

## LEGAL TECHNOLOGY: LOOKING PAST THE HYPE



AUTUMN 2018

### Marketing Overview

It is a process to allow an organization to focus resources on the greatest opportunities to increase sales and achieve the company's target. Marketing strategy's goal is to increase sales and achieve the advantage over other competitors. It includes short term and long term activities of marketing that has to do with the analysis of a company's situation and contribute to its objectives. The objectives will be based on how you gain sales by acquiring and keeping customers.

A marketing strategy helps convey effective messages with the right blend of marketing approaches that will maximize your sales outcome and marketing activities.

Product Categories	Profit per Year				
	2013	2014	2015	2016	2017
General tools	+920.82	-13.9	+920.82	+7207.75	+80.82
Health & Medical	-13.9	+82.94	+239.74	-229.00	-13.9
Art Supply	+82.94	+920.82	+82.94	+239.74	+82.94
Kids & Baby	+659.02	-13.9	+920.82	+7207.75	+80.82



## FOREWORD

Did the expression “UK Legal Tech Landscape” once make you excited and now make you groan?

Increasingly you are not alone. Overblown promises and a lack of clear solution-based thinking has driven confusion and disillusionment with legal technology.

This is due, in part, to the fast pace of change in the legal industry and the rapid growth of the technology market. For many, it can be hard to ascertain which types of technology would deliver positive value to their in-house teams, let alone chose a provider. Indeed, in-house counsels today have a wider range of technologies to choose from than ever before; the sheer scope can be overwhelming.

Moreover, the role of in-house lawyers has changed significantly over the past few years. Expectations for a strong push towards increasing effectiveness, playing a strategic role within organisations and being more proactive with CEOs and Boards, are becoming louder.



Aiming to explore the current issues facing the legal market, and better offer guidance and perspective to those in the legal ecosystem, we spent six months researching the intersection between in-house counsel and legal technology, interviewing General Counsels and Legal Operations teams across a wide variety of industries.

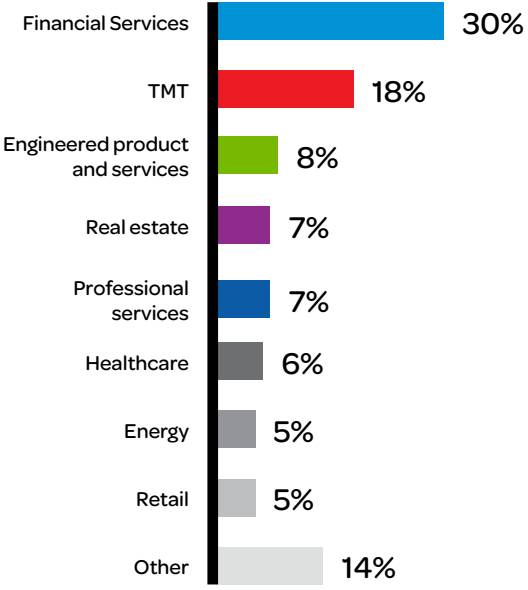
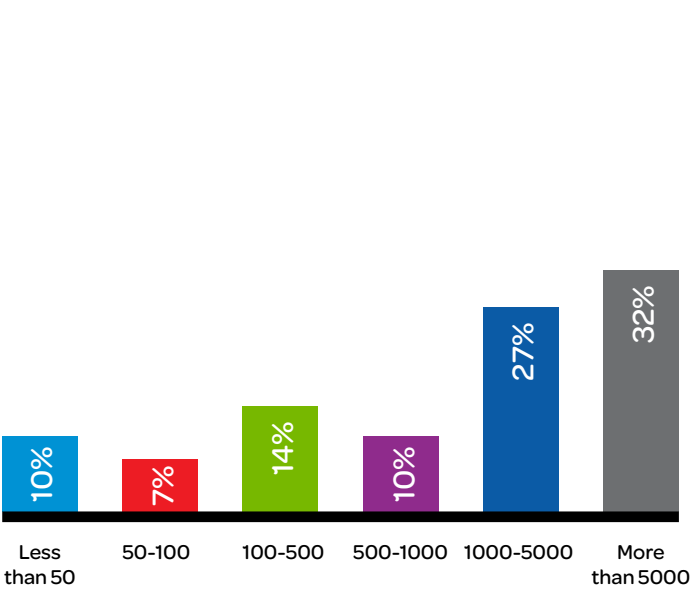
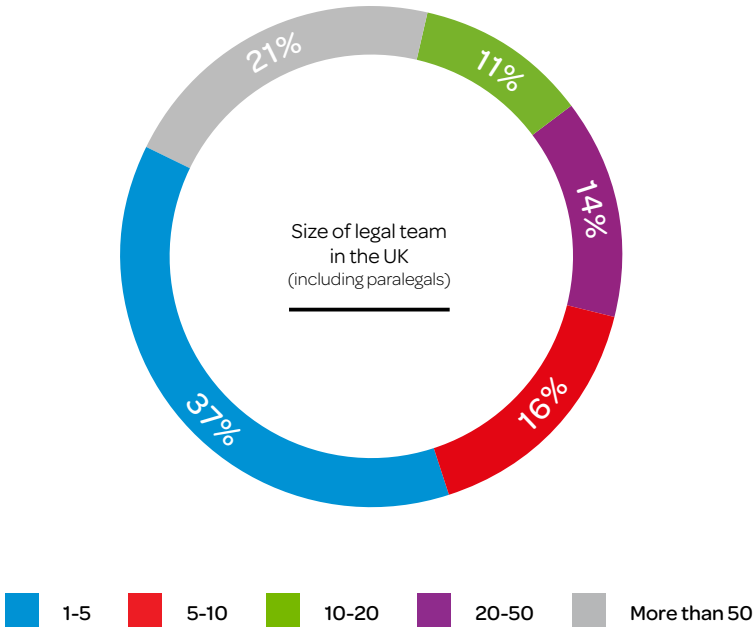
We have identified that there is a growing need to build knowledge in this area. Many teams operating in today's market feel at the mercy of sensationalised discourse regarding technological advancement, when what is needed instead is sustained, informed discussion that helps them keep pace with the rapid pace of change in the legal industry and allows them to communicate and work effectively with their increasingly multi-disciplinary teams.

