

CORPORATE COUNSEL

An **ALM** Website

corpcounsel.com | December 6, 2017

Building the Law Department of the Future: A Q&A With GC Bill Deckelman of DXC Technology and CEO Dan Reed of UnitedLex

“There’s been nothing like this in the last 20, 30 years or anything before then that would approach [this] from a complexity and scale perspective, matching the needs of the business with the design and the capability of the law department,” said Reed of UnitedLex’s newly announced agreement with DXC Technology.

Rebekah Mintzer

In April, Computer Sciences Corp. officially merged with the enterprise services division of Hewlett Packard Enterprise to form end-to-end IT services company DXC Technology. When two companies join forces, it can be tough to ascertain how the legal departments should combine—but fortunately, DXC already had a plan in place.

And it’s quite a plan. DXC transformed this new postmerger legal department, inking an agreement with technology-powered services provider UnitedLex that the two have called the industry’s largest-ever managed-services legal transaction. Under the five-year agreement, the two aim to help DXC’s business save \$1 billion over its first year of operation by rebuilding the department across the globe.

Under the agreement, UnitedLex is providing more than 250 senior-level professionals to power DXC’s legal department. Some in-house lawyers from the premerger departments will be “rebadged” with UnitedLex



L-R Bill Deckelman, GC, DXC Technology and Dan Reed, CEO, UnitedLex.

but continue to work closely with the DXC team.

Aside from supporting the department with the massive amount of contract work it does, the UnitedLex partnership will also support other DXC legal functions, including litigation, immigration and legal operations. UnitedLex will bring innovative technologies to the table as well,

such as a new tech platform that can process more than 65,000 contracts per year.

Bill Deckelman, executive vice president, general counsel and secretary of DXC, and Dan Reed, the chief executive officer of UnitedLex, spoke with Rebekah Mintzer to explain how this mega deal came to be and how it could set a precedent for other legal

departments. The interview has been edited for clarity and length.

What were the exigencies of the merger that drove this newly designed legal department for DXC?

Bill Deckelman: One that we saw just in the industry was a real shift in the way we were going to need to be contracting in terms of what we call next generation IT, cloud, cyber, mobility, those kinds of applications, as opposed to the traditional big IT outsourcing contracts. So we were seeing a much higher volume of the smaller value contracts that we knew we were going to have to adjust to [in order] to support the business going forward.

And of course at the same time, as with any merger, we knew we had to take out some costs because of the overlaps in the business. But [simultaneously] we knew investment would be required to develop a contract management platform, the technology for the business going forward. So both of those trends came together and we knew, and we worked on it for awhile but figured out that the traditional notion of just reducing staff and offshoring staff and that sort of thing was not going to work.

Dan Reed: I think that other law department initiatives that have gone on, for example, the Dupont Legal Model, what happened at IBM as well during the early part of the major transformation in how law departments function—when you peel [those initiatives] back, they actually were relatively very focused.

They didn't involve global, they weren't holistic, involving the intersection of technology and law as powerfully as what's in line with Bill's vision [for DXC]. And I think the two concepts that are so important for

this approach, to describe what's happening here [are] complexity and scale. There's been nothing like this in the last 20, 30 years or anything before then that would approach [this] from a complexity and scale perspective, matching the needs of the business with the design and the capability of the law department ... I think in terms of events, I do believe that this will become a reference point for many different companies, different providers, other competitors in the space, both competitors of DXC, competitors to UnitedLex, it will be a very important reference point because of that.

You mention scale and complexity specifically. Can you give me a feel for the scale of this project?

BD: Primarily it is moving our lawyers and our contracting professionals who support our contracting with our customers, moving those individuals to UnitedLex. So, in our business, the IT services business, the contracting is very critical to the services we're providing. So this in essence moves—I mean, we've retained a few individuals who are in a position to somewhat manage and work on some of our larger deals—but by in large we have moved our transacting capacity to UnitedLex. Otherwise what's retained with DXC are the traditional areas like support for litigation and employment and regulatory issues and that sort of thing. But it is a significant move to managed services, and you know ... the business of DXC is moving clients themselves into the digital world of cloud and mobility and those kinds of new applications.

And so it was interesting, when we proposed this, and had the discussion with our CEO, he very readily picked

up on the concept and what we were trying to do and always stressing innovation. That is what we had stressed with Dan and his team. And that, really, the exciting part of this is we're getting that innovation much quicker and much more effectively than we could have on our own.

