



eBook

The Modern Chief Legal Officer

Driving growth with digital
contract technology

Introduction: The evolution of general counsel

Historically, the general counsel's primary focus has been risk management, compliance and business protection. But their responsibilities are not the same as they were ten years or even five years ago.

Today, the modern general counsel operates as a Chief Legal Officer—one whose mandates have expanded far beyond traditional operation of the legal function and risk management to encompass greater strategic growth concerns, such as evolving regulatory environments, increased contracting complexity, new data privacy laws, ESG initiatives and much more.

Among the host of challenges that are now on their plate, three core objectives rise to the top:

1. Improve risk management (balance risk with growth)
2. Lead and manage successful teams
3. Contribute to organizational growth

To understand how legal leaders are responding to these challenges, expanding team capabilities and creating more opportunities for growth, we spoke with three general counsels across industries—from scaling startups to global enterprises—and delved into research from Big Four firms. What we found can serve as a blueprint for CLOs who want to be at the forefront of the modern business landscape.

Research:

To get a holistic view of the real-world challenges facing CLOs, their thoughts and solutions, we spoke with the general counsel at three companies—from scaling startups to global enterprises. They shared how their role is evolving and what their most urgent priorities are in an increasingly complex contract, regulatory and legal environment.

These leaders are:

Douglas Fischer
General counsel at
Advanced Vapor Devices

Tanya Jaeger de Foras
CLO at Ingredion

Jim Shaughnessy
CLO at Docusign

Our qualitative interviews were complemented with quantitative research from the Big Four firms.

The foundation of legal leadership: contracts

“92% of organizations are transforming the way contracting is handled, and 60% are implementing sweeping transformational changes.”

A recent report from [Deloitte](#) put it this way: “Today’s chief legal officer is multidimensional, no longer just an exceptional legal tactician. A CLO is also a strategic thinker and a senior executive, operating at the highest and most impactful level of the company.” As these multidimensional leaders and architects of growth know all too well, contracts are foundational to building lasting relationships with customers, employees, partners, suppliers, distributors, licensees and everyone in between. They define the terms of engagement that underlie all the work that gets done, so the processes that manage them need to be seamless and error-free.

EY

As this role continues to reshape, CLOs and their C-suite cohorts are recognizing that efficient and consistent [contracting processes](#) are the cornerstone of business success—necessary to better manage risks in complex, evolving regulatory environments and free up time to attend to the plethora of demands that help drive growth.

However, as legal leaders reassess where to make meaningful investments in technology to better meet their objectives, they’re uncovering new risks in the process. In fact, the PwC report found that 48% of leaders are identifying new risks as a result of tech investments.

Now more than ever, CLOs need to be proactive about freeing up resources to hone in on the most urgent priorities. This calls for identifying opportunities to implement new technology and digitizing routine work—especially as it relates to the foundation of their business organizations: contracts.

“There may have been a time when CLOs weren’t expected to have a broad impact on a business. This is certainly not the case anymore: the opportunities to drive decision making, manage risk, control costs and power major growth have increased—and the need to meet these objectives has only intensified.”

Jim Shaughnessy

Three crucial objectives for modern CLOs

The modern CLO's growing list of responsibilities can be grouped into three core objectives. Here we explore each one.

1. Improve risk management

No matter the industry, GCs are responsible for minimizing and managing risk. In the contracting process a minor error can amount to major consequences for an organization. According to EY, the highest risk presents itself in contract creation, negotiation and storage.

As a one-man legal team at a rapidly scaling startup, Douglas Fischer is keenly aware of this. "The number of things you need to worry about only increases, it never decreases: we're up against new markets, new privacy laws, data privacy regimes that are increasingly difficult to navigate, the list goes on," he shared. "This landscape is evolving in real time, with new standards to keep up with constantly."

At global ingredients company Ingredion, Tanya Jaeger de Foras is charged with the same task: "There's a huge challenge to keep pace with an ever-changing regulatory environment."

For Tanya, the solution begins with efficiency in contract management. "Traditionally, legal leaders were focused on speed and volume of contracts—but there was no context. We didn't have standard clauses, and no one realized there was an opportunity for better risk management or efficiency in finding contracts when we needed them," she explained. "It's easy to track traditional legal metrics like what you spent and how many contracts you delivered, but the more ephemeral question is: How did you create real value in a regulatory environment?"

