

LEGAL INNOVATION

03

JURY IS OUT ON LAWYERS IN A NEW DIGITAL AGE

Law firms are finally embracing modernisation and the digital age

06

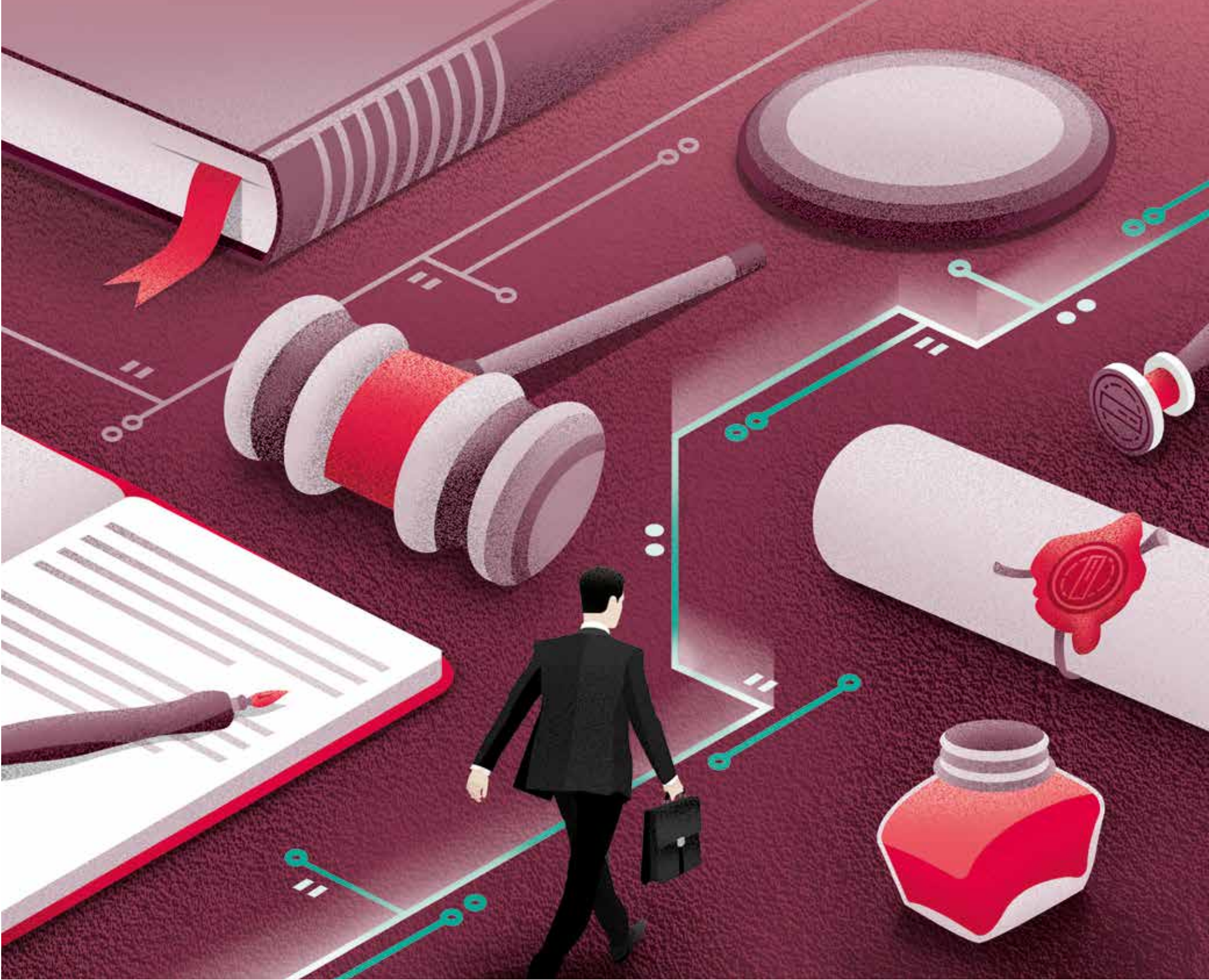
POISED TO TAKE LEGAL SECTOR BY STORM

The next-generation law firms and tech set to transform UK legal services

10

'eBAY JUSTICE' LOOKS LIKE THE FUTURE

Value-for-money online tribunals sidestep courts to resolve disputes via the internet



WIN
new business

DIFFERENTIATE
your firm

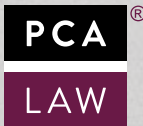
RETAIN
high performers



Sector Specialists
Communication Experts
Experiential Trainers

🐦 @pcalawtraining
🖱️ www.pcalaw.com

The Leather Market, Weston St, Bermondsey, London SE1 3ER
The Personal Communications Academy For Lawyers





AUGMENTING INTELLIGENCE FOR INVESTIGATIVE ANALYTICS

There is a reason the world's leading e-discovery firms have standardised on Brainspace.

We pioneered the expression of dynamic machine learning through powerful interactive visualisations, and we haven't stopped innovating since.

Discover for yourself how our unique combination of artificial intelligence and data visualisation can uncover the narrative within your data faster than you ever thought possible.

WELCOME TO THE FUTURE OF INVESTIGATIONS.



Brainspace™

www.brainspace.com

LEGAL INNOVATION

DISTRIBUTED IN
THE  TIMES

RACONTEUR	
PUBLISHING MANAGER Alexandra Bowman Bassin	DIGITAL CONTENT MANAGER Jessica McGreal
PRODUCTION EDITOR Benjamin Chiou	DESIGN Samuele Motta Grant Chapman Kellie Jerrard
MANAGING EDITOR Peter Archer	
CONTRIBUTORS	
CATHERINE BAKSI Former barrister and <i>Law Society Gazette</i> reporter, she is a freelance journalist writing for a broad range of law titles.	JOANNA GOODMAN Freelance journalist and author, she specialises in business and technology, and writes for <i>The Guardian</i> and <i>The Law Society Gazette</i> .
DAN HAYES Legal journalist, he has worked for <i>The Law Society Gazette</i> and <i>The Global Legal Post</i> .	CHARLES ORTON-JONES Award-winning journalist, he was editor-at-large of <i>LondonlovesBusiness.com</i> and editor of <i>EuroBusiness</i> .
RACHEL ROTHWELL Editor of the Law Society's magazine <i>Litigation Funding</i> , she also edits <i>PI Focus</i> , published by the Association of Personal Injury Lawyers.	

Although this publication is funded through advertising and sponsorship, all editorial is without bias and sponsored features are clearly labelled. For an upcoming schedule, partnership inquiries or feedback, please call +44 (0)20 3877 3800 or e-mail info@raconteur.net

Raconteur is a leading publisher of special-interest content and research. Its publications and articles cover a wide range of topics, including business, finance, sustainability, healthcare, lifestyle and technology. Raconteur special reports are published exclusively in *The Times* and *The Sunday Times* as well as online at raconteur.net

The information contained in this publication has been obtained from sources the Proprietors believe to be correct. However, no legal liability can be accepted for any errors. No part of this publication may be reproduced without the prior consent of the Publisher. © Raconteur Media

OVERVIEW

Judging lawyers in a new digital age

Law firms are finally embracing modernisation and preparing the next generation of lawyers for the digital age

CATHERINE BAKSI

Innovation is not a word readily paired with the antiquated, Dickensian perception that many have of traditional law firms. But it has become one of the latest buzzwords within firms themselves.

Jeff Wright, director of transformation and operational change at UK law firm TLT, says innovation is “board mandated and directed” with “development and evolution front and centre for law firm strategies”.

Driven by shifting client demands for better value for money and greater price certainty, and significant changes in the legal landscape bringing competition from new players moving into the market, employing new business structures and funding mechanisms, firms have been forced to innovate.

Their initial response came in the form of legal process outsourcing, so-called off-shoring or north-shoring, more flexible working practices and alternative fee arrangements.

But advances in technology are quickening the rate of change and have forced law firms to get to grips with a novel and rapidly expanding techie lexicon – artificial intelligence (AI), blockchain and machine-learning, and systems with equally alien-sounding names, such as RAVN, Kira, Neota Logic and Purple Frog.

Many firms are investing in AI systems to carry out contract and document review, e-discovery and due diligence in a fraction of the time it takes junior lawyers or paralegals, and the smart machines do not get tired, require lunch breaks or take time off.

The “next frontier”, says Paul Lewis, capital markets partner at international firm Linklaters, is using natural language processing to carry out legal research.

The changes bring with them a growing range of unlawyerlike job titles, often belonging to employees with non-legal backgrounds who bring with them their experience from sectors more technologically advanced; meet the business analysts and transformation directors.

Mr Lewis is one of three partners on Linklaters’ innovation steering group tasked with helping to drive change across the firm. They are looking at the skills required by lawyers of the future and piloting a course teaching 40 of its staff, including lawyers, how to code.

It is also developing an Ideas Pathway to encourage staff to come up with innovative ideas that will be



Ulster University has launched a Legal Innovation Centre, designed to operate at the intersection between legal process innovation, technology, education and access to justice

evaluated and could be employed to increase efficiency.

As part of its innovation programme to reimagine the business of law, Baker McKenzie has instituted an innovation committee which reports to the firm’s executive committee.

