Gartner

Gartner for Legal

Your Must-Have Toolkit for Legal Strategic Planning

5 activities that are key to impactful strategic planning

Strategic planning can be an arduous process, but certain activities will differentiate your plan as one that really drives impact.

These five steps are especially important — and think now about the tools you will use at each stage to capture and share key data and information with stakeholders:

1. **Verify the business context.** Confirm the enterprise mission and goals and make sure your employees know how they apply to their everyday work. Align your legal goals for impact.
2. **Assess your function's ability** to deliver on your goals and create a plan to fill the capability gaps that will slow your impact.
3. **Strategically manage legal budgets** to prioritize cost, budget and investment decisions to favor initiatives that will drive impact — and demote those that won't.
4. **Decide how to measure your progress.** Select measures and metrics that will demonstrate the progress you're making against the commitments you've made.
5. **Document your strategy —** ideally on just one page — to simply and clearly state where the legal organization is, where it is going and how it will get to the future state.

Legal leaders are missing an opportunity to showcase their function's value as a strategic partner for the enterprise.

Only 41%

of legal departments tie legal metrics to business goals.

Source: Gartner

Tools and frameworks you'll need

1 Verify the business context

- Strategic Alignment Tool
- Trendspotting
- Prepare for Scenario Planning
- Risk and Compliance Assessment Tool

2 Assess your function's capabilities

- Capabilities Assessment Tool
- Workload Analysis Diagnostic

3 Strategically manage legal budgets

- Budget and Efficiency Benchmarking Tool
- Cost Optimization Framework
- Gartner BuySmart™ Tool

4 Measure your progress

- Guide to Cascading Metrics

5 Document your strategy

- Strategic Planning Templates

1. Verify the business context

Surface and verify the priorities of the enterprise and your business partners.

First, make sure you understand the enterprise business goals well enough to craft a strategic plan for your legal organization that will support enterprise ambitions.

Document both the business context and the likely impact on your function of factors:

- **Within** your function
- **Internal** to the enterprise
- **External** to the enterprise

Key tools for this may include:

- A simple **conversation guide** to focus your conversations with business partners
- **Trendspotting** frameworks to look at drivers of change, including those in the more distant future
- **Scenario planning** activities to align business partners around your hypothetical futures
- **Legal and Compliance Risk Assessment** to collect feedback from a wide range of stakeholders to identify and assess your organization's key legal and compliance risks

Understanding the organization's strategy and goals

Organizational Strategy		
Organizational Goal No. 1	Organizational Goal No. 2	Organizational Goal No. 3

Key questions to ask:

- What are the key business objectives for the next one, two and five years?
- What are the organization's core strategies to achieve these goals?
- How does the organization plan to execute these strategies?
- What are current challenges facing the organization?

Source: Gartner

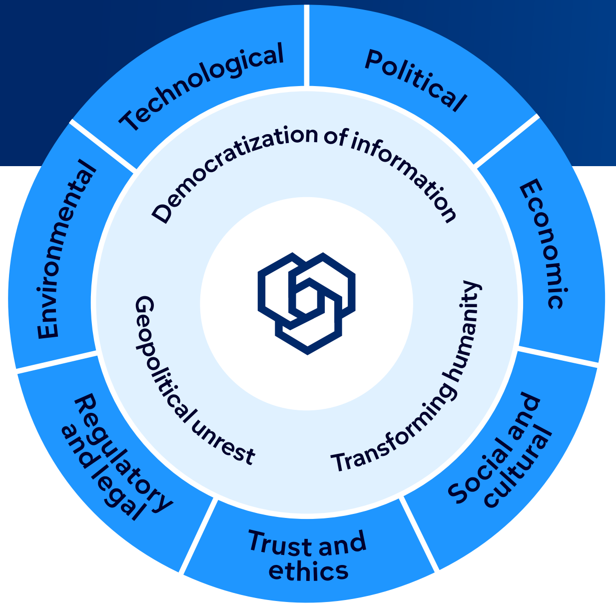
1. Verify the business context

Conversation guide to get business partner perspective and alignment

Questions about that business partner’s domain	Notes of your business partner’s answer
What are your key business objectives and resultant goals for the next two to five years?	
What are your primary strategies? How do you plan to execute these strategies?	
What is the direction of the key product line, supply chain, service offerings, etc.?	
How will you know if your unit is successful? What will you measure?	
What are the key success factors that will make or break your unit’s success long-term?	
What major obstacles will the business unit face in reaching these objectives?	

1. Verify the business context

Framework to scope for emerging trends that present risk and opportunity



No executive leader can predict the future, but you can adopt a deliberate approach to sensing and responding to trends.

