# From Legal Advice to Business Execution

## The Case for an Integrated Legal Operating Model

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I once handled a contract dispute that taught me something important about how businesses operate. The transaction had several moving parts, and the sales team responsible for putting it together had made commitments without consulting some of the production stakeholders who would ultimately be responsible for fulfilling them. The commitments were relatively minor when viewed individually, but some exceeded what the production organization could realistically deliver. Collectively, they became a significant service-performance problem.

As I investigated the dispute, I discovered that this was not an isolated occurrence. Production stakeholders described a recurring pattern in which deal teams made commitments without fully appreciating their operational implications. One described the experience as death by a thousand cuts. The individual problems were seldom significant enough to command much attention, but their cumulative effect was substantial.

At the time, I was an individual contributor in a large legal organization. My responsibility was to handle the litigation, and it would have been easy to concentrate on resolving the case and move on to my next assignment. But the more I learned about what had happened, the more concerned I became that the underlying problem would continue long after the lawsuit was concluded.

I mentioned what I had found to a mentor during one of our regular conversations. She agreed that the business ought to learn from the litigation, but cautioned me about the approach. Business leaders generally do not appreciate lawyers appearing to tell them how to run their operations, and there are good reasons for that. Lawyers may understand the contractual obligations and potential consequences of a business decision without necessarily understanding the operational realities that inform it. She suggested that I speak with colleagues who supported the various business organizations.

I approached those lawyers separately and explained what I had learned. For a while, nothing happened. Eventually, one of the lawyers raised the issue with his client, who immediately recognized it as a recurring problem. That conversation provided an opening

for the lawyers supporting the other affected organizations to become involved, and the stakeholders began discussing concerns that had not previously been addressed together.

Working with the business stakeholders, the lawyers developed standard positions for certain contractual provisions and established a process requiring consultation with the appropriate organizations when proposed terms departed from those standards. The people responsible for delivering the services would have an opportunity to evaluate commitments that fell outside established expectations before the company agreed to them.

The experience stayed with me because the litigation had revealed a problem that extended well beyond the particular dispute. The information necessary to understand the issue existed within the organization, but it was scattered among people with different responsibilities and perspectives. Bringing those perspectives together helped the business develop a more deliberate way of making commitments. It also reinforced the importance of respecting the distinction between identifying a business problem and assuming responsibility for solving it. Legal could help connect the stakeholders and facilitate the discussion while leaving the operational decisions with the people responsible for them.

## Making the Deal Process Work Better

Years later, while supporting commercial business organizations, I had an opportunity to apply what I had learned.

We began by examining several standard agreements and identifying the contractual provisions that were particularly important to the business. We discussed those provisions with the relevant decision-makers and developed preferred positions, acceptable alternatives, and reasonable boundaries within which transactions could proceed without requiring a complete review of every issue. Where a proposed agreement departed from those parameters, we identified the appropriate business stakeholders and their supporting lawyers so the necessary consultations could occur promptly.

I think about the approach in terms of a recipe. If I show someone a photograph of a finished meal and tell them to make it, I have communicated the desired result but provided little assistance in accomplishing it. A good recipe explains the ingredients, the process, and the techniques necessary to prepare the meal. It also anticipates the practical problems someone might encounter, including what substitutions are acceptable when a particular ingredient is unavailable.

We wanted our contracting process to work much the same way. The standards provided a starting point, the fallbacks allowed flexibility, and the consultation requirements identified the people who needed to make decisions when a proposed commitment fell outside the

established boundaries. We had already considered many of the issues likely to arise, so the deal teams did not have to discover the appropriate decision-makers each time a question emerged.

There was understandable concern when we began. The business stakeholders worried that adding structure would introduce new requirements and make transactions more complicated. We addressed those concerns by bringing the affected organizations together, developing the standards collaboratively, and agreeing that Legal would take responsibility for helping the deal teams navigate the approval process. Our objective was to make the process easier for the business to use, not to create another set of hurdles.

The results were apparent in the way our clients began describing their experience. Previously, we had heard complaints that Legal was a bottleneck. After the changes, clients began telling us that involving Legal earlier helped them work through internal requirements and get transactions completed. The business stakeholders coordinated more effectively when questions arose, and the lawyers supporting those organizations had their own channels for resolving legal issues.

We had not eliminated the need for consultation or reduced the importance of the underlying business decisions. We had made it easier to anticipate when those decisions would be necessary and identify who needed to participate. That allowed routine matters to proceed within agreed parameters while giving unusual or consequential issues the attention they required.

I came to appreciate that governance could improve commercial execution when it was designed around the realities of how people work. Establishing standards and identifying decision rights in advance reduced unnecessary uncertainty. It also allowed Legal to spend more time on the issues that warranted judgment rather than repeatedly revisiting questions the organization had already considered.