**LexisNexis In-house Insights is a bi-annual thought leadership publication that addresses a major trending topic on the agenda of in-house legal teams. It is meant to expand the horizons of General Counsels and their teams, inform them of the major latest developments across the sector and provide them with valuable insights to shape their roles and careers.**

This report looks more honestly at what the market is doing. We don't pretend to have all the answers, but can share what we have learnt by talking to our customers and plug this hole in our collective intelligence. We are still learning – and if you want to debate these ideas more, please get in touch.

Our report **Legal Technology: Looking Past the Hype** was created using data gathered from across the in-house legal community during the Summer 2018 in conjunction with our own internal expertise.

We conducted an extensive survey, collecting 130 interview responses, including 20 in-depth interviews with General Counsels from some of the largest in-house legal teams in the country.





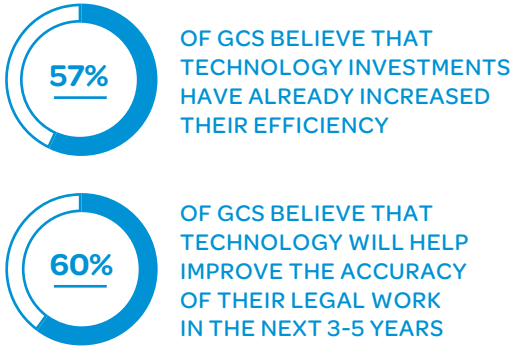
# D1

The media coverage of legal technology has become an industry within itself. It is almost impossible today to attend a legal conference, scroll through your LinkedIn feed, click on a newsletter in your inbox and not encounter a discussion on artificial intelligence, innovation, robots and their applications in the legal space. Sensationalism sells, and many articles have promised profound change.

Regardless of the accuracy of these predictions, it has fuelled greater scrutiny of the way legal services are provided. Indeed, when we talk to our customers, they tell us that the market for legal services has never been more competitive and consequently legal departments are facing a challenging set of demands.

Firstly, there is a stronger need and expectation for alignment of legal teams with organisational strategy. Organisations see their in-house counsel less as a supporting business service and more as strategic managers of regulatory and legal risk – with an important seat at the top table. Remits are expanding from legal advisor to business decision-maker.

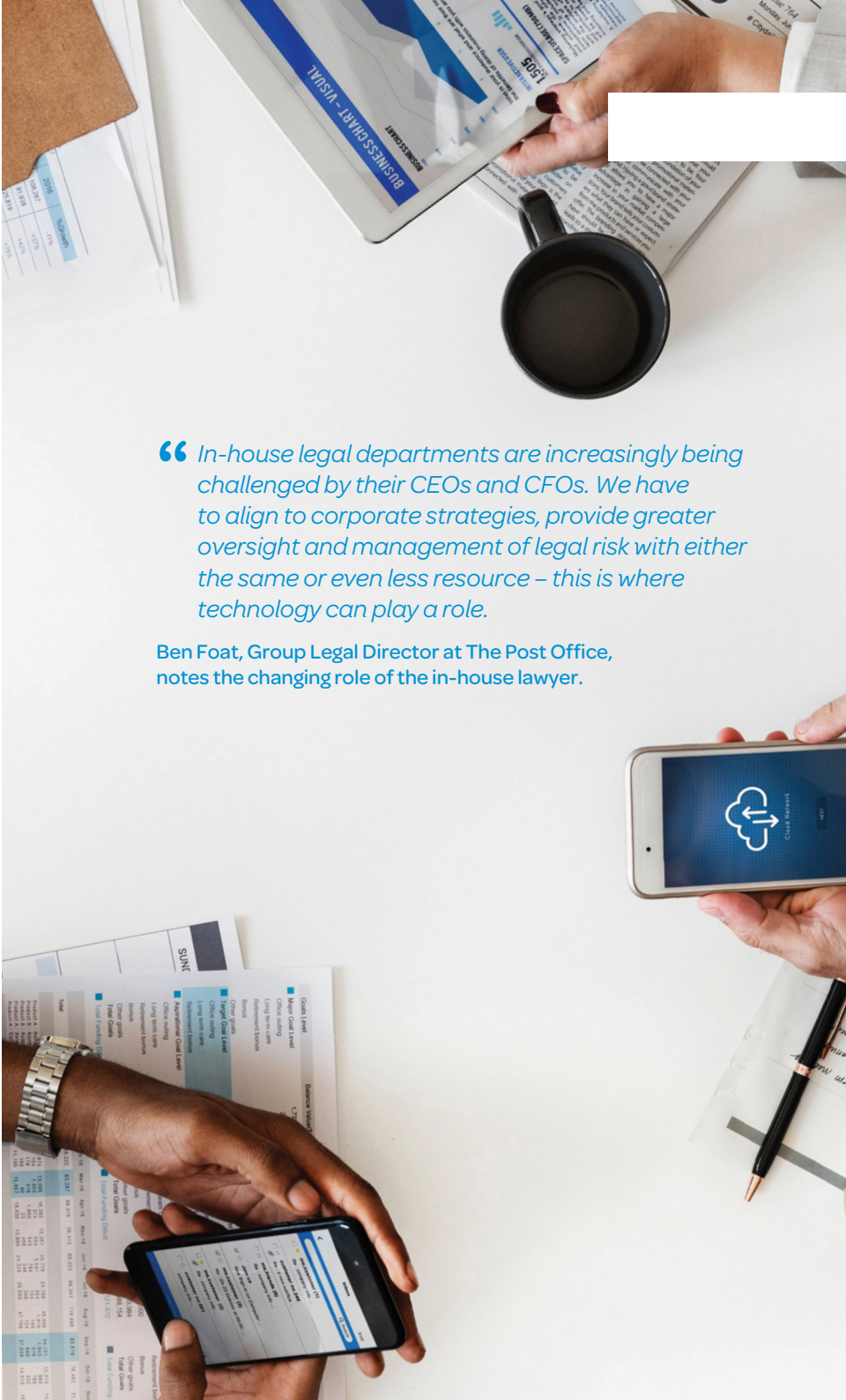
Secondly, there is an expectation of increased service sophistication from the promise of new technologies and analysis. Providers of legal analytics have shown that new technologies can power better decision-making in several areas such as patent and trademark law, copyright, securities, antitrust, and commercial litigation.



