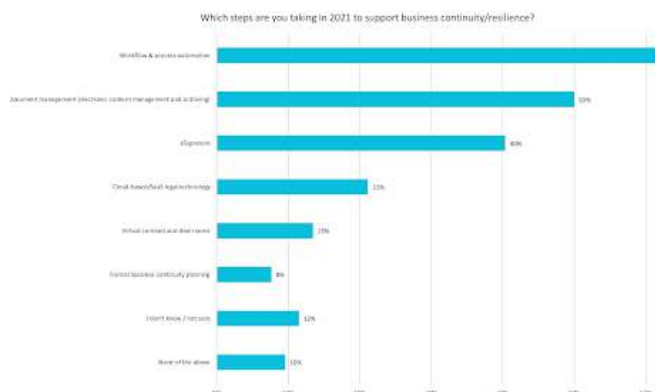
2021 PRIMARY INITIATIVES

Increasing Collaboration

Unsurprisingly, remote work environments will continue to be widely encouraged and accepted in 2021. 60% of respondents see 51%-100% of their workforces working remotely. The outlier? **Lawyers will get back to work in the workplace**, even as analysts, managers, and administrators continue to work remotely.



This means that the “getting back to normal” that we have been hoping for does not exist, but in this moment of change comes a great deal of opportunity for business resilience.



Tools that drive collaboration – like web conferencing, collaboration platforms like Slack, workflow automation, and enterprise legal management solutions with baked-in collaboration features – have become key elements of any legal tech stack as in-house legal departments look down the road.

“The quick wins that we see are those workflow type automations or moving spreadsheets to databases: very simple things that create some ability to do reporting and share data remotely.”

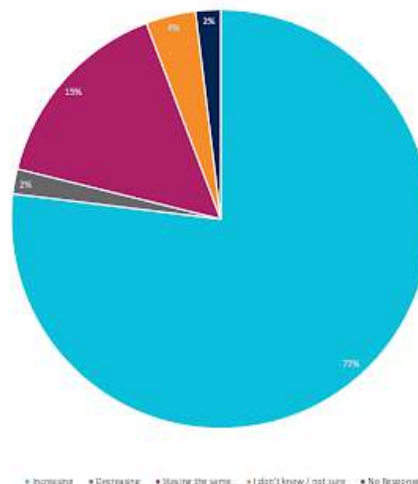
Gary Tully, Head of Legal Operations at Gilead Sciences.

Workflow Automation

At this point in the evolution of legal technology, workflow and process automation are synonyms for efficiency, security, and ROI. It has become increasingly necessary in the new remote-work environment that 2021 is born into.

77% of corporate legal departments anticipate their use of workflow and process automation to increase; only 2% believe this will decrease in their organization.

How do you anticipate your usage of workflow and process automation changing in 2021?



2021 PRIMARY INITIATIVES

The ability of process automation to react in a hurry to the demands of a pandemic is just one illustration of its everyday value to your tech stack and operations. Nearly any process anywhere can be automated, and successful adopters often start with the “low-hanging fruit” of high-volume tasks that can be easily digitized, and can thus immediately demonstrate the ROI and advantages of automation.

Having our different agreements, NDAs, and contract approvals remote, as is in a cloud technology, has made the transition to that [work from home] significantly easier.”

Andy Cooper, Legal Operations Manager, IDEXX Laboratories.

Take, for instance, processes that rely on email (as many do). Brian McGovern, General Manager, Workflow Solutions at Mitrates, and a renowned Legal Ops leader, puts it simply, “Email is the most widely-used workflow tool and it’s simultaneously the worst workflow tool.”

With this in mind, finding ways to refine your business processes or add automation is something companies across our respondents are adding to their 2021 requirements.

Building something better with process automation

But as Brian McGovern points out, it’s not merely about automating an existing process

“You want to build an improved process, not just the same process. Look to do something better. Think about how you can make them better and start with ‘friendlies’...that have some good relationships in your

organization because your initial steps are to get some points on the board, (and) convince people to come along on this ride with you. If you’ve designed a good process, you’re going to be generating savings...and then, as your company learns more about process automation, if you get those first wins under your belt and generate some excitement, go ahead and tackle the larger and more complicated processes.”

