



Legal Operations Excellence:

Legal Leadership through
Turnaround and Transformation

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Chief Legal Officer and
Company Secretary



WOOLWORTHS GROUP



Part 1 – Engineering out legal cost

Woolworths Overview

Group Snapshot

ONE OF AUSTRALIA'S
LARGEST EMPLOYERS

202k
employees

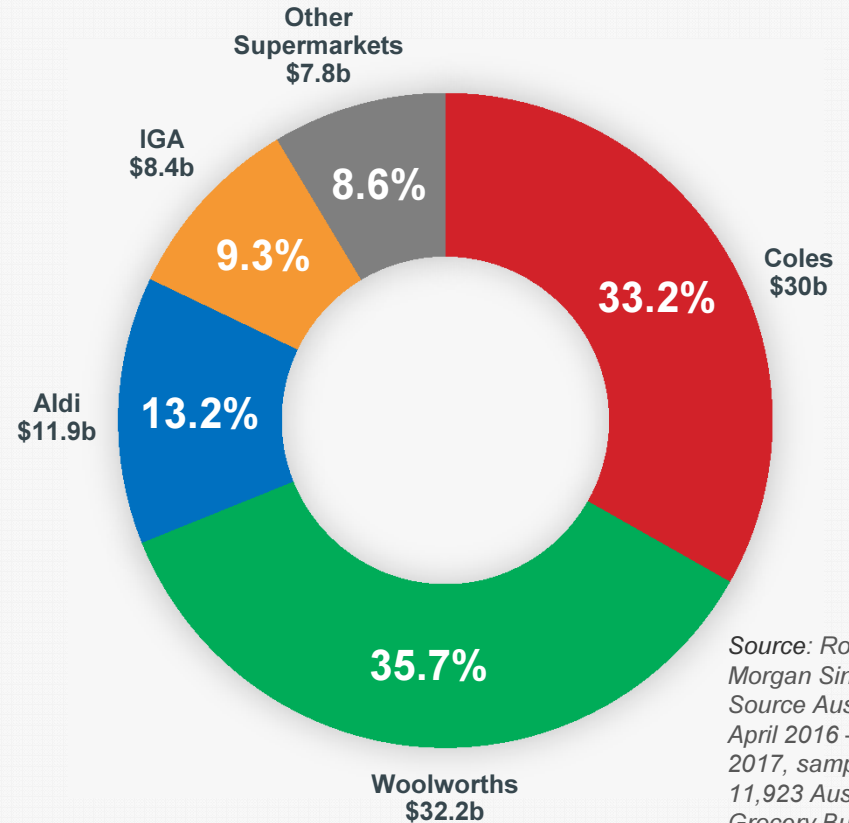
77k
young employees



OVER
3000
WOOLWORTHS
GROUP
STORES IN AUS & NZ
995
WOOLWORTHS
SUPERMARKETS



Shares of the \$90.3 billion spent at Supermarkets in 12 months to March 2017



Source: Roy Morgan Single Source Australia, April 2016 – March 2017, sample n = 11,923 Australian Grocery Buyers 14+.

WOOLWORTHS GROUP



Woolworths Overview

Our Brands



'We bring a little good to everyone every day'
Woolworths is Australia's largest supermarket chain. Woolworth's 125,000 team members provide customers with superior service, range, value and convenience.



'To make Kiwis' lives a little better every day'
Countdown is committed to providing customers right across New Zealand with great choice, convenience, and value.



A small "convenience" drinks merchant.



'Lowest liquor price guarantee'
A destination "big-box" drinks merchant.



'That's a BIGWin'
For over 50 years BIG W has been the trusted backstop of Australian households.



Offers a diverse hospitality experience including electronic gaming, sports bars, bistros, restaurants, cafes, retail liquor, accommodation, nightclubs and wagering.

WOOLWORTHS GROUP



Transformation of Legal Services

From

To

Reactive legal support → Proactive team at top-tier standard

Unclear accountabilities → Business-aligned partnering

High cost → Lowest cost in market

Limited measurement and reporting → Measurement and reporting as a way of life

Many external firms → Selected, close external legal relationships

Low innovation; change resistant → Seeking to lead in all areas of legal innovation

Bureaucratic and centralised → Freedom within a framework



Poll Question 1

Are you confident that
you know your total legal
spend?



Poll Question 2

Can you break your legal spend down by business unit / function?



Poll Question 3

Can you also break it down by work type?



Poll Question 4

Do you allow the
business to instruct
external firms directly?



Poll Question 5

Do you manage to separate internal and external legal budgets?



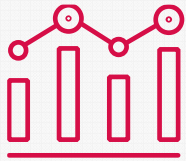
Poll Question 6

Do you treat unexpected legal costs, and big transactions / litigation (etc.), separately from your other legal budgets?

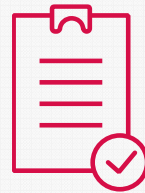


Case Study: ACC Value Champion

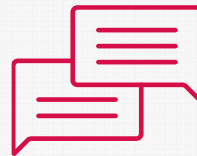
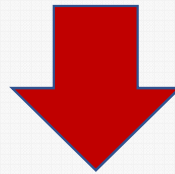
Engineering out total legal cost



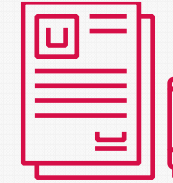
Implement system enhancements



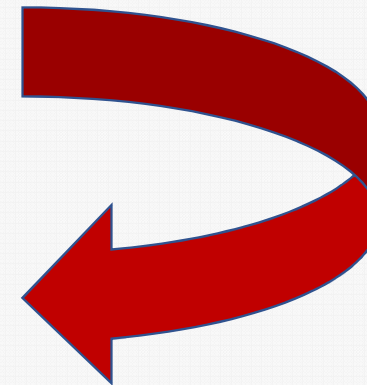
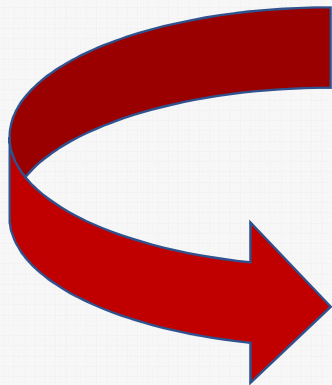
Timely data



Granular understanding legal cost drivers, internal and external



Develop external legal partnering framework



Case Study: ACC Value Champion

How?

