

# How One California Company Smashed Silos to Transform Its Legal Ops

*Legal Ops Director Juanita Luna Shares Her Winning Change Management Strategies*

by **Petra Pasternak**

How do you turn the *Department of No* into, at least, the *Department of Tell Me More*? And how do you do it while your company is facing an emergency with attention from the public, regulators, and investors?

Over the last decade, veteran legal ops director Juanita Luna led a major modernization at Pacific Gas & Electric, California's largest utility. In 2012, she was brought on to transform the company's law department operations into a modern business organization aligned with company strategy.

The work of transformation is grinding under the best of circumstances. But Luna and her teams faced this in the midst of a significant investigation and discovery process stemming from a gas pipeline explosion a few years earlier. The legal team was center stage.

Despite mounting challenges, Luna spearheaded a total overhaul of a number of the company's legal department processes, including its approach to matter management, e-billing, subpoena processing, and other systems. The effort earned her the 2016 Legal Department of the Year In-House Impact Award from *The Recorder*, a California legal publication.



*Juanita Luna, of Luna Legal Ops*

By the time she left in late 2023 to do strategic legal ops consulting work, the legal team had matured into a true business partner powered by state-of-the-art systems that continue to evolve, with high-quality data analytics and management reporting capabilities.

Luna recently sat down with Everlaw to discuss her approach to change management under competing pressures and winning over the skeptics. Below are highlights of the conversation.

**You joined PG&E as Legal Operations Director from Orrick, where you had been Executive Director for US and Asia. What drew you to PG&E?**

I have a background in law firm senior management, working in big law firms, and with a detour in a top-tier management consulting firm. I had been traveling internationally extensively for many years. It was time to get off planes for a while.

The General Counsel, who was a partner at a firm I had worked in years before, observed that law firms were run differently than in-house law departments and considered there may be best practices to apply in structure, management reporting, and metrics. The company wanted the law department to be more consistent in executive reporting, similar to its other internal areas with key updates, metrics, goals, and reporting. Clearly, the law department did great legal work but needed to change its internal operations.

Around this time, I was hearing about a handful of corporations that were establishing legal ops. This was a compelling and challenging way to tap into my skill set and apply myself in a different context.

### Your mandate was to help run the in-house law department more like a business. What did the legal team look like at the time?

The lawyers were organized into several practice groups, but there was not much structure to the staff operations. It was one very large group of staff – paralegals, analysts, legal secretaries, clerks, data entry, finance and claims. There was only one manager, and she had recently retired.

It was clear that the team was hard working and smart but operated in silos. Compared with core business units, Finance, IT or HR, Legal had a different approach to operational KPI's and strategic planning. That was not unique to PG&E. You can still find that in corporate America.

There needed to be greater investment in a clear structure among the staff, and investments in their career development. I had to unravel the strings to the ball and audit everything from job descriptions to processes in place, to systems, to how they worked with the lawyers, to how the law department worked within the company. Change management was huge.

### You were tasked with the transformation of the legal department operations just as the company was facing major fallout from the investigation. What did that mean for you and the legal ops team?

The stress on the legal department was tough, but we pulled together. It was an “all hands” time for the lawyers and internal department operations in various aspects, from ediscovery to financial forecasting. There was this perfect storm of critical stress, where the department needed to change to run like a business unit and at the same time manage significant demands. That was incredibly challenging.

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### The pressure came from all sides – what was key to managing all the players and costs?

The investigations, discovery and related matters were costly. We had internal expertise, but no in-house department is established to advise immediately in a large, complex emergency situation. You've got to pull in your outside counsel who are aligned with your expertise and can bring the breadth of resources and systems.

You trust your firms, you have great partnerships, and everyone's working with urgency. Systems need to line up, including with respect to eDiscovery processes and vendors working on different aspects of challenging situations.

### With so much at stake, where did you start when it came to transforming the legal department?

I first went on a listening tour to figure out the real issues. What kind of data did we have? What systems did we have? What were people doing? There was a sense of, "These people are talented, but what are they all doing?" At the same time, the staff felt there was not enough line of sight into what they were accomplishing despite best efforts with antiquated systems.

I launched an audit of the operations and processes and listened to our business partners as well. Internal focus groups were important for teams to hear others' points of view directly. That broke down the silos.

The technology systems we had were archaic. I kept saying, "We're data rich but insight poor." We were hiring consultants for a deep dive analysis of line-item detail. At the same time, I needed to assess the level of staff expertise and put a management structure in place.

### How did you win over the naysayers?

People were appreciative of my efforts, but some were skeptical that anything could change. I also had to spend time with our business partners. IT, Finance and Sourcing (procurement) were prominent because there was sometimes a mystique that we did it our own way. I think sometimes in law departments privilege can distract because you cannot share all your information and data. Well, you don't have to share the line-item detail to bring your partners in to get a process in place, to get the right analytics done, to get the right systems in place.

Breaking through some of the sensitive relationships the law department had with other departments was a terrific challenge, but I knew we would get there. You get your quick wins and that leads to the bigger ones.

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### What was your biggest change management challenge?

It was going to be very expensive to get new systems. I worked closely with IT, Finance, and Sourcing to submit a business case that went all the way up to the top because there was a lot of funding required. We then put a very aggressive plan together on how we would achieve this in a certain period of time so that we could start realizing not only efficiencies, but hard cost savings.

As hard as it was, it was actually easier with the other business units that were used to doing ROIs and were used to doing business cases than in the law department, which was following the same processes it had for years.

It was external first and then internal and was sold at the top first. Then the skeptical lawyers were like, "Okay, let's see what happens."

## Apart from support from above, what helped convince a legal department that's used to doing things a certain way to embrace change?

You persuade people why this is going to help the lawyers get the work out the door in a better way and free up time for more meaningful work. Whether it's eDiscovery or how we manage the paralegals or other processes, why is it important? The staff were already all in.

Impressing the need for change is really important. I worked with HR to get a specialist in change management embedded in the law department for six months to work with me because there is no simple approach to that. It's definitely about over-communicating and also about bringing people to understand that if I make an investment, if I go along with you, there is something at the end of the road for them.

We went from a "Department of No" or "We Can't" to, "How are we going to get this done, because we *are* going to get this done."

## Looking back, what were the highest impact decisions you made?

Getting the right structure, process, roles, and systems in place was huge. Figuring out the highest and best use of the legal ops team's time was critical. The resulting career development of so many staff was fantastic for them, which of course had a huge, positive impact on department operations.

Having this in place enabled law operations to better tell its story, which enabled us to have greater visibility into the value we brought to the department and to the company. The team became more embedded in core operations, with a much more prominent seat at the table early on. We went from a "Department of No" or "We Can't" to, "How are we going to get this done, because we *are* going to get this done."

And we ended up understanding that we need to market the law department internally because companies know they need Legal, but they're not always sure why. That's on legal ops to make its story compelling.



*Petra Pasternak is a writer and editor focused on the ways that technology makes the work of legal professionals easier and more productive. Before Everlaw Petra covered the business of law as a reporter for ALM and worked for two Am Law 100 firms.*