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Avoiding Burnout in Legal at Growth Companies

By Ronak Ray

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Aggressive growth requires taking on risk.

Outsized success sometimes veils the underlying risk brewing until it becomes an embarrassing public headline. It takes a special set of skills to identify the big issues and treat these effectively as companies scale.

The venture industry has produced companies that now contribute significantly to global GDP, and we have 1,000+ active unicorn hopeful successors from all the frenzy of 2021. The market demands increasingly higher shareholder returns but a broader view of stakeholder responsibility is fighting back led by employees demanding accountability with better working conditions.

Legal teams are best positioned to balance founder growth ambitions with accountability through a smarter design where:

- Risk governance is at the core of your operating model
- Technology sets a foundation for scale
- High availability service providers are embedded with your teams
- Your law firms are built for growth companies

Risk Governance

Have you noticed how many key employees and executives burn out and leave or withdraw after they've been made to sprint towards the next venture funding or IPO? This must stop, and legal can help. A growth company seeking outsized returns needs their legal function to build long-term enterprise value. Your goal is to instill confidence across various company initiatives, from challenging sales cycles and compliance escalations to M&A and board governance.

A modern legal function develops a proactive framework for risk-informed decision making and effectively assigns accountability internally to ensure these are being prioritized. Our superpower is in spotting these risks. We then build corporate governance with transparency in mind to manage risk. Your governance approach must be designed in the language of the business (e.g., dashboards, QBRs, actionable plans) and made approachable for wider participation across the company. After all, these risks are not "legal" problems so much as they are threats to the company. You will know this is working when teams outside of legal (and even better, outside G&A) are working cross-functionally to solve fundamental business risks. Trust me, this will work. The key is to position risk initiatives into what this builds or mitigates to create value for the company.

Remain focused on your customer.

Technology Enabled Team

Improvements in legal technology have made risk governance scalable at the pace needed by growth companies. Technology in legal is about how we combine well designed processes with capable humans and targeted software tools.

Here is a well-designed technology stack at a growth company:

- **Reporting tool** (e.g., PowerBI, Google Data Studio™)
- **Contract lifecycle system** (e.g., Malbek™, Ironclad™)
- **Intake and workflow automation** (e.g., LegalDesk™)
- **Privacy governance** (e.g., OneTrust™, Exterro™, Transcend™)
- **Investigations and ethics** (e.g., Navex™, Google Vault™)



Let's start with intake and automation. Significantly outnumbered and always with a backlog, this is where most legal teams at growth companies struggle. Use a tool like LegalDesk to simplify your scope and prioritize the areas that drive the most value. Getting requests under control and having these flow automatically to other teams for review and approval is a significant force multiplier. LegalDesk empowers you with the data necessary to plan capacity, anticipate spikes in requests, and balance workload to keep your team healthy and productive. This will give you the confidence to add team members, tools, and improve processes with a way to manage their sustained success.

Trusted legal teams must nail both efficiency and quality at growth companies. Most teams prioritize CLM tools because this is where the business needs to show results and legal can quickly gain credibility. Malbek is a unique platform designed for the rapidly changing business models of growth companies and for a legal team who isn't exactly technology proficient. Each CLM has its strengths.



Here is a simple yet powerful exercise you can use as the basis for your business case:

What are the top 5 risks in commercial holding us from meeting our potential in the next 3 years?

1. Sales team enablement maturity is low / ad-hoc
2. Salesforce data structure issues inhibit inside sales / NDR
3. Agility to change terms based on market segment
4. Need high availability from enablement functions (Infosec, Legal, Deal Desk)
5. Poor contract repository experience

What differentiating capabilities have I seen demonstrated on the CLM?

1. Simple UI for sales and non-sales
2. Self-managed (without IT) drag-and-drop salesforce connector
3. Conditional rules that can be adjusted by legal operations/contracts team
4. Pricing model that encourages wide adoption
5. Powerful search capability accessible inside Salesforce/CRM
6. Extensive control over workflow development
7. Strong tagging, archiving, and record keeping

Many CLM implementations touch the sales process.

Here are some tips to consider that have proven to be effective with growth companies:

1. Scope with stakeholders.

This is not just a “legal tool.” Key stakeholders and their teams should have input in scoping the tool and provide their must-have requirements alongside legal. All of these may not be met ultimately but this exercise of collaboration pays off in the long run.

2. Show your design.

Chart the current and the revised process and tools next to each other (e.g., show what changes for the sales teams, deal desk, legal).

3. Provide a holistic analysis.

A simple price comparison will not cut it. Be sure to discuss the internal resources required (e.g., from Rev Ops, IT, sales, deal desk) and when their time commitment may arise. Also consider showing these commitments over multiple phases.

4. Target specific efficiencies.

People like simplicity. Identify tools that can be consolidated, processes that can be minimized or better designed, and the KPIs you recommend using to track the progress made. The best business-facing KPIs reflect outputs (e.g., days to close) and the inputs are simply ways to help explain the outputs (e.g., percentage of adoption, legal turnaround time).

5. ROI picture.

Translate the impact into a dollar amount. Your FP&A team can help you arrive at a defensible number if you need.

“Be sure to extrapolate over the next X years how many hours would be reduced on legal ops/contract management by your team and how much time could be spent on legal work.”

Hayley Gonzales,
Managing Counsel, Commercial at Affirm, Inc.

