

Proving Legal's Value

A Practical Guide to Metrics That Matter

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A New Era for Legal Metrics:
Beyond Activity, Towards Impact

Dear peers:

The metrics your legal team is collecting and reporting on are probably not sharing a lot of business insight with C-Suite leaders. They likely convey effort, but not impact. And in conversations with your C-suite, effort isn't enough. How do I know? I've made this mistake (more than once).

Business leaders care about outcomes, alignment, and measurable value.

For too long, legal metrics have focused predominantly on activity and cost savings — the number of contracts reviewed, speed of contract reviews, volume of legal tickets, outside counsel fees saved. While these are useful operational signals, they fall short of articulating the true value and strategic contributions of the legal function to the broader business.

Today, we're at an inflection point. Legal teams have an opportunity — and a responsibility — to shift from activity metrics to impact narratives. The metric doesn't have to be your own. You can craft a story using another department's metric.

For example, as Payscale's first in-house counsel hire and General Counsel, Payscale saw a 25% increase in conversion for winning enterprise deals after I was hired and the legal department was formed. This directly contributed to measurable revenue growth, and also the entire legal team being invited to the President's Club with the Sales team (which was a lot of fun by the way, and I recommend vacationing at the Atlantis Bahamas — but more importantly, it marked a turning point in how Legal was viewed).

AI and other technologies are accelerating the automation of routine legal tasks. This isn't a threat; it's an opportunity. AI is capable of doing tasks we don't find meaningful, and it's freeing up valuable time and mental bandwidth to focus on higher-order contributions, especially the kind of impact narratives that demonstrate Legal's value to the business.

This e-book, powered by data from 150 legal leaders, provides a glimpse of what your legal department peers are doing when it comes to metrics that matter. It's a practical guide for in-house attorneys, corporate counsel, general counsels, chief legal officers, legal operations managers, and paralegals to identify, capture, and report on metrics that speak the language of business, resonate with executive stakeholders, and reposition Legal as a value center (let's stop referring to our teams as cost centers, please). The goal is simple: empower your department to tell a clear story of impact, strategy, and indispensable value to the organization.

Let's embrace this new era of metrics-oriented legal departments, where data illuminates our contributions and elevates our strategic influence.

With encouragement,

Jessica Nguyen

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Introduction

THE PROBLEM

Legal teams are eager - and under pressure - to prove their value. But most can't tell a compelling story with the data they have. If your budget went up last year, the CFO wants to know what the business got in return. If you want it to go up this year, you'll need clear evidence of impact. Yet, only 33% of legal departments track spend in real time. Just 31% measure business outcomes. Most dashboards show what Legal did, not what Legal achieved.

WHY THIS MATTERS NOW

When operational metrics don't tell a compelling value story, it makes Legal look like a cost center when budgets tighten and when investment is needed. Activity metrics like contract review times are easy to track (37% track this), but they don't show how Legal helped the business grow, move faster, or stay protected. Meanwhile, 41% of teams desperately want to track real productivity but don't know how.

THE OPPORTUNITY

Teams that measure outcomes flip the budget conversation from "justify your cost" to "how should we invest more?" Small teams need process discipline, mid-size teams need technology leverage, and large teams need business integration. But all need outcome-focused metrics.

HERE'S HOW

- **Shift the story from activities to outcomes**
  Don't show what Legal did (volume); show what Legal achieved (impact).
- **Translate your metrics for each audience**
  CEOs care about strategy, CFOs want ROI, business units want speed.
- **Match your metrics to your maturity**
  If you are small, standardize; midsize, leverage technology; large, align with strategy.

We asked 150 legal leaders across the United States about their biggest challenges, the metrics they currently measure, and the metrics they wish they could measure but can't.

The results reveal both the scope of the problem and the path to solving it.

What follows examines the specific gaps between what legal departments track and what they need to track to prove strategic value.

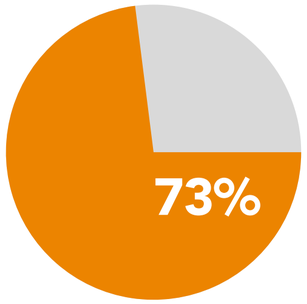
KEY FINDINGS

1. 87% of legal departments maintained or increased their budgets this year, yet the majority still struggle to show what they achieved with it.
2. Only 33% track spend in real time, and just 31% measure business outcomes.
3. Most legal teams track contract review time, budget variance, and matter duration — all operational metrics — while ignoring whether legal work actually helped the business grow or reduce risk.
4. 54% of respondents believe their CEOs see Legal as business leaders or mentors — but only 29% think middle managers view them as trusted advisors, and 33% believe they're seen merely as service providers.
5. The #1 metric legal teams want to track, but can't, is legal team productivity (42%). Even fewer are able to track high-impact business metrics like "Legal's contribution to business growth" (17%).
6. AI is reshaping how Legal operates: survey respondents emphasized that automation and AI tools are freeing up time for higher-value contributions — but adoption is still uneven, and leaders agree that AI alone won't close the measurement gap.

