

The 2019 Tech GC survey:

Inside legal at the world's fastest-growing companies



Juro W&R



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Introduction

WHO DID WE SURVEY?

In a three-month span during 2019 we spoke to 30 legal counsel at technology companies, with the following job titles:

- Chief Legal Officer
- General Counsel
- Commercial Legal Director
- Assistant General Counsel
- VP Legal
- Head of Legal
- Senior Legal Counsel

Lawyers at high-growth technology companies are on the front lines of fundamental socioeconomic change.

The model of business growth heretofore known only in “traditional” innovation centers like Silicon Valley has gone global, and entrepreneurial talent and ambition can come from anywhere.

The UK in particular has witnessed incredible change in becoming the European center of innovation and risk capital. Only \$100m was invested into London technology companies in 2010; in 2019, that number is on pace for over \$5bn. As former UK Prime Minister David Cameron stated in his watershed ‘Tech City’ speech in November 2010:

“Right now, Silicon Valley is the leading place in the world for high-tech growth and innovation. But there’s no reason why it has to be so predominant. The question is: where will its challengers be? Bangalore? Hefei? Moscow? My argument today is that if we have the confidence to really go for it and the understanding of what it takes, London could be one of them. All the elements are here.”

In-house lawyers at technology companies around the world are helping turn the Tech City vision into reality, advancing their companies’ ambitious business goals while measuring, managing and mitigating risk.

The business world is changing at a breathtaking pace, and the current generation of technology lawyers must at all times keep one eye on the legal and one eye on the commercial. In partnership with tech founders rising to Cameron’s challenge to scale world-beating technology companies, the modern technology lawyer is scaling the role of in-house counsel to become a strategic partner to the business and trusted advisor to the C-suite and board.

“The business world is changing at a breathtaking pace, and the current generation of technology lawyers must at all times keep one eye on the legal and one eye on the commercial”

Having itself scaled as a Silicon Valley startup, WSGR is thrilled to support technology companies and their in-house lawyers as they compete and win on the global stage, and to partner with Juro to help provide insight as to the current state of that journey. We hope you find their insights as interesting as we did. 📖



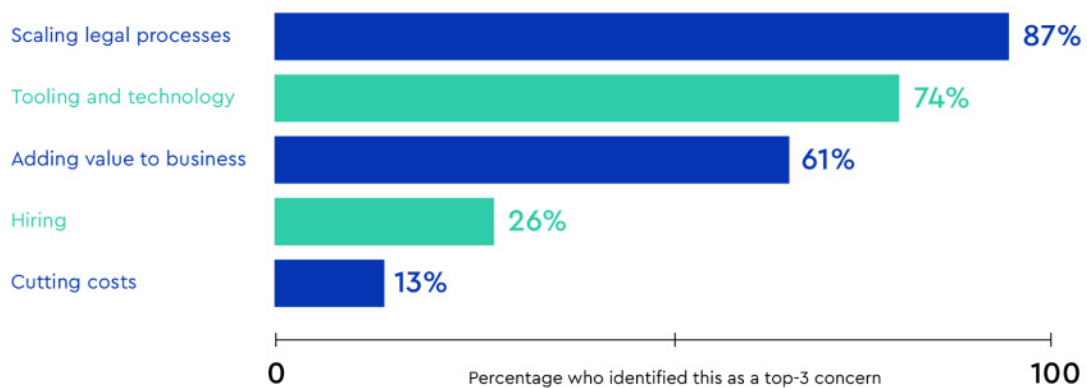
Daniel Glazer is an American technology lawyer, strategic business advisor, and the managing partner of Silicon Valley-headquartered Wilson Sonsini Goodrich & Rosati’s US Expansion group and London office.

Since the 2010 launch of the UK Government’s ‘Tech City’ initiative, Dan’s team has supported technology-driven UK companies through their US life cycle – US launch, expansion, fundraising, partnerships, M&A and IPO – and helped facilitate access to WSGR’s transatlantic network of capital providers, corporates, and advisors. Contact Dan at daniel.glazer@wsgr.com.