Additional tools should match the risk profile of your company. If data is a core platform feature, be sure the privacy governance tool you license can boost the capability of what the platform can handle. As Hayley underscores above, growth company legal teams must prove that their investments reduce risk and produce a positive return on investment. Your privacy tool must not only help you demonstrate to a regulator that your controls are actively being managed but also to your board and management team that the underlying maturity of the company has been improved by some multiple.

The insights from these tools and your legal team must then be pulled into your executive reporting. This creates meaning behind the work allowing your team to showcase their progress or blockers and for leadership to connect legal activities to business results. One approach to accomplishing this is to create a quarterly impact report that shows with data how a legal milestone (e.g., clean-up of marketing lists for privacy) drives stronger outcomes for the business (e.g., X% achievement towards lead generation). This is your magic moment where the legal team shows how they build business value.

Highly Available Legal Service Providers

Growth companies are inherently volatile and you need a model that can help legal keep pace without burning out. Alternative legal service providers (ALSPs) are among the most effective ways to capture opportunity (e.g., burning issue of the month) without your team facing whiplash from the constant changes in priority. ALSPs are typically brought in to augment your team for projects like M&A diligence, document review, litigation support, and contract negotiations especially during leaves or peak periods.

Think of ALSPs as performance accelerators that provide instant legal capacity to help alleviate your team. This should be a consultative exercise with your team where possible and at the very least introduced with a clear purpose for what the ALSP team is going to do to support the legal function.

A good ALSP should:

- **Work alongside your teams** and be accessible to internal and external stakeholders. It is important that your team feels this support is both an investment in the function and in their success. It may be a gradual transition or one that you make immediately to fill a gap. ALSPs support team goals or enable your internal team to achieve them by handling the day-to-day volume.
- **Live on your technology** (e.g., Slack to Salesforce) to ensure stakeholders have the same experience as they do when working with your internal team. A good ALSP will agree to 24-hour response times and model your company values when engaging with customers or vendors.
- **Provide fee predictability** with fixed or variable pricing as support options tailored to your budget. A thoughtful ALSP will approach pricing as the basis of a trusted relationship. Both of you are in it for long term success.
- **Provide scale and flexibility** without adding permanent headcount. This is a central feature of the ALSP model. The best providers will have a full suite of practice areas from corporate and compliance to contracts and more recently a team of legal operations. A growth company needs to ramp quickly with a proven bench of professionals and then shift to a new priority the following month. This will test your team's ability to delegate confidently, so it's important to set this as an expectation. Not every legal professional will find this easy and will realize effective delegation takes practice.
- **Support benchmarking** your risks, technology and department maturity to your peer companies. ALSPs provide valuable insights and benchmarking on how your operation can be improved. Their teams are designed as consultants who grow from each engagement and you get all the benefit of these experiences (again without adding permanent headcount).

Quality, experience and price predictability are the three most critical assessment areas for a good match with an ALSP. There are important differences with hiring an ALSP to when you hire a law firm. Use the criteria set out above and remember to calibrate this to your company's growth priorities. They will change to an extent but a partnership mindset will need to be a constant. An outstanding ALSP will align to your team culture, embrace your processes, and strengthen relationships with how they engage. Interview these teams carefully similar to when you are making a permanent hire for your department.

“One of the critical pieces that we put in place this past year that enables our Commercial Legal function to scale while staying nimble is our ALSP, modCounsel. We’ve appreciated the fast, predictable SLAs and fixed pricing that modCounsel provides, as well as the fact that the team embeds into our tech stack. I believe that building out a strong bench of ALSPs is key to the success of a legal team supporting growth.”

Kathy Zhu,

AGC, Head of Commercial & Legal Ops, DoorDash



The Value

If you do this correctly, your team can provide more strategic business support, develop their career path with you and also take a day off without returning to a full inbox. Combining legal technology and ALSPs, it is now possible for you to plan capacity early, support flexible work arrangements and plan COVID-safe offsites for team interactions free from distraction. ALSPs help create value and protect the credibility of a growth company legal team.

Engaging Law Firms

Law firms who prioritize responsiveness and agility will be much more effective becoming long term partners for growth companies. Your law firm strategy must be more than a marquee full-service provider you used for the last two venture financings. Here are a few leading indicators of a stronger relationship:

- **Consistent 24-hour response times with feedback or an ETA for when you may have it**
- **Attorneys who add a business perspective and a willingness to problem solve**
- **Flexible engagement and pricing models for short term projects**

Outside a few select (very expensive) partners, your operating risks in the business are yours to figure out. You may want to skip the part where the firm offers to do a risk memo; only you will read this and it can’t actually be implemented on your timeline or budget at a growth company.

A better design involves starting with your peers at other companies who have confronted these risks. They may not have it all solved, but they will have important lessons you can use along with a few names to call. Your job is to create an engine for connecting bespoke company risks with outside talent. TechGC, IAPP, ACC or other strong networks are your best bet to creating this capability at scale.

Closing Thoughts

Legal teams at growth companies are increasingly asked to help solve underlying risks. This is where you can shine and be more than just the expert in the room. You are making an impact and running the business alongside your executive peers. The board, your shareholders, company employees and your customers expect growth and understand this may come at a cost. Your job is to manage the risk (cost) and build a sustainable enterprise that builds value.

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A special thanks to

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for their contributions.

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