



ACC's Law Department Executive Leadership Sessions 2012 Series

ACC Law Department Executive Leadership Session

Hosted by

Connie Brenton

Chief of Staff & Operations, NetApp, Inc.

**Two Topics: 1) Using Dashboards and Benchmarking to Track
Performance and Progress; 2) Saving Time and Money By Capturing
e-Signatures: Issues and Opportunities**

***June 28, 2012
Palo Alto, California***

Executive Report

This Management Report provides an overview of discussion results from ACC's Law Department Executive Leadership session held in Palo Alto on June 28, 2012. These sessions are designed to provide a benchmarking forum for executives responsible for managing their large law departments' operations. While these sessions are generally conversation-based and comments are not for attribution, this session featured brief presentations. Thus, this report summarizes the only the key take-aways and conversation points, and the presentation materials are attached.

Session participants included the following law department executives:

- Connie Brenton, Chief of Staff & Operations, NetApp, Inc.
- Mabell Aguilar, Senior Legal Director & Associate General Counsel, Apple Inc.
- Rosemarie Ang, Accounting Manager, Flextronics International
- John Barber, Law Operations Senior Manager, Amgen, Inc.
- Ric Blackwell, Director of Legal Operations/Lead Counsel Global Services, Motorola Solutions, Inc.
- Christine Coats, Chief of Staff, Legal and Public Affairs, Symantec Corporation
- Dan Coll, Director of Legal Operations, Oracle America, Inc.
- Stephanie Corey, Attorney
- Tania Daniels, Director of Legal Administration, The Walt Disney Company
- Tami Davis, Senior Legal Operations Specialist, Salesforce.com, Inc.
- Jeff Franke, Director of Legal Operations, Yahoo! Inc.
- Lauren Giammona, Senior Legal Operations Manager, eBay Inc.
- Helen Gillcrist, Vice President and Manager of Enterprise Legal Services, Liberty Mutual Insurance Company
- Bob Harchut, Vice President & Associate General Counsel, GlaxoSmithKline
- Steve Harmon, Senior Director, Legal Services, Cisco
- Brian Hayle, Managing Counsel, The Clorox Company
- Brian Hupp, Director of Licensing, Legal Department, Electronic Arts Inc.
- Kevin Kirchoff, Director, Legal Business Operations, NiSource
- Lisa Konie, Senior Legal Counsel & Legal Operations Manager, Adobe Systems Inc.
- Aine Lyons, Director Legal EMEA, VMware, Inc.
- Tiffani McCoy, Senior Manager of Legal Operations, Google Inc.
- Meredith McKenzie, Deputy General Counsel and VP, Intellectual Property, Juniper Networks, Inc.
- Mary Shen O'Carroll, Head of Legal Operations, Google Inc.
- Jon Osgood, Assistant General Counsel, Office of the General Counsel, Ford Motor Company
- Sandy Owen, Operations Director, Legal & Corporate Affairs, Intel Corporation
- Felix Peralta, Senior Business Leader, Legal Operations, Visa Inc.
- Gary Tully, Director of Legal Operations, Qualcomm Inc.

PRESENTATION – Dashboards and Benchmarking at Symantec

Christine Coats presented Symantec's dashboard and benchmarking metrics. Because the presentation materials are attached, this executive report will focus on key themes and discussion points.

Key Reasons for Metrics: demonstrate the value of the job, demonstrate value of the legal department, and guide operational management.

How dashboard functions as a management tool: "Meetings and Metrics"

- Monthly Operations Department meeting, then GC Senior Staff Meeting
 - Budget (proud of 1% accuracy on quarterly forecast)
 - IT Update
 - HR hot topics
 - Round table discussion
- Quarterly Ops Review (whole day)
 - Strategic updates
 - Budget
 - "Victory Plan" results (employee engagement, operational excellence, customer/partner loyalty, business results categories - see attached)
 - Preferred Firm Status (includes spend 35% of total and YTD, current open matters, blended rate by all levels of staffing, change y/y, firm analysis by business unit)
 - "Conquering EMEA" (getting them onto LEDES format)
 - Surveys and Benchmarking
 - Trainings
 - Operational Metrics
 - Top Talent Initiatives
 - Rotational Opportunities
 - Round Table or Special Projects Discussion
- Worldwide Quarterly All Hands meetings after the Quarterly Results
 - KPI Results
 - New Hires
 - Promotions
 - Awards
 - Executive Guest Speaker

Discussion/Q&A

Budget Management

- One company is asking firms to provide forecast 2 quarters out. "It's a huge change management process to get them get better at it."
- Another is tracking performance on only on accruals. "So far, the firms' predictions are very bad, but we are expecting big improvements next year." They are also requiring that accruals and bills are due by the 21st of each month – if they don't get in on time twice, they incur a 10% penalty, and it gets higher from there (occurs through eBilling tool).

- Support from Finance? One company has an assigned person in the Controller's department; 6 of those present are responsible for the budget management (the controller function). One representative commented on liking the ability to manage the budget, how to find ways to pay for things the department wants and be responsible for getting the savings thru RIFs, etc.
- Payment terms? One company reported paying net 15 and using metrics to "name and shame" (get attorneys to comply) - "enforces continued positive relations with law firms." Another reported, "going the other way" - to net 45 or even net 120 - as mandated by the enterprise, while trying to get discounts to justify prompt pay. Yet another is also going to longer payment terms, but still insisting on approvals in 15 days.
- One participant described cost avoidance (not "savings") measured by keeping rates flat or obtaining discounts and managing hours. It's a matter of balancing trends in hours and avg. hourly rates (e.g. # hours down, rates up - net save). Also, "if you are guarding rates, other expenses can go up - e.g. travel, courier, etc."
- Participants discussed use of matter management benchmarking systems to hone in on areas/firms where rates are too high. Notes: would be desirable to have data from all matter management systems combined, rather than only one.

Metrics Terms - participants discussed using the term "actionable" for metrics that can be acted upon in firm negotiations; and using the term "justifiable" in regard to the value of the ops team.

Managing and Tracking Big Projects

- Story of proceeding in phases to demonstrate value, and in some cases secure larger investment. For example, in records management project to reduce storage utilization, showed enough savings in one year to fund one FTE.

PRESENTATIONS - Saving Time and Money By Capturing e-Signatures

Those present heard very informative presentations on the global legal and practical context for capturing electronic signatures in lieu of "wet signatures." Because the presentation materials are attached, this executive report will focus on key themes and discussion points.

Attached are presentations provided by:

Ken Moyle, Chief Legal Officer of DocuSign

Dan Puterbaugh, Senior Counsel for Adobe/EchoSign

Jason Epstein and Geoffrey Vickers, Partners with Nelson Mullins Riley & Scarborough LLP

Key Take-Aways

Electronic signatures are functionally better for demonstrating attribution and intent than the typical wet signatures. E-signatures have an audit trail, whereas provenance of wet signatures arriving by fax, for example, can be murky. As expressed by a presenter, “You are on shaky ground already with paper signatures and actually improve security with electronic signatures.”

Replacing traditional with electronic signatures is also an opportunity to realize huge savings, especially by starting and ending with an electronic agreement/retention process (“cradle to grave” electronic contracts). As one presenter put it, “wet signature is a giant speed bump in the information superhighway.”

⇒ One participant advised taking implementation of e-signature in tiny bites, with the most repetitive transactions first.

Impediments to adoption more often based on “soft” issues – such as fear of unenforceability/complexity, conservative culture, inertia, and unfounded policies; rather than on “hard” issues – such as impermissibility.

The definition and function of a “signature” varies by global jurisdiction.

- Important to consider not only if it's enforceable, but whether one is willing to be an outlier from local practice. In some countries, electronic signatures are legally binding, but the practice of capture in lieu of wet signatures is rare; in others there is no statutory/case law support but they are in common use. “You want to be in the middle of the herd.”
- Advice is to balance enforceability/ubiquity vs. risk of repudiation in any given jurisdiction. Along with that approach, companies can opt to adopt e-signature capture where there is the lowest risk/resistance – such as for private transactions (employee contracts, NDAs, etc.); and stick with wet signatures for high risk transactions – such as contracts relating to litigation or M&A transactions. And traditional signatures should be captured for public transactions, especially ones where a notary or recording with a governing body is required.
 - ⇒ One participant shared that his company uses a cost/benefit calculation, favoring the huge cost/time savings of capturing e-signatures for 100% of transactions vs. the low risk of incurring expense due to enforceability issues in the event of a dispute.
 - ⇒ A quick poll of the group indicated that about 40% of companies represented have implemented some form of e-signatures, typically within sales and procurement functions.