Use a construct like the Gartner TPESTRE* of trends to prepare to respond to disruptions and plausible futures. Key considerations are your organization's footprint (existing presence within a market or industry) and foothold (strategic opportunities to expand).

Footprint includes your:

- **Customer base:** Established group of loyal customers
- **Operational facilities:** Manufacturing plants, distribution centers, infrastructure or supply chains
- **Brand reputation:** Market perception of your organization

Foothold includes:

- **Innovation and pilot projects:** Testing new offerings with new emerging technologies
- **Partnerships** to gain market insights
- **Acquisitions** to establish a larger presence
- **Targeted marketing campaigns:** Gauging interest in a new product or service in new markets

Forces and trends impacting your organization's future

Technological (T): Evolution, impact and disruption of technology change

Political (P): Political attitudes, institutions and legislation shifting the political environment

Economic (E): Factors in the economic environment locally and globally that influence businesses and governments

Social and cultural (S): Attitudes, behaviors and lifestyles of individuals and groups in a society

Trust and ethics (T): Ethical expectations, behaviors, duties and biases of people and companies toward one another and society

Regulatory and legal (R): Changes in laws and governmental policies and regulations to reward or punish a particular behavior

Environmental (E): Technical, political, economic, cultural, ethical and legal changes supporting environmental protection and sustainability

Source: Gartner

1. Verify the business context

Framework to prepare for scenario planning

Good scenario planning requires you to first identify trends likely to create significant risks or opportunities.

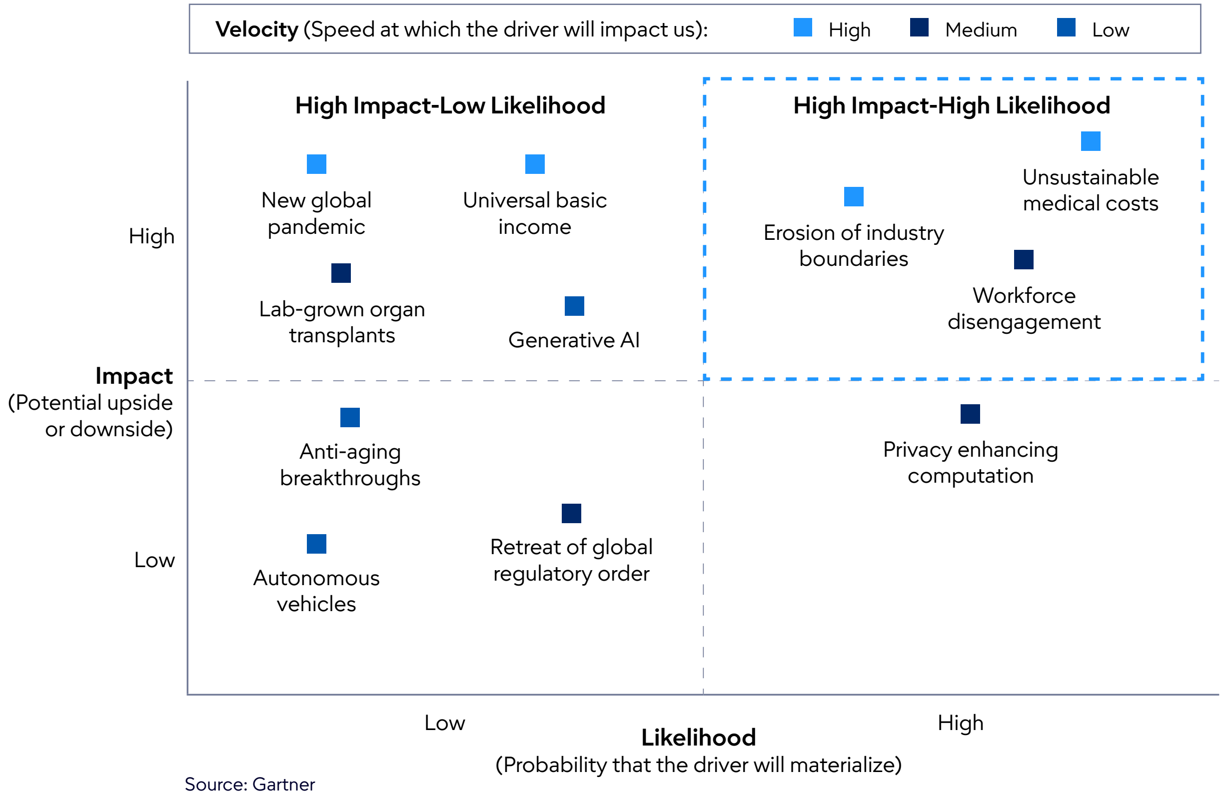
Make sure to:

- Align with a diverse set of business partners on the trends
- Prioritize the trends based on their relative importance (use a tool like this simple 2x2)

From here, categorize and relate trends together to develop scenarios. Develop a storyline for each scenario to test if it seems credible and feasible.