Jason Marty, Baker McKenzie global operations director, explains that as part of its innovation framework, the firm is employing “design thinking” to “reimage the existing service we provide and break it down to look at it from the perspective of the client’s needs, with technology as a key component”.

Some firms are starting to use innovation as a key performance indicator (KPI) to help them target resources on initiatives that make

a strategic difference. The challenge in doing so, says TLT’s Mr Wright, is to “come up with a KPI that is relevant and measurable”. TLT decided not to proceed.

All of this change, says a report from Deloitte, means the legal profession will look radically different in the future. *Developing legal talent: Stepping into the future law firm* says technology has already contributed to a reduction of around 31,000 jobs and predicts automation will cut legal sector jobs by 39 per cent (around 114,000) over the next two decades.

All is not doom and gloom. The same report suggests the legal sector is growing and, while there may be fewer traditional lawyers, it predicts a bright future for elite lawyers who will possess a new mix of skills. Dismissing suggestions that

lawyers may innovate themselves out of work, Mr Wright insists clients will always want a lawyer’s human touch.

Mr Lewis concurs: “I don’t subscribe to the notion that lawyers will be replaced by robots, but lawyers will be augmented by machines. It will change how law firms operate and you will no longer have so many humans doing the more repetitive and mundane, but essential, tasks.”

Which, adds Mr Wright, raises the question of how to maintain the future pipeline of talent if the traditional work of junior lawyers becomes increasingly automated.

In recognition of the crucial and ever-expanding role of technology in law, Ulster University launched the UK’s first Legal Innovation Centre, designed to operate at the intersection between legal process innovation, technology, education and access to justice.

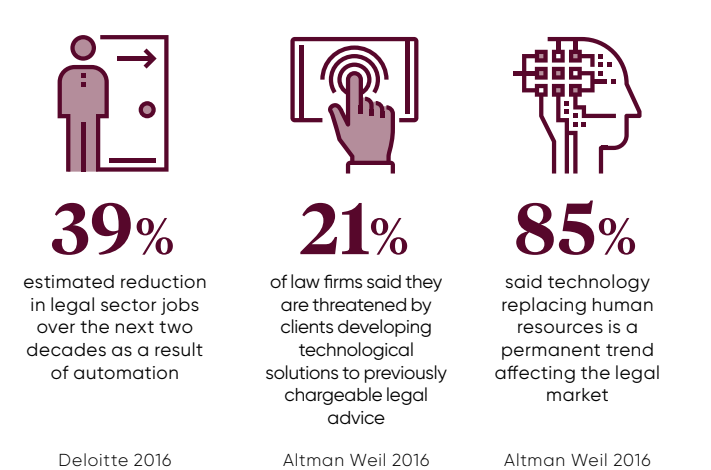
The Centre, which opened in February, is a collaboration between the School of Law and the School of Computing and Intelligent Systems. It has received financial backing from Invest Northern Ireland and global law firms Allen & Overy and Baker McKenzie, both of which have established legal support centres in Belfast.

Centre director Catrina Denvir says it aims to teach students and professionals about the technological transformation of legal practice, including AI applications, natural language processing and blockchain, and to equip them with the skills to be employable in the tech-driven legal market.

It will collaborate with the industry to bring new applications to fruition and carry out research to understand the implications and benefits that arise from innovation, to facilitate legal process improvement and promote greater economic efficiency.

Another crucial aspect, says Dr Denvir, is to examine how technology can increase access to justice and public engagement with the law. The Visual Law project brings together the university’s law students, legal advice clinic and art students to develop more understandable public legal education information centred on visual, rather than text-based, material.

Dr Denvir says the centre’s focus is not only on technology but also the pursuit of improvement. She adds: “We apply a design-thinking approach which recognises that technology is only one potential solution to problems. There are other solutions that may not require technology at all or for which technology may be ill-suited.” ●



MERGERS AND ACQUISITIONS



Are we about to see more UK-US deals?

International mergers involving high-flying UK law firms may set the legal pulse racing, but will we witness a new rush to join forces?

DAN HAYES

You wait ages for one and then, like metaphorical London buses, two come along at the same time. The February announcement that Norton Rose Fulbright and New York-based Chadbourne & Parke were to merge came just three weeks after Eversheds announced plans to join forces with Atlanta’s Sutherland Asbill & Brennan. The alliances will leave Norton Rose Fulbright (the Chadbourne name has

been dropped) with 4,000 lawyers located in offices in 32 countries and Eversheds Sutherland with 2,700 lawyers in 36 offices worldwide. So, is this just coincidence or are we about to see a whole raft of transatlantic law firm mergers floating into view? Tony Williams, principal of legal management consultants Jomati, suspects not. “I think we may see a few,” he says, “but I’m not expecting a rush.” History suggests he will be proved right. Those with long memories can cast their minds back to the excited predictions that followed Clifford Chance’s merger with New York firm

Rogers & Wells in 2000. It was a deal *The Observer* newspaper equated to The Beatles arriving in New York in 1964, setting the scene for a British invasion. Things didn’t quite turn out like that, however. The deal famously failed to live up to expectations, with issues over remuneration and partnership structures to the fore. While a successful merger between a magic circle firm in the UK and a major New York-based firm could be a game-changer, it remains decidedly unlikely. Such highly profitable firms would need to find pressing reasons to overcome the inevitable issues of conflict and integration. But the idea of transatlantic alliance might look considerably more appealing to those a little further down the legal pecking order. Mr Williams explains: “Quite a number of US firms can see the benefit of allying with an international partner because it widens their own client base and attracts international clients into the United States. A lot of US firms have been in London for quite a long time, but have had very little impact. If they can find a suitable merger that could be very beneficial, but the number of suitable merger candidates is quite small.”

“Quite a number of US firms can see the benefit of allying with an international partner

TRANSATLANTIC M&A IN LAW

NOTABLE DEALS INVOLVING UK AND US LAW FIRMS SINCE 2009

YEAR	ACQUIRER	ACQUIRED	ACQUIRED WORKFORCE
2009	Lovells	Hogan & Hartson	1,111
2010	Sonneschein Nath Rosenthal	Denton Wilde Sapte	600
2010	Squire Sanders & Dempsey	Hammonds	500
2012	Norton Rose	Fulbright & Jaworski	850
2016	Eversheds	Sutherland Asbill & Brennan	400

UK US

Altman Weil 2017

One reason for this dearth is the number of firms that have already merged, particularly since the financial crisis of 2008. According to legal consultancy Altman Weil, there were 85 deals that involved at least one US law firm with two or more lawyers in 2016 alone, slightly-down from the record 91 in 2015. Tom Clay, a principal at Altman Weil, is another who believes February’s merger announcements will have set law firm partners pondering on both sides of the Atlantic. “In the US these mergers may be viewed as an accelerator,” he says. “Other, similar firms to Sutherland, for example, will start to look around and wonder if they are now disadvantaged and whether they should be thinking about doing something similar. From that perspective I think it has generated a good deal more strategic thought. “Sutherland’s competitors may be looking on with interest and a little envy. That was a really good, old-line law firm and now all of a sudden it’s part of a behemoth. I think we will see more people taking a serious look at that kind of strategy.” Partners will be thinking about issues such as securing market access that they could never achieve through organic growth, locking in clients by avoiding referrals, and adding elusive market share worldwide. Mr Clay suggests all these factors would appeal to a tranche of US firms that, while they may feel they are doing well at the moment, do not

want to become complacent. They will also be aware that transatlantic tie-ups can flourish; witness Hogan Lovells, formed in 2010 by Lovells and Washington-based Hogan & Hartson. Richard Tromans, a London-based legal profession analyst, says there’s plenty to be learnt from that deal. “It was a very carefully put-together merger,” he says. “Hogan & Hartson was international, but it didn’t have a huge collection of international offices. It was a win-win. The deal didn’t create any cannibalistic impact between the two firms. Yes, there were some differences in profitability, but those have been steadily addressed. “Both parties understood very clearly what the benefits were and they fitted together well. They weren’t elite firms, but they were very good firms and they had a cultural similarity. They both did a lot of litigation and regulatory work, but there wasn’t a huge overlap.” Jomati’s Mr Williams agrees that having defined goals is vital to making a success of a merger, especially one that spans the Atlantic. He concludes: “It can be difficult for those involved to understand the differences, from the approach to clients, to remuneration, to culture. All these factors need to be worked through and the firm needs to be very clear about what it’s offering to clients that others aren’t. More and more firms have developed US-UK capability, so you have to be able to achieve something that is compelling.”



encompass

the full picture, fast





ACCELERATE
CLIENT ONBOARDING



STREAMLINE
KYC PROCESSES



REMEDiate
AT SCALE

encompasscorporation.com

0333 772 0002

info@encompasscorporation.com

‘I’d like to cut through the hype to propose that we’ve reached an important, positive tipping point’

PETER NUSSEY

Director of innovation and investments
Law Society

Discussions around innovation in the legal market are often sidetracked by talk of cyborgs and artificial intelligence agents bent on world domination.

While such talk grabs attention, it’s an unhelpful distraction that makes innovation seem like something from an Asimov novel.

I’d like to cut through the hype to propose that we’ve reached an important, positive tipping point.