Value of electronic evidence will be affected by many factors:

- Audit trail
- Encryption
- Unique signature adoption
- Establishing intent and association through the process

- Record retention and storage
- Data security

Guidance for implementation focused on processes to provide evidence of intent and the validity of the document shown through the context of the signing event.

- Execution of an e-signature should include opportunity for signer to review the material and fully understand the procedure, including a description of the sequence of events that will result in the signature becoming final and effective.
- Make the purpose clear, e.g. I intend to be bound, I received the agreement or product, I read the agreement, I authored the record, etc.
- The process for signing records should be designed so that: a) the record is presented for signature before the signature becomes effective; and b) the signature is attached to or logically associated with the record presented.
- The process surrounding the creation or affirmation of the signature is preserved for the life of the transaction. Thus, document management systems should be designed with system and record protections in mind; and policies and procedures should be clear and compliance clearly documented.

Explanation and Demonstration of EA's NDA Portal

Brian Hupp demonstrated Electronic Art's NDA portal

Background

- Purpose of demonstration is to show how companies can start using e-signatures, since EA itself is at the beginning of the implementation process
- Context:
 - As a business, EA is undergoing a transformation from a package goods-centric to a digital company. Thus, there's a need to move much more quickly for business partners driving a mandate for speed in delivering legal services.
 - Additionally, given headcount limitations, focus is on eliminating high volume/low risk work from the legal department by *moving to self-serve capabilities* and LPOs, so the core legal staff can focus on medium/high-risk work – adding capacity without adding headcount and expense.
- EA's strategy for e-signatures (part of self-serve model): Don't bother tip-toeing through the e-signature legal landscape, but rather accept the risk, which is demonstrably low since in 30 years there have been no adverse events from disputes. Also, since 80% of business is in e-signature-friendly countries (US, Canada, UK), there's ample opportunity to realize savings, while making exceptions only in Japan, Korea and Bermuda.
- Benefits of e-signature program for EA:
 - Turnaround time (minutes/hours vs. days/weeks)
 - Eliminate/reduce drafting burden
 - Automated routing and tracking w/ EchoSign (this is huge). It goes into legal drop box; we have it as soon as it's signed, eliminates administrative tracking and improves quality.

- Gets Legal out of the workflow, while still allowing close monitoring/reporting
- Easy to drive user adoption

Current Roadmap

- Integration of EchoSign and iManage DMS
- Broaden roll-out of stand-alone EchoSign within Legal and the business, and for other types of agreements
- Broaden user base e-sending via Salesforce
- Continue opportunistic approach to expanding use of e-signatures

Demonstration – Key features

- Front page is guidance on process
- Tabs: Create/Send; NDA Guidance; View Status; Admin
- “How Does It Work”: 1. Answer the questions, 2. Automatically create and send your NDA with one click
- Questions for issuing party (EA): location/business unit, country where contracted party is located, contact to whom it should be emailed. Those questions drive template selection and signatory (authority). The other side enters their own signatory contact information.
- Confirmation page gives chance to review the template (optional!)
- Then “What happens next?” page: 1. Contract party signs, 2. Contract is filed.
- Mobile-friendly
- Certain people, like M&A and publishing people, have confidential rights and use a separate channel
- Demonstration of widget – “Twitter Release Form” – link opens form and signature box.

Discussion/Q&A

- The business decisions need to come first – before the process
- Important part of self-serve is letting go – e.g. trusting that business person will use appropriately and correct party on other side will sign
- What about cross-outs? A: responsibility of signatory to resolve, just as before e-sign
- What about push-backs? Legal people are the only impediment; but there have been only 3 such events since implementation in 6-7 months ago.
- Any checking for existing NDAs? That’s a practical consideration; it’s not worth time spent trying to determine if existing one covers current conversation. We don’t mind multiples, because the form is standard so we won’t have conflicts.
- What’s the value of using the vendor?
 - defensibility
 - some parties need digital signatures, which have lots of built in security
 - likely also cheaper to use vendor than build at home
 - no issue with chain of custody for maintenance
- Full implementation time was 5 months – including research, decision-making, finalizing templates, testing and going to production

Metrics - CLOC


Christine Coats

June 28, 2012

Operations Meetings/Metrics

- Monthly Department Meetings – Provide Metrics for the Senior Staff Meetings
- Monthly Senior Staff Meetings
 - Budget Discussion
 - IT Update (Contract Mgmt/Corp Records Retention)
 - HR Hot Topics
 - Round Table Discussion
- Quarterly Ops Review – Whole Day Agenda
 - Strategic Updates
 - Budget Discussion
 - Victory Plan Results
 - Preferred Firm Status
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KPI's

	GOALS	FOCUS AREAS
EMPLOYEE	<p>Improvement over last score 2 = no improvement 3 = 1-3 points 4 = 4-5 points 5 = > 5 points</p> <p>Performance Reviews & Development Goals 3 = 95 - 97 % 4 = 98 - 99 % 5 = 100% by June 29th</p> <p>Training Goals 3 = 20 hrs 4 = 30 hrs 5 = 40 hrs</p> <p>Development & Learning Programs 3 = 12 4 = 15 5 = 18</p>	<p>Promote Employee Loyalty</p> <ul style="list-style-type: none"> Recruit Top Talent Retain High Potentials by Rewarding and Recognizing Strong Performance Develop & Concentrate on People's Growth and Professional Development <p>Learning Forums</p> <ul style="list-style-type: none"> Executive Speakers Mentoring Program Manager Meetings
	<p>Employee Department Engagement 3 = 30 % 4 = 40 % 5 = 50 %</p>	<p>Company and Department Initiatives (Examples Include)</p> 
OPERATIONAL	<p>Increase Productivity & Ease of Doing Business 3 = 50 % Complete 4 = 75 % Complete 5 = 100% Complete</p> <p>Number of Hits/Updated Pages 3 = 10 % increase 4 = 15 % increase 5 = 20 % increase</p>	<p>Drive Scalabilities, Efficiencies and Standard Processes</p> <ul style="list-style-type: none"> Increase Productivity and Ease of Doing Business (Data Initiative) <ul style="list-style-type: none"> Privacy Audit Playbook Revise & Update Global Code of Conduct Legal Chatter Group Self Service Websites <ul style="list-style-type: none"> Legal SymInfo and Legal Portal Ethics & Compliance, Privacy Corporate Record Retention Program