Strategic plans should include actions aligned to whichever scenarios you deem most pressing.

Prioritize actions based on the most material scenarios



Source: Gartner

1. Verify the business context

Assess legal and compliance risk

The Gartner Legal and Compliance Risk Assessment Tool is a survey that allows you to collect feedback from a wide range of stakeholders to identify and assess your organization's key legal and compliance risks. For legal and compliance departments, this turnkey solution provides a fast and cost-effective way to build out a core component of your risk management strategy.

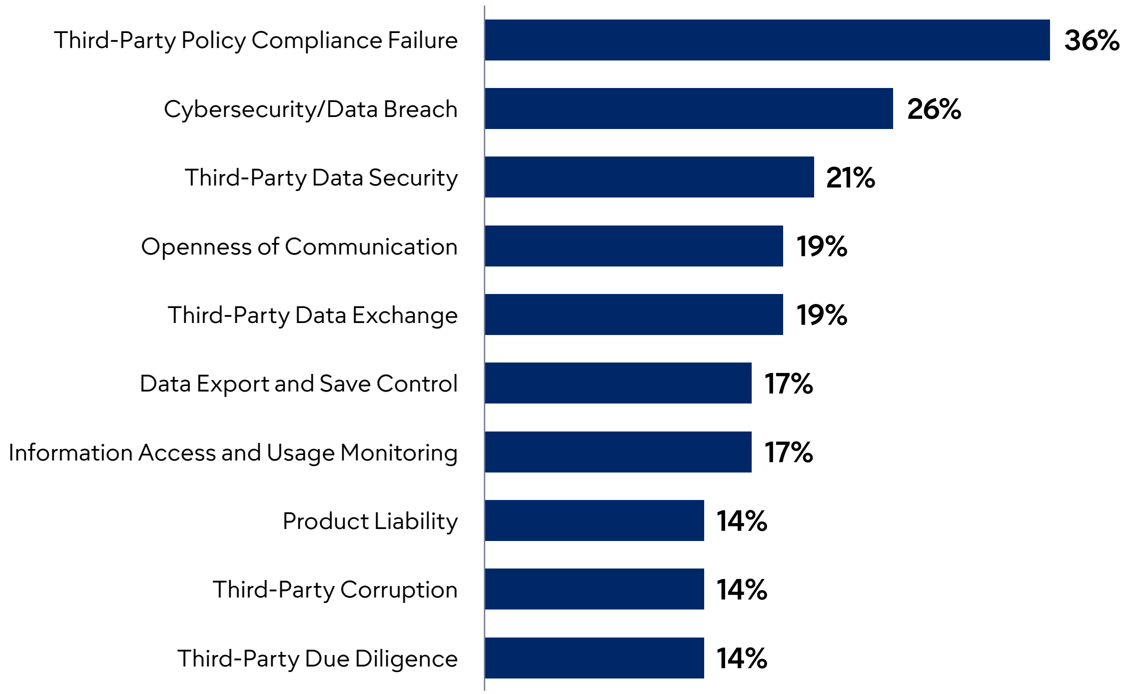
Results from this survey help legal leaders:

- Build a complete view of legal and compliance risks in the organization.
- Inform risk mitigation activities (e.g., strengthen controls, create greater risk awareness in the organization).
- Uncover possible blind spots by identifying differences in risk perception between different segments of the organization.
- Better customize risk communication to different segments of the organization.

Contact Gartner to Learn More

Top legal and compliance risks

Percentage of Time Selected as a Top Five Risk in an Assessment



n = 42

Source: Gartner

2. Assess your function's capabilities

Determine how well-positioned your function is to deliver on strategy.

To ensure optimal results from strategic efforts, it's critical to assess the role of your function in the enterprise and how well it performs that role. As the enterprise strategy evolves, so will this assessment.

In your strategic planning cycle, make sure to undertake a capabilities assessment soon after verifying the business strategy, so you can build a roadmap to improve your effectiveness.

It's important to assess both the availability and maturity of existing capabilities. Take a rigorous approach using a methodology like that taken by the Gartner Score tool.

Measure:

- **Existing performance** across key objectives and activities typically within scope for your function
- Your **maturity** in different activities on a simple-to-understand scale, so you can easily compare maturity in different activities and against best-practice levels
- **The criticality of activities** on a simple scale, so you can focus on requisites for your function to deliver its contribution to enterprise strategy

The objective of this assessment is to plot a path to maturity for each critical activity.

Did you know?