## Understanding the Work of the Legal Organization

I encountered a related challenge when I assumed responsibility for my first litigation team. I quickly realized that I did not have a complete understanding of the work the group was performing.

We had reports identifying significant cases, but there was no consistent method for determining which matters belonged on those reports. Individual lawyers exercised their own judgment about what warranted attention, and matters outside the reporting process received comparatively little visibility. I began meeting individually with every member of the team and reviewing their dockets. Those conversations revealed considerably more

litigation activity than the existing reports reflected, along with substantial work being performed by lawyers whose responsibilities had not been fully recognized.

The meetings also gave me a much better appreciation for what was happening in the business. Lawyers understood the history of their cases, the personalities involved, recurring issues, and the practical difficulties they encountered in managing their work. Much of that knowledge was difficult to capture in a conventional case report, but it was important to understanding the portfolio and making informed management decisions.

We needed a common method for collecting and describing information about our matters. Our first solution was a master spreadsheet maintained on a shared server. It provided a central location for important case information, developments, status, and exposure. That helped, although the limitations of the spreadsheet soon became apparent, and we eventually moved to a database.

The database improved certain aspects of the process, but it also had limitations. In practice, we depended heavily on a particularly capable paralegal who collected information, resolved inconsistencies, followed up with lawyers, and kept the reporting process functioning. Her contribution was essential, but the arrangement created a vulnerability because much of the knowledge necessary to maintain the system existed in her memory and working notes.

We had made information more accessible while continuing to depend on one person to ensure that it remained current and useful. Eventually, we implemented a dedicated case management system. The paralegal became its administrator, while the lawyers and other professionals assumed broader responsibility for maintaining the information about their matters.

The system gave me better insight into the litigation portfolio and allowed us to produce faster, more complete reports. More importantly, it made patterns visible that had been difficult to recognize when matters were managed and reported individually.

I could identify common issues appearing across multiple cases and recognize when the same business organizations were involved in several disputes. Sometimes matters that appeared relatively insignificant individually raised substantial concerns when considered together. The ability to examine those connections provided a more complete understanding of the risks facing the business and a better foundation for discussions with other organizational stakeholders.

I had learned the importance of understanding the work before attempting to redesign how it was managed. The initial conversations with my lawyers were indispensable because they exposed weaknesses in the reporting process and supplied context that the reports could not provide. The technology became useful when we developed a more consistent approach to

collecting information and established shared responsibility for maintaining it.

That experience also demonstrated the importance of examining legal matters collectively. Each lawsuit has its own facts, parties, legal issues, and potential consequences. But a litigation portfolio can reveal patterns that are difficult to recognize from the perspective of an individual matter. Recurring disputes may reflect commercial practices, operational difficulties, contractual provisions, or other conditions worthy of examination. Those observations become particularly valuable when they are communicated to the people responsible for the affected business activities.

## Preserving Institutional Knowledge

A similar concern had influenced my thinking much earlier in my career, when I was preparing to leave a position supporting three business clients. Each client had multiple stakeholders responsible for different issues, and I had accumulated considerable knowledge about the people, processes, and history associated with the work.

Much of that information existed only in my head. I knew whom to contact when certain questions arose, which stakeholders owned particular decisions, and where to find background information about recurring issues. A lawyer succeeding me would need to develop much of that understanding independently unless I made an effort to preserve it.

I prepared a chart identifying recurring subject matters and the responsible stakeholders by name and job title. I also introduced common naming conventions for electronic files and organized important documents and communications in shared repositories. We used the tools available at the time, including SharePoint, archived email files, and traditional reference materials.

My successor appreciated the effort and told me so. I also know that some of the materials continued to be passed along after I left the position. I cannot say how comprehensively they were maintained over time, but the experience reinforced the value of giving the next lawyer a meaningful starting point rather than leaving that person to reconstruct the history of the work.

It also caused me to reconsider what was most valuable about my contribution to the company. For much of my career, I had naturally thought about the value of my time in terms of the legal services I provided. I came to appreciate that the mental impressions, information, and understanding I developed through that work could be equally important. The advice might resolve an immediate question, but the knowledge acquired in reaching that conclusion could remain useful long afterward.

Lawyers develop considerable institutional knowledge in the ordinary course of their work. They learn how a business operates, why decisions were made, where difficulties have occurred, and how recurring issues have been addressed. If that understanding remains exclusively with individual lawyers, the organization risks losing it when they move to other responsibilities.

Preserving knowledge requires judgment about what should be documented, how it should be organized, who should have access to it, and how it will remain current. Confidentiality, privilege, and the sensitivity of particular information necessarily inform those decisions. The objective is to make appropriate institutional knowledge available to those who need it without compromising the obligations associated with its creation and use.