KPI's

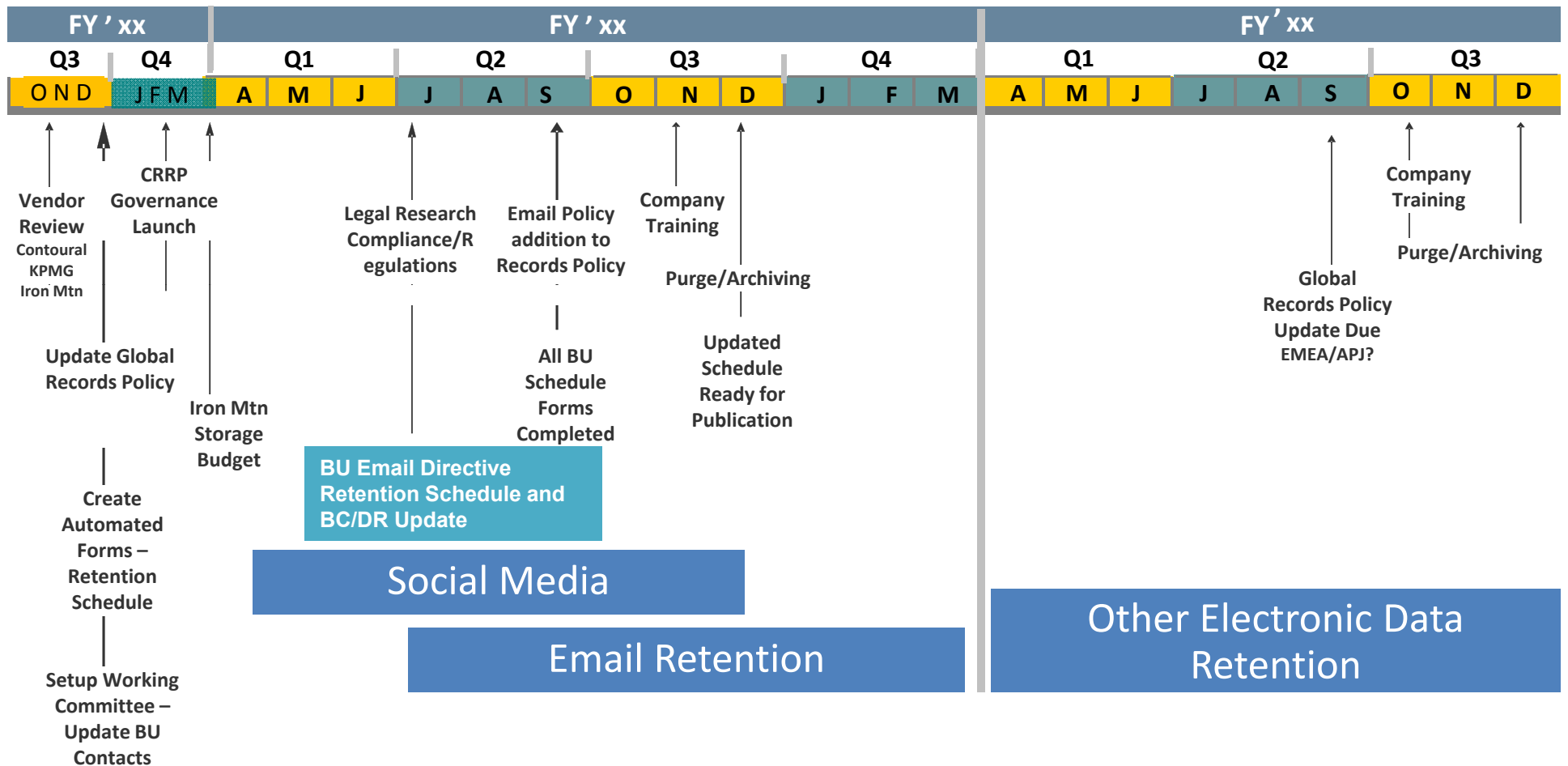
GOALS		FOCUS AREAS	
CUSTOMER & PARTNER	<p>External Functional Applause Awards to Employees 3 = 40% 4 = 50% 5 = 60%</p> <p>Customer/Partner Initiatives 3 = 33% Complete 4 = 66% Complete 5 = 100% Complete</p> <p>Internal Customer Training Programs 3 = 5 Training Programs 4 = 6-8 Training Programs 5 = 9+ Training Programs</p>	<p>Foster Customer Satisfaction with Business Partners</p> <ul style="list-style-type: none"> • Respond in Timely, Clear and Concise Manner • Provide Quality Advice while Demonstrating both LPA and Business Knowledge • Drive the Customer to an Informed Business Decision Appropriately Balancing the Various Risks <p>Foster External Customer/Partner Satisfaction</p> <ul style="list-style-type: none"> • eSignature • Self Help NDA • FAQ on .cloud and Privacy <p>Annual Training Programs</p> <ul style="list-style-type: none"> • Compliance, Employment, Insider Trading, Privacy • Training Modules • Anti Trust • Sales and Contract Negotiation 	
	<p>Discounted Fee Savings 3 = 4 = 5 =</p> <p>Forecast % Accuracy 3 = 4 = 5 =</p>	<p>Manage External Legal Expenses and Control Internal LPA Costs</p> <ul style="list-style-type: none"> • Discounted Fee Savings <ul style="list-style-type: none"> • Increase Total Discount off of External Legal Fees <p>Operating Budget</p> <ul style="list-style-type: none"> • Forecast % Accuracy within LPA Final Forecast 	

Budget

	Actual FY12	Forecast Jun'12	Budget Jun'12	Budget Sep'12	Budget Dec'12	Budget Mar'13	Budget FY13	Variance H/(L),	
								Jun'12Q Fcst vs. Budget	FY13 Budget vs. FY12 Actual
Spend by Category:									
Salaries & Wages									
Outside Services									
Travel & Entertainment									
Office Expenses									
Advertising & Promotion									
Equipment Costs									
Occupancy Costs									
Other Costs									
Total LPA									
Litigation									
Total I + Litigation									

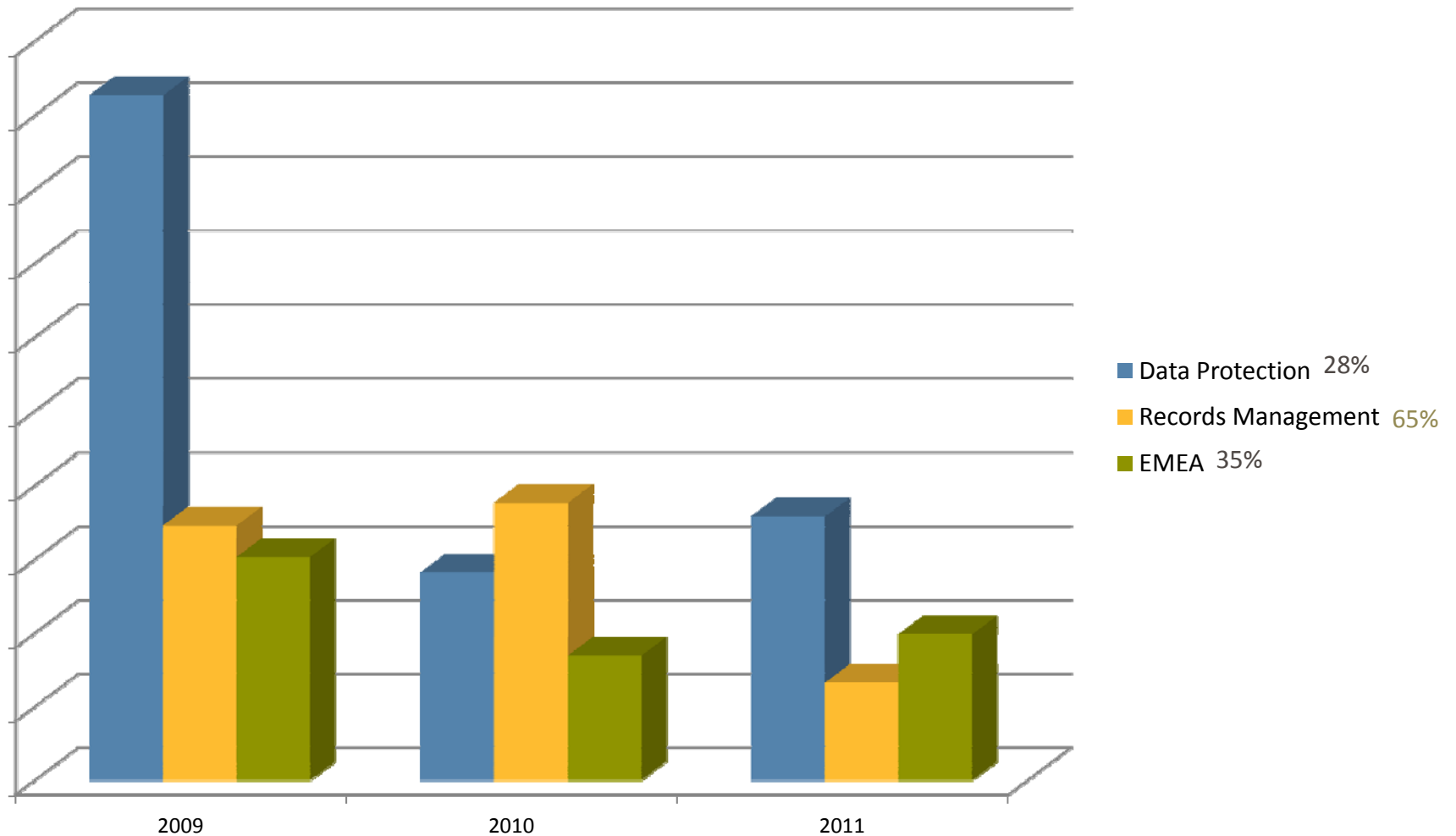
Note:

CRRP Roadmap

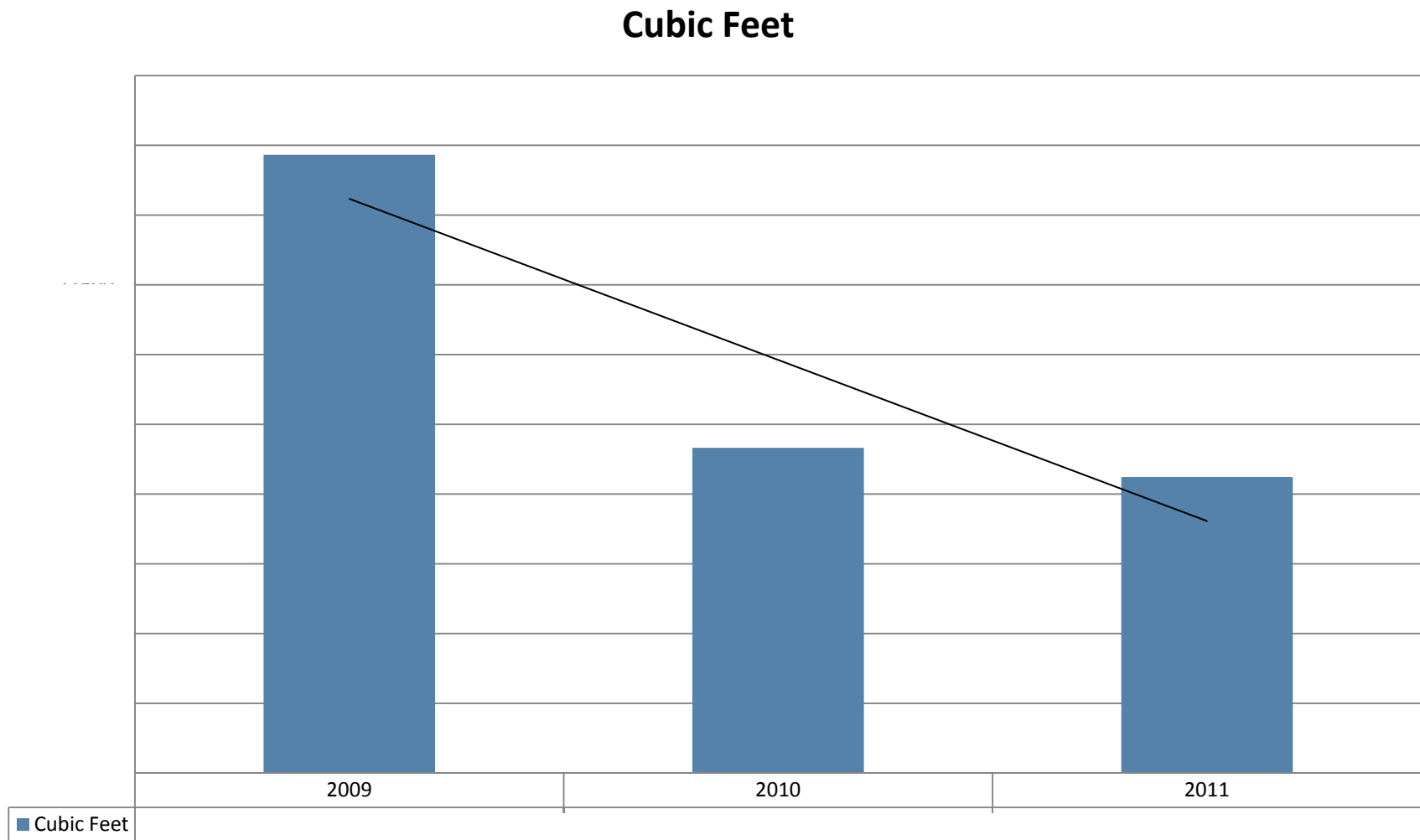


RM Spend - 36% Reduction Overall

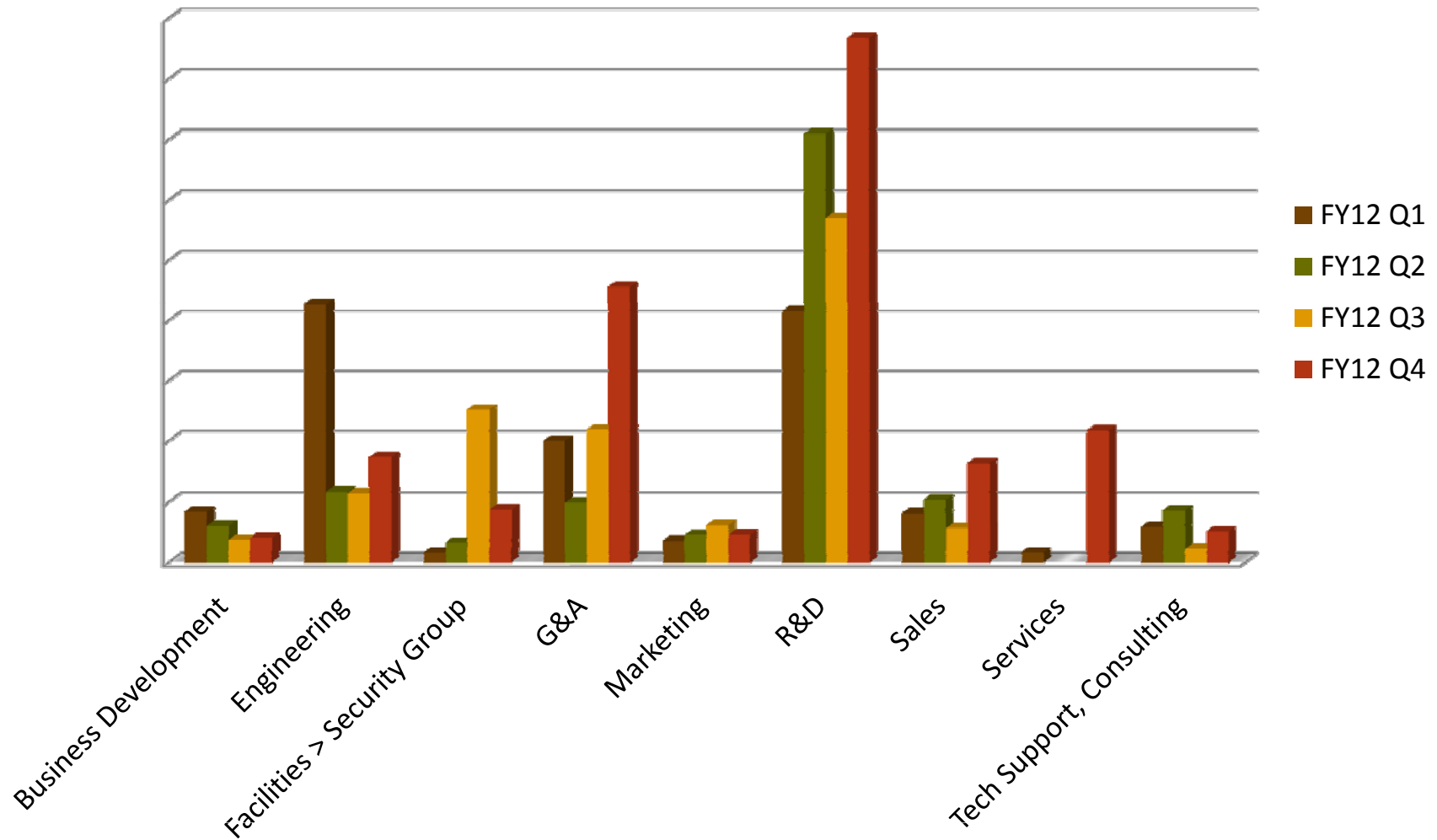
Data Protection, Record Management, and EMEA