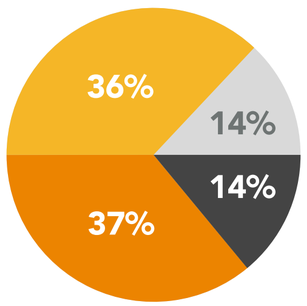


Budgets Are Rising, and So Is the Bar

Budgets held steady or increased for most legal departments last year. But the ability to show impact didn't keep pace.

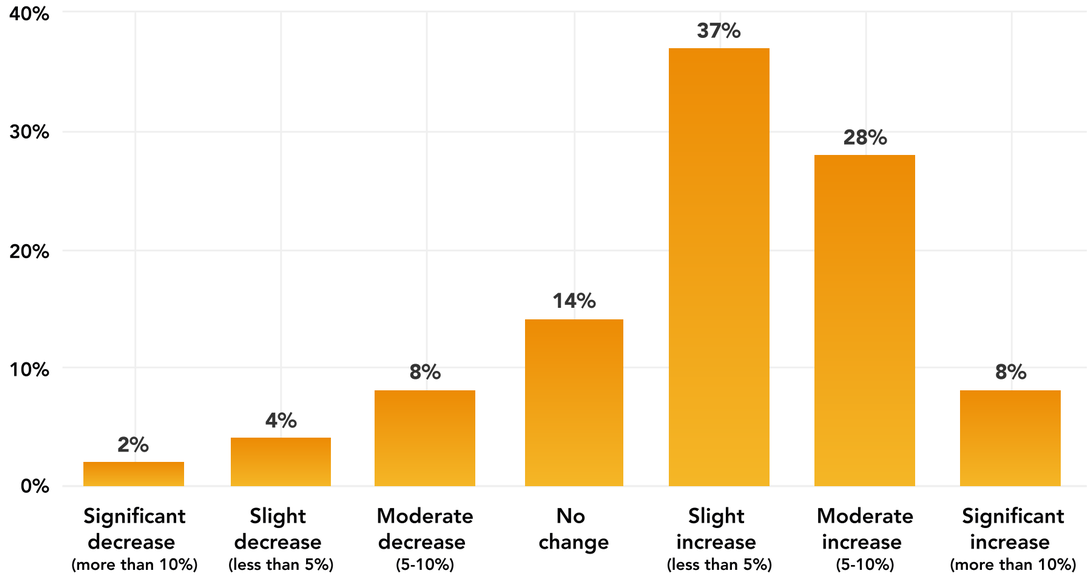


73% of legal departments received budget increases, but most of those gains were modest:



- 37% of respondents received increases of up to 5%
- 36% received increases of over 5%
- 14% saw no change at all
- 14% faced budget cuts

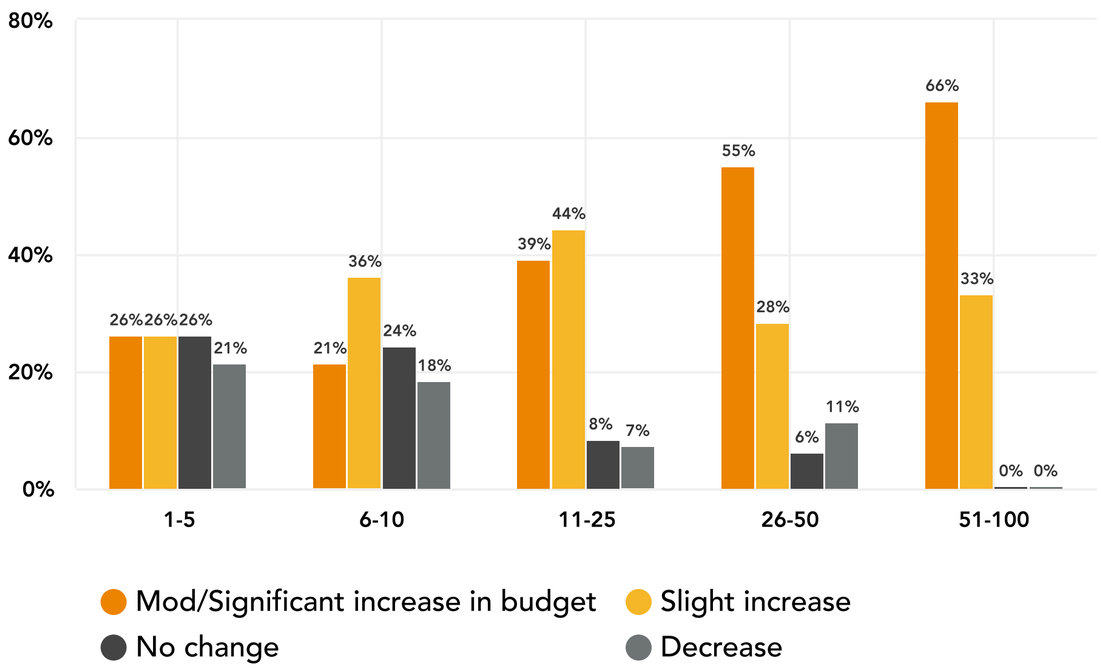
IN YOUR CURRENT FISCAL YEAR, HOW HAS YOUR LEGAL DEPARTMENT'S OVERALL BUDGET CHANGED COMPARED TO THE PREVIOUS FISCAL YEAR?