Thirdly, and perhaps most importantly, in-house counsels are seeking efficiency and the ability to demonstrate return on investment. In-house counsel budgets continue to be under pressure, creating a latent demand for alternative service providers. Initial focus continues to be on routine or repetitive workflows, although controlling the cost of legal panels remains a key priority – especially increasing fee visibility and predictability.

“In-house legal departments are increasingly being challenged by their CEOs and CFOs. We have to align to corporate strategies, provide greater oversight and management of legal risk with either the same or even less resource – this is where technology can play a role.”

Ben Foat, Group Legal Director at The Post Office, notes the changing role of the in-house lawyer.





# 01.1

The intensive media coverage, coupled with the buzz around AI and other technologies, is driving a wave of innovation in the global legal services market, evidenced in the number of start-ups who have emerged in the last few years.

There is a large set of potential solutions available, and many are confused by the range of possibilities available.

Our research highlighted that 60% of lawyers lack an understanding when it comes to the suitability of technology for their organisation.

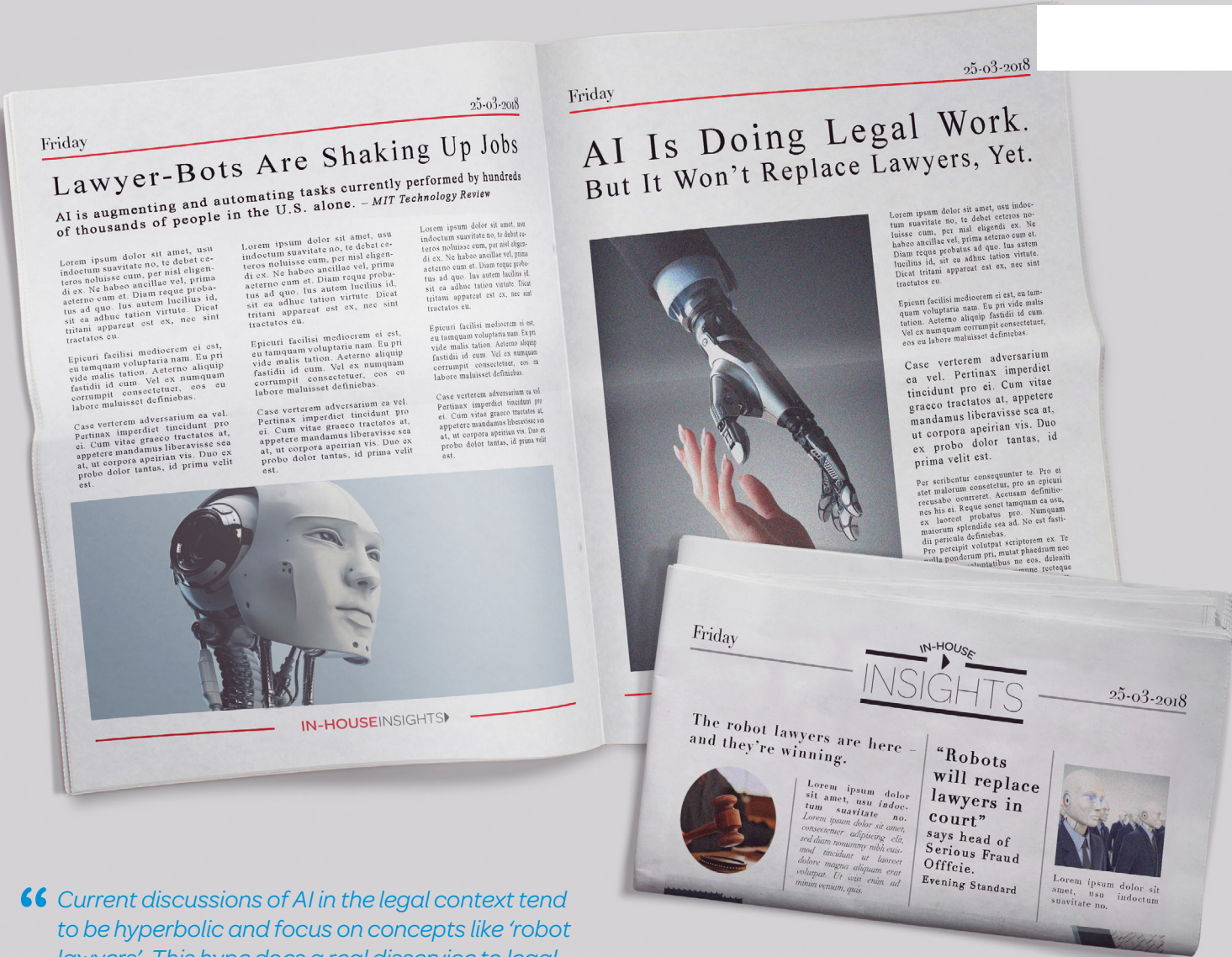
In addition, investor capital is artificially propping up business models and it is challenging to identify future winners and losers, with both providers and buyers struggling with product-market fit.