That’s not to say that technology is not playing a significant role in the legal industry. It is and will increasingly do so. And while predictions of robots replacing lawyers sound a little panicked, studies still suggest that between 13 and 39 per cent of legal jobs will be automated within two decades.

However, the narrative around “robots dooming lawyers” has been replaced by a more constructive debate concerning innovation as a powerful enabler of better legal services for all.

This proposition finds support in the Law Society’s recent *Capturing technological innovation in legal services* report. Examples from firms and in-house teams paint a picture of a dynamic sector embracing innovation right across the way lawyers operate, deliver services and engage with clients.

Why now? Most of the changes we see are rooted in responding to external pressures. For years, powerful forces have been driving changes in our industry and a dynamic response was essential for growth or even survival.

Much of the pressure has come from the buyers of legal services. As corporates tightened their belts after the global financial crisis, in-house teams were repeatedly asked to do more for less. They, in turn, made similar demands of external counsel. Part of that solution has been to examine carefully how technology and innovation more generally can reduce the burden.

For instance, technologies such as robotic process automation have been deployed to cut the cost of manual processes by 20 to 40 per cent and, by reducing human error, have significantly increased the accuracy of output, cutting time spent on reviewing and correcting work.



As lawyers and their clients become more familiar with technological and other innovations in the legal sector, such activities are increasingly being viewed as prizes to be actively pursued, rather than just “necessary evils”.

This shift from a reactive to a more proactive approach is being manifested in myriad ways. Legal innovation clusters into three main strands: service and service delivery; business process and resourcing; and strategy and pricing.

A 2015 survey by the Enterprise Research Centre at Warwick Business School found activity across all three. The survey found that 28 per cent were innovating by providing new and improved services to clients. Almost 37 per cent were innovating around marketing strategies or channels.

Such activity is increasingly becoming a firm buyer expectation, with evidence of innovation around technology use, service delivery and operating models, appearing as criteria for panel firm selections.

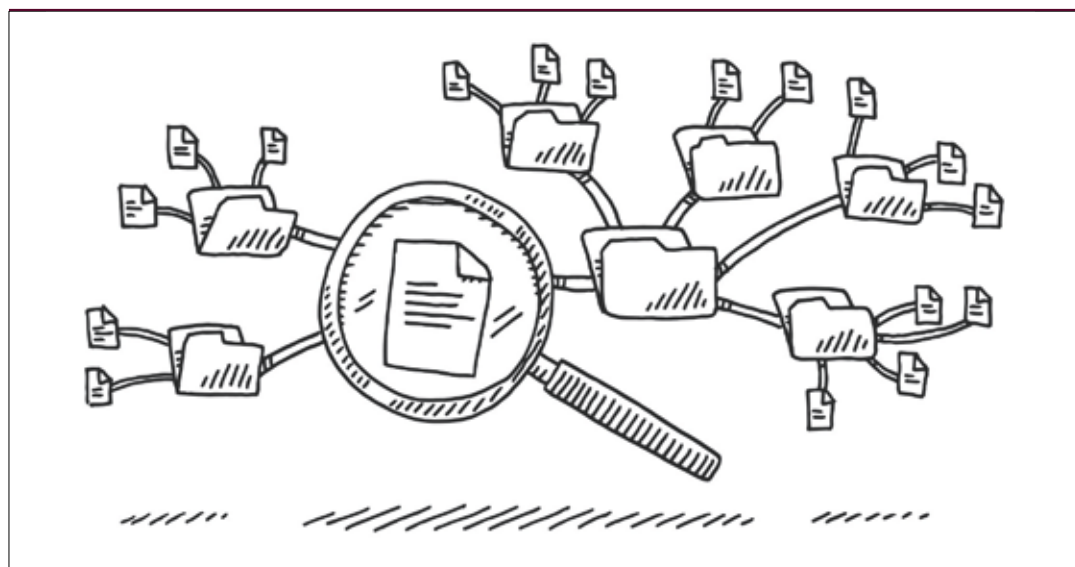
In response, we are seeing firms harness opportunities such as the analysis of big data to know and service clients better in a way that differentiates their offering beyond pure legal expertise.

The legal sector’s market size and profitability make it an attractive target for new entrants. As such, new forms of competition have emerged from within and outside the profession, players such as accountants, consultancy firms and tech startups are now all in this space.

In summary, I believe that, in terms of the adoption curve, innovation in legal services now sits firmly within the “early-majority” category. Legal innovation is finally going mainstream.

This offers immense opportunities for solicitors, their clients and those from outside the legal sector who can work with them. We will look to use our unique perspective across the sector to support solicitors to find these opportunities and find the technology and partners they need to succeed.

As for robots replacing lawyers, I’ll give Asimov the final word: “Do no fear computers, fear the lack of them.”



Mitigate risk by simplifying contract management

Organisations can expose themselves to massive risks, costing millions of pounds, if they don’t fully grasp the contracts they’ve inherited in an acquisition or properly manage the auto-renewals of their business contracts



For most people, contracts are little more than a nuisance, hurriedly signed or clicked through before completing the desired transaction.

At their best, contracts are dynamic and represent everything from intellectual property to commitments to clients and employees. At their worst, contracts are unmanaged, outdated and even squander resources. Large organisations, on average, manage tens of thousands of contracts that range from the dynamic to the outmoded, but new contract intelligence capabilities are disrupting the status quo.

This disruption comes at a particularly critical time. Rapidly changing legal, political and regulatory frameworks, including Brexit, place greater burdens on organisations to find, understand and act upon contracts quickly so they remain relevant.

Managing contracts across the various activities within the corporation is daunting and fraught with risk in the worst cases. The business that does not know the details of its contracts opens itself up to exposure both in revenue lost but also costs that could be incurred to execute upon contractual requirements.

“We see these issues most commonly across the highly regulated industries such as financial services and pharmaceuticals as well as in multinational corporations,” says Kathryn Hardie, senior managing director and global contract intelligence (CI) leader of business advi-

sory firm FTI Consulting. “As an example, in merger transactions there is a particular urgency for corporations to understand the nature of the targeted company’s contracts to assess their obligations. Entering into an integrated company requires that acquired contractual terms not only be understood but adhered to in ongoing business practice.”

There are numerous pending situations that currently exist from the analysis of leases for compliance requirements, change in tax regulations and looming new compliance requiring stricter adherence to changing reporting requirements.

“A simple example of hidden risk could be auto-renewal clauses,” says Craig Earnshaw, senior managing director at FTI Consulting. “A contract could be written in such a way as to be automatically renewed and, as a result, a company could be facing a huge bill that it wasn’t expecting. A lot of companies don’t think about this until they actually have a problem with it. Then they have to try and find the relevant details in a particular contract.”

These issues have prompted a growing number of companies to turn to FTI Consulting to manage their contracts more effectively. FTI Consulting’s CI experts use their experience, combined with advanced analytics, to create a more effective way of managing contracts.

“Our service is based on our many years of knowledge gained in dispute resolution and in identifying informa-

tion within the corporate landscape,” says Mr Earnshaw. “CI gathers intelligence on contracts and helps organisations to take action to avoid problems or to solve them quickly, easily and cost effectively when they occur.”

FTI Consulting has already been helping clients to handle difficult issues and, with Brexit impending, Mr Earnshaw believes this is exactly the sort of situation in which FTI’s experts can assist. He says: “Organisations need to be aware of their contract terms about geographical and territorial issues. For example, they could be the sole distributor of goods or services in the EU, with a potential requirement to renegotiate the contract to determine whether this includes or excludes the UK post-Brexit.

“Once the UK is no longer part of the EU, there may be new trade barriers or new taxes and levies. Companies therefore need to understand whether their current contracts provide for these situations as they might become uncommercial and require renegotiation.”

Ms Hardie is keen to stress that CI is an iterative product and part of the firm’s managed services. “We work in partnership with our clients to make sure that their contract management processes aren’t just following the status quo, but are meeting the increasing demands and staying ahead of the game,” she says.

For more information please visit
www.ftitechnology.co.uk

As cyber attacks increase, law firms must rethink their protection technology

Law firms are increasingly under cyber attack, but data segmentation and behavioural analytics offer new opportunities to rethink the way in which they protect themselves

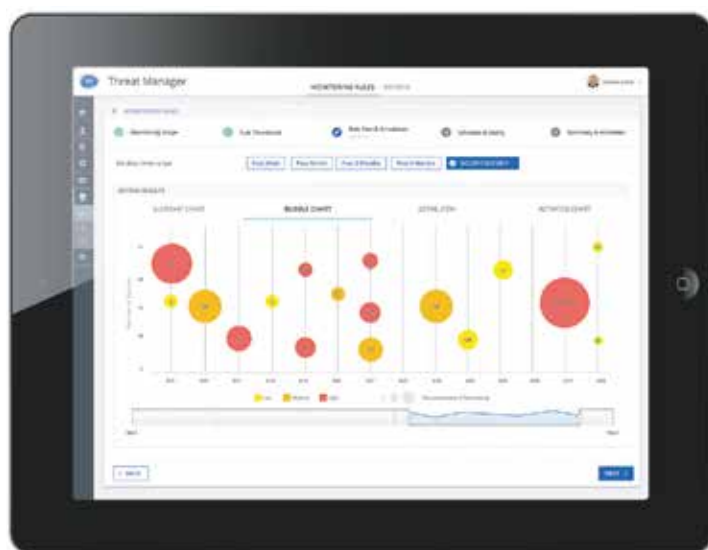
Cyber attacks on UK law firms increased by a fifth between 2014 and 2016 with nearly three quarters (73 per cent) of the country's top 100 targeted in 2015, according to PwC's 25th *Annual Law Firms' Survey*.