On the surface, this looks like progress. Budget increases signal recognition of Legal's role—but they don't guarantee new resources. For many teams, modest gains are more about keeping pace with inflation than fueling fresh investment, and with every dollar added comes heightened scrutiny and accountability.

Mid-sized teams (11-50 attorneys) saw the biggest share of increases, while smaller teams were more likely to report flat or reduced budgets:

CHANGE IN BUDGET BY TEAM SIZE



But across the board, budget growth hasn't led to the ability to prove impact. The same executives who approved these budgets will soon ask harder questions and expect proof that their investment is paying off. And legal teams might not be providing that.

Key takeaways:

Budget increases don't reduce scrutiny.
Even teams with 10% more funding face the same pressure to quantify impact and justify every dollar through clear metrics.

Inflation is eating budget growth.
With 37% receiving less than 5% increases, legal departments must do more with marginally more, making efficiency and value demonstration critical.

The accountability bar keeps rising.
Whether your budget went up, down, or stayed flat, stakeholders expect clearer ROI and more sophisticated value metrics than ever before.

Legal Teams Are Concentrating on Activity Metrics, When They Need to Show Outcomes

We asked what specific metrics are currently tracked to demonstrate Legal's value.

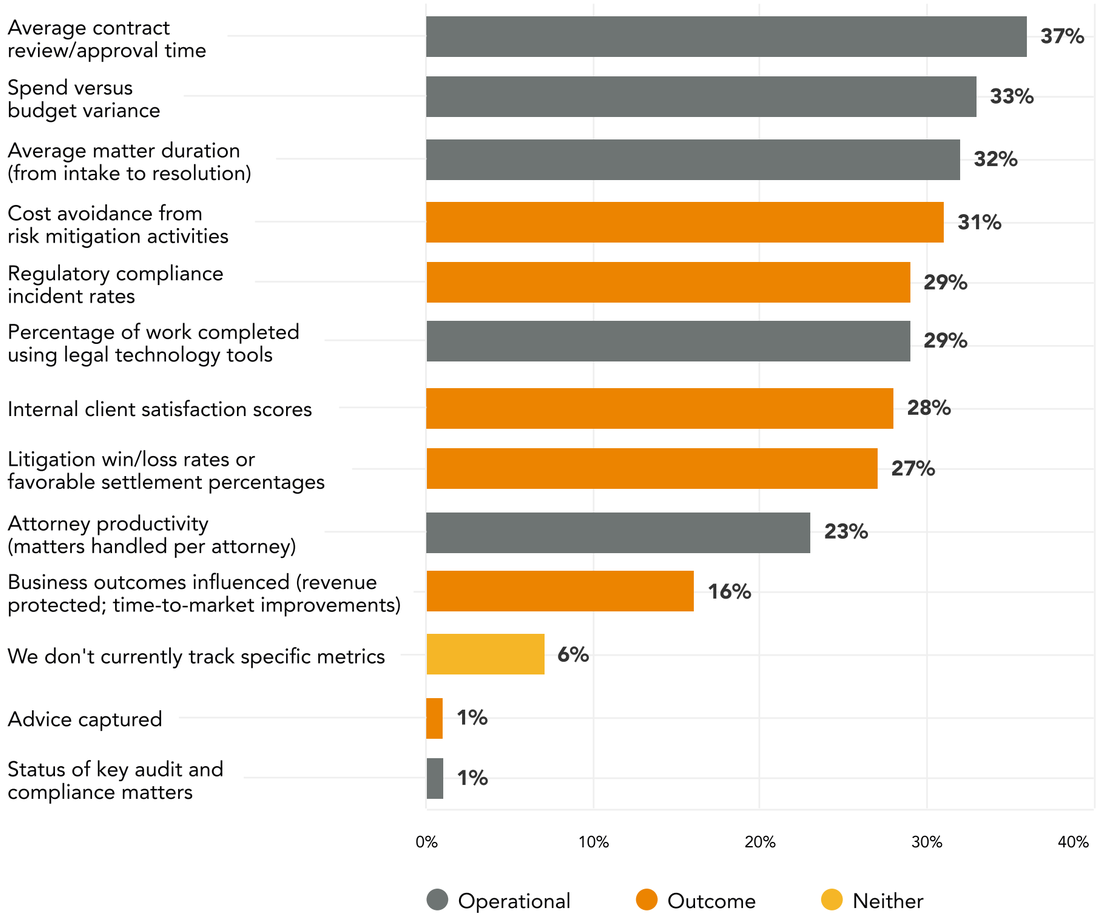
Two things that should jump out at you:

1. The top three metrics—contract review time, spend/budget variance, and matter duration—all relate to what Legal is doing, not how well it is performing.

2. No single metric dominates. With fewer than 40% of respondents tracking any one metric, Legal isn't rallying around a clear set of performance indicators.

Legal departments remain trapped in activity measurement. CFOs don't think in contract review times; they think in dollars saved or earned, risks avoided, and competitive advantages gained. When budget discussions arrive, departments tracking operational metrics will find themselves defending costs rather than demonstrating value.

WHICH SPECIFIC METRICS DO YOU CURRENTLY TRACK TO DEMONSTRATE YOUR LEGAL DEPARTMENT'S VALUE?



TIP TO GET STARTED

Take one operational metric you're already tracking and connect it to a business outcome. For example, link faster contract review times to revenue recognized sooner, not just days saved.