What this leads to, in his experience and that of other Legal Ops leaders, is that other business units and departments begin working with Legal in adopting process automation. This allows legal departments to actually embed legal and compliance best practices in those processes, allowing Legal to drive pervasive, positive results for the entire organization. This also burnishes the legal department’s star, of course.

As Jeff Marple, Director of Innovation, Corporate Legal at Liberty Mutual, explains: “Legal wasn’t originally a process or tech-forward organization within Liberty Mutual. Now we have developed several internal client-facing workflows that our clients just love, and that has changed the reputation...Legal now leads the organization with process automation deployments.”



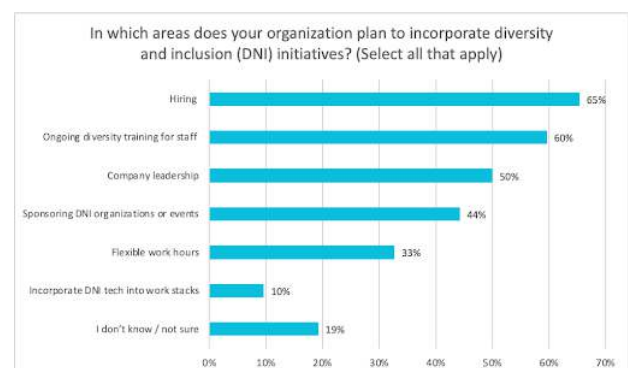
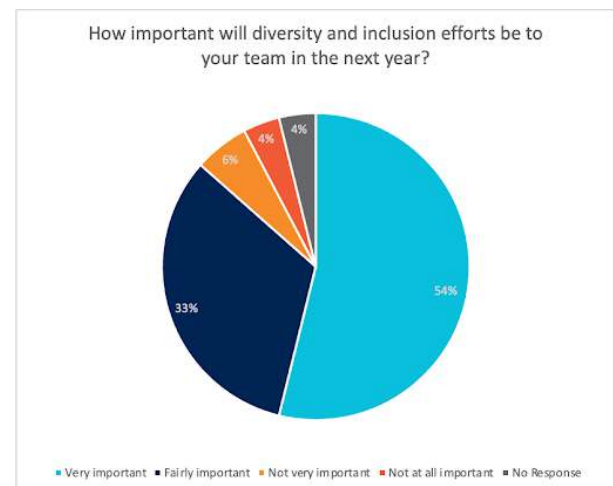
2021 PRIMARY INITIATIVES

Increasing efforts toward diversity, inclusion, and equity in 2021

Corporations, organizations, and firms alike are looking to one another, state regulations, and associations to help put forward a path that leads to progress on topics like diversity, equity, and inclusion. HR is incorporating updated practices and policies and legal teams are continuing to develop their habits when choosing the right firms and outside counsel to start or continue on their legal work.

Our study shows that diversity, inclusion, and equity are top of mind for today's legal professionals. 87% of corporate legal departments see diversity and inclusion efforts as being important to their company efforts. When these legal departments look to improve their office culture to create an environment conducive to fostering diversity, they typically look to both top-down and bottom-up approaches.

Top-down approaches include new hiring initiatives and company leadership, while bottom-up approaches aim to facilitate environments that would make people more comfortable at work, such as ongoing company-wide trainings on diversity and inclusion, organizations and special events within the company, and flexible work hours, which could enable more types of people to apply to and fully participate in the organization.



The pandemic has highlighted the importance for HR teams to focus on employee experience, well-being, and culture. With distributed teams and remote working, HR departments will be tasked with finding innovative ways to bring remote teams together to incorporate inclusivity and diversity.



“Legal will have an increasing role in determining when employees will return to work, ensuring adequate precautions are in place, and will work with HR and Comp & Benefits to determine remote work/WFH policies.”