"Law firms are under concerted attack as never before," says Ian Raine, director of product management at iManage, the leading provider of work product management solutions for law firms, corporate legal departments and other professional services.

"Their systems are frequently subject to phishing attacks by criminals who want to gain useful information about a forthcoming merger or acquisition they're working on. The names and e-mail addresses of key lawyers in these practice groups are posted on the dark web along with requests for their security details in exchange for money."

Now a growing number of chief information officers (CIOs) at law firms around the UK are rethinking the way in which they organise their online security.

Segmentation is essential. "Law firms often don't secure information within



the firm," says Mr Raine. "They haven't historically segmented the data so if an employee does a search for information, that employee can access content across the firm. The same is true if, for instance, you're a summer intern or temporary employee. Naturally firms want to ensure that all their employees can gain maximum benefit from the information they hold, but this policy puts all their clients' sensitive information at risk from a criminal operating inside the traditional security perimeter."

Against this background, two products launched in January by iManage offer law firms' CIOs complete confidence that their critical work product is protected against security threats. To ensure that its products meet the needs of law firms, iManage is constantly updating its offering with the help of a forum of CIOs from leading firms in London and New York.

Mr Raine urges law firms to segment data and to make it accessible only on a need-to-know basis. To help CIOs provide this extra level of security, iManage Security Policy Manager enables professional services firms to easily manage their global security policies at scale, including need-to-know access to sensitive content, ethical walls and internal segregation of other material. This can minimise the impact of a security breach without getting in the way of firms' workflows.

Alongside this, iManage Threat Manager uses behavioural analytics lev-

eraged from historical and contextual information gained from the widely used iManage Work system to identify when a breach has taken place.

iManage Threat Manager results in more accurate and faster identification of both external and internal threats. It will dramatically reduce the number of "false positives" that plague many other approaches by applying adaptive behavioural modelling and machine-learning. It is easily integrated with the broader information security stack including security information and event management (SIEM) tools, and can easily push alerts and supporting information into a SIEM solution to create an integrated attack timeline.

Both Security Policy Manager and Threat Manager will become generally available in the first half of this year for on-premises deployment or via the iManage Cloud.

"These two new products go hand in hand to protect law firms," says Mr Raine. "One segments access to the minimum set while the other checks and monitors all staff to ensure that their behaviours are not unusual. Between them they offer greater opportunities for CIOs to protect their colleagues from cyber attack and their firms from the reputational damage resulting from a breach."

For more information please visit www.imanage.com

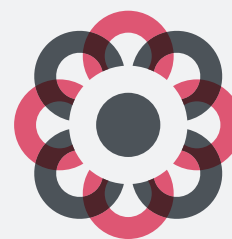
TEN TOP LEGAL DISRUPTORS



They're poised to take the legal sector by storm

From next-generation law firms to chatbots and tech-powered legal advice, here are ten startups transforming legal services

JOANNA GOODMAN



CARBON LAW PARTNERS

01 CARBON LAW PARTNERS

"We have updated the partnership model for the 21st century," explains Carbon Law Partners co-founder Michael Burne. The organisation, which launched in 2014, is headquartered in Cardiff with offices in Bristol and London, and acts as an umbrella company for self-employed lawyers, each of whom forms

their own limited company, while Carbon Law Partners provides business services, including billing and cash collection for a small percentage of their fees. Although lawyers work independently, they also collaborate with each other and form teams to pitch for and deliver multidisciplinary projects.



73%
of all law firms report they have suffered a security incident



84%
have experienced a phishing attack in the past 12 months



41%
report they have suffered incidents as a result of their own staff



28%
increase in security incidents at law firms in the last two years



02 **IGNITION LAW**

This outfit supports startup and scale-up businesses. “We are part of the entrepreneurial community as well as lawyers,” says founder Alex McPherson. Ignition Law uses technology to provide real-time cost transparency and remote advice at fixed fees. The London team is supported by specialists who work from entrepreneurial hubs across the world. It has a joint venture with alternative business structure gunnarcooke and an arrangement with an accountancy firm to provide an holistic value proposition for entrepreneurs.



03 **WAVELENGTH LAW**

Combining legal advice with “legal engineering”, Wavelength Law legal engineers design software solutions to streamline legal service delivery and troubleshoot problems. Wavelength product BackLight uses search technology, machine-learning and variance analysis to display contracts in a way that enables professionals to analyse risk, spot issues and reuse important information. BackLight was used in an innovative project with eBay subsidiary StubHub, which included creating “living” negotiation playbooks.

04 **DONOTPAY**

Stanford University student Joshua Browder’s DoNotPay chatbot has challenged 160,000 parking tickets and helped more than 3,000 vulnerable people apply for emergency housing. Its latest incarnation, on the Facebook Messenger platform, is helping refugees with immigration applications in the United States and Canada, and asylum support applications in the UK. “DoNotPay is a pure public service,” says Mr Browder, who is in separate discussions with companies about developing internal tools, for example helping to deal with sexual harassment in the workplace, and is working with IBM on the first application of quantum computing to the law.



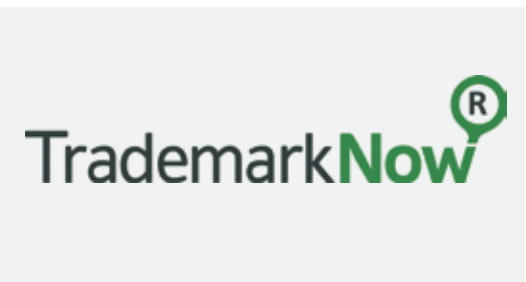
05 **LAWBOT**

Launched last November by four Cambridge University law students, LawBot is a chatbot that provides free advice to victims of crime. It covers 26 criminal offences, but is not designed to replace a lawyer or take a case forward. Rather, the idea is to help people find out how the law applies to their situation, for example whether they have been the victim of a crime. Like DoNotPay, LawBot takes the user through a series of questions and, if it finds a match for an offence, it creates a draft letter. Last month, it launched Divorce Bot, but the site is now offline until June, when the plan is to relaunch as a messenger bot and expand to further areas of law, says co-founder Rebecca Agliolo.



06 **FAREWILL**

This service, launched in 2015, offers digital tools to handle the legal procedures around death and has given will-writing a digital makeover. As co-founder Dan Garrett explains, Farewill focuses on usability, enabling people to create a digital will, which can also include messages to friends and family. It is about affordability. A digital will costs £50 up-front and £5 a year thereafter buys the ability to amend it. Although the average age of Farewill customers is 33, generally following significant life events, 20 per cent of business is from the over-60s. Farewill works with charities and people in palliative care.



07 **TRADEMARKNOW**

This is an online tool that speeds up trademark review and clearance by calculating how close trademarks are to each other. It uses artificial intelligence to cut research time by immediately identifying anomalies. TrademarkNow was one of the first lawtech startups to raise external funding. Founded in Helsinki in 2012, angel investor Balderton Capital enabled it to expand internationally with offices in London, Luxembourg, Ireland and the United States. In 2016 TrademarkNow almost tripled in size, overhauled its core product NameCheck to include additional features and launched two new products, trademark research tool ExaMatch and image trademark clearance tool LogoCheck.



08 **F-LEX**

Formed in 2016 by former property litigator Mary Bonsor with Legal Geek founder and serial entrepreneur Jimmy Vestbirk, F-LEX provides on-demand paralegal services for law firms and legal departments, and helps students get practical experience while they learn. F-LEX is an online portal which matches

law students with appropriate and available work. It has more than 350 live profiles on the portal in London and 100 in Manchester, and is about to launch in Leeds, Birmingham and Bristol. Clients include silver circle firms, general counsels of FTSE 100 companies, boutique firms and startups.



09 **JURO**

Founded by former lawyer Richard Mabey, Juro provides contract automation software for corporate legal departments. With artificial intelligence features that are trained by user behaviour and feedback, including contract analytics, machine-learning and negotiation heatmaps, as well as an e-signature

tool, Juro offers a one-stop shop for contracts that aims to save businesses 75 per cent of time spent on contract management. It recently raised \$750,000 from Point Nine Capital, the founders of Gumtree and Indeed.com, and the general counsel of Zoopla. High-profile clients include Deliveroo, Hostmaker and Unbabel.



10 **LUMINANCE**

An artificial intelligence platform for document analysis, backers of Luminance include Dr Mike Lynch’s Invoke Capital and magic circle law firm Slaughter and May. Luminance is a pay-as-you-go service that reads multiple documents contemporaneously and identifies exceptions and anomalies. As chief executive Emily

Foges explains, where Luminance differs from search technology is that it actually reads the documents. For example, it will detect that a document has a page missing, whereas search engines focus on content and context. Luminance was launched in 2016 and is being used by law firms in seven countries. ●

RULE OF LAW

The law should theoretically apply equally to all, rulers and ruled alike. World Justice Project's annual *Rule of Law Index* ranks 113 nations' adherence to eight dimensions of the rule of law, measuring factors such as levels of corruption and regulatory enforcement of government powers and fundamental rights. All countries are given an overall score on a scale of zero to one. The research, published last October, surveyed the general public, and national practitioners and academics, with expertise in civil and commercial law, criminal justice, labour law and public health.