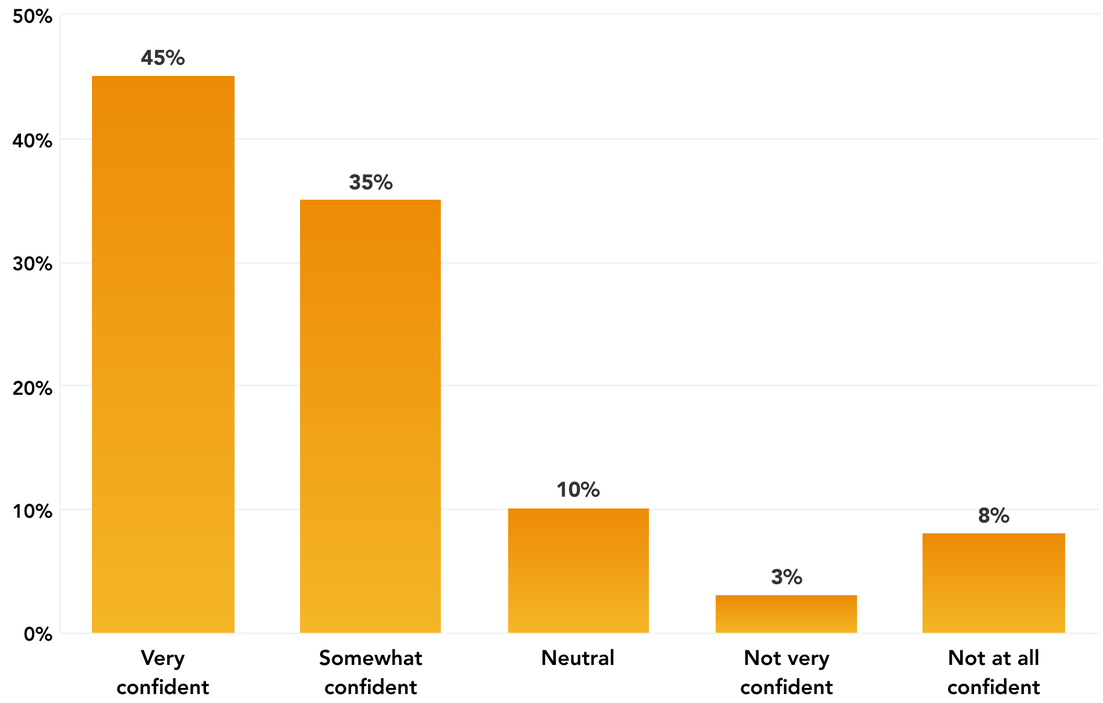
The more important part of the story here is what isn't measured. What do legal teams want to measure, but currently cannot? The top metrics legal teams wish they could track are:

- Legal team productivity (42%): Teams want to understand how efficiently they operate, where work gets stuck, and how resources are allocated.
- Business value generated by Legal advice (31%): This reflects the desire to show that Legal input isn't just delivered - it's trusted, used, and materially improves business decisions.
- Legal's contribution to business growth (17%): Legal wants to show its role in accelerating deals, unlocking new markets, or shaping go-to-market strategies. Not just protecting the business, but propelling it.



But there's a disconnect. Legal teams do believe they have the correct answers:

HOW CONFIDENT ARE YOU THAT YOU'RE TRACKING THE RIGHT METRICS TO DEMONSTRATE YOUR LEGAL DEPARTMENT'S VALUE?



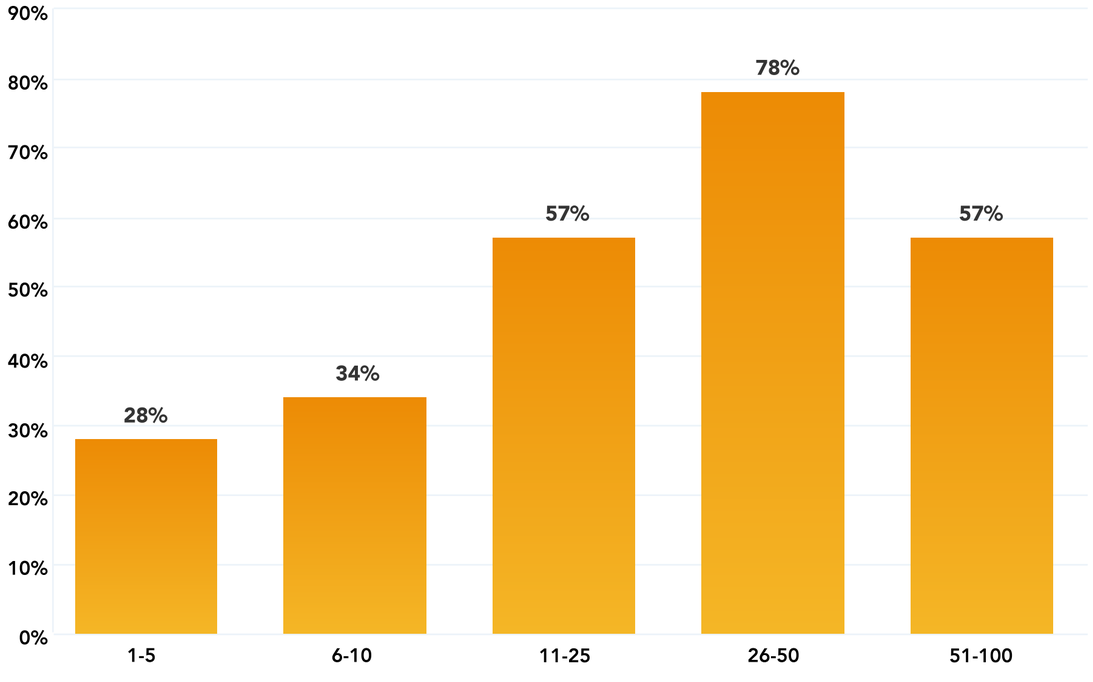
And confidence rises with team size:

- 57% of small teams (1-10 attorneys) report confidence (very/somewhat confident).
- 92% of mid-size teams (11-50 attorneys) report confidence.
- 92% of major departments (51+ attorneys) report confidence.

Do team size and confidence correlate with what they are tracking? Not really. Yes, 42% of major departments track cost avoidance from risk mitigation activities compared to only 25% of small teams, but this is a more significant portion of work for large organizations. The spread for other metrics is low, with no correlation between operational or outcome metrics and team size.

The confidence makes sense when we see that for mid-size and major departments, the majority say they comprehensively track the impact of legal work on business outcomes.

WE COMPREHENSIVELY TRACK THE IMPACT OF LEGAL WORK ON BUSINESS OUTCOMES



Here's the disconnect: when we look at the actual metrics being tracked, most are still operational and not outcomes-based - regardless of confidence or capability.

This is because teams are relying on metrics that worked in the past, but those metrics no longer answer today's questions.

There are two critical shifts for Legal to make.

1 SHOW YOUR VALUE

First, legal teams need to start thinking of outcomes as well as operations. This isn't *either/or*, it is *and*.

The operational metrics you are already tracking help you understand your process and productivity. Teams obviously need to know review times and matter duration—these metrics let you identify bottlenecks, allocate resources effectively, and improve internal workflows.

The outcome metrics help others understand your value by showing how legal work translates to the business: revenue protected, customers satisfied, and compliance penalties avoided.

2 CONNECT THE DOTS

Don't abandon operational metrics - connect the dots on the metric to business impact. For example, if contract review times have improved but sales cycles are longer, then the issue isn't Legal review slowness or contract terms creating friction. It must be something else: do customers have longer security reviews, or frozen budgets?

Legal Teams Need to Manage Perception to Show Success

Metrics are the foundation. But selling Legal value to the rest of your organization is about more than numbers.

That's especially important inside a company, where perceptions about Legal's value shape budget decisions, access to strategic conversations, and even headcount approvals.

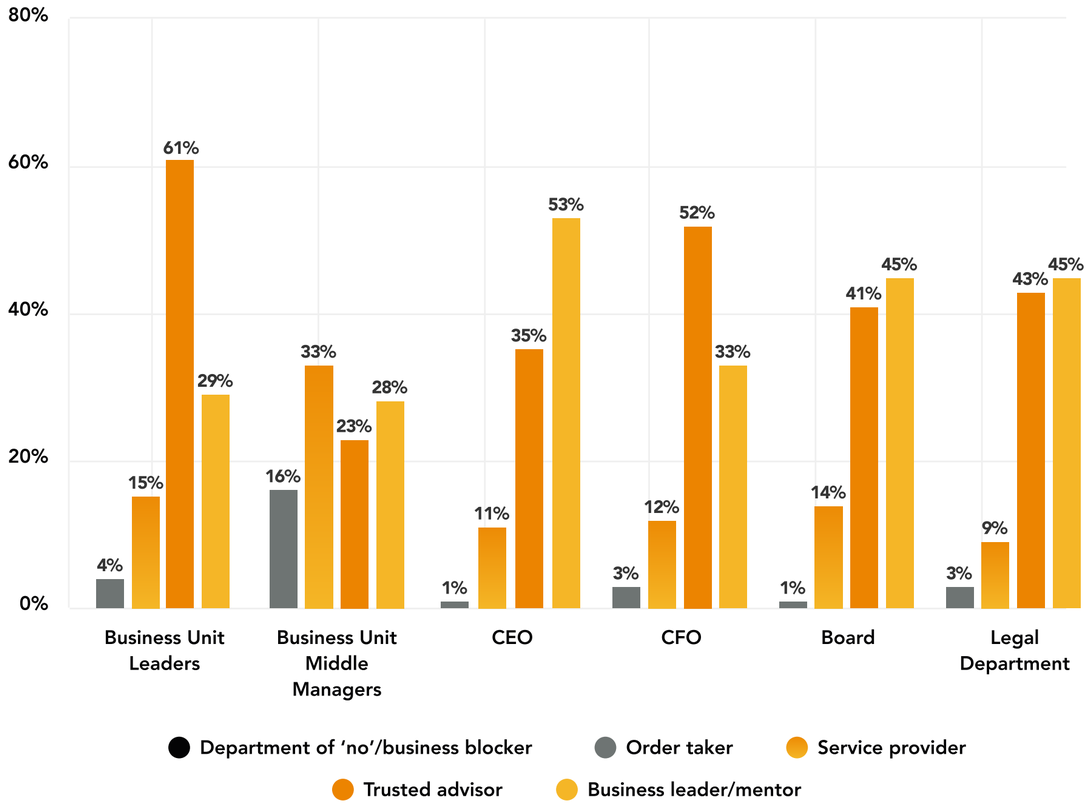
According to our survey respondents, a majority (54%) believe their CEOs view Legal as business leaders or mentors. Still, 46% don't share that view.

