

# Why I Needed an Ops Department

*The general counsel of NetApp explains what he was looking for*

**W**hen Matt Fawcett took over as general counsel at NetApp, Inc. in 2010, he knew he wanted to create a legal operations department. He didn't know he would hire Connie Brenton to start it, and he couldn't have known how important that early decision would be – or the influence the department they created would have. Fawcett spoke about why he wanted an ops department and the early missteps he wishes he could have avoided (but from which he learned a lot). The interview has been edited for style and length.

**When you came to NetApp and started a legal operations function, did you have specific ideas of what you wanted to benchmark and what data you wanted to focus on?**

**Matt Fawcett:** I knew that I wanted to create an operations role within my team because it didn't exist. It seemed clear to me, given my prior experience as the general counsel at JDS Uniphase, that a more deeply operational perspective would accomplish a couple of things. First, it would create an impetus for our own department to undergo a significant set of changes that I started when I landed. I believed that metrics would help create at least some authority behind the tough decisions I had to make and would help catalyze the team into action. Second, demonstrable progress and achievement, supported by commonly accepted metrics, builds bridges and breaks down silos with the rest of the company, which can ultimately be more impactful. Becoming more transparent to our clients makes us more approachable and less fearful. As a consequence, we become more accessible, collaborative and better able to do our job as a risk manager for the company.

**So the numbers helped you make a case for the ideas you had. What kinds of numbers were you looking for? What were the questions you were asking that you wanted an operations department to be able to answer?**

**Fawcett:** In the early days, we started with some pretty basic stuff that our department didn't have and frankly probably never thought about generating. I'm speaking about conventional metrics like cost as a percentage of revenue, lawyers per billion dollars of revenue, inside spend versus outside spend. I wanted those numbers; I wanted to judge them against our peers; and I wanted to judge them against what was best in class because I wanted to set measurable targets for achievement.

I also wanted data to combat something that I saw at NetApp, and in fact seems quite common when you're talking to lawyers and legal departments. When you ask about performance, oftentimes the answer you get back is, "We're really busy." I just don't believe that busyness is a good judge of productivity.

That's not to be cold. I'd rather people work half as much and get twice as much done. That's my objective. So, we thought that those numbers would both shed light on some true performance issues within our organization and give us an idea of some things we could chase, while supplementing the other things I was doing early on, like spending that first six months talking to hundreds of internal clients about subjective points of view around performance of the law department. That was really the starting point.

We now track literally hundreds of different metrics across many different parts of our department. I think the purpose always remains the same, which is: 1) to give us some indication of the health of the organization; 2) to create transparency with the rest of the company, so we're not seen as fundamentally different or opaque; and 3) to give us an opportunity to define what best in class is so that we can seek that out.

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**When you arrived, how much interest was there within the department in pursuing these things?**

**Fawcett:** When I started, just to give you an example, I asked a colleague what the legal department budget was for last year and what the actual expense was for the last year. The answer was, "I have no idea. We don't worry about that kind of stuff." That shocked me.

I inferred that the statement was made with a little bit of pride, like "We don't have to concern ourselves with those kinds of things." But I believe that attitude is ultimately a loser and impedes your effectiveness as company counsel. If you hold yourself out as special, you're going to be seen as different. I don't think it's very easy to be a good law department for clients who believe you're holding yourself out as different. I just fundamentally don't think that's the right path to becoming excellent lawyers on behalf of your client.

**How would you characterize that attitude? Do you think that was common there, and common among law departments you consider your peers?**

**Fawcett:** I think it was more common than it is today. I also know that there's some context around it. NetApp had been so successful year over year, but the economic performance of the law department was not material to the company's performance. The department probably could have cost twice as much money, and it would not have mattered in the big picture.

But to me, that approach is not sustainable. And even if it were, it's not empowering. I would feel like I wasn't doing my best if I didn't have a good grasp on our numbers, how we are relative to peers and where we have opportunities for improvement and so forth.