Reduction of Records Storage – in Cubic Feet

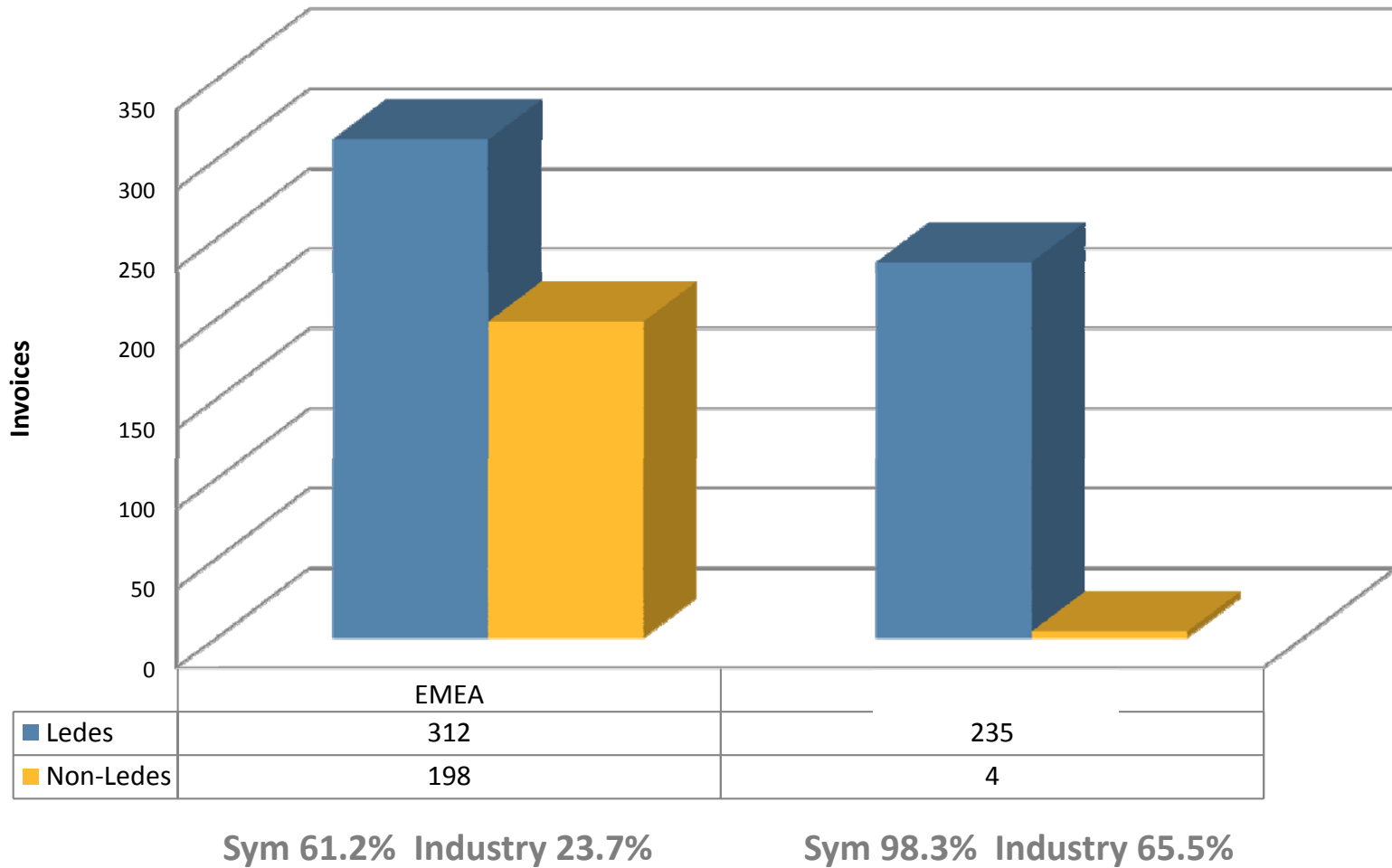


Firm Analysis – Spend by BU

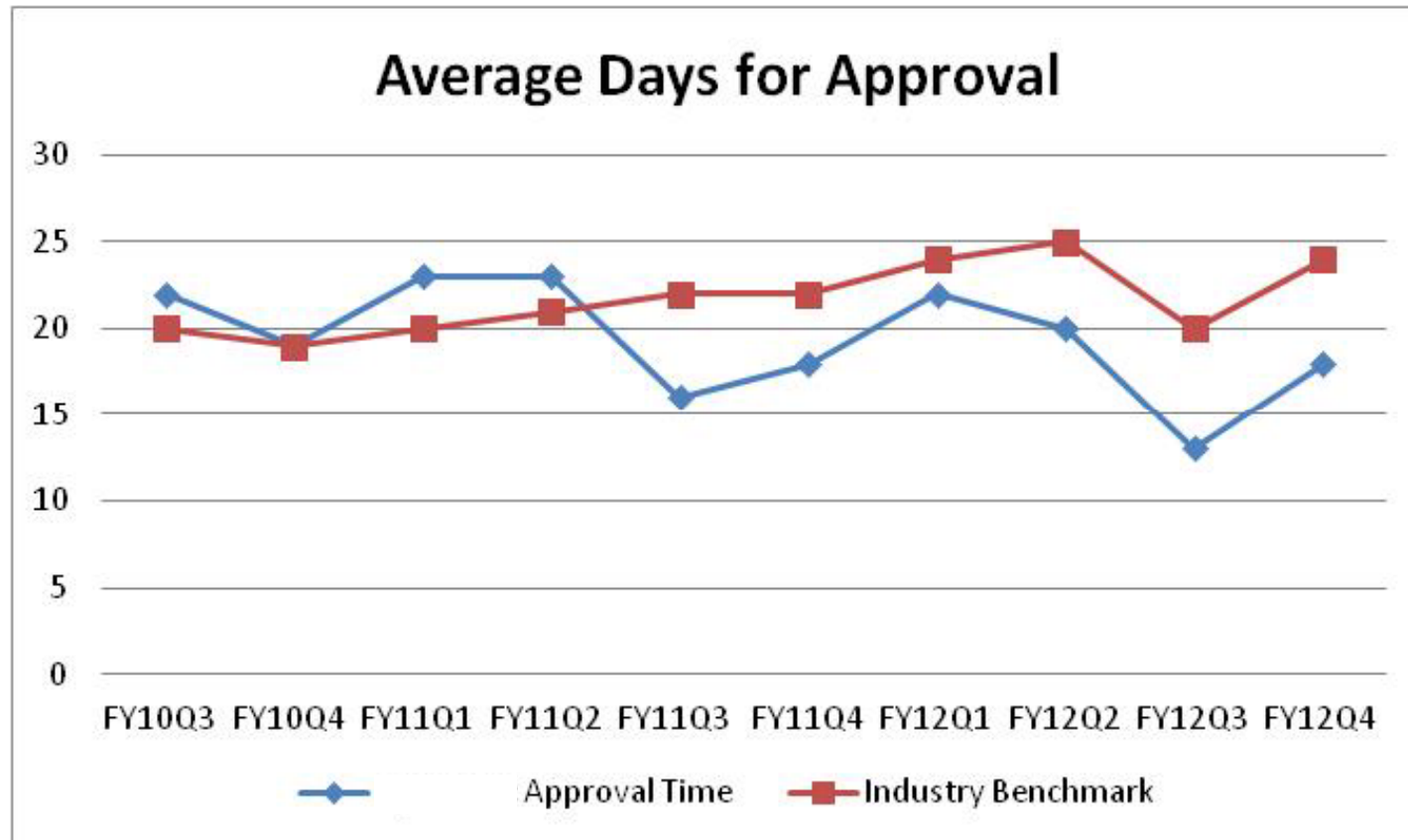


Conquering EMEA

- Increased efficiency and accuracy for rates, discounts and reporting



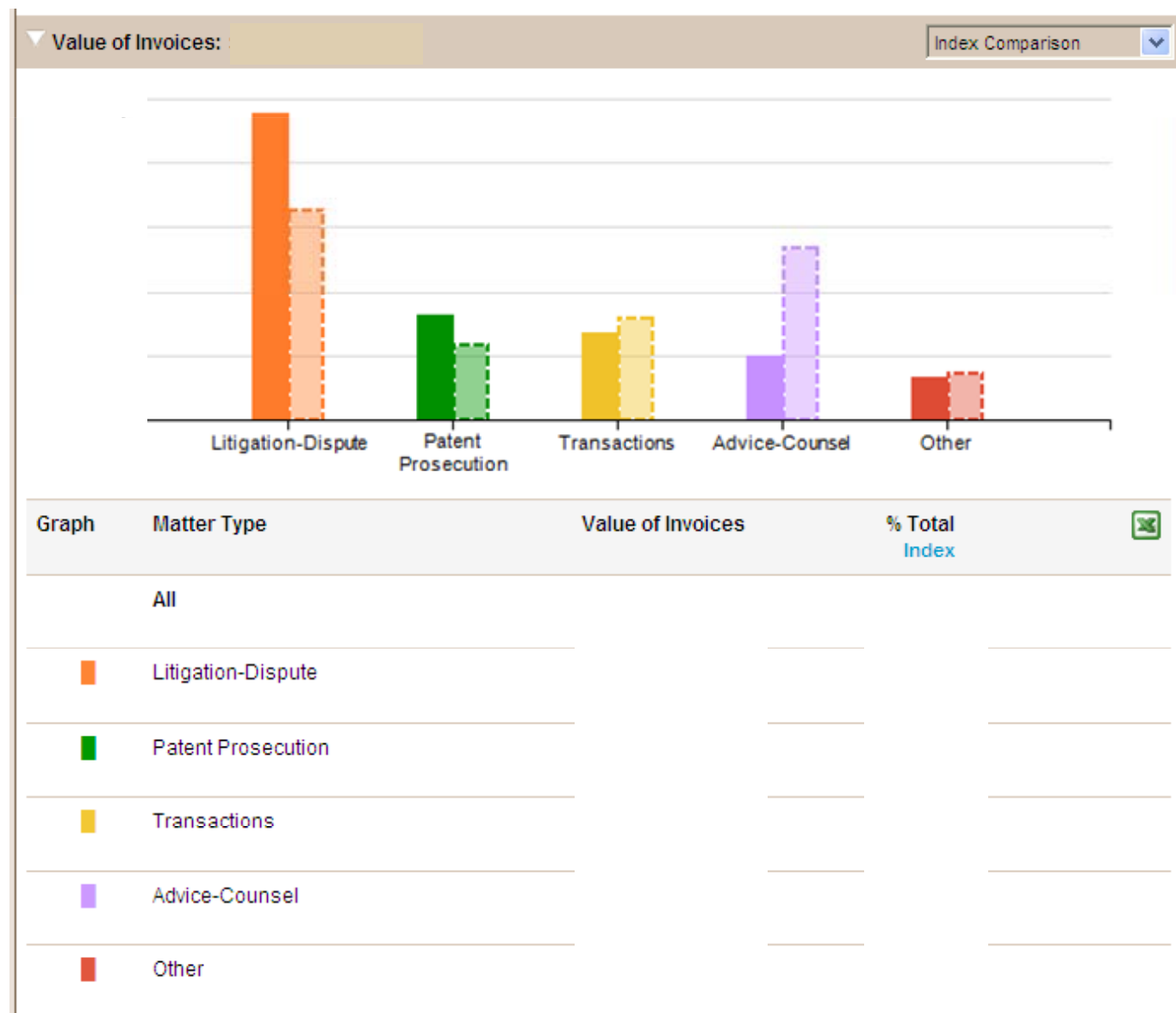