The other part of it, too, is with our people, what I tell them is that, for their own careers, they really, if they want to be on the leading edge of where the practice of law is headed, this is a fantastic opportunity for them to join a company whose focus is really all about Legal 2.0, we call it. That has resonated really well with our people, and I'm just excited because when they look up five years from now, they are going to realize that they were given great opportunity to be involved in the forefront of what's changing with the practice of law.

DR: One thing to mention, Bill, to expand upon that is, UnitedLex has adopted a very Big Four-like approach to investment and training. And you know, I came from Big Law, Bill came from Big Law, and unfortunately the law firms generally don't have the access to capital or the balance sheet, quite frankly, to fund the kinds of things that you see in other major corporations around the development of professionals.

Each year we're putting more and more money into training, to our residency programs, as well as technology developments. Those are all things we're able to make substantial investment on that in law firms you don't really see that at all. And in law departments that challenge is budget, because corporate tightening that really began harshly in 2008, funds that get allocated are going

to often times get directed to R&D, Sales, elements of operations, and often times law departments are not given as much as they need to do as much as they would want to do.

This new project provides more cost predictability at a time when legal departments are looking to save money, especially on outside legal costs. Is this partnership going to change DXC's relationship with outside law firms?

BD: It's interesting, at the same time we're doing this, we're also making a concerted effort to establish, not strictly a panel, but some strategic partner law firms and we're working with AdvanceLaw to do that. And so, they understand it and in fact several of those law firms are thinking very much along the same lines in terms of where the future practice of law is going. So, it's interesting. You actually see the ones that are kind of forward thinking being very supportive here and very curious and very anxious to help where we need the help. But you're right, don't get me wrong. I think they, in many ways of course they look at UnitedLex and think: Yeah, there's some competition. And there is. But so far, we haven't seen that as being any kind of a negative influence on how we're getting support from law firms. It's all been very positive.

I know a big theme here is building more measurability and accountability around the legal department and its processes.

BD: That's one aspect of this. That's one of the most exciting parts to me, because for so long I've been anxious to have data that I can actually manage with, and yes, we're, by using the UnitedLex [contract management] tool, Contract Room here, we're able

to start finally getting tracking on the number of transactions, the types of those transactions, where around the globe, which regions are they in, what's the response time for people to pick up an assignment, what's their response time, turnaround time. All of those kinds of metrics, it's just so helpful to start seeing now on a global basis, all of the data coming from those metrics.

There must be some lessons you've both learned from participation in this project.

BD: I would mention just a couple of things. ... [One] is the importance of the alignment to the business and communication with the business side. Because of course, beginning with our CEO, we had to sell this proposition to him that this was the right way to go, but also the business as a whole. The businesspeople out in the field who are relying on their lawyers day in and day out, they want to know, what's going on here? Who is this UnitedLex, and what is this model you're talking about? ... So a lot of communication and discussion had to go on with the business to really drive that support, but it's critical and I'm glad we did it and it has really served us well having their support.

The other thing I would mention is, just to convey the vision of where we're headed to our people, people who were either staying with DXC or who were transferring to UnitedLex. Again, a lot of communication and a lot of discussion, because as you can imagine, given what we were doing here, there was a lot of skepticism in the beginning and to win the hearts and minds of those people, we really—and Dan certainly did a lot of it as well—had to communicate with them and explain

and discuss. But in the end, having that vision pretty clearly in mind as we started those discussions, I think served us well.

Do you think this model is repeatable at other legal departments and what sorts of departments might be good candidates for a reset like this?

BD: I think you look at UnitedLex and of course any business and any legal organization supporting that business that has a high volume of work that can be subjected to technology and a process, I think, which is probably most businesses, should be able to take advantage of this. I do think as an operating model it is the wave of the future because it does give internal legal organizations the benefits that we've talked about, that access to capital and technology and flexibility in the workforce and all of that.

DR: I think it goes right to that core of how [law departments] are seeking to be more responsive to the business needs. ... And I believe that in the next six months you'll see several [other initiatives] that will be announced similar to this in many ways that will further validate that this is the beginning of a new way of looking at law departments' operations. We won't have to wait very long for it, I don't believe.

Rebekah Mintzer is the editor of the In-House Desk at American Lawyer Media. She and her team work on telling stories about corporate legal departments and what makes in-house lawyers tick.