Gartner clients can customize Score assessment tools for their function, and Gartner analysts are available to walk you through your results and action plans.

2. Assess your function’s capabilities

Benchmark your function’s maturity, capability gaps and path to improvement

The Gartner Legal Score is a customizable, comprehensive maturity assessment and prioritization tool for heads of legal and other members of their leadership team. This must-have tool for legal leaders objectively measures the importance and maturity of 10 objectives and 63 discrete functional activities across the entire legal organization and then analyzes the results to provide data-backed guidance on which activities should be prioritized for improvement.

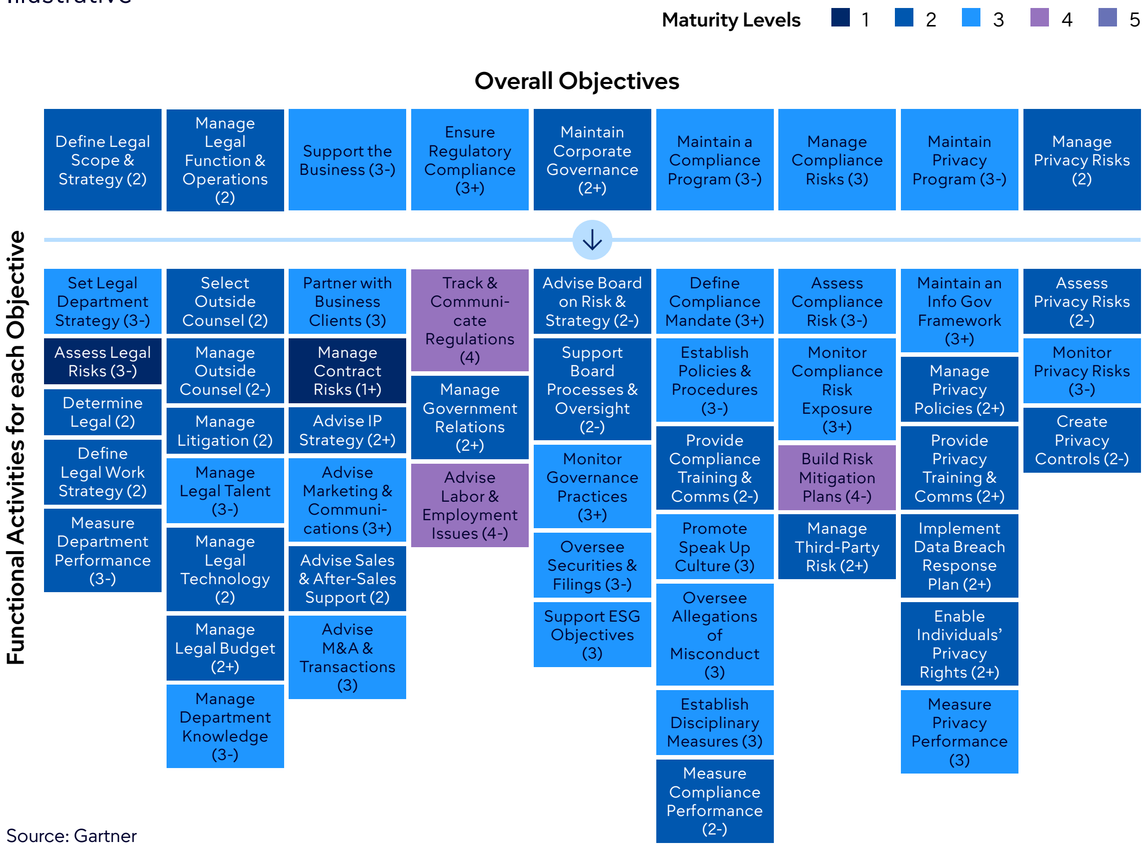
Results from Gartner Legal Score will help you with the following:

- Strategic and annual planning — Understand how well your function is performing in its current state.
- Functional transformation — Support short- and long-term planning by clearly identifying next steps and associated resources.
- Resource allocation — Ensure strategy and resources align with market opportunities and business needs.

→ Learn More

Legal and compliance functional activity map

Illustrative



Source: Gartner

2. Assess your function’s capabilities

Assess how your legal department staff spend their time

The Legal Department Workload Analysis Diagnostic helps legal leaders optimize the allocation and execution of legal work by assessing how department staff spend their time across practice areas and activities.

By providing visibility into the scope of work, time spend and strategic value of work, this diagnostic helps legal leaders:

- Identify areas where work can be eliminated or offloaded
- Spot opportunities for standardization, automation or self-service
- Identify areas where legal work can be reallocated (finding the right person for the right task)
- Shape roles and responsibilities for existing and future staff
- Support a business case for additional headcount or investment in technology

→ Learn More

What is workload analysis?