Analytics Benchmark



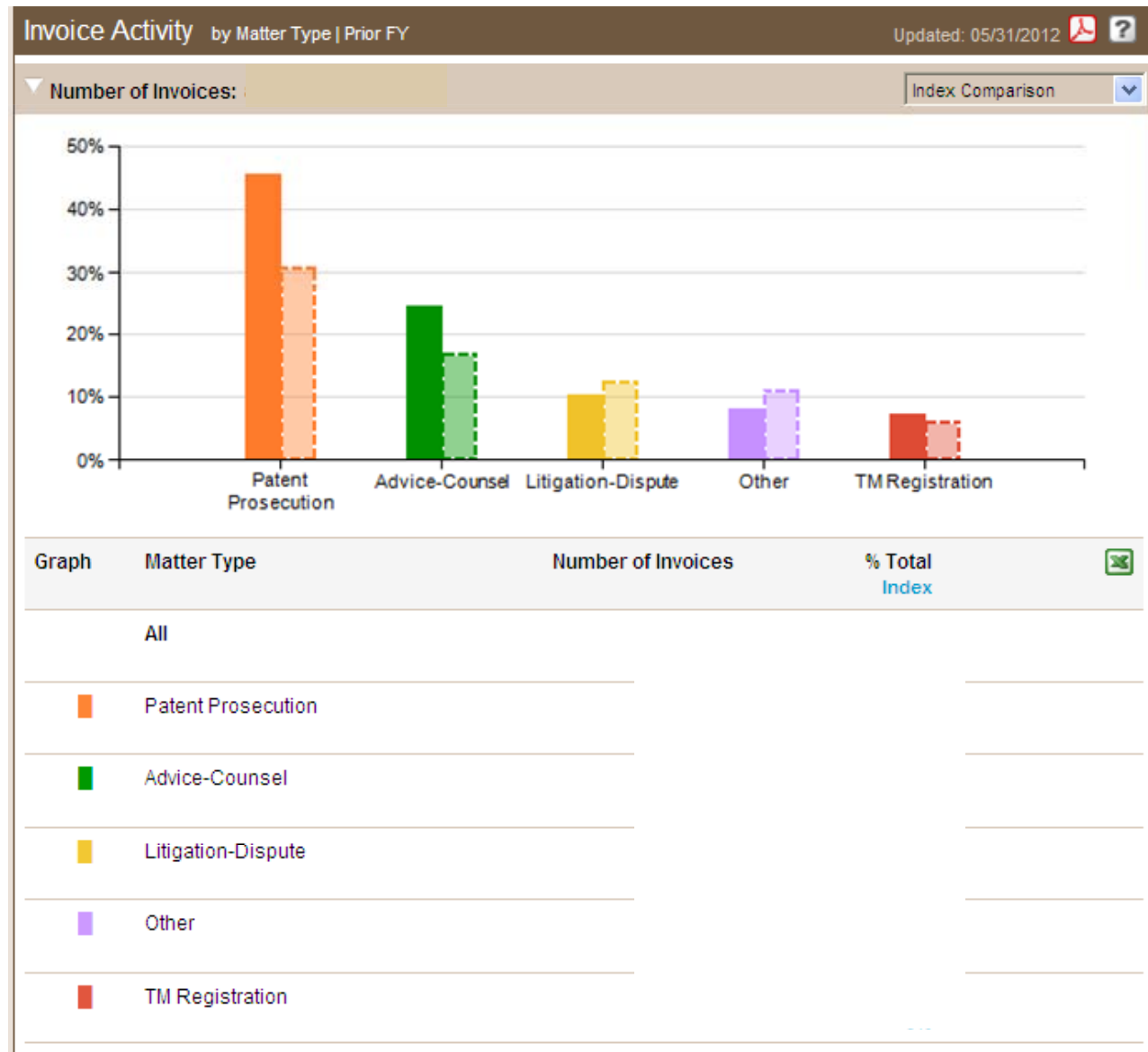
Outside Counsel Cost Avoidance

		FY Totals
Total Spend - Serengeti	\$	
Rate Savings	\$	
Hourly Savings	\$	
Firm Discounts	\$	
Invoice Reductions	\$	
Late Billing Penalties	\$	
Total Cost Avoidance	\$	