Legal is critical to any organization, and you should be seen as leaders, but "Trusted advisor" seems the more common perception.

This is still a positive. It means Legal has earned credibility and access to strategic conversations, even if the department hasn't yet fully demonstrated its ability to drive business outcomes and shape organizational strategy.

But the core takeaway from this should be the data about middle manager perception. Respondents reported that only 29% believe middle managers see Legal as trusted advisors, while 33% believe middle managers view Legal as service providers. Today's middle managers will become tomorrow's C-suite. Their current perceptions will shape future decisions about Legal's role, access, and budget.

HOW DO YOU THINK EACH ROLE AT YOUR COMPANY PRIMARILY PERCEIVES YOUR LEGAL DEPARTMENT'S VALUE?



"Legal is critical to any organization, and you should be seen as leaders, but 'Trusted advisor' seems the more common perception."

This perception gradient isn't about the quality of legal work; it's about how that work gets communicated. Executives who see dashboards showing risk mitigation and revenue enablement view Legal strategically. Middle managers who only hear about contract cycle times see Legal as a service function. Educating middle managers about the value of legal work, and "connecting the dots" for them, means they get to understand how the legal department will help them as they move up the organization.

The takeaway here is clear:

You need to take control of your narrative, especially with middle managers who will become tomorrow's executives, by consistently translating legal work into business outcomes they understand and value. Next, we'll cover how.

What to Do About It:

- **Start building advocates now.**
  Share a recent win in business terms — faster sales cycles, smoother compliance reviews, reduced deal risk.
- **Target the middle.**
  Middle managers are less likely to have direct exposure to Legal's best work. Make sure they hear not just what Legal did — but what it enabled.
- **Control the narrative.**
  If you don't tell your own story, you'll be defined by your ticket queue and your cycle times.



The takeaway is clear: Legal credibility isn't just earned by good work. It's built by telling the right story to the right audience — early and often.

Speak Their Language: How to Change Your Narrative

The most successful legal departments don't just track better metrics; they speak a different language. Every operational KPI without business context reinforces Legal's image as a cost center. Every outcome metric properly communicated builds Legal's reputation as a value creator.

The fix is straightforward: **stop speaking legal, start speaking business.**

Consider these transformations using the same underlying data:

- ❌ "Handled 500 contracts with 3-day average turnaround"
- ✅ "Accelerated $50M in revenue recognition through rapid contract execution"

- ❌ "Zero compliance violations this quarter"
- ✅ "Prevented estimated $8M in regulatory penalties through proactive compliance"

- ❌ "Reduced outside counsel spend by 15%"
- ✅ "Reallocated $2M from legal fees to strategic growth initiatives"

- ❌ "Resolved 12 disputes through early intervention"
- ✅ "Avoided $5M in litigation exposure through strategic dispute resolution"

Each translation keeps the facts intact but shifts focus. Don’t show what Legal did, show what Legal achieved. The activity remains the same; the narrative changes everything.



Know Your Audience

Different stakeholders need different narratives from the same data. Here's how to frame the conversation:

For CFOs: Frame everything in financial terms. Contract turnaround time only matters if it accelerates cash flow or reduces costs. Show ROI, cost avoidance, and capital efficiency.

For CEOs: Focus on strategic enablement. Demonstrate how Legal drives competitive advantage, enables market entry, or accelerates innovation. Risk mitigation matters when it protects growth opportunities.

For business units
Emphasize speed and flexibility. They want to reach markets faster, close deals quicker, and remove friction. Process improvements should enable business agility.

For the board
Provide risk intelligence. Frame metrics around avoided crises, preserved reputation, and strategic risk management. Show how Legal enables smart risk-taking.

You don't need 15 perfect metrics. You need three good ones that connect to business value. Pick metrics that answer the questions your stakeholders actually ask: "What did we get for our Legal investment?" "How did Legal help us win?" "What disasters did Legal prevent?"

Try this:

Pick one metric you currently track. Write three versions: one for your CFO, one for a business unit leader, and one for your CEO. Notice how the same data tells different value stories depending on your audience.

AI can help here. Use a generative tool to reframe the same dataset in different voices—financial, strategic, operational—so you see how the story shifts depending on who's listening. This isn't spin, it's translation - and if you don't tell the right story, no one will hear it.

TIP TO GET STARTED

Use an AI tool to draft audience-specific narratives from the same dataset, then refine with your judgment. This saves time and highlights which angles resonate best.

Match Your Metrics to Your Maturity (With Size as a Proxy)

The survey data from 150 legal leaders reveal distinct patterns:

- **Small teams win through standardization.**
- **Mid-size teams through technology leverage.**
- **Large teams through business integration.**

Each of the following subsections shows how respondents' strategies and reported successes back up these differences.