Key findings

From scaling legal process to cutting costs, technology to international expansion, we asked tech GCs which issues they found most pressing in their day-to-day roles. We heard a range of concerns, but the biggest were clear.

Which are the biggest priorities in your legal team over the year ahead?



48%
of tech GCs ranked
'scaling legal processes'
as their **biggest priority**



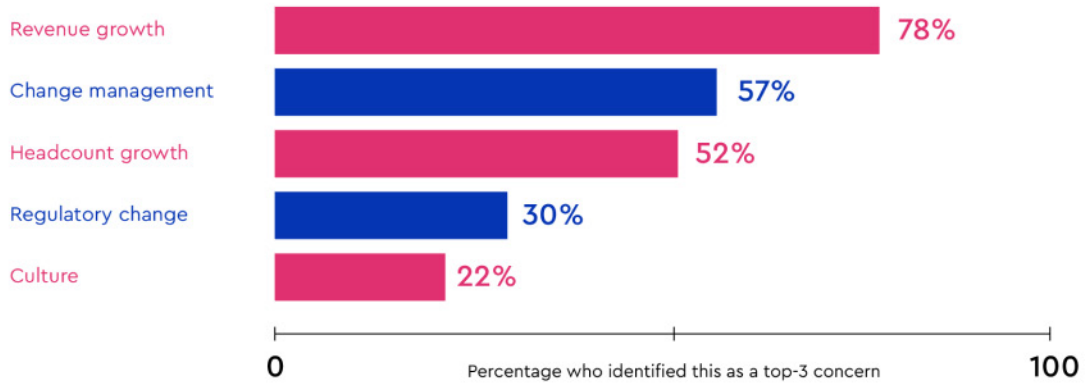
Scaling legal processes

87% of respondents ranked 'scaling legal processes' as one of their top three concerns. In fact, it was the number one issue for 48% of respondents. Creating and maintaining legal processes that can handle the strain of aggressive growth, without causing friction with the business, is a universal challenge.

When we compared respondents' biggest concern with the age of their company, we found that scaling legal process remained the biggest challenge regardless. This suggests that the pressure of scaling isn't limited only to the shiniest new startups and scaleups. More mature tech companies are also worried about scalable process. It would seem that legal as an industry is going through this change wholesale, rather than it being limited to the particular company in question.

Later in the report, we take a closer look at each of the top three concerns for tech GCs.

What are the biggest challenges you face as a business in the year ahead?



78%
of respondents chose
'revenue growth'
as a top-3 challenge
for the company



“Business colleagues want deals done quickly - putting a legal solution in the way is difficult, but if you don't get it right, they'll just sidestep legal and do it their way”

Mateo Sanchez
Global Head of Legal Ops, Uber

Revenue growth

In an environment where billion-dollar valuations and eye-watering funding rounds seem to be growing more and more common, it's no surprise that **78% of respondents** identified revenue growth as their company's biggest challenge. 65% gave it the top spot. According to CBInsights¹, only 1% of venture-backed startup companies reach 'unicorn' status (a valuation of \$1bn) and 67% of companies end up dead before their second funding round.

Change management is a concern even for relatively young high-growth tech companies. Managing the transition from the grow-at-all-costs startup days to operating as a mature company with a positive culture is far from easy.

Internationalization

When we pressed respondents to elaborate on any additional concerns, three quarters (75%) of those who did so specified Internationalization. Expanding into new territories means scaling legal processes across borders, which can be challenging on a regional and international scale. Similarly, the regulatory environment in a new market can be a considerable challenge to the legal team, with an impatient business looking to unlock new revenue as soon as possible. Expanding into new regions without a well-executed plan of action can cause friction and stress at all levels of the business.

By understanding the results from this survey, we can identify common pain points for legal teams working in a variety of companies. If you're an in-house counsel, and these key findings echo your daily concerns, the next chapters explore each issue, and how real-life tech GCs handle them. [📖](#)

1 - <https://www.cbinsights.com/research/venture-capital-funnel-2>

2 - <https://www.forbes.com/sites/nicolascaloin/2018/11/15/european-startups-dont-really-care-about-brex/#5ec1e5ff5183>

Scaling legal process

87% of respondents identified this as a top-three concern for legal.