Inevitably, some buyers have backed losing technologies and/or have not seen the returns expected. Certainly, tools have been implemented that have not been a good fit and uptake of installed technologies has often been less than expected.

Therefore, rather than a strong acceleration, there is a sense of inertia. Driven by a combination of uncertainty, unmet expectations and even early onset tech ‘fatigue’, in-house counsel are increasingly waiting for the hype curve to pass.



1 IN 5 GC'S WERE ABLE TO POINT TO A PIECE OF RECENTLY INSTALLED TECHNOLOGY THAT HAD LOW OR ZERO USAGE.



“Current discussions of AI in the legal context tend to be hyperbolic and focus on concepts like ‘robot lawyers’. This hype does a real disservice to legal technology discussion: it creates a certain level of excitement and expectation within customers that existing products in the market and readiness of organisations are not ready to match.

Jeff Pfeifer, VP of Product Management for LexisNexis

## What is Artificial Intelligence (AI)?

The concept of artificial intelligence (AI) originated in the 1950s. AI refers to the simulation of human learning processes by computers. AI engines use data (inputs and outcomes) to auto-correct (refine) a set of logical rules that enable the inputs to predict the outcomes.

Whereas in traditional analysis the 'answer' is the output, in AI these logical rules are the output. The resulting set of rules ("cognitive engines") enable the user to run similar analytics over new datasets to predict outcomes or optimise observations.

AI has contributed to the growth of various industries in the past decade or so on multiple fronts: reducing costs, improving propositions an enabling the development of new products.



In the legal industry, various market forces are creating a fertile environment for innovation – led globally by the US, with the UK playing an increasingly prominent role.

### Increased computing power:

The processing power of computers has been doubling every two years as Moore predicted back in 1970. Computers are now able to analyse substantially larger datasets in reasonable time-frames.

### Investment:

There is a substantial interest and capital from early stage investors within the legal tech sector. Crunchbase estimates that over \$1.5B has been invested by venture capitalists into legal start up. This number excludes private equity investments nor does it look at the money spent by law firms and larger corporates operating in this space.

### Data proliferation:

The volume of data used in legal advice has increased exponentially—a pattern seen in many other industries as well. For instance, in the Enron, Lehman Brothers, and (more recently) Volkswagen cases, lawyers have had to review and interpret hundreds of thousands of e-mails and other documents to establish the facts. In the future, the ability to screen, analyse, and interpret unprecedented volumes of data will become just as critical to law firms' success as the "art" of delivering legal advice is now.

### Enabling technologies:

A variety of legal technologies has emerged, enabling the digitization and automation of these and other legal-work activities. The availability of these off-the-shelf processing tools and analysis platforms such as Microsoft Azure and Amazon Web Services, means AI tech is available to a much wider audience.



There is a bewildering array of technologies available to in-house counsel.

Furthermore technologies and suppliers are highly dynamic – frequently pivoting their product applications.

From our discussions and interviews, we identified four broad categories being used today: Insight Tools, Document Drafting, Document Management, Process Management.