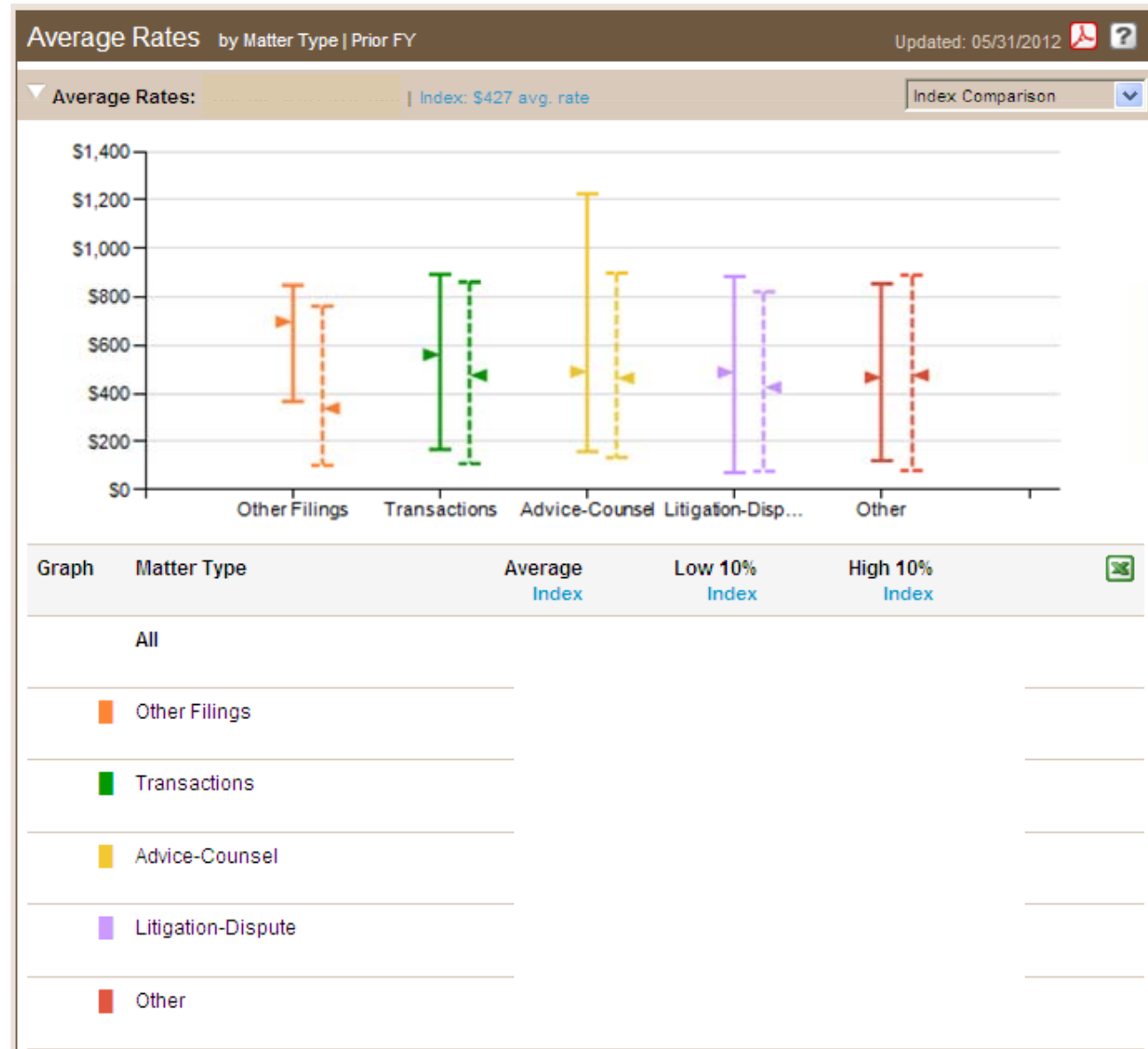
Spend Analytics



Invoice Analytics



Rate Analytics



Chasing Discounts – New Firm Report Card Snapshot

- Firm X is a prime candidate to leverage multi-year discount arrangements
- Certain fees can be negotiated, while others are fixed, i.e. by country or filing fees

SERENGETI INTELLIGENCE^{BETA}

Analytic: Firm Report Card Run

View by: Firm

Range: Recent 4 FQs


Filter by:

- Matter Type [edit](#)
- Substantive Law [edit](#)
- Country [edit](#)
- Peer Group [edit](#)
- Firm [edit](#)

[Clear All](#)

Firm Report Card by Firm | Recent 4 FQs Updated: 04/30/2012

Firm Comparison:

Firm	Spending (Approved) % Total	Matters (Open) % Total	Staffing % (PT/AS) Index	Budget (Approved) %Over / Under	Avg. Rate Index	Rate % tile	% Rate Change Index	

Compliance Trainings

Total Employees Worldwide – 20,296

- Information Security Completed – 11931 **59%**
- Privacy Completed – 11298 **56%**

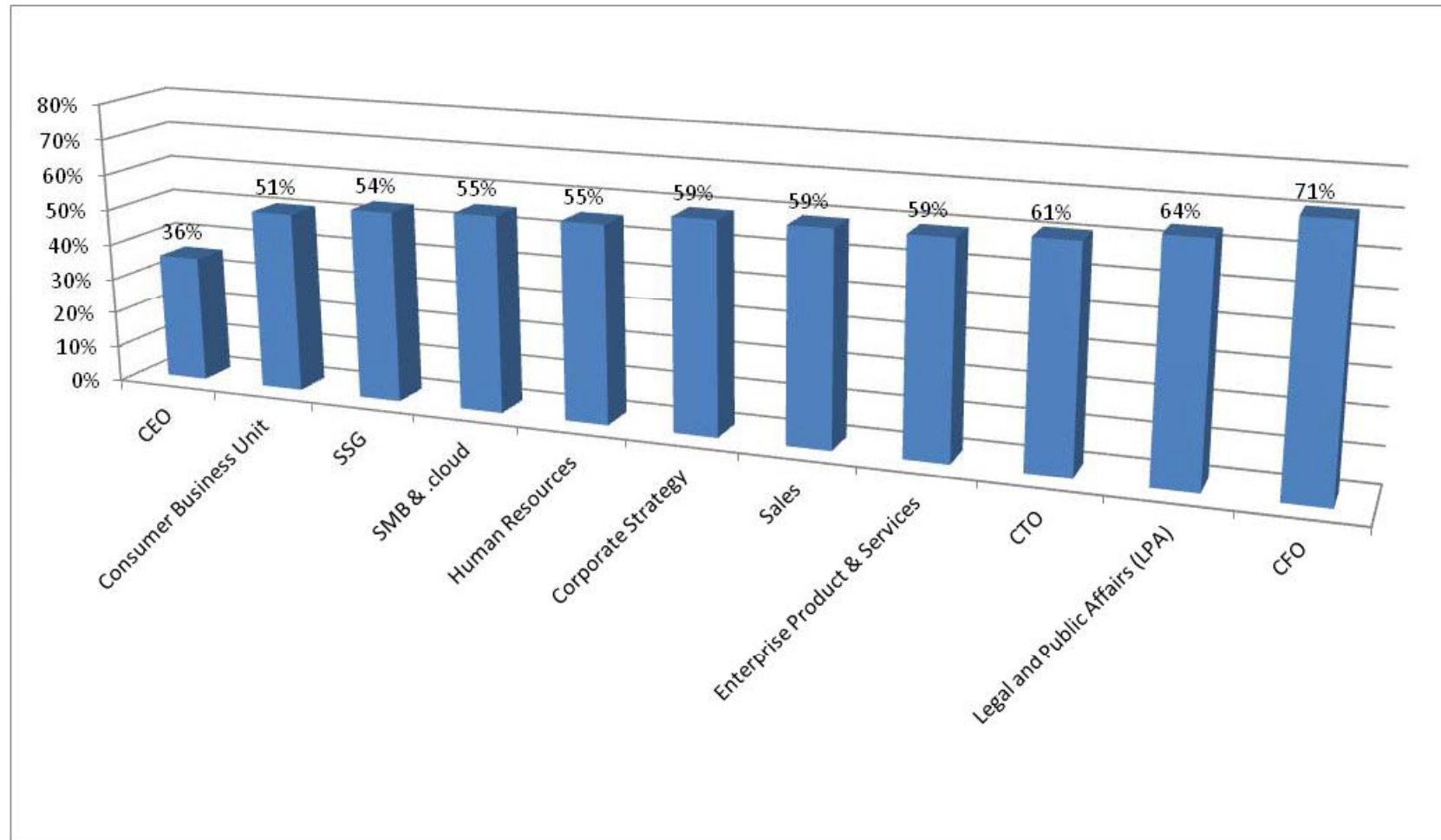
Total Employees Americas – 9,774

- Information Security Completed – 5872 **60%**
- Privacy Completed – 5489 **56%**