“When we integrate a new process or tool or piece of automation, we have to ask whether this can scale with us - can it work with 10x the number of documents passing through it?”

Rohan Paramesh
VP Legal, Habito

Scaling legal process was the clear winner when it came to priorities for tech GCs, with around half our respondents identifying it as their biggest focus. This is hardly a surprise from a cohort at companies who focus so heavily on growth: as revenue and headcount scale, the legal processes that make all of that happen have to scale too.

But scaling legal process can mean different things to different tech companies. There are some commonalities: volumes of NDAs, sales agreements and employment contracts are going to increase, and need to be managed through to signature quickly in order to capture revenue and talent. However, for some companies, scaling legal process means frictionless cross-border legal services; for others, managing IP at scale.


One reason why legal processes that can scale are overwhelmingly important to get right in high-growth companies is that ultimately, a process that can't take the strain is a risk nightmare waiting to happen. Whether that's contracts going missing leading to missed deadlines and financial loss, or unmet regulatory requirements leading to a fine or lawsuit, lawyers need to be sure that their processes are robust enough to handle a future with 50x the revenue, but only 3x the total legal headcount.

Another reason is that when key events arise, like a fundraising round or an IPO, a worst-case scenario is that the company is blocked from moving as decisively as it might want to by legal processes that didn't scale properly. This can lead to expensive outside counsel being retained to crawl through documents and unearth proper audit trails.

Lawyer morale

Aside from the company's health, lawyers' own wellbeing and job satisfaction will feel the pain if legal processes don't scale. If a Magic Circle associate leaves a well-paid role in private practice to join an exciting tech company, only to find that they spend their days and nights crawling through low-value PDF contracts and shuffling emails around, they're unlikely to stick around too long before looking for a new challenge.

The final thing to consider is the impact of creating legal processes - any legal processes - that don't scale, and then attempting to change them later. One reason why tech GCs as a group are one of the industry's leading indicators, in terms of behaviour, is that they typically have fewer legacy processes to unpick, and more of a blank slate when it comes to creating better workflows. However, if an in-house counsel ignores a problem early on when there are 70 employees, that minor issue is going to be exponentially harder to fix when employee 1000 is signing on the dotted line.

It's for all these reasons that legal operations has seen such growth as a discipline. Borne out of west-coast tech companies, legal operations recognizes that if legal as a function is to keep pace with the dynamic teams alongside which it sits, getting process right is pretty much non-negotiable. 

Interview: the Head of Legal



Sophie Salisbury is Head of Legal at AppearHere, the marketplace for short-term retail space. AppearHere raised \$12m in Series B funding in 2017 and its customers include Apple, Google and Nike.

What's it like being the Head of Legal at a high-growth tech company? Sophie Salisbury gives her take below on the top three concerns identified by our survey.


Scaling legal process:

"People in high-growth businesses often understand why other areas and processes need to scale, but with legal teams it can be a harder sell. I try hard not to be a blocker and will work to deliver things as quickly as people need them. But that can create a lot of stress for me as a sole counsel, and other people wouldn't see that, so it wouldn't seem like a priority. Also lawyers don't necessarily work with a mindset that's focused on scaling processes – often they've never done it before, so unless they have that relevant experience, that can add to the stress."

Tooling and technology:

"When you're researching new solutions, it's useful to get networks to work in your favour – I'm part of the Disruptive GC network, which is very helpful. Lawyers typically trust the advice of other lawyers, so their recommendations are a great place to start."

Adding value to the business:

"This can be challenging in a reactive role. You can counter this by speaking to the right people, getting in front of business leaders and explaining where you think there's value to add. Getting their buy-in is key, and that depends on factors like management structure and the readiness of different individuals to get involved. Some people have collaborated with legal before and are bought in, but others may have never experienced working with a good legal team – or any legal team – before." 

