The changing face of legal services and our Future Lawyers

Edwina Morgan, Senior Professional Support Legal Assistant

16 February 2018
What this session will cover

**Outside forces**
- A buyers’ market
- Changing workforce
- Technology

**A bit more about AI**
- Definition
- Use cases
- Impact

**Your future**
- Future Lawyers
- Responsibilities
- Skills
Today’s legal marketplace
(Exciting) Disruption throughout

- Demand
- Competition
- Selection
- Staffing
- Pricing
- Delivery

Law Firm Business Model
Challenging Business Environment

**Competition**
- In-house teams
- Non-law / Big 4
- Alternative providers

**Selection**
- Procurement & legal ops
- Data-driven
- Lawyers from various firms

**Pricing and Efficiency**
- Demand for value
- Reducing use of 1st/2nd years

**Staffing**
- War for talent
- Changing demographics
- Mobile / gig workforce

**Delivery**
- Technology
- Market standards
- Demand for transparency

**Responses by Law Firms**

<table>
<thead>
<tr>
<th>Positioning</th>
<th>Globalization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M&amp;A</td>
</tr>
<tr>
<td></td>
<td>Collaboration</td>
</tr>
<tr>
<td></td>
<td>Specialization</td>
</tr>
<tr>
<td></td>
<td>Corporate models</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selection</th>
<th>Sophisticated pitching</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Data analytics on matters</td>
</tr>
<tr>
<td></td>
<td>Alternative resourcing and down-streaming</td>
</tr>
<tr>
<td></td>
<td>Legal Project Management and AI/technology</td>
</tr>
<tr>
<td></td>
<td>Collaboration</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pricing</th>
<th>Blended rates, capped and fixed fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pricing tools and transparency</td>
</tr>
<tr>
<td></td>
<td>Value added services</td>
</tr>
<tr>
<td></td>
<td>Budgeting and reporting</td>
</tr>
<tr>
<td></td>
<td>Process, matter and legal project management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Staffing</th>
<th>Growth &amp; Low cost centres</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agile resourcing and multi-disciplinary teams (non-lawyers)</td>
</tr>
<tr>
<td></td>
<td>New roles e.g. LPM, data scientists, legal technologists</td>
</tr>
<tr>
<td></td>
<td>Employee engagement and devices</td>
</tr>
<tr>
<td></td>
<td>New roles and portfolio careers</td>
</tr>
</tbody>
</table>

**Embrace Technology**

<table>
<thead>
<tr>
<th>Data-driven business intelligence</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI/machine-learning</td>
</tr>
<tr>
<td>Automation</td>
</tr>
<tr>
<td>Digitization</td>
</tr>
<tr>
<td>Cloud</td>
</tr>
</tbody>
</table>
A bit more about AI
Defining Artificial Intelligence (“AI”)

- Technology, based on pattern recognition, that does what we’ve historically relied on humans to do.

- In law firms it can be used to:
  - Increase efficiency and consistency in our legal work
  - Improve the way we manage our business
  - Introduce new services and ways to collaborate with our clients
Lots of noise...
Legal Tech Startups (150)…
Driving forces towards use of AI

- **Clients**
  - Greater efficiency and fee pressure
  - Specific requests (pitches etc.)
  - Innovative collaboration

- **Partners**
  - Growing appetite for innovation and thought leadership
  - New revenue/digital strategy

- **Associates**
  - More interesting work
  - Tech-curious

- **Vendors**
  - Sales, outreach

- **Competition**
  - Vendors
  - Competitor firms
  - Big 4
Clients especially

- Sophisticated clients expecting good service and collaboration
- Putting the client first:
  - Focus on getting the service right
  - Respond to client enquiries and requests
  - Reflect change in client behaviors
- As opposed to being pressured or seduced into bringing in technical innovations and making them fit with the firm
Changing role of technology in legal practice

- Ton of money invested in legal tech
  - More computing power and sophistication (e.g. AI & automation) will be part of every offering
  - Competitive (reduced) pricing

- Adoption of the cloud

- Legal tech vendors offering competitive & auxiliary services

- Requires “technology translators” to work with lawyers
What does a Future Lawyer look like?
What will Future Lawyers do?

- Learn to leverage new technology to automate parts of your day to day work
- Add legal and commercial value
- Advise and provide judgement, not just process
- Spot and solve issues
- Offer innovative ideas and design structures
How in practice may this impact your work?

Bank Finance
- Automation of first draft Standard Form Legal Opinions
- Online collaboration of the Conditions Precedent process

Capital Markets
- Digital collaboration on drafting and verifying Prospectuses and Circulars

Corporate M&A and Project Finance
- Automation of Due Diligence review in transactions
- Automation of first draft Standard Forms such as NDAs
- Automated contract analysis of standard documents e.g. NDAs

Litigation and Research
- AI E-discovery tools
- Data Analytics for Legal Research
Is any of this bad/scary?
No, and why not:

- No one firm or organisation has this all figured out
- The vendors need us to help develop solutions
- You also all have time to develop and adapt
- Range of roles and opportunities expanding
- Less boring and repetitive work
- Opportunities to add more value
- Clients will value your work more
- Your work becomes more rewarding
What does it mean for me?

- Master the subject matter
- Learn and practise the skills*
- Learn and practise new tools and habits
- Perform more of a senior role: move up the value curve faster

*there will be new skills needed and we will need to train you differently
How do I get there?

- Question → learn → understand → master
- Embrace new tools and technology
- Follow the changes in the market and adapt accordingly

But - DO NOT outsource your understanding

Legal and Technical Mastery is key
Awkward questions please...