RULE OF LAW INDEX SCORE

TOP 10			BOTTOM 10		
	COUNTRY	SCORE		COUNTRY	SCORE
1	Denmark	0.89	113	Venezuela	0.28
2	Norway	0.88	112	Cambodia	0.33
3	Finland	0.87	111	Afghanistan	0.35
4	Sweden	0.86	110	Egypt	0.37
5	Netherlands	0.86	109	Cameroon	0.37
6	Germany	0.83	108	Zimbabwe	0.37
7	Austria	0.83	107	Ethiopia	0.38
8	New Zealand	0.83	106	Pakistan	0.38
9	Singapore	0.82	105	Uganda	0.39
10	UK	0.81	104	Bolivia	0.4

DENMARK

Nordics generally enjoy the best and fairest rule of law. Denmark topped the list, particularly in terms of an absence of corruption. However, there were causes for concern last year after more than a dozen members of parliament withheld information about their asset declarations and expenses irregularities were discovered at the police works council.

VENEZUELA

Venezuela's rule of law is ranked as the weakest across the 113 nations in the survey. With judges often fearing prison for unpopular decisions and the majority of human rights complaints not making it to trial, the deficiencies of the judicial system have resulted in a climate of insecurity and impunity, which many claim threatens democracy and violates basic human rights.

UK

The UK ranked tenth in the *Rules of Law Index*, but its weakest score was for civil justice, which assesses whether civil justice systems are accessible and affordable, free of discrimination and corruption. However, the UK ranked above average for constraints on government powers, which measures the extent to which those who govern are bound by law.

RULE OF LAW INDEX FACTORS



Constraints of government powers



Absence of corruption



Open government



Fundamental rights



Order and security



Regulatory enforcement



Civil justice



Criminal justice



COUNTRY		Denmark	Sweden	Germany	UK	Japan	United States	Spain	United Arab Emirates	Croatia	South Africa	Jamaica	Malaysia	Panama	India	Philippines	Guyana	China	Zambia	Iran	Russia	Nigeria	Uganda	Ethiopia	Zimbabwe	Venezuela
Rule of Law Index score (0-1)		0.89	0.86	0.83	0.81	0.78	0.74	0.7	0.66	0.61	0.59	0.57	0.54	0.52	0.51	0.51	0.49	0.48	0.48	0.47	0.45	0.44	0.39	0.38	0.37	0.28
Constraints on government powers																										
Absence of corruption																										
Open government																										
Fundamental rights																										
Order and security																										
Regulatory enforcement																										
Civil justice																										
Criminal justice																										

Protect against accidental data disclosure

With European Commission regulation imminent, it's time to install software to protect sensitive information and ensure it doesn't go astray

In just over 12 months, the UK will undergo the most significant upgrade to data protection law seen in 20 years.

The General Data Protection Regulation (GDPR) stipulates new minimum requirements with which any documented personal information must comply, for the protection of all EU citizens.

While Brexit has dominated conversations for more than a year now, the reality is that companies must act now to ensure their data protection systems and procedures meet the GDPR standards in time for the May 2018 deadline.

In any law firm, thousands of documents exist containing sensitive personal information. Should it ever wind up in the wrong hands, the outcome would be at best embarrassing, at worst commercial suicide, or an unlawful breach of the GDPR.

Software from DocsCorp ensures that the right information gets into the right hands, only ever as intended.

Lawyers hold scans of clients' ID documents for various purposes including compliance with anti-money laundering legislation. These documents are often scanned, saved as image-only files of mixed quality and finally stored in the law firm's chosen document management system.

Preparing for an audit is stressful enough, but imagine if you had no insight into a quarter of your information. DocsCorp says some data is unsearchable, or "dark", meaning that most companies can't locate 20 to 30 per cent of data they possess.

Assuming files are organised by client surname, or even ID type, there will be thousands with similar names through which you have to sift to locate a particular file.



“Software from DocsCorp ensures that the right information gets into the right hands

contentCrawler is an integrated analysis, processing and reporting system from DocsCorp that quickly scans image files, "reads" the content using optical character recognition and converts the files into text-searchable PDF format, which makes searches more effective. Having illuminated the dark data, contentCrawler also has the ability to compress these files for more efficient storage.

Poring over endless unreadable files may be inefficient and costly and, given the looming GDPR, puts firms at risk of being non-compliant. But a bigger risk is if you accidentally sent sensitive information you didn't even know you were sending.

As well as sharing "hidden" information, such as the original author, number of versions and time spent on revisions, unintentional data disclosure can be much more damaging, says Ben Mitchell, Europe, Middle East and Africa vice president for DocsCorp.

"We once saw a law firm with an incredible spreadsheet logging all their clients and their respective fees," he says. "One lawyer thought he was only copying selected cells into a proposal document, but had actually been embedding the entire spreadsheet instead."

"A simple double-click would bring up the lawyer's entire client list and a historical rate card showing what they all were being charged."

Beyond commercial sensitivities, another area where breach of confidentiality is important is clinical negligence, where patient health data has been released.

Mr Mitchell says: "If a sensitive e-mail or attachment contains more information than it should and is sent to the wrong person, that puts firms in very dicey territory. It forces them to make declarations to their clients about data breaches."

cleanDocs is DocsCorp's metadata removal software. It "cleans" outbound documents of all hidden data, protecting organisations from accidental information disclosure and metadata leaks.

With GDPR now imminent, the brightest legal minds are making efforts to ensure they have the requisite storage and retention policies in place for sensitive content.

But as Mr Mitchell warns: "You first need to be able to isolate where that content is and, if you can't search for it, it is invisible."

"This doesn't preclude the Information Commissioner's Office from auditing you and issuing fines because you cannot adequately isolate where you are storing sensitive personal data."

"Today's businesses must have safeguarding technology tools in place to help them comply with GDPR. Now is the time to prepare before it's too late."

For more information please visit www.docscorp.com



BEN MITCHELL
EUROPE, MIDDLE EAST AND AFRICA
VICE PRESIDENT, DOCSCORP

ONLINE DISPUTE RESOLUTION

'eBay justice

England and Wales look set to follow trailblazers in rolling out value-for-money online tribunals which sidestep the courts to resolve disputes via the internet

CATHERINE BAKSI

The digital revolution has not escaped the courts. The courtroom of tomorrow may no longer involve litigants and their lawyers pitching up armed with reams of papers to do battle before robed, bewigged judges. In fact, for many it may not involve a court at all. Judges could be replaced by computers and the courtroom with the internet to meet the needs of the 21st-century litigants.

Last month Lord Chancellor and Justice Secretary Liz Truss (pictured) unveiled the Prisons and Courts Bill. Aside from wide-ranging plans to reform prisons, the Bill contained proposals to enable people and businesses with claims worth up to £25,000 to use an online digital process instead of going to court.

Constrained by a much-diminished budget, the Ministry of Justice is keenly aware of the savings that can be made by a reduced reliance on courts, which are not cheap to run.

And, as the cost of lawyers is increasingly out of reach for many ordinary people, it seems like a win-win situation that will provide swifter, simpler, cheaper access to justice for more people.

The moves build on automation that already exists for the initial stages of some court processes, including bulk automated claims, and the money and possession claims online.

The proposals follow a report from the Civil Justice Council, led by Professor Richard Susskind, and backed and built on by senior judges to deal with cases in three stages – starting with a largely automated, interactive online process to identify the issues and lodge documentary evidence, followed by conciliation and case management by case offices, before resolution by a judge if required.

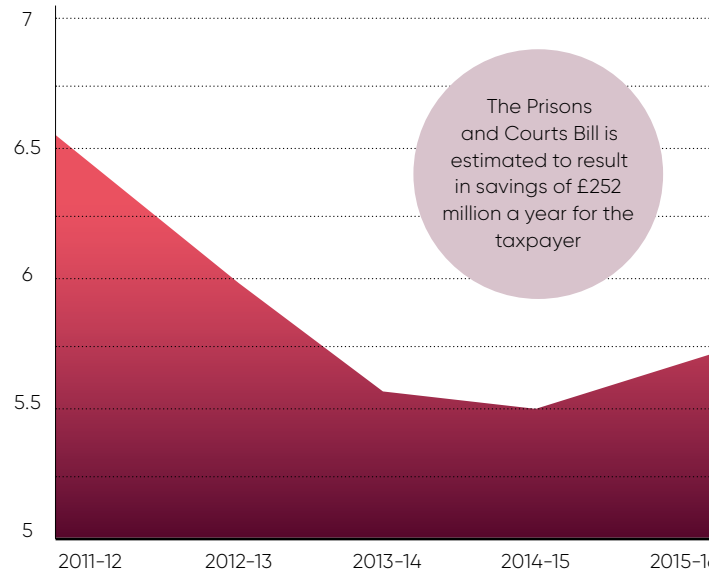
England and Wales have so far lagged behind other jurisdictions when it comes to making use of online dispute resolution, dubbed by detractors as "eBay justice".