"Companies are at increased risk when they don't use pre-approved contracts with standard language (which 69% of companies don't) or follow contract playbooks or guidance documents (as 69% of respondents reported they don't)."

EY



Anticipating risk is a key part of the modern CLO's responsibilities, which they're better able to do when teams are equipped with the time and resources to interpret data and approach risk management with more information. For a large portion of CLOs, risk management also includes navigating increasingly complex, fast-changing regulatory environments. Achieving success across risk management can be difficult, especially as the goalposts continually move.

And yet the EY study found that:

“78% of CEOs don't currently have a method for systematically tracking contractual obligations, and nearly half (49%) of respondents lack a defined process for storing contracts after execution.”

EY

This lack of process management prevents access to the rich data in your contracts, increases risk exposure as it creates the potential for mistakes and inconsistencies and unknowingly binds organizations to potentially unfavorable terms.

“People are really valued for their ability to be productive and thorough in the law. Sometimes that efficiency is about technology, but in my role [as CLO], a lot more of it has to do with empowering people with the tools they need—mentoring, managing and leading people to success.”

Jim Shaughnessy

2. Lead and manage successful teams

Today’s CLOs are responsible for guiding legal teams to success by empowering their people with the tools and skills they need to operate at peak potential. This only becomes possible when legal leaders have sufficient time to educate, mentor and manage people effectively.

For Jim Shaughnessy, supporting legal talent and building successful teams doesn’t happen overnight. “As CLO, you spend a small amount of time on basic legal matters,” he explained. “Far more of your time is spent on counseling and leadership. There are 70 people in our department, and we need to make sure the system works well every day. There’s a big leadership and management component, and it takes time.”

But building up legal talent means inspiring a culture of efficiency, not overwork. [A recent report from Indeed](#) found that employee burnout is on the rise: 52% of all workers are feeling burned out.

“We have to mitigate burnout,” said Tanya Jaeger de Foras. “The pressure to do more with less is not inspiring for people—and this next generation of employees won’t tolerate it. We need to be more efficient and productive when it comes to building up our people.”

Part of the problem with retention is that many employees yearn to apply their education and experience to take on strategic, challenging work rather than mundane contracting work that could be automated. As a result, some of the most tactical, talented minds are underutilized.

“I often see lawyers and paralegals who are overburdened with reviews of routine contracts” said Jim Shaughnessy. “Most of these individuals would rather spend their time sitting in a more strategic role focused on complex, challenging work. We’ve seen people make a wide range of career moves to avoid this kind of work.”

“96% of organizations say they face challenges with contracting talent, citing recruiting talent with the right skills (49%) and retaining and promoting talent (44% each) as the top challenges.”

EY

A recent survey by
Docusign found:

48%

of companies manage
over 500 contracts
per month.

3. Drive organizational growth

Today's CLOs are an integral part of top leadership teams as they look to capitalize on every opportunity to grow and expand the business. But to achieve their ambitious goals, CLOs need to find ways to minimize operational silos and streamline processes. Being slow to act can cause opportunities to vanish in the blink of an eye and give competitors a leg up—costing the entire organization.

This priority needs to be front and center—especially considering both the existing levels, and that growth translates to higher contract volume.

When contract management workflows are overwhelmed by a sudden influx of agreements, the result is slower turnaround times at a critical moment, and heightened potential for missed opportunities.

“Inefficiencies in contracting processes are slowing revenue recognition and resulting in lost business at more than 50% of organizations.”

EY

Tasked with enabling the business at large to thrive, many legal leaders have struggled to implement meaningful changes to their contracting process.

Without the right technological tools and buy-in from the company, creating opportunities for growth becomes a huge challenge. Jim reinforces the importance of his role: “The greatest CLO value is to identify opportunities to capitalize on and seek out problem-solving possibilities. A CLO is often the one who garners resources across a company, identifies what success is and gets buy-in across departments.”

As an organizational leader, Jim recognizes it’s on him to “identify the right course of action to take relative to a problem and seek out opportunities for growth, charting a new path forward.”

For Tanya’s team, efficiency in contracting is equally important to create space to focus on an aggressive M&A and growth agenda: “We’ve been working on being a true global enterprise and centralizing so we need contracts fast, as well as the ability to change contracts on a global basis.”

