

MANAGEMENT THAT PAYS: A LOOK INSIDE PAYPAL'S ELM SYSTEM IMPLEMENTATION

BY ZACH WARREN

It's a tale many legal departments have heard before: A young attorney comes into the office on Monday morning, fresh off her first legal technology conference. "You've got to check out this cool technology I saw!" she says. "I think it could really be a game changer."

She might be right; it might be the future of legal technology. But what good is a new technology without the people and process to support it? Having people and a process in place for technology is not only a good idea, it's necessary for the technology to actually achieve the promise set out for it.

Lauren Giammona is an expert in helping her employers actualize that promise. Currently the director of operations, business affairs and legal at PayPal, Giammona has worked in legal operations for a dozen years with PayPal and eBay. In 2012 and 2013, her legal department at eBay was named one of the ten most innovative legal departments by InsideCounsel magazine.

At the 2017 CLOC Institute, she walked a crowd of around 100 people through PayPal's systems and the future of management technology at a panel titled, "Next Generation Enterprise Legal Management: People. Process. Automation," hosted by Eric Elfman, co-founder of Onit.



The PayPal Story

As a whole, enterprise legal management (ELM) is actually somewhat of an old space, especially in the realm of legal technology. Simply put, ELM refers to solutions for "everything attorneys do," as Elfman put it, including matters, claims, IP, spend and contracts. The current version of ELM, known as 3.0, particularly focuses on business process automation.

At eBay in particular, Giammona was the only legal operations person in the entire legal department until 2010. As the legal department went from 150 to 450 people in less than a decade, though, the operations team grew

to four people (with two e-billing administrators) and implemented a first generation CMS. Following the eBay-PayPal separation in 2015, at which point she went with PayPal, she cloned the previous eBay systems and grew even further. And over that whole time, priorities changed.

In the past, eBay looked at their ELM system "knowing that the attorneys were going to use the tool for invoices and not much more," Giammona said. But now, she added that priorities have changed, encompassing strategic planning, financial/vendor management, financial planning, and other areas.

Of course, these expanding responsibilities have a downside though: “I’ve got 25-something systems, and another 60 in HR as well. We have to boil down our systems; we have to lower the amount of effort we put into our systems” in order to be more efficient, Giammona said.

So how do you have a unified system? When the team began looking, she said, “We couldn’t clearly define what that center tool should be. It could have been our document management system, it could have been our e-billing system... but those didn’t really solve our problem. It just gave us an entry point.”

Enter ELM. The eBay/PayPal team tried one centralized system, but ultimately, changed to another when it better recognized what it needed in a tool. Particularly, Giammona said, since PayPal is a technology company with many legal department employees familiar with technology, it needed a tool that was powerful rather than just easy to adopt – a tool that augments the people and processes in place rather than displaces them.

“We really focused on a system that provided more of the back-end and the analytics that we needed. ... We sacrificed some of the UI, the ease-of-use, and some of our law firms liking the old system better to get to the data that we needed,” she explained.

As the new unified system is relatively new, she broke PayPal’s current ELM implementation plan into three phases. The first, which the team recently completed, focused particularly on e-billing and matter management. The team enhanced

spend management capabilities to enable the ops team to work smarter, depreciating matter management “systems” like spreadsheets and SharePoint lists in favor of one ELM system of record that actually allowed for creating common processes and automation.

The second phase of the plan, which she said PayPal is currently in, involves self-service for both in-house attorneys and PayPal clients. The ops team is currently developing a wizard-guided self-service intake program, which allows attorneys to focus more effort on matters of higher value. This phase also is looking to create a system that captures and preserves all data from intake to resolution.

The final phase of the process, Giammona explained, is the evolution of the process into other areas of the business, and to explore automation. Ultimately, she sees two areas of untapped potential: previously disparate data flowing into one data warehouse, and the ability to cross-pollinate processes.

The Lessons Learned

At the end of her presentation, Giammona left the CLOC attendees with seven key lessons to take away:

1. You are choosing a vendor, not just a tool. Seek a true partner. As Giammona said, “Where we are on the technology curve, I would say we’re fairly high, but there’s a ton more that we could be doing” with the help of a partner.

2. “Configuration” and “customization” are not interchangeable

terms. Giammona said the former is needed, but customization likely means not using the tool as it is meant to be used.

3. Know your tipping point, particularly “must have” versus “nice to have” technologies. “Everything starts with a must have, and we constantly find ourselves dialing back to what we need to do today,” Giammona explained.

4. For a new technology, do a full-blown, hands-on Proof-of-Concept (POC), she said. PayPal requires hands on access for two weeks with a new tool, which Giammona said “so far exceeds what you learn in an RFP or demo.”

5. Opt for a tool that can grow with you. “You may not need to iterate more in document management... but in other areas you might. So leave yourself the runway,” Giammona explained.

6. Don’t let the system define your metrics. She cautioned to spend the time up front to identify key metrics, reports and design to achieve goals before implementing a system, as it will allow the company to configure the tool to its needs from the start.

7. And finally, she said to always remember that legal operations is always a journey—keep learning: “It was certainly easier when I was starting out in legal operations; the expectations were lower. ... Now it seems like the expectation is so high that you’re going to implement the perfect system each time. You need to dial back that expectation very intentionally so you can actually start.”