Source: Gartner

3. Strategically manage legal budgets

Legal leaders face an era of doing more with less budget.

Legal leaders face new challenges in managing budgets — and appealing for funding — as the focus at many organizations shifts to fueling growth with productivity and efficiency.

Bottom line, legal leaders are being asked to achieve more with less. That means being as efficient as possible with headcount, technologies, workflows and processes — deploying resources in the most productive way possible.

Legal leaders will need a strategic mindset and tools to apply three best practices in cost management in this environment:

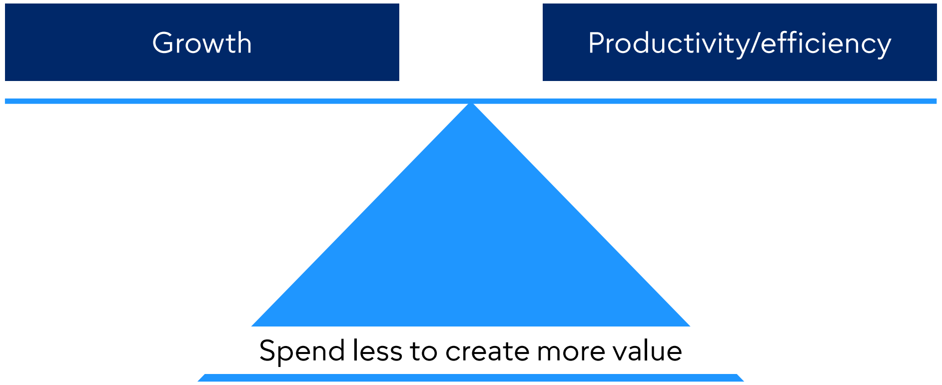
1. **Reallocate funding** from low- to high-potential investments.
2. Fund growth investments using **costs saved** in less important activities.
3. **Use unallocated funds** for as-needed growth investment support.

Technology is one area of spend where every functional leader will need better decision-making tools to select the right vendors and negotiate effectively to ensure ROI.

By 2028, legal department technology budgets will double to support expanded use of generative AI and agentic AI.

Source: Gartner

Constrained growth puts the focus on productivity/efficiency



Source: Gartner

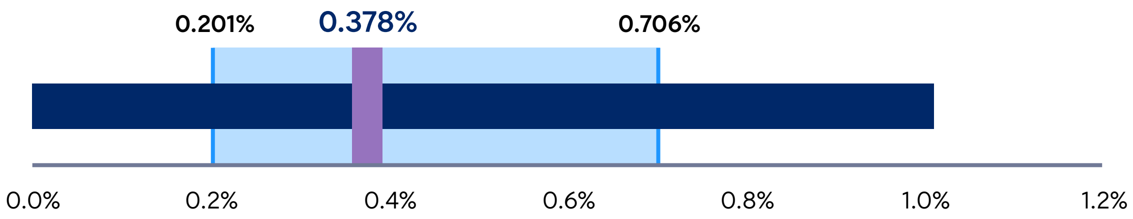
3. Strategically manage legal budgets

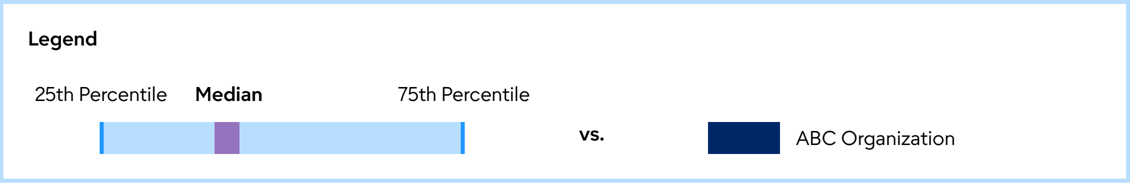
Benchmark your legal budget and efficiency against peers

Total legal spend as a percentage of revenue

Legal spend includes in-house and external resourcing.

Benchmark Comparison Group: Revenue Size: Greater than $1 billion to $3 billion, Greater than $3 billion to $10 billion.





n = 105. Source: Gartner Benchmarks.

Legal spend includes operational expenses plus depreciation and amortization expenses and excludes all capitalized expenses.

Did you know?

Gartner clients can use the Legal Budget and Efficiency Benchmark to evaluate and optimize investments to support long-term improvements.

3. Strategically manage legal budgets

Framework to map the relative value realization of your cost initiatives

To optimize costs strategically and productively (rather than just cutting), you need to know what drives costs, which costs relate to differentiating capabilities (i.e., value drivers) and what are your returns on investment.