As general counsel in a quickly growing firm within a regulated industry, Douglas shares Tanya’s growth-oriented goals. “I am general counsel but my role is largely strategic, trickling into corporate development partnerships, M&A activity and other forward-thinking work,” he said. “It’s less day-to-day legal work like SEC and board filings and more about leadership.”

“98% of organizations report experiencing barriers to delivering on their vision for contracting, 38% say they’ve tried to implement change but with little success.”

EY

Why digitize the contract process

“While most organizations (70%) have a formal contracting technology strategy, 99% of organizations don’t have the data or technology they need to improve their contracting process.”

EY

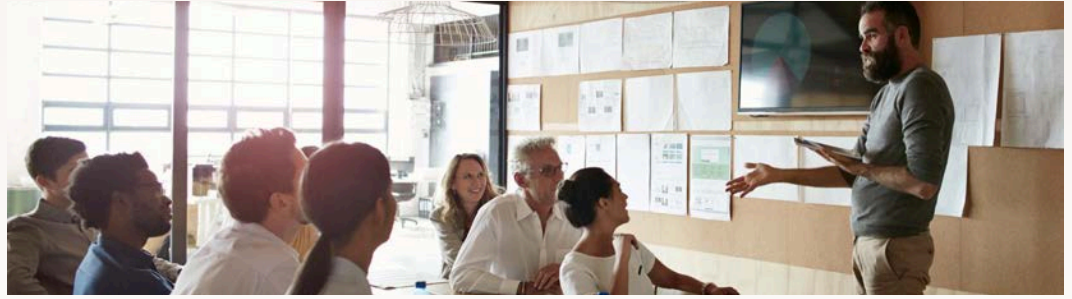
Without a streamlined approach to managing a high volume of contracts, CLOs are pulled away from other imperatives and risk losing business and revenue. This is an untenable path forward—with nearly 40% of CEOs thinking their company will no longer be economically viable a decade from now if it continues on its current path.

Because of the widespread and substantial impact of the contract process, PwC advises: “CLM is critical to the delivery of efficient, effective business performance. In many respects, it represents ‘the plumbing’ for the trading relationships that deliver economic and social value.”

CLM technology empowers organizations to generate more revenue and close more deals by accelerating the sales process—freeing up organizations to spend more time doing what they do best: selling their services or products.

“A big contract will touch on almost every aspect of a company. [As CLO], you need to identify misalignments and correct them.”

Douglas Fischer



Automate—but first align your organization

Businesses apply contract management technology to standardize, streamline and automate contract:

- Creation
- Processing
- Negotiation
- Execution
- Archiving

End-to-end contract lifecycle management can be transformational, but only if everyone is on board. As our group of interviewed CLOs see it, technology is only effective with buy-in and alignment across your organization:

“Opportunities to digitize, standardize and automate exist all across the organization, from initiating and managing contracts to collecting and plumbing data. Being able to standardize and automate will create a culture of paper that leads to better contracting, especially for NDAs and non-disclosures ... We need specificity about language and terms—we need to drive convergence.”

Tanya Jaeger de Foras

Douglas echoed Tanya's sentiment. "There can be a tendency among commercial departments to just throw contracts toward legal, but contract management is a team sport," he explained. "Contracts involve all of us, especially when there are team members who are SMEs in specific arenas."

With tech investments a top-of-mind priority, the key is not only allocating budget but implementing technology thoughtfully, and with consideration for other key issues that fall under a CLO's purview.

"Looking ahead, 61% of CEOs are planning significant investments in their technological capabilities."

EY

"Our job is to harness the power of AI so that it's beneficial and we're being thoughtful about it," said Jim Shaughnessy. "Every tech CLO is thinking about this, and how to incorporate AI in the field and make sure we do it in a trustworthy way. Respecting privacy of data, customer proprietary data; that AI does not supplant but augments human ingenuity."

Whether for an enterprise organization or a rapidly scaling venture, contract lifecycle management technology offers unique appeal in handling a high volume of documents without compromising on the attention to detail needed to be thorough—and the human ingenuity that make legal teams so valuable.

How exactly?

Templates and clause libraries offer a starting point for many common types of contracts, allowing users to automatically highlight risk in contract terms and auto-populate fields to cut down on errors. When legal talent is paired with powerful technology, the result is better contracts, lower risk and greater job satisfaction.

