



CENTRE
FOR LEGAL
INNOVATION

THE COLLEGE OF LAW

2018 ROUNDTABLES KEY TAKEAWAYS

IN THE FACE OF CHANGE, WHAT'S LEFT FOR LAWYERS TO DO?

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The most palpable driver of change in law firms/legal departments right now is client demand for greater efficiency and reduced costs.

Clients (be they in-house counsel, shareholders or individuals) believe that technology should be allowing firms to deliver their services with more cost certainty and more cost effectively i.e. fixed fees. "Value for money" is the recurring catch cry. Law firms on the other hand appear to be trying to meet those client expectations (including fixed fees, preferably confining them to narrowly defined areas) whilst retaining their business model in all its essentials. In-house teams are also experiencing an increase both in the breadth (relating, for example, to risk management, compliance, data privacy and regulatory issues) and the volume of what they are being asked to deliver whilst also continuing to face declining budgets.

An outcome of the client demand for efficiency is the now universally accepted premise amongst practitioners that legal service provision is a disaggregated commodity.

It is no longer sufficient to treat all types of legal work as equal in value to the client. In the business of law, the lawyer must ensure that each component of a legal task is being done at the right level at the right price. Firms are experimenting with different ways to achieve this objective:

- Employing paraprofessionals to do certain types of work;
- Redefining the secretarial role to include higher level "project management" skills;
- Outsourcing different parts of legal work to LPOs; or
- Using legal technology (including AI) applications such as Kira and ContractProbe to undertake work previously completed by junior lawyers.

As a result, there are greater opportunities for non-legal professionals to deliver legal services, both within law firms and external to them.

Technology is seen as a key enabler of this change to legal practice but law firms/legal departments are at a relatively early stage of engagement with the technology.

Some feel overwhelmed by the choice of different technology tools in the market and ill-equipped to assess and deploy the technology, let alone build the business case for it and then manage the resistance to change that persists in their firms. That said, it's accepted that technology is now integral to the delivery of legal service and that the relationship between IT professionals within the firm/technology providers and the lawyer is now critical. Lawyers must be able to work in partnership with legal technology providers to find ways to leverage their experience which remains valued by clients. To be successful in this endeavour, lawyers must adopt a different mindset from that of the past— one which is about anticipating the problem to be solved, in conjunction with the client, often using approaches such as user-centred design. Increasingly, lawyers are taking a "product management" approach to legal practice as they seek to find ways to package their knowledge and experience and take advantage of new channels and markets.

The role of legal business professionals in law firms is recognised but their potential to contribute is not yet being fully realised across the whole sector.

This may be due in part to the continued dominance of lawyers in law firm management, many of whom are in the final phase of their careers without a strong incentive to change. It may also be due to the persistence of a culture in law firms which values busyness and a focus on billable hours which continues to drive a separation between lawyer and "support professional". The ability of lawyers to collaborate across disciplines to solve business problems is

recognised as a critical skill for them to acquire to meet the future successfully. In many firms, responsibility for leading the firm's future of work initiatives falls to the COO or CFO (rather than a Chief Talent Officer or Chief of Innovation) or is not clearly defined. A conservative profession, signs of change are occurring, such as the Innovation C-suite role at King Wood Mallesons or a recent change to the rules in Singapore allowing non-lawyers to become partners and shareholders in firms.

The value of a lawyer in this changing world is not diminished but expanded and different.

Through the automation of previously time-consuming and low-level tasks, the lawyer is able to provide clients with the benefit of their experience and deep domain expertise to review alternative scenarios, assess possible outcomes and provide strategic advice which allows a client to "get to yes". Technology is changing both the way we work and the nature of that work but what remains for the lawyer is the crucial role as "trusted advisor", providing clients with trust and confidentiality, judgement based on a deep sectoral experience of how risk is mitigated and a singular ethical framework. This will be equally true of highly sensitive areas such as divorce as it will of highly complex commercial areas.

Significant changes are occurring in the legal workforce but not the structure of law firms/legal departments.

Lawyers at both the early and late stages of their careers are leaving the traditional law firms to set up their own practices, or exploring alternative technology-enabled career paths. They are looking for different things for their careers, particularly relating to mental well-being and autonomy. Law firms/legal departments do not appear to have given explicit consideration to the implication of these changes for their workforces. Whilst mental well-being initiatives are now more common in law firms, they are not being connected to the challenges of structural change but rather to the daily stress of practice. Nor are firms actively considering how to address the mental health challenges through different workforce models. Instead, firms are emphasising the critical importance of adaptability and continuous learning in their workforce.

Legal education is not yet seen as meeting the needs of the "future-ready" practitioner.

Different universities are offering relevant technology-related modules and courses and encouraging students to acquire a broader education through a second degree. Contextual learning approaches to the law are also required, possibly demanding a wholesale shift in the pedagogical approach to the delivery of a legal education. Whilst lawyers must be able to use technology, it may not be necessary for them to learn to code. Firms are looking for graduates with a diverse range of skills and experience (including in business) to prepare them for future practice.

The practice of law, now enabled through technology, is undergoing a significant change, the outcome of which however seems difficult for the profession to see clearly.

Law firms and legal departments are most definitely climbing the change curve but "no one quite knows where the curve is". Different workforce models are emerging, primarily to reduce costs for clients no longer prepared to accept a "one size fits all" approach to the delivery of legal services. The skill sets required to meet these emerging needs which might be achieved, for example through a redesigned workforce and different business models, have not yet been defined by firms and nor is there a clear strategy to achieve them. In 2018, the continued novelty of technology and our desire to master it may be blinding us to the need to focus on the more enduring consequence of structural change in the profession – its significance for workforce planning and business models.



THE CENTRE FOR LEGAL INNOVATION AT THE COLLEGE OF LAW

Created by The College of Law in 2016, to act as an innovation-focused think tank, The Centre for Legal Innovation (CLI) provides a platform for thought leadership, practical research, solutions to challenges and opportunities for collaboration in the legal profession. Our focus is to support legal professionals as they navigate the disruption and new technologies transforming the legal industry.

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