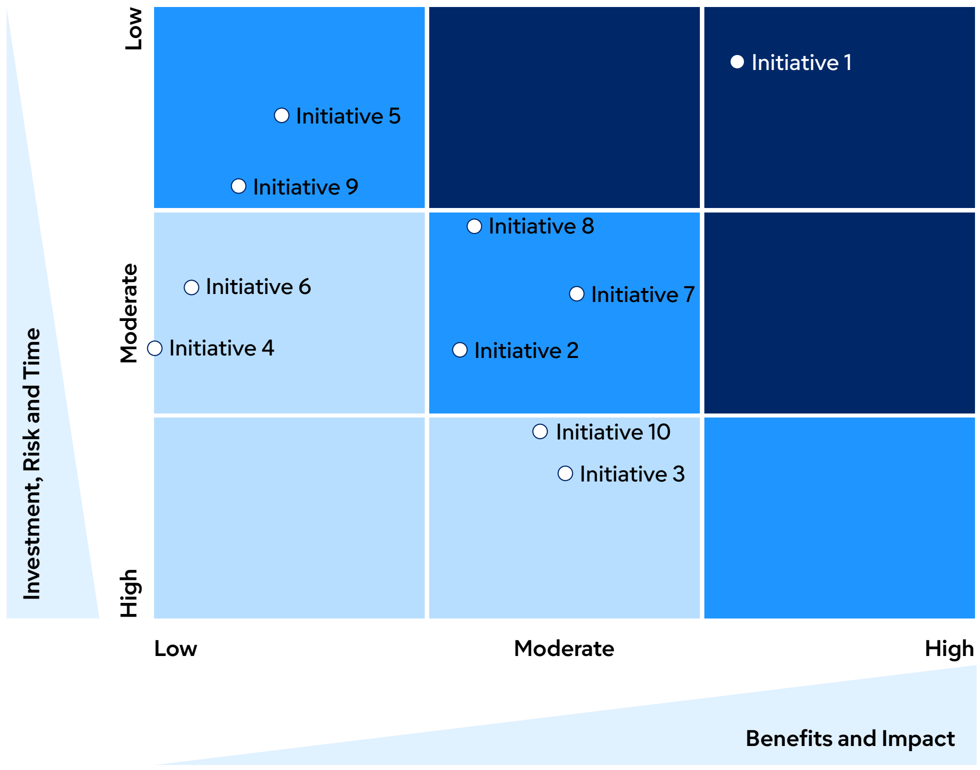
Strategic cost optimization rarely succeeds without three things:

1. Standardized cost management framework
2. Shared understanding of cost-to-value relationships
3. Consistent definition of success beyond cost saving

Use a structure like the Gartner Cost Optimization Framework to refine and visualize your cost optimization ideas by the level of benefit, cost, risk and viability so stakeholders have full visibility into the relative merits of deploying spend.

Learn More

Map your cost optimization initiatives and visualization trade-offs



Source: Gartner

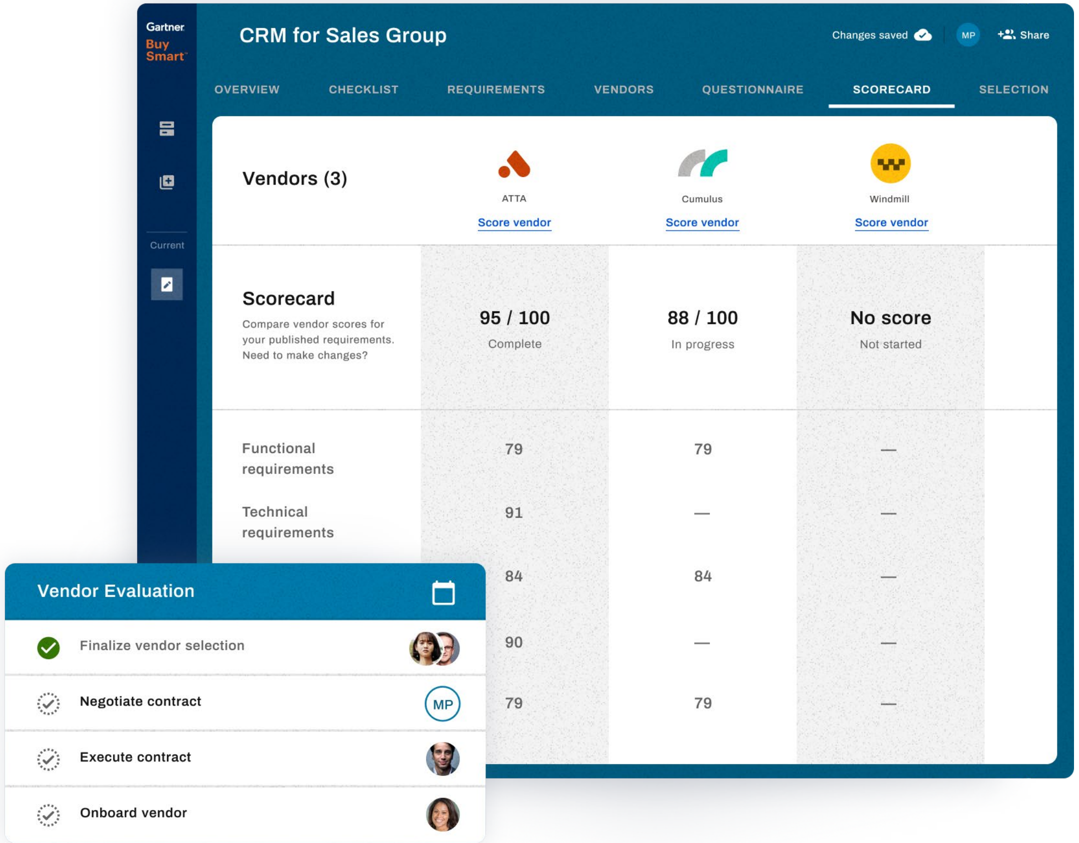
3. Strategically manage functional budgets: Gartner BuySmart™