Since 2007, the Dutch government's legal aid board has operated an online platform called *Rechtwijzer* (Roadmap to justice). It helps around 700 separating or divorcing couples a year to handle their break-up, and ancillary issues like custody and child-support, themselves.

And earlier this year British Columbia in Canada set up an online civil tribunal to enable citizens to deal with small-value property and land disputes. Initially voluntary, the system will eventually become mandatory.

“England and Wales have so far lagged behind other jurisdictions when it comes to making use of online dispute resolution

UK PUBLIC SPENDING ON LAW COURTS (£BN)



' looks like future



The online legal solutions operate in a similar way to eBay's systems, using algorithms to guide users through a series of questions and explanations to help them reach a settlement by themselves, with recourse to a judge or arbitration for those unable to reach agreement.

In England and Wales, the Bar Council and the Law Society, the groups that represent barristers and solicitors respectively, support reforms to increase efficiency and make better use of resources, but they are circumspect about the manner and speed of change, which appears to be driven by the Justice Ministry's court closure programme.

Law Society president Robert Bourns says the online court "cannot fill the immediate gap created by each court closure".

The Law Society, he says, agrees that a modernised court service and efficient use of technology would benefit all court users, but states it would be better to modernise the courts with new technology, assess how it is working and then consider savings, rather than the other way around.

In a world where most people are used to conducting many aspects of their lives online, Mr Bourns accepts that digitisation has a central place in the modern courts and tribunals service. But he insists there must also be channels available for those who are unable to interact digitally.

Professor Roger Smith, former director of Justice and consultant to the Legal Education Foundation, supports the notion of online courts, providing they are done properly. But he warns the change must not be done too quickly or without proper piloting and evaluation.

To ensure those potential litigants who are not online are not denied access to justice, he proposes running a parallel online and physical court system. ●

CASE STUDY GOWLING WLG



Beside the courts, law firms are increasingly aiming to go digital. Multinational Gowling WLG is embarking on a change programme to digitise across its 18 offices in Canada, the UK, continental Europe, the Middle East, China and Singapore.

Derek Southall, partner and head of innovation and digital, explains: "To be the best we can, we are keen to do things faster, quicker and cheaper. In recent years we have concentrated on optimising infrastructure. Now we are focusing more on improving the productivity of our lawyers and how we work with clients."

Mr Southall says the firm has split its focus into three areas: digital basics, for instance communication and document management tools; enabling technologies, for example optimising use

of case management and litigation support systems, document automation and workflow tools, and mobiles devices; and the digital future, such as more disruptive technologies, like the emerging artificial intelligence and robotic process automation tools, blockchain, and analytics.

The firm is working to implement digital plans across all its groups. A core first step is to measure the "digital fitness" of each team. Not, he insists, to provide a negative school report, but to show people how advanced they are compared to their peers.

"Our mission is to arm our teams to be the best they can, to deliver the best service to the clients in an increasingly digitised world. It's a win-win-win situation for the firm, our staff and our clients," says Mr Southall.

TOTUM Knowledge Courage Innovation

The first recruiters dedicated to business services in law.

The expertise and vision to deliver talent that transforms.

Innovative titles we have recently placed include:

- Strategy Manager
- Innovation Hub Manager
- Service Delivery & Quality Project Manager
- Business Insight Manager
- Legal Project Manager
- Legal Product Innovator
- Director of Change Projects
- Director of Complimentary Services
- Legal Process Improvement Manager
- Flexible Engagement Consultant

Contact Totum now and discover new horizons in law
T: +44 (0) 20 7332 6332
www.TotumPartners.com

LEGAL LESSONS



CHARLES ORTON-JONES

Post mortem: why KWM collapsed

What lessons can be learnt from the failure of a global law firm whose motto was “The power of together”?

The collapse of the European arm of King & Wood Mallesons was one of those dramatic moments which gripped the entire legal world. *Legal Week* mused that at one point pretty much all its top stories were on KWM. The interest was more than gossip. There was, and is, genuine interest in why such a huge law brand came tumbling down.

Legal analyst Mark A. Cohen wrote in *Forbes* that the Swiss *verein* structure was partly to blame. KWM’s Chinese and Australian units operated as independent legal entities under the system. It is the reason why KWM’s other entities continue to thrive today, despite the loss of KWM Europe and Middle East.

Mr Cohen described *vereins* as “legal networks masquerading as unified firms”. He criticised the lack of shared interest, reward or ethos: “This is not your mom or dad’s version of a partnership or a law firm.”

The most thorough analysis came from *The American Lawyer*, which interviewed 30 current and former partners to piece together what happened. Along with analysis from other industry commentators, we now have a good idea of what really went wrong and what other law firms can learn.

First up, the root causes ran deep. KWM was formed by a merger between SJ Berwin and KWM in 2013. SJ Berwin came to the deal with profound problems, the highlight of which was the collapse of revenue from private equity and real estate work during the financial

crash. SJ Berwin’s revenue fell 14 per cent in the year to April 2009 and equity partner profits halved from £801,000 to £410,000.

The merger was way out. It would create a law firm with a powerful Chinese and European presence. This was achieved, but only superficially. Post-merger work deriving from China was accepted at massive discounts of up to 80 per cent.

A former partner disclosed to *The American Lawyer*: “We were told that we’d have to do the work at knockdown rates because it was an important client for the firm in China and we couldn’t afford to upset them, but we’d then get a kicking for not doing the work as profitably.”

The firm was badly run. A classic example is the remuneration policy, as this quote from a former partner makes clear: “If I sent work to other [KWM] partners, it would be out of my numbers at the end of the year. It was better for me to send it to another firm as I’d then still be the one invoic-

ing the client, so I’d get the credit for everything.”

As the management started to panic the strategy became erratic. The focus moved to capital markets mergers and acquisitions, yet the London office struggled in this domain. The operation was streamlined from seventeen practice groups to three. Around 15 per cent of partners were asked to leave.

The real estate practice was hard-hit. More than half the partners

were forced out or de-equitised. When the top private equity team in Paris defected, it was curtains. The remnants of KWM struggled to pay for even the stationery. Attempts to raise money via a capital call from partners failed, as not enough partners bought into the scheme. Barclays, which had patiently funded the turnaround, in the end pulled the plug.

What went wrong? Take your pick. The de-equitisation is clearly an issue which resonates. Rustom Tata, chairman of DMH Stallard, comments: “De-equitisation is a blunt instrument. It can cause real dissatisfaction and many firms will find a former full-equity partner will leave, rather than remain in the firm and being seen as having failed. The loss to the firm of the goodwill and connections around that individual partner can be considerable.”

The reward system was terrible. Richard Burcher, who runs global pricing consultancy Validatum, says: “Perverse incentives are all

too prevalent in law firms.” He predicts more fallout for the industry: “The real crunch for many may not be the implosion we saw at KWM, but a growing client revolt. Clients know when law firms are rewarding lawyers on hours billed or other measures that bear no relation to the client’s objectives and they see the consequences in the invoices they’re sent.”

And the *verein* structure? Views vary. Mark Briegal, partner at Aaron & Partners, says there are challenges with the structure. “Problems can quickly manifest themselves around issues such as the sharing of costs, profits and shared liability, especially if an overarching vision of fairness has not been communicated and mutually accepted by all partners. In the case of KWM, it seems that some of these issues had emerged and were not adequately dealt with,” he says.

A lesson is that *verein* structures need to collaborate. Philip Watkins, partner at FRP Advisory, which helps restructure law firms, says: “It is important that there is a one firm culture that encourages partners to work together across different territories or offices.” After the KWM debacle, it’s hard to argue with that.

Size is a final issue. The scale of KWM failed to save it. Lawyers at mid-sized practices may take comfort from this. As Steve Roberts of solicitors Richard Nelson says: “Perhaps one of the key lessons to be learnt is big is not always beautiful and that big is not always safe. It is often assumed that the bigger the better and that there is safety in numbers. Clearly, that does not appear to have been the case with KWM.” ●

£30m
rumoured
debt held by
KWM Europe
at the time of
administration



It is important that there is a one firm culture that encourages partners to work together across different territories or offices

How the smart law revolution is going to transform your firm

Companies are demanding a faster, more secure and cost-effective service as well as remote working capabilities from their legal advisers. Only those firms that embrace "smart law" can meet these demands

Companies in virtually all industries are faced with the challenge of embracing "digital transformation" and integrating technology into all areas of their business to drive fundamental changes in the way they operate and deliver value to their clients. Law firms are not immune from this change and clients are imposing greater requirements on their legal advisers than ever before. Their increased expectations on lowering costs and faster delivery of legal services are forcing law firms to change fundamentally the way they do business.

Fortunately, new technologies are enabling professional legal teams to collaborate on projects more quickly and efficiently, irrespective of their location, office or time zone. Gone are the days of "chasing files" or "our expert was unavailable", holding up completion of critical documents. This smart law revolution is prompting more and more of the world's leading law firms to turn to HighQ, a pioneer in this space, whose legal collaboration solutions combine cutting-edge technology with high-grade security to help firms collaborate, communicate and share information securely.