“Lawyers don’t necessarily work with a mindset that’s focused on scaling processes – often they’ve never done it before”



Tooling and technology

This was a top-three concern for 74% of respondents.

“There are definitely far too many people who think that buying some new shiny tech is the quick way to jump-start their function or even their business”

Colin Levy
Corporate Counsel, Salary.com

Tooling and technology can transform how legal teams operate. GCs of tech companies are well aware of just how transformative it can be: their businesses are thriving, clients are engaged and tech is driving aggressive revenue growth. However, it can be a different story where internal adoption is concerned. While tech GCs are typically earlier adopters than some other in-house groups, there's still often a resistance to change, even when that change is known to be beneficial.

This is inevitable – there are always individuals reluctant to adopt new routines and move out of their comfort zone. Lawyers are trained to be risk-averse, and unproven technology can be uncomfortable to adopt. But this can slow teams down and cause friction between colleagues and business units. And if solutions are procured but not adopted, that means no value and likely reputational damage for the legal team.

The best way to overcome this is by listening and empathizing with your colleagues. Their reasoning behind the reluctance could be valid, due to previous failed deployments, or a lack of understanding of what the tool does and why. Demonstrating a willingness to listen will at least make sure conversations begin on the right foot, and nailing down the people and process before looking at technology is always critical.

Not a panacea

If you do decide to upgrade your tooling and technology, then removing 'plan B' options that allow colleagues to fall back on old routines is also an effective way to achieve adoption. Integrating new solutions with existing systems of record is also useful. It's important that new technology doesn't obstruct people in any way from carrying out their tasks – technology is not a panacea, and is a means to an end, rather than an end in itself.

The onboarding process should be well-organised and executed, with clear success metrics, deadlines, and a detailed plan. It's important to account for slow adopters, as well as challenges you may face along the way. A phased rollout, with plenty of vendor support, will not only allow your team to ease into a new routine, but will ultimately benefit the processes and workflows that relied previously on manual input.

If you're an in-house lawyer looking to scale legal processes, Juro has curated a selection of the [best legal tools available](#) – dedicated towards improving contract management, flexible resourcing, spend and matter management, contract review, eSigning, and more. Check it out and let us know if you'd like to find out more about the best technology for in-house legal teams. [📧](#)



Interview: the VP Legal



Rohan Paramesh is VP Legal at Habito, the free online mortgage broker. Habito was founded in 2016 and raised more than \$40m in venture capital funding. Rohan joined as employee 70 and continues to build the legal team.

What's it like being the VP Legal at a high-growth tech company?

Rohan Paramesh gives his take below on the top three concerns identified by our survey.

Scaling legal process:

"If a legal function is to be a core facilitator of growth and innovation within the business, it goes without saying that it can never be a blocker. We need to be asking ourselves whether a process that works today will also work three months or six months from now.

When we integrate a new process or tool or piece of automation, we have to ask whether this can scale with us – can it work with 10x the number of documents passing through it? Is it compatible with some other tool that we might need this time next year? These are the minimum expectations of a tech GC and we must think creatively about these sorts of processes and future-proofing."


Tooling and tech:

"I'm typically quite cautious when thinking about what tools to integrate to help streamline our legal processes. On the one hand, the more streamlined the better but, to be truly effective in a sustainable way, we need to think carefully about how much we really want and need the tool in question and the problem we are trying to solve.

Do we want it because it is new and shiny and might add some marginal value? Or does it serve a genuine need? I am increasingly aware of the time and resource required to implement and integrate these sorts of tools effectively, and that resource is always at a premium. What else could and should we be doing with that time? If, however, the tool is really needed and will save time or add value, then of course it's a good idea – but this needs to be weighed up carefully."

Adding value to the business:

"Making time to be a strategic partner to the business isn't optional – it's a core element of the role of a GC in a tech-driven, high-growth environment. Like any team, a legal function needs to have formed and be committed to a collective understanding of its mission: how do we fundamentally want to deliver value to the business and how can we be a key part of new initiatives? When should we divide and conquer, and when do we all need to be involved? Are we using our time and resource as wisely as possible?