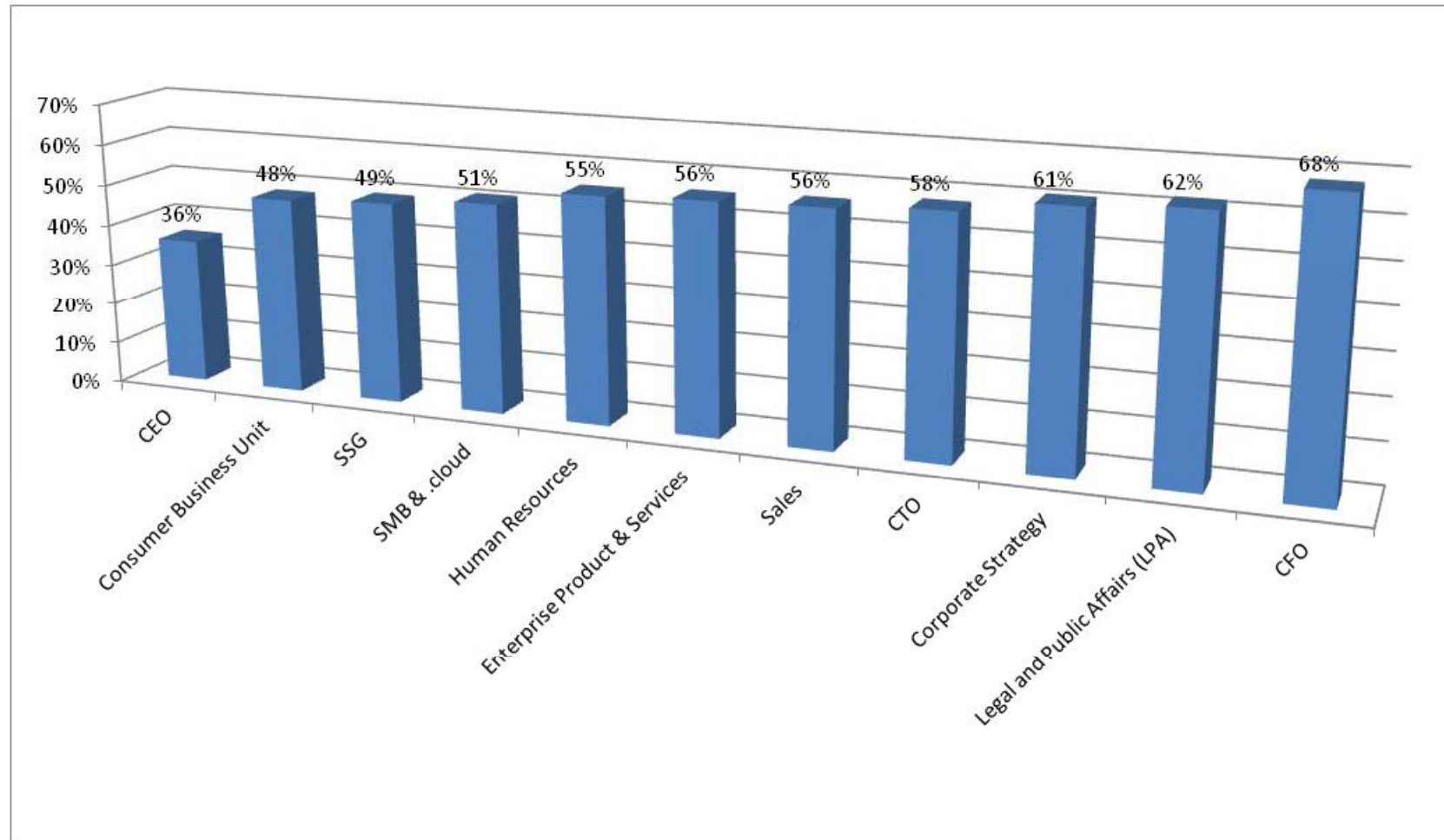
Total Employees EMEA/APJ – 10,522

- Information Security Completed – 6064 **58%**
- Privacy Completed – 5821 **55%**

Information Security Training by BU



Privacy: Global Data Protection Training by BU



Operations Team Trainings

Trainings/Demo's	1Q			2Q			3Q			4Q			FY Total
	US	EMEA	APJ	US	EMEA	APJ	US	EMEA	APJ	US	EMEA	APJ	
Employee #1	22	19	9	36	8	1	17	1	0	26	12	3	154
Serengeti	6	18	8	14	8	1	5	1		6	2	1	70
Record Retention	8			12			6			10	6	2	44
Teamsite	5	1	1	6			2			9	4		28
Portal	2			1			2			1			6
Visio	1												1
Contract Mgmt				3			2						5
Career Dev Tools							2			3			5

Trainings/Demo's	1Q			2Q			3Q			4Q			FY Total
	US	EMEA	APJ	US	EMEA	APJ	US	EMEA	APJ	US	EMEA	APJ	
Employee #2				16	9	3	34	21	59	24	7	1	174
Serengeti				12	8	2	10	6	1	19	6	1	65
Oracle/AP				3	1	1	2	1		3	1		12
Contract Mgmt				1			1						2
Micro Office							1			2			1

Trainings/Demo's	1Q			2Q			3Q			4Q			FY Total
	US	EMEA	APJ	US	EMEA	APJ	US	EMEA	APJ	US	EMEA	APJ	
Employee #3							10	7	29	41	35	42	164
Contract Mgmt Chatter										35	32	39	106
Contract Mgmt Monthly							10	7	21				38
Consumer Box Prod											3	3	6
Demystifying IT										4			4
Contract Mgmt Intro-Procure									8	2			10

US
262

EMEA
154

APJ
167

Team Total
492

Learning Hours

Manager Name	Manager Title	Employee Count	Credit Hours	Credit Hours Avg.
	EVP, General Counsel & Secretary	208	12,111	58
		5	262	52
		45	2,444	54
		19	924	49
		49	2,558	52
		1	36	36
		88	5,887	67

Self Service Websites – 77K Hits

- Legal (External) and Legal Portal, Ethics & Compliance, Privacy, Corporate Record Retention Program, etc.

- **Number of Hits/Updated Pages**

3 = 10% , 4 = 15%, 5 = 20% Increase (Overall Avg Hits/Pages 22%)

Site Visit/Page Hits		FY11 Annual	FY12 Annual	
Portal - Internal	Legal Portal	26,743	23,532	
	APJ	1,098	1,032	
	EMEA	362	372	
	Ethics & Compliance	126		
	Privacy	40		
		28,369	24,936	
External	Legal	17,411	15,504	
	APJ	5,206	2,892	
	EMEA		4,392	
	Ethics & Compliance (Nov 2010) live	5,254	7,848	
	Corp Responsibility		3,096	
	Corporate Giving		15,024	
	Privacy (live April 2011) FY12 Measurement		2,136	
	Corp Records Retention Program	1,317	1,848	
		29,187	52,740	YTY
Total Site Visits/Page Hits		57,556	77,676	36%

Pages New or Updated	FY10	FY11	FY12	
Portal - Internal	327	441	415	
Legal - External	179	263	351	YTY
Total Pages New/Updated	506	704	766	8%

Employees *Receiving* Recognition

- 60% (125) of employees received recognition, with **214 total awards** received
Excludes Service Awards
 - 13 Thank you E-Cards (6%)
 - 8 Special Achievement Awards (4%)
 - 193 Awards (90%)
- 58% (125) of the total nominations came outside of the organization
 - 81 people received them
 - Percentage of awards nominated from outside in Q4 FY12 (graph below)