"The digital transformation is giving the legal profession the opportunity to engage with consumer grade, intuitive and readily adaptable software to provide better solutions for clients," says Dan Wright, partner for service innovation at Osborne Clarke LLP, a HighQ client. "The opportunities that this poses for law firms, working



with their clients, are really exciting. Having tools that allow our people to get on with helping solve clients' problems, as well as creating new ideas that deliver more value to clients, is really important."

HighQ's platform enables law firms to satisfy the growing demands of their clients for greater speed and agility, as well as remote working and easier collaboration. "Many major law firms are benefiting from the solutions we offer, but there's still much more opportunity for digitisation and transformation of legal

services than people realise," says Stuart Barr, chief product and strategy officer at HighQ.

By automating processes and opening a new world of collaborative working, HighQ can help firms to provide a better client experience, execute transactions faster and

“Technology is becoming more intelligent and we're only just beginning the AI revolution with almost everything still to come



support clients that expect their legal advisers to be ready to move when they are. As in every area of business, the key personnel of law firms' clients are now often based in different cities, working from their office, from their home or from an airport lounge and they're using different devices.

"Clients want to collaborate with their lawyers in a way that offers instant, easy access," says Mr Barr. "But importantly, they also expect communication and collaboration to be secure. They're looking for solutions that enable them to manage projects better, adopt techniques such as agile and lean working practices to optimise their processes and manage their transactions more efficiently. Increasingly, firms need to offer more transparency to their clients so they can see what is happening with a deal, almost in real time, and that's why so many choose us."

Mr Barr points to HighQ's iSheets solution that digitises and automates formerly manual transactional processes to make them more efficient, consistent and predictable. The company's ethos is centred on marrying legal knowledge with technological expertise. "We talk about the 'legal engineer'," he says. "This is the person who drives innovation and continuous improvement within the firm by understanding legal processes and applying technology intelligently to improve them. Legal engineers need a toolkit of solutions that they can combine quickly and easily using flexible off-the-shelf tech to deliver a solution without needing to build their own systems or involve IT."

"Over the next few years, having people with both the legal-domain expertise and know-how to

leverage technology platforms will become even more important as firms look to design and build expert systems, train machine-learning algorithms, and create the products and services that set some law firms apart from their competitors."

Being able to integrate key pieces of technology is essential, he explains. For example, artificial intelligence (AI) platforms can be combined with collaboration and project management tools to optimise due diligence and other transactions massively.

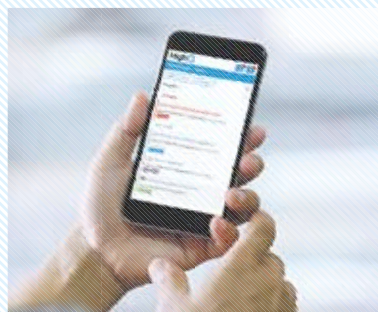
"Technology is becoming more intelligent and we're only just beginning the AI revolution with almost everything still to come," says Mr Barr. HighQ is starting to build its own AI technology which it will be releasing later in the year and into next year. We believe our ability to develop in-house AI and combine it with other AI platforms will be crucial to solving different problems.

"We don't believe there is going to be one AI platform to rule them all. The key will be to leverage multiple AI platforms and apply them specifically, according to their relative strengths. So that's what we're focused on – being a hub for collaboration, process optimisation and smart machine-learning to transform the way firms deliver legal services.

"These automated legal engines will make firms more efficient and profitable, enabling some lawyers to focus exclusively on that higher-value bespoke work, while others build, maintain and update the software engines."

Mr Barr concludes: "This is the key to success in the smart law revolution."

'IT'S HOW WE DELIVER THE BEST SERVICE TO OUR CLIENTS BY BECOMING MORE EFFICIENT'



Understanding that technology is an important factor in the delivery of legal services, global law firm Addleshaw Goddard started using iSheets, part of the HighQ collaborate

suite of products, to win new work and deliver processes in a more streamlined way. They did this by analysing how best to make use of the technology and applying it across their practice areas.

The company search iSheet, for instance, is set up with pre-defined dropdown options and a fixed template, so instead of manually typing or pasting clauses into a template, users select the clauses they need and automatically generate a correctly formatted report. They have also applied this to a large business disposal using the iSheets functionality to speed up the transfer of more than 15,000 properties.

Along with their use of iSheets, Addleshaw Goddard continues to use the entire HighQ platform including secure file-sharing and storage, wikis, which they use for collaboration, data visualisation along with document automation tools.

"There's increasing pressure from clients these days to become more efficient," says Mike Potter, partner and head of the firm's transaction services team. "That requires us to use technology to automate more and more of the tasks that we do. This frees up resource to spend more time with clients and to generate more business. It's about how we deliver the best service to our clients. HighQ helps us to do that."

For more information please visit highq.com

Enabling your legal staff to focus on work that counts

Winscribe has long supported fee earners in the challenges of maximising chargeable hours and minimising time spent on administration. Their consultative approach is helping firms optimise working processes and make the most of best-of-breed hardware from Philips



The delivery of services within the UK legal market requires continuous improvements to keep up with increasing client expectations, advances in technology and the need to reduce delivery costs. Firms are looking to improve their fee-earner utilisation and increase working capacity. Technology presents the best solution for devising innovative ways of working, reducing costs and building a trustworthy reputation.

Many firms are yet to revise some of their existing working practices and technologies. These organisations are missing opportunities to sustain and improve profit margins while serving client needs more effectively. One such working practice is the documentation process. Winscribe, a leading document production consultancy firm, has created a consultative process for firms to identify opportunities for improvement.

Winscribe works closely with clients to identify ways of improving resource utilisation, for instance increasing the number of chargeable fee-earning hours and decreasing the number of hours spent on tasks that do not trans-

late to chargeable hours. Winscribe prides itself on the ability to make time for the work that counts for both individual fee earners and organisations that employ them, by combining best-of-breed dedicated dictation devices from Philips with best-in-class software.

“The future of law firms is dependent on their ability to be flexible and scalable” Vladimir Teodosiev, head of legal and professional sales, Winscribe Europe

Legal professionals need to be able to create and share documentation quickly and effectively. Creating documents represents a significant time investment for fee earners, so although changes to documentation practices can be met with resistance, inevitably economic pressures will trump resistance to change. The future of law firms is dependent on their ability to be flexible and scalable.

There are different technologies or tech mixes that help achieve these objectives. They include the use of speech recognition, mobility, mobile text return, document management system integration and outsourcing. At the forefront of such offerings in many cases stands the requirement for capturing good-quality audio, which is best accomplished through specialist hardware supplied by Philips.

The key to real advance though is measuring these improvements with objective statistics. Winscribe business consultants work extensively with clients to define their business objectives and then they build the component elements of the solution which will best suit each individual client.

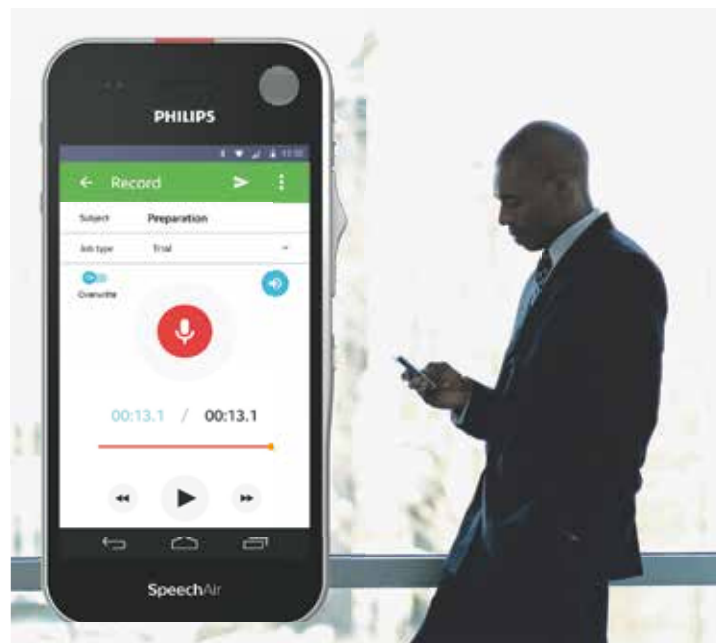
From here, baselines are created to track key elements which determine success as defined by the organisation. Projects are implemented against key metrics to ensure delivery on those success criteria. While the latest technology and software features are important, in the long run all that matters is enabling clients to be more efficient and cost effective.

The growth of mobile and home working has exploded across all sectors. Legal has been more cautious in its approach, but any firm that does not have a strategy for supporting mobile and home working is falling behind. Winscribe's mobile offering has received substantial development to accommodate these continuing trends. The software supports all relevant mobile platforms and mobility hardware such as Philips' SpeechAir.

The ability to work anytime, anywhere can significantly increase the capacity of a firm and is becoming essential to meeting profit-per-equity-partner targets.

Winscribe's consultative services are tailored to each client and are based on their own strategic road map, vision and core improvement requirements. Free consultations are available throughout England on request.

For more information please visit www.winscribe.com



ARTIFICIAL INTELLIGENCE



Chatbots and smart tech

Strategic use of artificial intelligence by law firms is set to become a deciding factor for future success by improving client relationships and increasing profitability

JOANNA GOODMAN

Since the first “robot lawyer” hit the news in late-2015, legal artificial intelligence (AI) has seen an exponential take-up.