"Leading a legal function requires a sharp and constant focus on the broader objectives of the business; understanding how the legal function must adapt to add as much value as possible. As the business' plans and objectives evolve, so does the need for the legal function's strategic approach. Being a strategic partner isn't static – it requires consistent time, energy and commitment." 

“Making time to be a strategic partner to the business isn't optional – it's a core element of the role of a GC in a tech-driven, high-growth environment”

Adding value to the business

61% of respondents identified adding value as a top-three concern.

“Adding value is challenging in a reactive role. You can counter this by getting in front of business leaders and explaining where you think there’s value to add. Getting their buy-in is key”

Sophie Salisbury
Head of Legal, AppearHere

Every in-house lawyer should be looking to add value to the business. It’s a well-worn truism that the best in-house counsel aim to be strategic partners to the business, rather than reactive gatekeepers and blockers. But how does that square with the unique pressure inside a high-growth tech company?

Ensuring that the tasks within your legal team have a positive impact on the company as a whole is important. Legal can add value to a business by, for example, proactively identifying risks that can significantly affect revenue or cost. Similarly, legal can add value to the business by helping other teams – collaborating with commercial colleagues to close contracts faster and self-serve NDAs, or helping HR teams to deliver a frictionless employment contract process for new employees.

From a GC’s perspective, attempting to actually achieve this can be a headache. Lawyers typically arrive at a venture-backed tech company around the time of a Series B funding round (with notable exceptions), by which point there are often serious fires to be fought. This means that beneficial, value-add tasks can be buried beneath time-consuming, volume-heavy process work. If admin tasks are still completed manually, this time drain can derail the strategic work that businesses want from their legal teams. This can lead to group discontent as workloads and expectations rise, as well as friction from other departments that are being held back by legal teams.

Embracing self-promotion

Automating workflows and processes early on using the right [tools](#) can free up legal’s team to focus on what really matters. Aligning legal’s KPIs with those of the business and its senior leadership also tends to drive behaviours that will ensure value-add tasks are prioritized.

Often the judgement of the wider business as to whether legal is really adding value comes down to communication. Making sure that colleagues actually hear about legal’s work is a first step, and lawyers aren’t always natural salespeople, comfortable with self-promotion. But high-growth tech companies do offer opportunities for the legal function to share its successes and insights: whether that’s presenting on new regulations in the all-hands, or setting up #legal Slack channels to offer advice and self-serve documents.

This behavioural shift can reinforce the value lawyers add to the business and reshape the wider perception of legal teams. This can not only improve relationships with other departments, but also boost morale within the legal team, making retention and hiring that bit easier. If you’re looking to expand your high-growth legal team through hiring, we wrote a [guide](#) that explores the roles you need and how to hire them. Check it out [here](#). 📄



Interview: the Chief Legal Officer



Chris Fox is Chief Legal Officer and General Counsel at Kambi, the sports betting experience company with more than 1,000 employees across 8 offices. Chris leads a legal function of 15.

What's it like being the Chief Legal Officer at a high-growth tech company? Chris Fox gives his take below on the top three concerns identified by our survey.

Scaling legal process:

"This is a challenge in smaller companies because as your business grows and matures, it can often be necessary to reinvent processes, governance and structures to stay relevant and efficient. Additionally, you have to manage your function's output within the context of change within the broader business (e.g. systems, processes and people). This causes a lot of complexity. When a company is larger, you have a more stable core from which to pivot, and even if you have the same percentage growth as in a smaller business, in my experience, less reinvention is typically required."

Tooling and tech:

"Your needs depend on the profile and demographic of your target customers and the service you offer. I think when you're a smaller business, there's a huge amount you can do with off-the-shelf products to deliver a great service to your stakeholders.

The advantage of software is that it's scalable, but it comes with a fixed cost outlay. For example, a one-stop business portal to enable business colleagues to interface with the legal team is really helpful – but it might cost \$20k with a \$10k subscription fee. If instead, you use Outlook creatively, create a dedicated inbox, and execute against a well-communicated SLA policy, you can achieve the same goals. Personally, when you are small, I don't think there's much need to invest unless you have specific requirements."