Tool to evaluate tech decisions and buy with more confidence

Use the Gartner BuySmart™ tool to get quick access to our proprietary analyst and peer insights and evaluation templates for a wide range of technology vendor solutions.

- **Discover** a wide range of possible technology vendor solutions, driven by proprietary analyst and peer insights and evaluation templates.
- **Evaluate** using requirements, questionnaires, scorecards and more, chosen by and visible to your whole team.
- **Select** vendors using your aggregated team scores to remove bias and clarify decisions.
- **Optimize** your spend and reduce risk with a Gartner analyst proposal review.

→ Contact Gartner to Learn More



4. Measure your progress

Identify metrics that will show if your plan is working.

Use metrics to assess the function's performance and its progress in delivering on strategy.

It's important to understand the difference between measures (observable business outcomes that show whether your actions plans are working) and metrics (the data that quantifies those measures).

To choose meaningful metrics:

- Focus on alignment with strategic priorities.
- Don't overengineer or overpopulate your list of metrics; limit it to a few simple SMART metrics.
- Mix metrics as needed for different dimensions of the business (e.g., customer, operational, human capital).
- Identify which metrics will specifically trigger actions predetermined by your strategic plan.

You will need to revisit your strategic plan as business conditions change; make sure to realign your measures and metrics accordingly.

The Gartner Hierarchy of Marketing Metrics

Specific
The metric is sufficiently granular for the goal it measures.

Measurable
The metric can be measured with reasonable ease and accuracy.

Actionable
The metric can lead to action to improve performance.

Relevant
The metric is aligned to overall objectives.

Time-bound
The metric provides early warning signals of approaching risks or gaps in performance.

Source: Gartner

4. Measure your progress

A guide to selecting metrics that measure your progress toward goals

5. Document your strategy

Provide a single-page overview to simply and clearly communicate your strategic plan.

Your strategic plan defines the roadmap of initiatives and portfolio of investments your legal organization intends to pursue to execute its commitment to drive business strategy.

Putting your legal function plan on a single page makes it easier for you to share, summarize and communicate — and easier for business partners to visualize and understand.

One-page templates are meant to provide a summary of your strategic roadmap, not to serve as the overall strategic plan.

Make sure yours contains the initiatives identified as a part of the overall strategic planning process for your function.

See the next page for a simplified view of one Gartner one-page plan (and use the fillable template for your planning), but note that different functions and organizations will need to customize their view, its component parts and level of detail.

Did you know?

Gartner clients can submit their strategic plans for analyst review, receiving tailored feedback and input to strengthen and align their strategy with best practices.

5. Document your strategy

One-page template to capture your strategic plan for easy communication

This is an example. Use the fillable template on page 22 to customize for your needs.

Vision statement

State where the organization wants to go, what you want to accomplish.

Example: Provide the organization with strategic clarity and ensure efficient execution in a world of legal/political/social uncertainty.

Statement of strategy

Develop a concise statement to summarize the essence of the plan, the target state and required initiatives.

Example: Prepare legal department budgets and strategies, balance department growth and improve organizational challenges.

Current state

4 to 7 key metrics characterizing your current state

Do
- Accurately measure the organization's baseline and progress toward target state
- Capture risks to achieving mission-critical business priorities

Don't
- Create overly detailed metrics related to day-to-day performance

Example: Percentage of contracts turned around within designated time frame — 87%

Example: Total outside counsel cost savings due to department efficiencies — $100,000

Plan

4 to 7 initiatives required to achieve the target end state

Do
- Reconcile conflicting views
- Build strong buy-in
- Focus resources and attention

Don't
- Push ahead without consensus and buy-in

Example: Implement a contract management system to enhance functionality and improve efficiency of key business processes.