Insight Tools

Technologies that assist lawyers with research and decision-making

Document Drafting

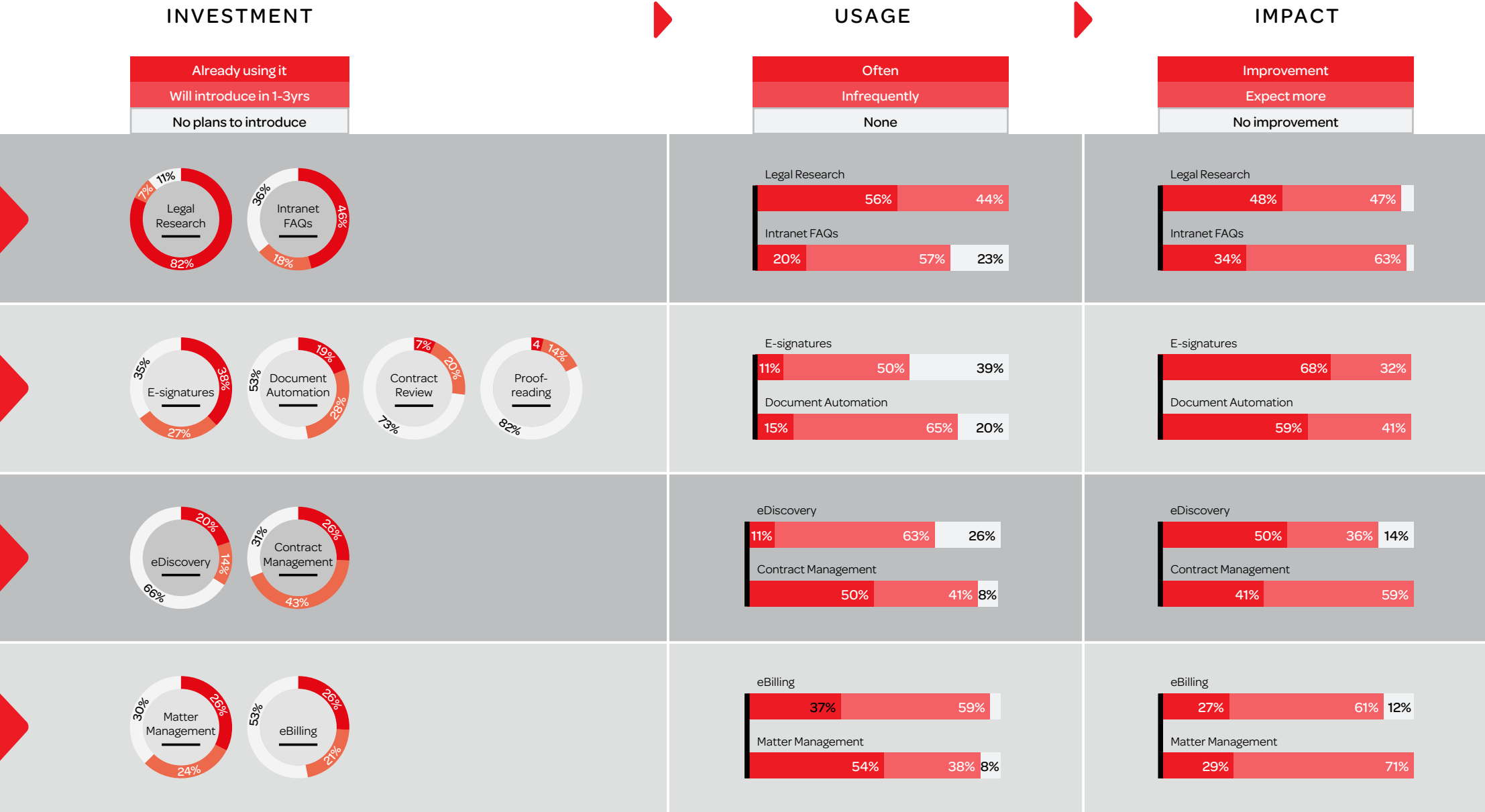
Technologies helping lawyers to create legal documents more efficiently

Document Management

Technologies that enable more effective management of documents and obligations

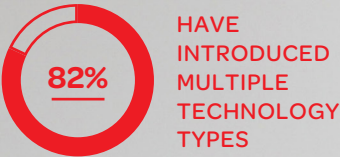
Process Management

Technologies that help increase transparency of legal services management



# 02.1

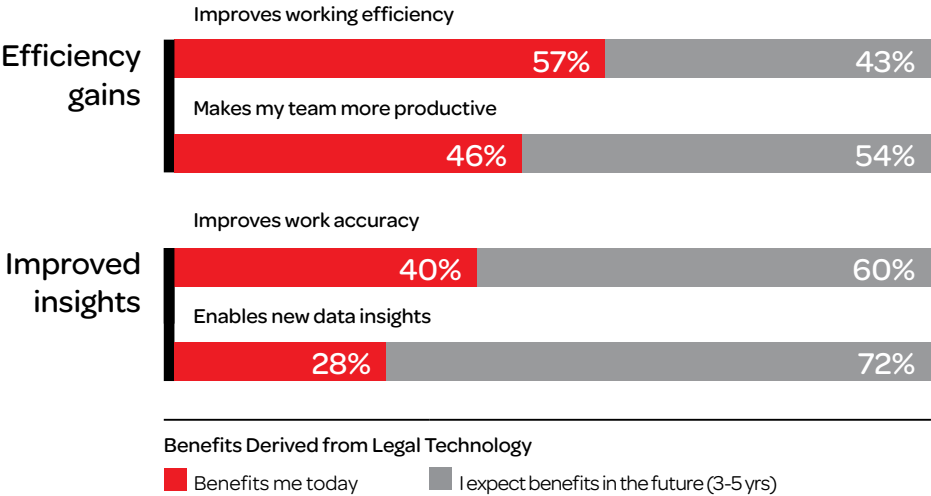
It is clear there is substantial activity and investment in legal tech.



Of the General Counsels we talked to, 82% have introduced multiple technology types and almost every legal department interviewed indicated plans to introduce additional technologies in the next few years.

Results showed in-house lawyers are most comfortable with tried and trusted insight tools. Legal Research tools (such as LexisLibrary and LexisPSL) are the most popular with 82% of respondents already using this specific technology. Yet, there is increasing comfort with more advanced document and process tools.

Further, findings revealed although the current focus of technology innovation is around driving efficiency, in the future, technology tools are expected to unlock improved insights through improving work accuracy and enabling new data insights.





# 03

A myriad of tech solutions have been flagged as currently being used by in-house legal teams.