While Berwin Leighton Paisner (BLP) was first to deploy RAVN's applied cognitive engine (ACE), RAVN's clients now include major law firms and legal departments. RAVN recently hit the news for its role in expediting the Serious Fraud Office Rolls-Royce investigation and for its latest AI tool, which checks compliance with the General Data Protection Regulation.

Popular tools include ROSS Intelligence, which carries out legal research, and Kira Systems, which undertakes mergers and acquisitions due diligence and contract analysis. Like RAVN, both products combine natural language processing and machine-learning. The system responds to queries without requiring particular terminology, and its output becomes increasingly accurate as it learns from experience and feedback.

More accessible AI offerings require no up-front investment. RAVN's Extract is a plug-and-play version of the ACE product. Due diligence engine Luminance reads large volumes of data in different media contemporaneously and highlights exceptions and anomalies. Luminance does not require training and is deployed out of the box.

As legal AI matures, innovation is key to competitive advantage. “Winning firms will be able to combine large data sets with client and industry expertise to generate deep insights and automation,” says Bruce Braude, head of strategic client technology at BLP.

Isabel Parker, director of legal services innovation at Freshfields Bruckhaus Deringer, agrees: “Successful firms will be teaching machine-learning algorithms using

their own data sets and lawyers, and integrating different types of AI technology to create new products tailored to their clients' requirements.”

While some firms, including Pinsent Masons and Linklaters, have developed AI tools in-house, others are building bespoke solutions on third-party platforms. Clifford Chance uses Kira Systems to create its own standard documents. Other firms have deployed Neota Logic, an AI platform for creating code-free apps, to provide self-service real-time legal advice. Neota also powers Robot Lawyer LISA, an online non-disclosure agreement generator created by legal futurist Chrissie Lightfoot and her team at AI Tech Support.

LISA works in a similar way to online chatbots that provide free access to justice. The trailblazer was Stanford University student Joshua Browder's DoNotPay which has overturned more than 160,000 parking fines and handled over 3,000 emergency housing applications. DoNotPay's latest chatbot, which operates on the Facebook Messenger platform, helps refugees with immigration applications in the United States and Canada, and asylum support applications in the UK.

While consumer and commercial technology has seen an explosion in voice-activated assistants, the legal sector is playing catch up. In April, business intelligence and analytics company Helm360 will launch Termi, a chatbot built on Microsoft's cognitive services platform, which interrogates Thomson Reuters Elite legal practice management system via Skype, Microsoft Team or a web browser.

As Bimal Dave, Helm360's executive vice president of products and services, explains, Termi will enable lawyers and managers to request billing and other management information. He says the idea is to “remove complexity and give users mobile access to relevant information without logging into multiple platforms”. ●

LITIGATION FUNDING

Jurisdictions around the world join in

Litigation funding is extending its international reach and is an industry that is only set to grow stronger

RACHEL ROTHWELL

In today's uncertain economic times, getting a return on investments is a lot harder than it used to be. With interest rates at rock bottom and economic growth sluggish, investors need more imaginative ways to get a return on their money and there is one asset class in particular that is catching their attention – litigation.

Investing in a third party's litigation or arbitration was once banned under English law, but these days it is a legitimate and thriving industry. When a litigation funder is approached by a client with a strong legal claim, it will invest cash up front to pay for the running of the case. If the claim fails, the funder loses its investment. But if it wins, the funder's gamble is generously rewarded and it will often receive



But it is not just the traditional strongholds of the UK, Australia and United States where litigation funding is blooming; the industry is now spreading its roots into new parts of the globe. In the context of international arbitration disputes, two key Asian financial centres have recently made bold moves to welcome the funding industry: Singapore and Hong Kong.

When it comes to the highly lucrative field of international arbitration, the fight to be top dog as the seat for resolving these disputes is scrappy and competitive with London, Paris, Geneva, Hong Kong and Singapore all in the fray. According to Steven Friel, chief executive of Woodsford Litigation Funding, having clear rules permitting parties to use litigation funding is now essential if an arbitration centre is to avoid “losing its crown”, putting the two Asian centres at risk of lagging behind their European competitors.

Elbow to elbow, the Asian rivals have been racing to make the legal reforms needed to enable parties to arbitration to use litigation funders. Hong Kong was the first to start the

process, but Singapore pipped it to the post earlier this month. The relevant law came into force there on March 1, replete with regulations and a change to the lawyers' professional rules. This means that parties to an international arbitration being heard in Singapore can now seek finance from litigation funders, in line with the other major arbitration seats.

Similar steps will follow soon in Hong Kong, which is expected to come panting across the finish line by the end of June.

For Ruth Stackpool-Moore, head of the Hong Kong office at Harbour Litigation Funding, the changes will be a big plus-point for both Asian jurisdictions. And she cautions: “In light of uncertainties associated with the UK's decision to leave the EU, it could be, at least to some extent, at London's expense.”

Sam Luttrell, counsel at global law firm Clifford Chance, adds that now the ball has been set rolling: “Either out of a desire to harmonise or compete with Hong Kong and Singapore, other jurisdictions will change their laws to accommodate the growing participation of third-party funders in international arbitration.”

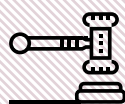
Indeed, such moves are already afoot in Dubai, where the courts are consulting the public on the issue. Ms Stackpool-Moore believes it is only a matter of time before the use of litigation funding is extended to other countries such as Korea, China and Japan.

Mr Friel highlights Latin America as particularly fertile ground for growth, pointing to the increasing popularity of international arbitration on that continent, particularly in Brazil. He says: “As Brazil becomes more acquainted with international arbitration, so it will become more familiar with litigation funding – as night follows day.” ●

FACTFILE

JANUARY 2017

Singapore parliament passed the Civil Law Act, which allows third-party funders to finance international commercial arbitration on particular terms. Previous laws of champerty and maintenance prevented parties with no interest in an arbitration providing funding.



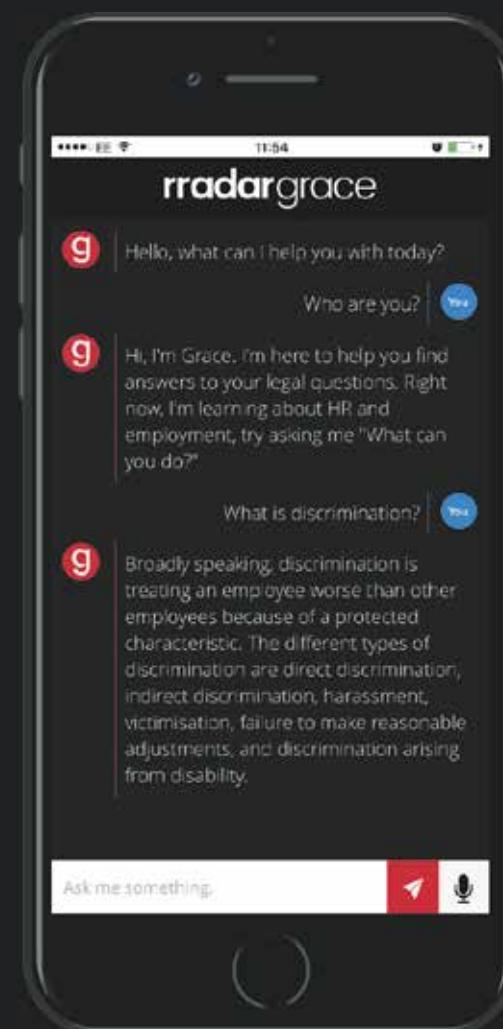
“Other jurisdictions will change their laws to accommodate the growing participation of third-party funders in international arbitration

around three times what it put in, paid from the client's damages.

So litigation funding can be expensive for clients, but it provides the up-front finance that smaller businesses may need to fight their case. Or for deep-pocketed corporates, it simply allows them to offload the risk element of the litigation.

Recent statistics published by City law firm Reynolds Porter Chamberlain put the amount of cash funders committed to UK litigation at £723 million last year, up 25 per cent on 2015. Meanwhile funders are finding it easier than ever to attract investors, with Australian funder IMF Bentham launching a new \$200-million vehicle to fund US cases in February, while UK funder Calunius launched a new £100-million fund in November.

g
rradargrace



Say hello to **grace**
Simple. Fast. Intelligent

Grace is a virtual legal assistant, designed to put you back in control and educate business everyday. Grace will learn from your interaction and expand her bank of answers, becoming smarter the more you use her.

Accessible from every device, smart phone, PC, laptop and tablet, Grace is designed to be part of your future and provide legal advice on your terms.

Grace and rradar have a simple mission - to change perceptions of how legal advice is accessed and administered.

Showing what you can do, not what you can't.

Visit rradar.com/grace for more information.

0800 955 6111
contactus@rradar.com

@rradarlegal

Search for "rradar"

rradar



DATA HIDES. INFORMATION ILLUMINATES.

© 2017 Veritas Technologies LLC. All rights reserved.

VERITAS™

Information works.

Reduce risk, help ensure compliance and accelerate audits with complete visibility. GDPR is right around the corner, don't wait until it's too late. Put your information to work at veritas.com/gdpr