Example: Establish a global outside counsel shared services center to reduce overall costs.

4 to 7 assumptions that must be true for the plan to succeed

Do
- Communicate explicitly
- Specify quantifiable thresholds
- Allow for real-time course corrections

Don't
- Create confusion or disagreement around basis of strategy
- Omit risks that must be mitigated

Example: Significant regulatory and business practice changes as they relate to labor and employee, privacy and environmental disclosures

Example: High volume of acquisitions across industry and supply chain

Future state

4 to 7 key metrics characterizing your target state

Do
- Describe the organization's desired end state
- Set goals to determine when the end state will be reached

Don't
- Target scenarios too distant from the current state

Example: Percentage of contracts turned around within designated time frame — 90% within 12 months

Example: Total outside counsel cost savings due to department efficiencies — $200,000 by end of 20XX

5. Document your strategy

Fillable template to outline your own strategic plan on a page

Type in the fields below to complete the interactive form

Vision statement

Statement of strategy

Current state

4 to 7 key metrics characterizing your current state

Plan

4 to 7 initiatives required to achieve the target end state

4 to 7 assumptions that must be true for the plan to succeed

Future state

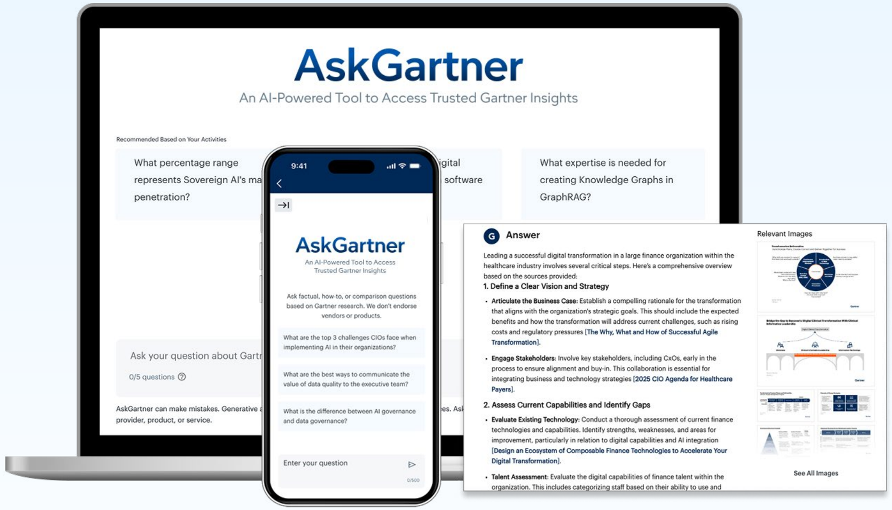
4 to 7 key metrics characterizing your target state

Key questions to ask

Gartner clients can ask questions like these directly on AskGartner.

Question	
How do leading GC lead through periods of uncertainty and change?	Explore Answer ↗
Which legal workflows and processes can be supported by AI, and which should remain exclusive to lawyers?	Explore Answer ↗
Can legal surface the legal, regulatory and geopolitical shifts that will most impact our business model?	Explore Answer ↗
How do we measure the ROI of AI deployments within the legal department?	Explore Answer ↗
Do directors have the skills and experience necessary to support the organization in anticipating the risks we will face in the future and provide integrated strategic guidance?	Explore Answer ↗

Your peers use AskGartner to answer these questions in minutes.



Learn More

Actionable, objective insights

Position your legal function for success. Explore these additional complimentary resources and tools:

Webinar

Join a Virtual Event

Hear the latest insights from Gartner analysts at an upcoming or recorded event.

Watch Now

Insights

Top AI Insights for General Counsel

Explore Gartner tools, webinars and templates to accelerate digital readiness and unlock AI's full potential.

Download Now

Insights

Quarterly Emerging Risk Report

Learn the top emerging risk trends for assurance leaders to monitor and mitigate now.

Download Now

How We Help

Gartner for Legal

Discover how we can help you tackle your mission-critical priorities.

Learn More

Already a client? Get access to even more resources in your client portal. Log In ↗

Connect with us

Get actionable, objective insight that drives smarter decisions and stronger performance on your mission-critical priorities. Contact us to become a client:

U.S.: 1 866 263 8917

International: +44 (0) 3301 628 476

Become a Client

Learn more about Gartner for Legal
gartner.com/en/legal

Stay connected to the latest insights

Gartner®