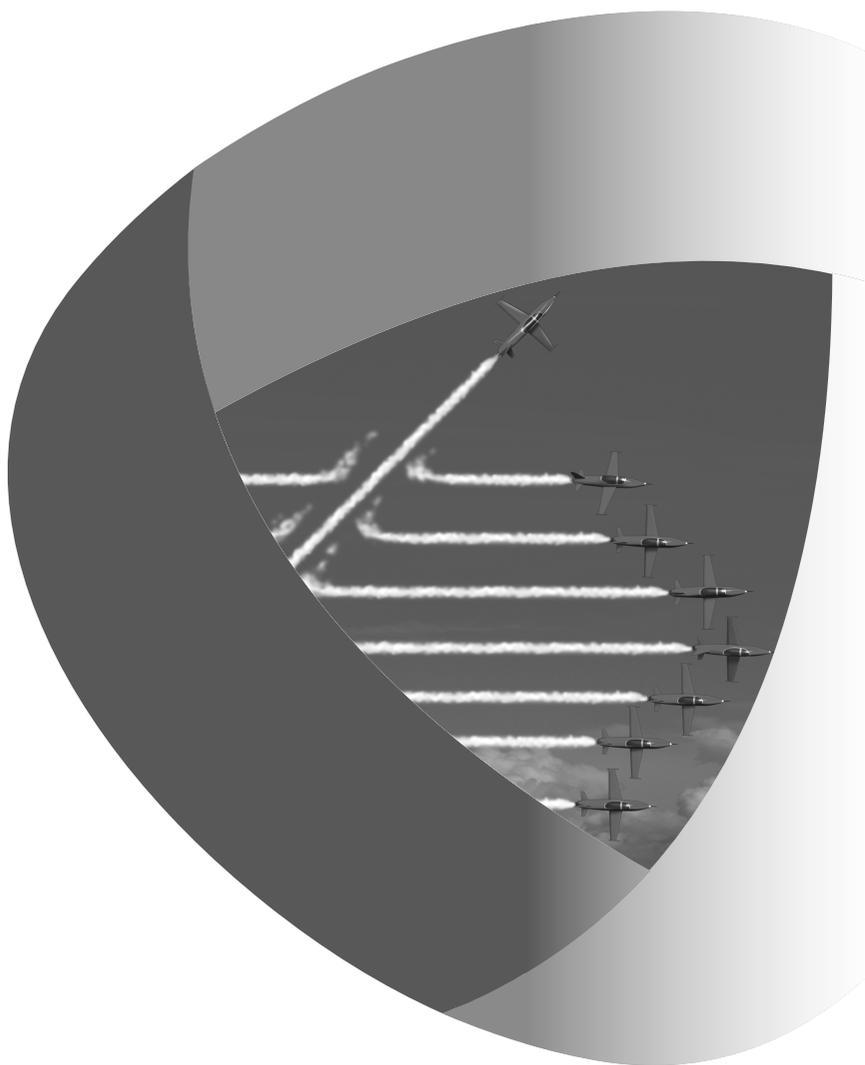


New Directions in Legal Services



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Executive summary

There have been a number of research papers published in recent years predicting significant further change for the legal industry. One paper found legal technology solutions could perform 30–50 per cent of the work carried out by junior lawyers today,¹ while another predicted a fall in market share among traditional firms by as much as 50 per cent within the next decade.² Lawyers, too, seem to agree that further change is necessary – one study found 64 per cent of lawyers think the traditional law firm business model is outdated³ – and many are voting with their feet and taking advantage of the growing number of career routes available within the sector.

Legal services providers today need to innovate in their business models, delivery methods, and moreover in their value propositions in order to compete against competition coming in all shapes and sizes (and from unexpected quarters). They also need to work harder to attract and retain the best talent in the face of the broadening spectrum of roles and career routes that are becoming available.

New Directions in Legal Services examines the fast pace of change in the legal services sector, driven in part by new technologies, and considers what the future holds. We also look at some examples of new business models and service delivery methods that are disrupting the market, and the new approaches to pricing and profitability that are necessary to support new ways of working and delivering legal services.