SMALL TEAMS (1-10 ATTORNEYS):
Focus on Foundation

Small departments live by one rule: systematize or die. The leading strategy for success among teams this size is the development of repeatable processes and playbooks (40%).

With limited people handling unlimited work, there's no room for inefficiency. The metrics chosen should be ones with little ambiguity that you can easily plug and play.

Track these two:

1. **Client Satisfaction Scores**
   Proves stakeholders value your work despite size constraints
2. **Win/Loss Rates**
   This is the core of legal work and an easy metric to calculate

Small teams that try to track complex outcome metrics often fail because they lack the infrastructure to capture the data consistently. Better to track a few simple metrics perfectly than ten sophisticated metrics poorly.

Success looks like: Stakeholders saying, "I can't believe how much you get done with such a small team."

MID-SIZE TEAMS (11-50 ATTORNEYS):

Leverage Technology

Mid-size teams occupy the transformation zone. You're large enough to invest in scalable technology and structured processes, but still agile enough to implement them quickly. 37% of mid-size teams credit technology adoption with their current success.

Your metrics should show you're using technology and external resources to punch above your weight class.

Track these two:

1. **Return on Investment of Legal Technology**

   Proves you're strategically investing in solutions that deliver measurable value. ROI could be labor time saved, outside counsel costs avoided, revenue accelerated, or risk avoided.

2. **Cost Savings From Legal Interventions**

   Demonstrates you're connecting legal work to business results.

This is where departments start measuring outcomes instead of just activities. You have the bandwidth to track how contract improvements accelerate deals or how compliance work prevents fines.

Success looks like: Business leaders saying, "Legal has really stepped up their game this year."

LARGE TEAMS (51+ ATTORNEYS):

Drive Strategic Impact

Large departments must excel across all dimensions simultaneously. Improved alignment (75%), implementation of alternative legal service providers (33%), and strategic use of outside counsel (33%) are the drivers of success in these teams.

Your metrics should prove that Legal operates as a true business partner, not just a large service provider.

Track these three:

1. **Business Value Generated by Legal Advice**

   Shows Legal directly contributes to business growth

2. **Risk Avoidance Outcomes**

   Proves Legal prevents problems that could threaten company objectives

3. **Legal's Contribution to Business Growth**

   Demonstrates Legal influences business strategy, not just responds to it

At this scale, operational efficiency becomes table stakes. Your metrics must show strategic value creation and competitive advantage delivery.

Success looks like: The CEO saying, "Legal was critical to making that deal happen."

The Scaling Challenge

Here's what most departments miss: You can't skip stages. Small teams that try to track strategic impact metrics without building operational discipline fail. Large teams that still measure like small teams get marginalized when budgets tighten.

Watch for the transition signals:

- When small teams start getting requests for specialized expertise, it's time to add outcome metrics.
- When mid-size teams get invited to strategic planning sessions, it's time to track business impact directly.

QUICK CHECK

Look at your current metrics. Do they match your team size and maturity level? If you're tracking like a smaller team, you're probably being perceived as one.



The 90-Day Action Plan

You don't need a full metrics overhaul to start changing perceptions.

This 90-day plan gets legal teams visible value quickly and then builds sustainable measurement systems that last.

The goal isn't perfection, it's progress that stakeholders notice.

MONTH 1

Find Your Power Metric

Cut through the noise. Most legal departments measure plenty, but not all of it moves the needle. This month, focus on identifying the single metric that most changes how your organization sees Legal—while continuing to meet broader tracking requirements.

Start with a two-step approach:

1. **Complete an inventory** of what you currently track.

2. **Strategically assess** those metrics by asking one question: "Does this show value created or just activity completed?"

Keep only what passes this test. Then choose your power metric based on your biggest perception challenge:

- **Seen as a cost center?** Track risk avoidance outcomes.
- **Viewed as a bottleneck?** Measure deal acceleration time.
- **Treated as administrative?** Track business value generated by Legal advice.
- **Considered reactive?** Measure cost savings from Legal interventions.

TIP TO GET STARTED

Pick your biggest perception challenge and identify the one metric that could change that narrative. Everything else can wait—this can't.

By month's end, you'll have one compelling metric that tells your value story. That's it. One metric, clearly defined, ready to track.

MONTH 2

Make It Visible

3. Now make your metric impossible to ignore. **Create a simple one-page dashboard that translates your legal work into business language.** Same data, three versions: dollars for finance, speed for business units, competitive advantage for executives.
4. **Start collecting real examples.** Every time your metric moves, document the story behind it. Contract review accelerated a $2M deal. Compliance work avoided a $500K fine. These aren't hypothetical values, they're actual wins with names and dates.
5. **Share your dashboard with one friendly stakeholder.** Get feedback. Adjust. Don't aim for perfection, aim for clarity that resonates.

MONTH 3

Build Momentum

7. Your metric is working. **Now add two supporting metrics that reinforce your narrative.** If your power metric is cost avoidance, add process efficiency and stakeholder satisfaction. Keep it simple: three metrics total, one story.
8. **Set up a monthly rhythm.** Send a one-page update to key stakeholders with three insights and clear business impact. Make it visual, focus on trends, and always connect to business outcomes.
9. Most importantly, **build collection into your workflow.** The best metrics happen automatically: matter intake captures complexity, case closings trigger value calculations. If you have to hunt for data, the system will break.