SELECTION OF LEGAL TECH TOOLS DEPLOYED BY IN-HOUSE LEGAL TEAMS TODAY

► INSIGHTS TOOLS

 LexisNexis®

 THOMSON REUTERS  
WESTLAW™

 Practical Law  
A THOMSON REUTERS LEGAL SOLUTION

► DOCUMENT DRAFTING

 LexisNexis®

 exari


 HOTdocs™


 kim.


 ContractExpress


 SAP®


► DOCUMENT MANAGEMENT


 RECOMMIND®


 exari


 SAP Ariba


 iManage


 Clearwell  
Now a part of Symantec


 docmoto®


 CLM  
SOFTWARE


 mimecast®

 novatus  
CONTRACT MANAGEMENT

 kim.

 netdocuments®

 nuix

 SharePoint

► PROCESS MANAGEMENT

 Wolters Kluwer

 Iken

 daxLEGAL | Smart data,  
intelligently delivered.

 Clio

 kim.

 iManage

 repstor

 Riverview  
LAW  
Legal input. Business output.

 TeamConnect<sup>SM</sup>

 ORACLE

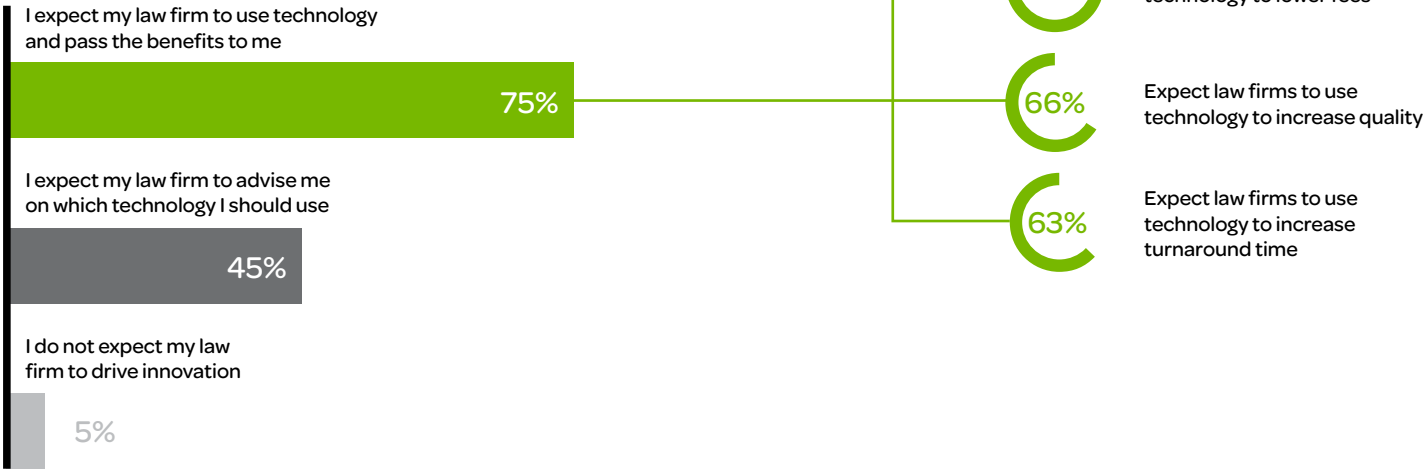
THE ROLE OF LAW FIRMS

04

At the interface: GC expectations of law firms

With deeper pockets dedicated to innovation than those of their clients, law firms are expected to play a major role driving the development and adoption of technology across the ecosystem.

When asked what role they expect their law firms to play in legal technology innovation, around 75% of in-house counsel expect their law firms to use technology and pass on the benefits including lower fees, improved quality and faster turnaround times.

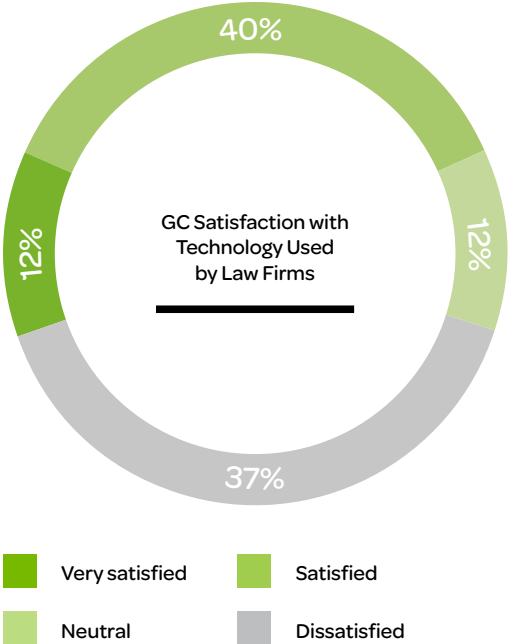


GC Expectation of Law Firms



37% OF GCS DO NOT KNOW WHAT TECHNOLOGY THEIR LAW FIRM IS USING

There was mixed feedback on the satisfaction of legal technology deployed by the law firms. 40% of General Counsels said they were satisfied, however only 12% were very satisfied. A notable 37% were dissatisfied with the technology panel firms were deploying. Interestingly, more than a third were not aware of the technology being used.





# 04.1

The picture is one of change, with both law firms and in-house counsel adapting to the new ecosystem of technologies.

Where we have seen the interface between General Counsels and their law firms delivering innovation, effective collaboration has been the driver.

Technology investments from both parties provide both complexity and opportunity. For the entrepreneurial, collaboration offers the potential to pool resources and exchange insights.