Adding value to the business:

"This is a top priority for me, alongside attracting the right talent. I try to inculcate an approach in the team that's curious, innovative and proactive. My view of a great lawyer is someone operating as a strategic consultant to the business and looking at ways to make processes more efficient. Lawyers exist at the nexus point for significant quantities of information because they serve all parts of the business, and this means real visibility into good and bad processes, enabling lawyers to efficiently consult to improve business practice.

Hiring managers also focus on commercial awareness. To me, that means engaging with a problem, understanding the legal issues, but considering other departmental issues also. This should enable a lawyer to make recommendations that properly manage risk and legal issues within the context of the commercial impact to the company.

The last thing I'd say is that I think it is important for C-levels to operate principally as executives rather than subject matter experts. In Board and Exec meetings I will want to contribute to all items of an agenda, focusing perhaps particularly on people as they're the most important asset in a company. I'm happy to share my opinions on commercial operating models, supply chain management, procurement, anything really, and I'll look to add value wherever I can, irrespective of whether there's a specific legal context or challenge." 

“Lawyers exist at the nexus point for significant quantities of information because they serve all parts of the business, and this means real visibility into good and bad processes”

Conclusions



Richard Mabey is the CEO and co-founder of Juro. Previously, he was a Corporate and M&A lawyer at Freshfields Bruckhaus Deringer and worked with LegalZoom.

“Agility needs to be balanced with operational rigour – lawyers are still lawyers, after all”

The legal leaders at high-growth technology companies were a fascinating cohort to survey. The key driver for every department and function at these companies is growth. Nothing is more important; nothing else takes precedence, so of course 'scaling legal process' was overwhelmingly the top concern for the tech GCs we surveyed. The revenue growth that's a precondition of the continued existence of a high-growth tech company can only be built on robust processes, so it's mission-critical to create legal infrastructure that will scale.

As if that's not hard enough, tech GCs also need to lead expectant founders through all manner of minefields – due diligence, funding rounds, even IPOs. Doing this in a way that enables growth, rather than distracting from it, is no mean feat. As Monzo's Chief Legal Officer, Dean Nash, told us: "White-hot growth is the only driver that matters, and it's our job to move any legal issue that might distract from that growth out of its way". That's easier said than done.

Beyond growth, this survey confirmed for us that the legal teams at high-growth tech companies represent a leading indicator of behaviour in the industry. The companies they advise tend to be agile in the way they operate, with the legal function falling in line. They often make decisions faster and adopt new technologies earlier, because there aren't legacy processes to remove. It's no secret that high-growth tech companies move faster when it comes to buying and adopting legal tech too. If you want to know where in-house teams at enterprise corporates will be in five years, just watch what the billion-dollar startups do now.

More with less – even here

But it's clear that this agility needs to be balanced with operational rigour. Lawyers are still lawyers, after all – there's risk to be managed and regulatory minefields to be navigated. Change management was a huge theme in legal operations at this year's CLOC Institute in London, and while the annual drive to reduce headcount and budget isn't as pressing for a venture-backed company, tech GCs still face constrained resources and spend. Their companies might be adding hundreds or even thousands of employees, but it's unlikely that the legal team is scaling proportionally alongside the business. "More with less" as a mantra really does affect every corner of in-house legal – even the tech unicorns growing at multiples each year have to make tough choices.

There's a disparaging train of thought in our industry which suggests that moving in-house represents a downward shift in gears. People move in-house (so the myth goes) to get a better work-life balance, because the professional challenge is simpler – perhaps easier. But what we learned from speaking to legal leaders at 30 of the most exciting companies on the planet was that being a high-growth tech GC is no downshift. Far from it. These companies are often disrupting centuries-old industries, confronting legislation head-on, and scaling their legal workflows at a pace that would make most lawyers wince. This is not a job for the faint of heart – but as this survey shows, the tech GCs are up for the challenge. 📄

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