Douglas shares Jim's perspective that any tool is only as powerful as its user is knowledgeable and enthusiastic: A lesson learned: getting key stakeholders engaged as early as possible. Tools are only as good as a process and the buy-in of ownership. The best tool doesn't matter if people haven't bought into their role in the process.

“With new tools, it’s crucial that we’re thinking about how to measure value and invest in something that will actually be meaningful to the goals we’re trying to accomplish. We need a compelling business case for why we want to use something.”

Tanya Jaeger de Foras

Alongside buy-in from the organization, it’s important that legal leaders, and their cohorts, understand why they’re investing in automation or integrations and have clear goals about how they will use tools to the advantage of their whole organization.

As contract management becomes increasingly complex, Tanya underscored the power of uniting modern tech with strategic thinkers: “How will this legal tool—used by strategic people—create real value for my company?” The three aforementioned priorities of better managing risk, leading successful teams and turbocharging growth can only happen when talent is equipped to operate at its best, supported by managers and tools to work more effectively.

Getting there, however, calls for data. “When we don’t approach problems in an empirical way, something that initially seemed like a big risk may turn out to be a lot less pressing,” Jim explained. “Empirical problem-solving could take [a less pressing] concern off the table, removing friction from the whole process. Risk allocation is really important. If you rely on the same forms and the same formulations, it could be misleading.”

It all starts with a secure, intelligent repository to store all completed agreements, which comes with robust security controls and built-in oversight. From there, your team can increase visibility and start connecting agreements to other critical business systems.

Intelligent repositories enable teams to report, audit and track data across all agreements to identify risks and opportunities. Leaders are able to leverage AI to capture and tag basic fields and track obligations. Empowered by these insights, CLOs can then respond to trends, uncover opportunities and answer critical business questions that enable their organizations to be frontrunners in their field.

“Having AI tools will help people pattern recognize in ways that could be otherwise hard. Addressing critical issues with decisions informed by data really lets a company be more successful. It can save delays in negotiating or focusing on wrong issues or things being held up by small corner cases.”

Jim Shaughnessy

Conclusion: A tech-forward future for legal leadership

CLOs have always played an essential role in business performance—but their list of priorities continues to grow in an increasingly complex contract, regulatory and legal environment.

With so many urgent objectives on their plate, legal leaders need to adopt tools that help them to accomplish their most high-value work: better manage risk, lead excellent teams and turbocharge growth. With 61% of CEOs planning significant investments in technology according to the [EY study](#), the time is now to make a business case for tech needs—specifically within the contracting process.

Both the experience of today's CLO and the research bear out the case for digital contract management:

- Accelerate the speed of agreements
- Minimize contract value leakage
- Lay the groundwork for better analysis

DocuSign CLM optimizes the generation, workflow and archiving of contracts and other critical business documents across the organization. For the fourth year in a row, DocuSign has been named a Leader by Gartner; this year for the **2023 Gartner Magic Quadrant for Contract Life Cycle Management**, the annual market evaluation and analysis of CLM vendors based on ability to execute and completeness of vision.

As a secure cloud platform, CLM shortens the time it takes to process contracts and obtain signatures, **cutting the sales cycle by 75%** and allowing a company to bring in more revenue in less time. DocuSign eSignature and CLM are also authorized at the FedRAMP Moderate Impact Level, satisfying the stringent security requirements of the U.S. government.

In any business, getting ahead of the curve necessitates a strong foundation. The modern CLO knows all too well that this begins with efficiency at the outset: with the agreements that underlie it all.

Check out our **CLM toolkit** to learn more.



About DocuSign

DocuSign brings agreements to life. Over 1.5 million customers and more than a billion people in over 180 countries use DocuSign solutions to accelerate the process of doing business and simplify people's lives. With intelligent agreement management, DocuSign unleashes business-critical data that is trapped inside of documents. Until now, these were disconnected from business systems of record, costing businesses time, money, and opportunity. Using DocuSign IAM, companies can create, commit, and manage agreements with solutions created by the #1 company in e-signature and contract lifecycle management (CLM).

DocuSign, Inc.
221 Main Street, Suite 1550
San Francisco, CA 94105
[docusign.com](https://www.docusign.com)

For more information
sales@docusign.com
+1-877-720-2040