Technology has made this considerably easier than it was when I was assembling stakeholder charts and organizing electronic files. Artificial intelligence offers additional opportunities to retrieve information, recognize relationships, and make accumulated knowledge more accessible. But the technology still depends on the quality and availability of the underlying information. If important knowledge was never captured, or if no one accepts responsibility for maintaining it, sophisticated tools will not solve the underlying problem.

## An Integrated Legal Operating Model

As I look across these experiences, I see a common concern that has influenced how I think about legal leadership. The legal function develops considerable knowledge about an organization through the work it performs, and that knowledge can be useful far beyond the matters in which it originates. Capturing its value requires deliberate attention to how information moves through the enterprise, how responsibilities are assigned, and how decisions are made.

I have been developing a framework for thinking about these responsibilities that I call the Integrated Legal Operating Model, or ILOM. It reflects my belief that the legal department should be understood as part of the broader system through which an enterprise carries out its strategy, manages obligations, and makes decisions.

The framework rests on four recurring disciplines: Understand, Establish, Connect, and Improve.

Understanding begins with the business itself. Legal needs to appreciate the organization's objectives, operating practices, commitments, and risks, together with the work being performed within the legal function. When I assumed responsibility for that first litigation team, the most useful starting point was meeting with my lawyers and learning what was

actually happening. That understanding informed the systems we subsequently developed.

Establishing involves translating that understanding into practical expectations, processes, and responsibilities. The contracting experience demonstrated how useful it can be to define standard positions, acceptable fallbacks, and consultation requirements before a transaction is underway. Those arrangements helped the people working on deals understand both the flexibility available to them and the circumstances that required additional judgment.

Connecting recognizes that legal issues frequently involve responsibilities extending across the organization. A contractual obligation may affect sales, operations, finance, regulatory compliance, and other functions. Each has its own expertise and legitimate interests. The original contract dispute illustrated what can happen when those perspectives are not adequately considered together. The process changes that followed helped the business make commitments with a better understanding of their operational implications.

Improving requires the organization to use what it learns. A recurring dispute, an inefficient approval process, or a difficult personnel transition can reveal weaknesses that deserve attention. The experience has continuing value when those observations inform how future work is performed. That may involve changing a process, clarifying responsibility, improving information management, or simply making knowledge available to people who would otherwise have to rediscover it.

These disciplines are related and recurring. Understanding improves as the organization acquires experience, established processes require adjustment, and effective connections among stakeholders often reveal information that would otherwise remain isolated. The framework provides a way to examine those relationships and develop processes appropriate to the needs and complexity of the business.

I do not believe an integrated operating model requires Legal to control every decision with legal implications. Business leaders must retain responsibility for the operations they manage and the commercial judgments they make. Legal's contribution includes helping them understand the implications of their choices, identifying when additional perspectives are necessary, and developing processes that allow those decisions to be made efficiently and responsibly.

Neither does the framework require an elaborate technological infrastructure. A small organization may accomplish much of this through clear responsibilities, accessible documentation, and effective working relationships. Larger enterprises may require sophisticated matter management systems, formal governance processes, and integrated information across multiple functions. The principles remain applicable, although their implementation should reflect the organization's circumstances.

## What This Means for Legal Leadership

We often evaluate legal departments through measures such as litigation outcomes, contract turnaround times, legal spend, outside counsel performance, and responsiveness to business clients. Those measures are important, and effective legal leaders should understand them. They tell us a great deal about the services the department provides and the resources it consumes.

I believe we should also examine what the organization gains from the experience of its legal professionals. Are we recognizing recurring problems? Are the right people involved when commitments are made? Can we identify patterns across matters that appear unrelated? Does the knowledge developed through legal work remain available when responsibilities change?

These questions go directly to the General Counsel's responsibility as an organizational leader. The legal function should provide sound advice and excellent representation, but it should also contribute to the quality of the enterprise's decisions and the effectiveness of its operations. That requires an understanding of the business, an appreciation for the responsibilities of other functions, and the discipline to build processes that support people rather than burden them.

My thinking about these issues developed gradually through experiences that, at the time, seemed largely unrelated. A contract dispute revealed a recurring problem in how commitments were made. A commercial contracting initiative demonstrated how agreed standards and clear decision rights could improve execution. A litigation management challenge showed the value of reliable information and shared responsibility, while an ordinary job transition illustrated how easily important institutional knowledge can be lost.

Together, those experiences shaped my conviction that the value of legal work should not end when a matter closes, a transaction is completed, or a lawyer moves to another assignment. We should be looking for ways to preserve what we learn and apply it to the decisions the organization will make next.

A legal department is doing its job well when it provides sound counsel and helps the business achieve its objectives. I believe it serves the organization even better when the knowledge developed through that work contributes to better decisions, more effective processes, and a stronger understanding of the risks and opportunities the enterprise faces.