**What was your role as the operations function was being established? Was it a daily or weekly collaboration, where you'd thrash out details together? Or did you kind of tell her to go do it, and report back to you periodically?**

**Fawcett:** I was definitely way more involved and hands-on than that latter idea, largely because it was just fun doing the work, collaborating with Connie in what felt like a greenfield of possibilities. Obviously, one of the great things about working in-house in a large law department is you have colleagues around you. So there's a high degree of just natural collaboration that results from being physically together and having a chance to bounce ideas off of each other.

I think I did put out some big guideposts that I wanted Connie to be thinking about. In the beginning, right as we were thinking about whether she would come over and we'd actually create a new function inside NetApp for her, she asked a provocative question: "What's important to you for this department?" My response was, "Ultimately, I want this department to be the best law department in the world." She said, "That's an ambitious agenda. Let's figure out how to do it." And I didn't say, "Come back when you're done."

Part of our collaboration is setting up some big, ambitious projects. Connie would tell you that it's usually very early in the morning, or at random hours, when I'll get a crazy idea and shoot it off to her. Maybe half of them are good and we'll pursue them. For the other half, she'll say, "This is crazy." And we will not pursue them. And for the half we pursue, we have a willingness to be wrong. And we have a willingness to experiment with the idea, and if the experiment isn't working, we'll not keep pursuing it at the expense of our money and our time, but we'll learn.

I think the willingness that she has and that I have to experiment and fail is not part of the assumed DNA of most senior lawyers, whether you're in-house or outside.

**Give me an example of one your crazy ideas that worked, and one that didn't.**

**Fawcett:** One that worked out was getting much more connected to new technology. When we started at NetApp, I think we basically used three systems. We had an email system, we had a backup data system and I forget what the third

one was. But basic stuff. Now we probably support 36 different technologies, including a contract management system that's hooked into our [customer relations management] CRM and our [enterprise resource planning] ERP. Including electronic signature systems, including workflow systems that we've exported to other parts of the company and so on and so forth. Obviously, we didn't pick all 36 right out of the chute. We tried a lot of things and rejected them and moved on. We've brought [artificial intelligence] AI into our department. Some of them we start and stop, and try a different one. But I would say not just that we've become more efficient and connected and contemporary, but all of the experimenting has also given us opportunities with lots of providers to be beta testers.

So we're not the department that will immediately sign up to try something with a long contract. We get lots of chances to try things out. One very recent example was an online tool called Speech Skills. It's essentially a six-week module, 10 minutes a day, super practical advice. Fifteen people on our team got access to that for free. It has nothing to do with law, by the way. This is just growing our own ability to be credible and persuasive. We probably never would have known about this tool. We certainly would never have had kind of free access – the gift of some pretty cool and useful and practical training – but for the fact that we'd been building up our muscle at trying technology and exposing ourselves to lots of different things. I think that is a good example of a success story.

Failure stories? I can tell you that we've got lots of little ones. Let me suggest one that I don't call a failure yet. But one that we're still working on, and we've been working on for a while, is the best way to produce a comprehensive, if not overly detailed, dashboard of what's going on in the department at any given time. I'd like to be able to look at our instrumentation on a daily basis. That probably includes, I'd say, 30 different key metrics. Some of them are very broad. How much are we spending? How much are we accruing? Some of them being very granular. How many contract approval requests are coming into the system a day? What's the turnaround time on specific categories of contracts?

We've tried different technologies over a period of time that are designed to link into our different systems, pull that data, then display that data to me at the push of a button. That's just not working very well. We have to decide whether we're going to kill that effort and figure out a new way to go. We've put a lot of time and energy into it. But so far, it's not clear that that's achievable yet.