2021 Survey respondent

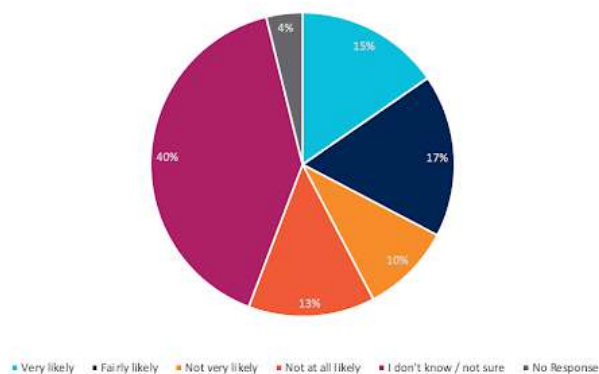
2021 PRIMARY INITIATIVES

One interesting way we've seen companies encourage their departments to make diversity a priority? Measuring success. Nagendra Donepudi, Senior Vice President of Product Development at Mitrastech, explains, "Our clients want visibility into the diversity metrics of law firms because it will keep DEI initiatives front and center for the users of legal technology and will allow continuous improvement against those initiatives. Our clients are starting to move beyond just reviewing the internal composition of their own staff, and are increasing their focus on the outside counsel and other vendors who contribute to the department's legal spend overall."

Immigration and Worker Eligibility

Another area we asked our respondents about is immigration and what the visa landscape is estimated to look like for their organizations. Immigration is another area of staff management that seems to be shifting both with the new year and the new administration in the White House.

How likely is it that your organization will be adding H1B1 visa holders to your workforce in 2021?



32% of respondents said it was fairly or very likely that they will be adding H1B1 visa holders to their workforce in 2021, which is a significant number. Among the trends we expect to see play out:

- Biden is set to reverse many Trump policies that slowed case processing times for the U.S. Citizen and Immigration Services (USCIS), with hopes of decreasing the long wait times for green cards—in some cases, by several years.
- More green cards and more H1B work visas will be available in 2021.
- US President Joe Biden has permitted dependents of H-1B visa holders to continue working in the country and contribute to the US economy. Biden's measure is a huge relief for hundreds of thousands of H4 visa holders and revokes the anti-immigration policy of killing employment for spouse visas.

All these changes will encourage H1B visa holders and their families to migrate and work in the USA, ultimately impacting the global economy and hiring for companies.



CONCLUSION

We see the future coming at us fast and we think that legal teams have what it takes to not just be prepared for change, but to welcome it head on. 2021 may have its own particular trends, which we outlined above, but having taken the pulse of corporate legal leaders through this survey, we find there are insights to be had about what the future holds in general, too.

“With the continued pressures of COVID-19, I believe 2021 will be heavily focused on efficiency and being able to do much more with lean teams and resources. That means focusing heavily on automation, AI enablement and the greater use of ALSP’s.”

2021 Survey respondent

On the horizon

Digital transformation. More legal departments are finding ways to complete tasks with greater efficiency and fewer mistakes. Processes like NDAs, Legal

Services Questions, Data Subject Access Requests are hanging fruit that companies are addressing. For legal departments, it’s more necessary to reach out to other departments and consider working with them to address and revise processes that have multiple moving parts, approval structures, are repetitive and currently manual, but can be automated to keep teams productively engaged with one another. Technologies that help legal staff and operations teams and the internal clients they serve analyze, manage, and make better decisions are important in 2021.

Data security and privacy regulations. The past few years have proven that data security and privacy concerns are not going anywhere—not for General Counsel, consumers, or anyone else in the organization. Companies will continue to invest in policy management software, data security programs and security and compliance officers, and in building an overall organizational structure that has data security and privacy built into its foundation.

Remote and hybrid workforces. Very few organizations are able to return to their offices, especially in the first half of 2021. More and better collaboration tools are key. Teams are finding ways to stay connected and keep business moving forward.

Overall? It’s time for legal departments to **allow initiatives and technology to transform them** in 2021.



ABOUT MITRATECH

Mitratech is a proven global technology partner for corporate legal, risk & compliance, and HR professionals seeking to maximize productivity, control expense, and mitigate risk by deepening operational alignment, increasing visibility and spurring collaboration across their organization.

With Mitratech's proven portfolio of end-to-end solutions, organizations worldwide are able to implement best practices and standardize processes across all lines of business to manage risk and ensure business continuity.

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