System Enhancements

Critical to ensure we can see every dollar of legal spend, coded by business / function, legal activity, firm (if any), responsible internal lawyer

Benefits:

- Mandatory Budget Fields
- Capped Fee and Fixed Fee fields
- Category Architecture and Business Unit fields
- Warning Messages
- Vendor invoice upload function

Timely Data

All firms operate to WOW standard terms. These require billing feeds electronically into our system within 5 days of month end

Benefits:

- Tight matter Management
- Timely billing, reporting
- Shared systems
- Knowledge Transfer

External Legal Partnering

We only work with firms that 'walk in our shoes'.

- Shared approach to cost management and problem solving
- Detailed reports to our templates esp. on major projects
- Half Yearly Relationship Meetings and 360° feedback
- Internal Checklist for WOW Standard Terms



Case Study: ACC Value Champion

Driver Tree Reporting

Benefits realised:

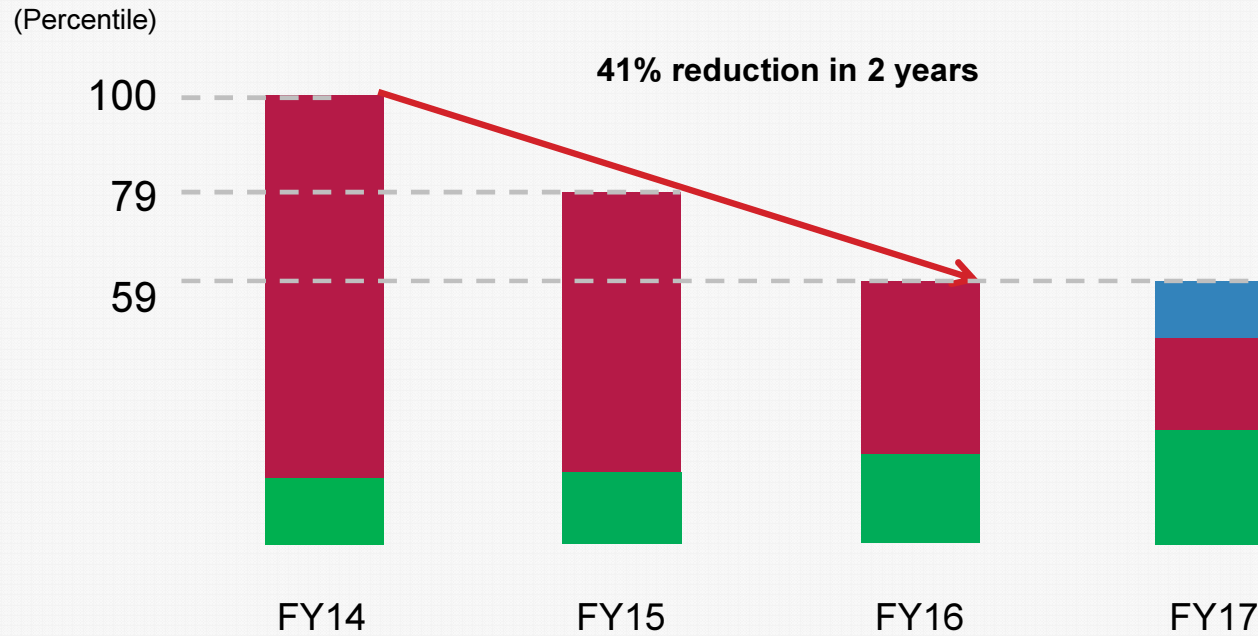
- Every dollar of legal spend visible
- Classified by business/function and legal activity type
- Also by internal /external adviser
- Reports fully automated

Business/function	Matter Category	Matter Type	Total cost, AUD
Total Corporate	Commercial	Commercial	
		Corporate	
		IP	
		IT	
		MA&JVs	
	Litigation & Disputes	Commercial Disputes	
		Property	
		Regulatory	
		Asset Management	
		Business Acquisition	
	Property	Liquor Licensing	
		Planning & Environment	
		Premises Construct & Leasing	
		Property Development	
		Regulatory Policy	
	Regulatory	Product Regulation	
		Regulatory Advice	
		Regulatory Clearances	
		Regulatory Notices/Enquiry	



Case Study: ACC Value Champion

The results



External Legal Fees (Major Projects)				28%
External Legal Fees	84%	78%	63%	36%
Internal Legal Fees	16%	22%	37%	36%



Part 2 – Leadership Learnings

- Transformation is messy: don't expect otherwise
- You will make mistakes
- Your resilience will be tested
- Make time for relationships
- Independent and objective advice is critical
- Get the right external support – and not just legal
- Be flexible – roll with the punches
- Remove ambiguity
- Stay the course

#byinhouse
#ACCNatCon17
#ACCAustralia
#Legal Operations
#Legal leadership

ACCTwitter tag is: @ACC Australia

ACCLinkedIn tag is: @Association of Corporate Counsel
Australia