***Does what you're measuring and benchmarking flow from you to the operations people? Or is it generated by the people who are running the operations function, and are charged with doing the benchmarking and generating data?***

**Fawcett:** Given where we are now, 99 percent of the time the information is flowing up to me. I mean, this happens all the time. I might say, "Why are we bothering even investing in tracking this? Because it doesn't seem to be meaningful in helping us achieve our goals, or our mission." Sometimes data sets will come up, and we'll say, "Is this the right data to be looking at in order to answer these questions? Or is there a better way of looking at it?" So all of those possibilities happen. What doesn't happen is this: "Connie, I'd like some information on X, Y and Z." And she'll say, "Gosh, we've never thought about that." Or: "We don't have that."

***I guess that's a good sign.***

**Fawcett:** Yes, it's good. I'll tell you, the big thing that's on my mind is going back to metrics again. Most metrics measure what I would say is efficiency and financial performance. There are half a dozen that pretty much everyone tracks and are all valid and good. But they're all essentially cost-focused. I keep looking not just for the cost-focused ones, but for the value-focused ones.



***If a law department wants to be accepted as a partner by the business, it needs to speak the same language.***

Why is everyone always measuring law department performance as a function of cost or spend? Where are the intelligent measurements that measure contribution to [earnings per share] EPS, for example. Or contribution to bookings in the case of companies that measure and reward their salesforce on bookings. It's elusive, I get that. But I think it would be fun if there could be some standards really diving into that value. It's not just subjective value.

***Will there come a time, and should there come a time, when your ops department is like a self-driving car?***

**Fawcett:** I don't think so. I don't think that would necessarily be a good thing either. One of the lessons I learned, and had to learn the hard way, is the ops department was perceived as threatening by many parts of the legal department. We never went in and said, "We've got twice as many people as we should have, based on these metrics." In fact, our mission and our mantra was: "Everyone is saying they're so busy working on tedious stuff, or administrative matters. Our ops team is going to reassign work so that our highly paid and deeply embedded legal team doesn't have to do all that administrative work. We'll find other ways to get work allocated and done the proper way."

While that sounds great superficially, it's kind of a deeply threatening thing when it comes right down to it. On one hand, while people complain about doing lots of administrative work, in reality you find people very reluctant to give any of it up. It took time for me as the GC to realize what was behind some of that. These aren't stupid people. These aren't people who just love doing administrative work and nothing else. But I think there's something more deeply rooted in the anxiety that comes around change, and changing roles – working with different kinds of resources.

That's a long way of getting to a point. To be successful, an ops team always has to be both very responsive to, and thoughtful about, the larger legal team that it's serving. To disconnect it, I think, would exacerbate some of those challenges that we saw and likely lead to an ineffective organization.

***Looking over what you've learned from creating the operations function at your company, what are some of the lessons that you think would be most useful to your counterparts at other companies?***

**Fawcett:** First and foremost, I think that embracing metrics is empowering and not something intimidating. I believe that most people, at least in my experience, are intimidated because they're worried about what the answers might say. And might cast them in a bad light. But my strong belief is embracing metrics and benchmarks is highly aligned to the way a company functions, and the way other departments function, and by resisting it, or not doing it and being opaque, you are going to set yourself up as different. Setting yourself up as different is a real problem in ultimately performing the fundamental risk management function that a legal department needs to provide.

I know I'm kind of linking those things, but I truly believe that's true. When I stand up in front of every other department leader and I say, "Here's where we're doing well, and here's where we're not doing well," and it's in the same fundamental language of the rest of the company, they can help me get better. I can be open to making changes that help our department improve. Doing all that helps us do our job better. I think embracing it – even if you know that your numbers are going to look bad – needs to be done. That's number one.

The second lesson is to never divorce the numbers from the people. Never subordinate the people to the numbers. Part of that is the experience I discussed a few minutes ago. But ultimately, any company, any organization is composed of people and teams of people. I think it is more important to make sure that people understand the commitment to an ultimate vision and goal that's about team performance. And the metrics are going to be in service of that people-oriented goal.