“The world is mourning the death of compromise: legal teams are getting what they want, when they want it and at the price that they want from a whole range of different legal service providers.

Rob Booth, General Counsel of The Crown Estate



## Vodafone and Osborne Clarke

Vodafone had been wanting to transform the way it managed and executed its property legal work internally – Osborne Clarke created a bespoke cloud-based online platform that allows the telecoms company to instruct, manage and execute all the litigation and transactional work related to its properties in England and Wales. These range from masts to shops, data centres and offices.

“Law firms need to get their heads round a different model. We’re not always selling the delivery of legal services – we’re selling the delivery of enabling and consulting services with a legal backbone. But that positions us for a much broader, longer-term relationship.

Dan Wright, partner at Osborne Clarke says.

## Wolseley UK & Addleshaw Goddard

The potential to harness technology sparked a collaboration between the legal team of Wolseley UK and law firm Addleshaw Goddard. They developed an online portal on which to host and summarise completed contracts and a tool that uses algorithms to calculate the risks in a contract, such as poor customer credit ratings or uncapped amounts for damages. The joint work was mutually beneficial, says Mike Potter, a partner and head of the transaction services team at Addleshaw Goddard. For the firm, a better insight into a client’s needs gives it an edge when pitching for work.

“Having an in-house team willing to share their challenges is like gold dust for us. As for Wolseley’s legal team, they don’t have the resources to test new technology all the time, so they want us to come in and show them what’s happening.

Mike Potter, a partner and head of the transaction services team at Addleshaw Goddard

# 05

It is clear that the legal innovation environment is in substantial flux. Although there is no magic formula, our research revealed best practice legal departments can apply to overcome the inertia from over-hyped expectations.



### Remove ambiguity

First, it is crucial that you have a strong understanding of your departments activities and processes. Technology is unforgiving of ambiguity and investments made without clear objectives or rationale are highly likely to fail. Utilise your management information to understand your key risk areas and cost categories, and then consider where potential opportunities may lie.

“ You must get your own house in order first. Don’t just get a piece of legal technology; you need to understand your business first and foremost. What are the work flows that come through the legal department? What is your MI telling you about the risks in your business? When you understand that and the processes then you can start to interrogate where technology can make a difference.

Ben Foat, Group Legal Director at the Post Office



# 05.1

### Start with problems (and don't force fit solutions)

Substantial investment in the legal tech market has made it hard to identify technology winners and losers. In order to identify a solution that is likely to work, identify pain points in your organisation and then find a solution that addresses this pain point.

Several legal teams revealed low or zero usage of technology tools invested in. Justifying your return on investment will be harder if colleagues can point to past failures.

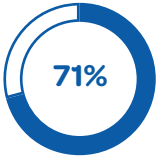
“*Identify the business problem then demonstrate how bringing this technology in is going to solve the business problem. Understanding the pain points is the best aspect to sell the technology into the business.*

Matthew Braovac, Director of Legal, Consumer, Corporate and Competition, Sky



Pain points experienced by GCs

2 IN 3  
LACK THE TIME OR  
UNDERSTANDING TO  
EXPLORE AVAILABLE  
SOLUTIONS



GCS CITE A  
LACK OF BUDGET  
AS A BARRIER

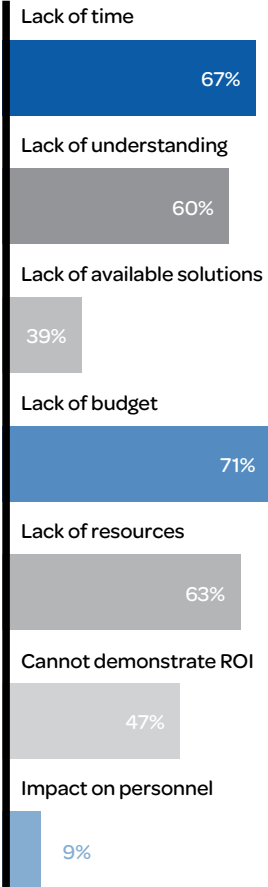
### Create time dedicated to innovation

Results indicate that 2 in 3 lawyers lack the time to fully understand the legal tech market. This has led some to perceive (rightly or wrongly) that there is not only a lack of available solutions, but also a lack of budget and an inability to demonstrate ROI. Only 9% cited changes to personnel as a significant barrier, indicating a willingness to embrace change (when it is understood).

Several law firms have driven their understanding through development of incubators or investment in technology growth funds. In-house legal teams may not initially have the budget for investment but should find ways to carve out time to dedicate to innovation. Taking the time to build an understanding of available solutions is critical to effectively building the business case for stakeholders.



9/10 LAWYERS DO NOT  
SEE THE IMPACT ON  
PERSONNEL AS A BARRIER



Barriers to Legal Technology  
Adoption Experienced by GCs

# 05.2

## Use multi-disciplinary teams

Don't forgo human intelligence in search of artificial intelligence. Bringing in experts from other areas of the business will substantially increase the chances of technology gaining traction. Using multi-disciplinary teams allows for richer discussions and helps foster a true culture of innovation.

There is also a virtuous circle of upskilling your team on technology and the resultant increased enthusiasm for innovation. Our research unearthed an increased propensity to hire Legal Operations Managers (many of which do not have legal backgrounds). A key element of the skillset is change management – and investing time and effort in effecting change is vital for successful tech deployment.