What Changes After 90 Days

Stakeholders start asking different questions. Instead of asking, "How much does Legal cost?" they ask, "What value is Legal creating?" Budget conversations shift from defensive justification to strategic investment planning.

Most importantly, you'll have proof when executives ask what value Legal delivered last quarter. And you'll be building on solid ground for whatever metrics evolution comes next.

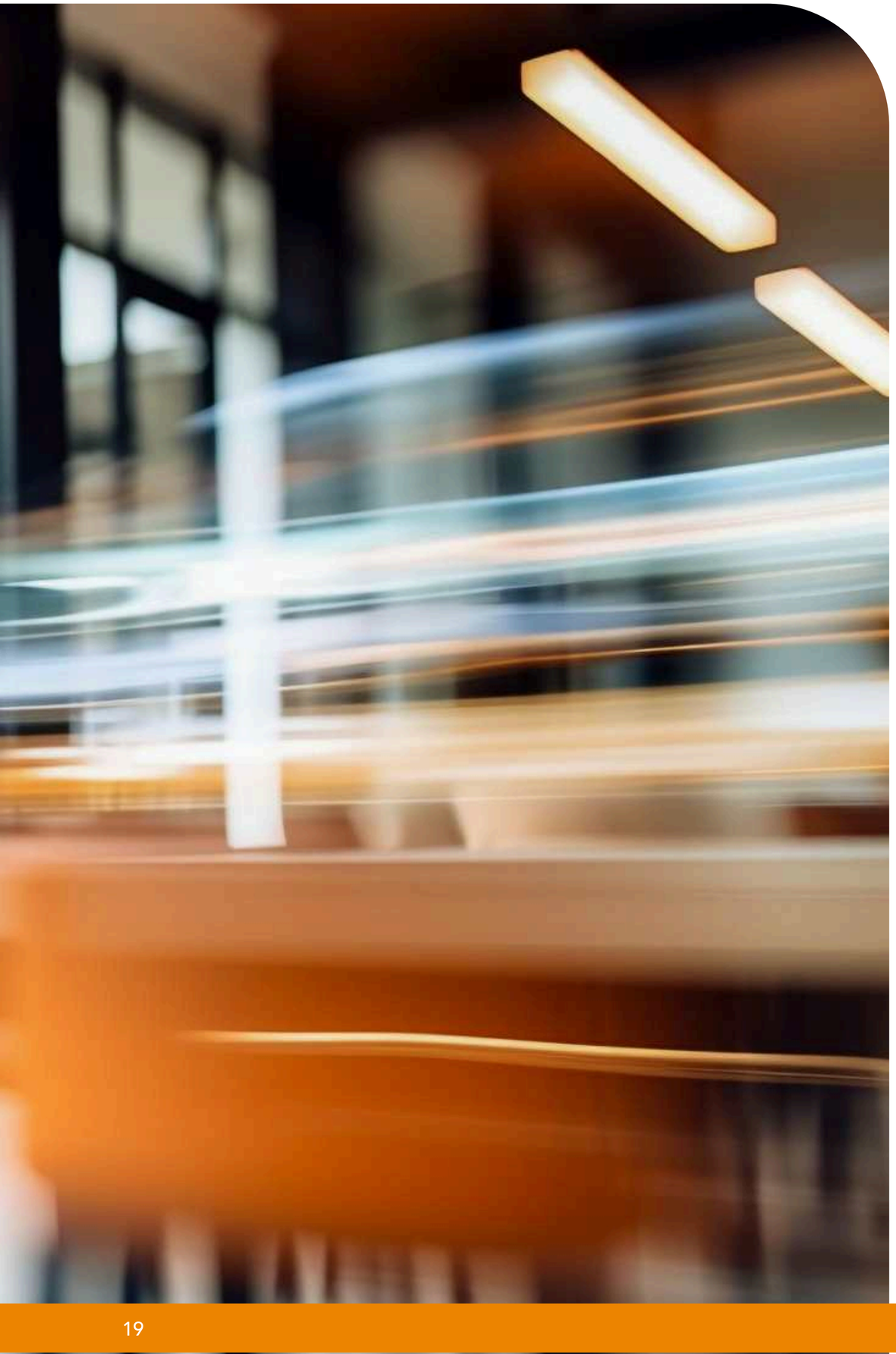


Metrics Matter, But As The Foundation of Your Narrative

Legal departments are at a critical juncture. Despite receiving larger budgets, they're often unable to prove their value to the C-suite in a language executives understand. This is because they focus on measuring activities—like the number of contracts reviewed—rather than business outcomes like revenue accelerated or risk avoided. To move from a perceived cost center to a strategic business partner, Legal must shift its focus to results.

By auditing existing metrics, choosing one powerful outcome-based metric to track, and translating data into a narrative that speaks to key stakeholders, legal teams can change the conversation. This transformation isn't about perfection; it's about progress. By taking these steps, legal departments can demonstrate their strategic value, justify future investments, and secure their seat at the decision-making table.

The time to prove the legal department's value is now.



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to discuss how our flexible legal talent solutions can address your specific needs based on your assessment results.

CONTACT

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