“ You should engage the IT department when you are planning on bringing forward a technology solution. Always use technology as a change agent. If you say to the board, CEO and your team that you have a new technology and promise its impact, and then it doesn't work, you are in a difficult position. It is key to engage your IT service early on to make sure the technology fits into your infrastructure

Paul Cummins, Head of Legal Services,  
Milton Keynes Council

## Select partners well

Successful technology deployments have invariably been the product of effective collaboration.

Whether partnership is between legal services provider and technology provider, or between law firm and GC, this relationship is fundamental as success requires the effective contribution of both supplier and buyer of legal technology.





LexisNexis has developed a close working relationship with in-house counsel. We have worked with lawyers across the globe, partnering to support investment decisions and providing a suite of legal solutions to assist lawyers in delivering outstanding outcomes.

## Thought leadership partnership

LexisNexis is a proven partner in helping in-house counsel identify and solve problems within their business:

- ▶ LexisNexis innovation experts have conducted design thinking workshops with in-house legal teams to help support mapping workflows, identifying pain points and design better user journeys.
- ▶ Our forums (In-house Strategic Advisory Board, In-house Legal Operations Forum and Flying Solo - for GCs working solo or smaller teams) provide a highly engaged space to network and share best practices

## Legal solutions

We have a broad range of legal solutions

- ▶ Core products: LexisLibrary and LexisPSL
- ▶ Efficiency Tech Tools:
  - Lexis Draft allows users to create and proofread new and existing documents in less time without increasing the risk of creating or propagating errors.
  - Lexis Bespoke accelerates the process of creating documents without increasing risk, supporting improved efficiencies and ensuring a consistent and accurate approach, wherever your users might be.
- ▶ Next Generation Tech Tools: Lex Machina, Intelligize, Ravel Law



# 06.1

## The John Lewis Partnership & Lexis Draft

LexisNexis has recently announced that the John Lewis Partnership UK legal team has selected Lexis Draft as their preferred solution for legal drafting and proofreading. As part of ongoing efforts to adapt operational processes and governance to changing commercial objectives and expectations, the John Lewis legal team set out to assess how to increase its agility, rigour and productivity in engagements with internal stakeholders and external legal partners. A key objective was to use new technology to improve the legal document creation and reviewing process without increasing administrative overheads or operational risk. The Lexis Draft solution has been selected as an enterprise ready personal productivity solution without the risks usually associated with “big tech” deployments. Following on from a very successful proof of concept where Lexis Draft was tested on internal and panel law firm documents, the decision was made to roll out Lexis Draft to the entire John Lewis legal team. Lexis Draft will enable the team to significantly streamline the citation and reference checking tasks and reduce the time required to create and proofread legal documents whether they are internal or from external panel partners. The team also anticipates that this will help focus more time on delivering high-value work and improve service to the partnership.

“ LexisNexis spent time with us working through the extensive proof of concept to test Lexis Draft on our own documents as well as those of our panel firms. The results were very impressive and influenced our decision to roll-out Lexis Draft for our in-house team.

Maria Passemard, Head of Legal Operations at the John Lewis Partnership

## CocaCola & Lexis Bespoke

Becky Jones is CocaCola’s Legal Director, Company Secretary and Ethics and Compliance Officer for the Island of Ireland (IOI). With such a demanding role, the team at CCH wanted to use the latest technology to help them speed up contract drafting and reduce the time the legal team needed to spend on review. The Lexis Bespoke team helped them do just that at a fraction of the costs normally associated with such projects. The first step was for the Legal team to decide which documents to automate first. Working with LexisNexis, and their colleagues in procurement, they decided to start with the Procurement team’s goods and services agreements. The challenge was not merely to speed up the process, but also create a system that could remove some of the inherent risks, while making it easier for the Procurement team to produce up to date, legally sound contracts on their own, with minimal oversight. Once they’d decided which documents they wanted to automate, the Lexis Bespoke team stepped in. Becky was immediately impressed by the team’s grasp of the issues. “They clearly understood the challenges we faced, which gave me a lot of confidence. Their experience and knowledge meant they were extremely helpful, guiding us through the process and giving us really practical tips on the best ways to achieve what we wanted. They quickly pinpointed our needs, then designed the logic and created our lovely Portal.” With the Portal, all of the templates the Procurement team might need are in one place. They can quickly find the one they need, then simply answer a series of questions to produce an up-to-date, legally sound document that’s consistent with all of their other contracts.

“ They clearly understood the challenges we faced, which gave me a lot of confidence. Their experience and knowledge meant they were extremely helpful, guiding us through the process and giving us really practical tips on the best ways to achieve what we wanted. They quickly pinpointed our needs, then designed the logic and created our lovely Portal.

Becky Jones Legal Director, Company Secretary, Ethics and Compliance Officer at Coca Cola



LexisNexis has been supporting in-house counsel for many years to demonstrate commercial acumen, drive personal development and shape and influence business success with unique and unparalleled business skills content.

From exclusive guidance to develop management, financial and leadership skills, to sharing best practice from fellow in-house counsel and experts through interviews, discussion papers and selective networking events.

Find out more about how we can help you increase your influence and demonstrate your value to the business.

In Southeast Asia:

 [www.lexisnexis.com.sg](http://www.lexisnexis.com.sg)

 [myln@lexisnexis.com](mailto:myln@lexisnexis.com)



LexisNexisSoutheast Asia

© 2023 LexisNexis, a division of RELX Inc. All rights reserved.  
LexisNexis and the Knowledge Burst logo are registered trademarks of RELX Inc., and used under license.