The opening chapter of the book outlines the findings of research into the impact of technology on the traditional law firm business model, undertaken in 2016 by Bucerius Law School in conjunction with the Boston Consulting Group. Using the report's findings as a yardstick, Markus Hartung and Emma Ziercke of the Bucerius Center on the Legal Profession (CLP) at the Bucerius Law School, examine whether and how far legal technology has driven law firms to adjust their business models.

This is followed by a chapter from Joanna Goodman, writer, editor, and IT columnist for the *Law Society Gazette* and the Guardian Media Network – and author of *Robots in Law* – who explores five new business models that are altering the legal services landscape, driven by AI and emerging technologies.

Then, in the next chapter, Chrissie Lightfoot, CEO of Robot Lawyer LISA and CEO of EntrepreneurLawyer Limited, moves beyond current uses of cognitive computing (CC) and AI technologies in law to make some predictions about the unstoppable ‘march of the machine’ across the legal landscape, and she urges lawyers to prepare for a future that might be closer than you think.

In Chapter 4, John Alber, legal futurist at the ITLA, dives deep into Design Thinking and explains how this empathy-based approach to innovation can be applied to legal service design. The chapter is illustrated with successful examples from within and outside the legal sector.

Next, Debbie Epstein Henry, founder of DEH Consulting, Speaking, Writing, looks at the benefits for individual lawyers, clients, and law firms in greater acceptance of non-linear career paths in law, including: improved recruitment and retention of talent, greater ability to meet clients’ expectations, and supporting and getting the most from lawyers at all stages of their careers. ‘The bottom line’, she says, ‘is that lawyers’ lives are not linear and therefore legal careers need not be either’.

Finally in this first section, Michael Roster, co-chair of the ACC Value Challenge, describes how in-house and outside counsel need to rethink the way work is priced and paid for in line with new ways of delivering legal services, and by focusing on expertise and outcomes.

The chapters in the second part of this book provide specific examples of innovative approaches to the delivery of legal services, drawn from NewLaw and traditional legal services providers, as well as in-house teams.

First, Martyn Caplan, founder and director of Lawyers Inc., describes how the ‘umbrella’ alternative business structure was created in response and as a solution to common concerns among lawyers, including growing pressures and demands of practice, fee earners generating more income than partners, and in particular the prevalent lack of succession (and other) planning in law firms.

This is followed by a chapter from Janvi Patel, executive chairwoman and founder of Halebury, a NewLaw business which provides flexible, scalable resourcing solutions for in-house teams, and also offers an alternative career path for in-house lawyers. She describes how the legal services model has evolved over the last 10 years, the array

of new options for in-house teams, and a future collaborative, efficient, sustainable model for legal services delivery which will maximise the capabilities within the profession.

Next, Richard Tapp, company secretary and director of legal services at Carillion plc, and Fleur Kitchingman, senior vice president of legal and corporate secretary at Carillion Canada, describe the company's highly successful collaborative model for legal resourcing and explain why they believe collaboration between panel firms is vital to achieving consistency of service, quality, speed of response, and the ability to scan the horizon for future challenges.

Finally, Mike Polson, a director of Ashurst Advance and co-head of innovation for international law firm Ashurst, and Christie Guimond, R&D strategy manager for Ashurst Advance, examine how law firms can implement and sustain business model innovation. By focusing on Ashurst's integrated global service offering, Ashurst Advance, they explore how the firm was able to bring three fundamental areas of service innovation together in order to establish a clear and differentiated proposition for its clients, and they explain how Ashurst is now working to embed this model across its global business and with clients.

The message to the legal sector could not be clearer: innovate or die. As this book clearly outlines, individuals, law firms, and legal departments are accepting the challenge and are innovating alongside the NewLaw service providers that have taken root in the industry to provide a growing array of options for lawyers and clients. It truly is an exciting time to be in the business of law.

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About the authors

John Alber serves as futurist for the International Legal Technology Association. He also writes, speaks, and consults, focusing on finding practical ways to reshape the delivery of legal services to suit a future demanding excellence far beyond substantive legal skills. Prior to his current role, John led Bryan Cave LLP to become one of the most innovative firms in the world, serving as its strategic innovation partner for more than 16 years. While at Bryan Cave, he also served for seven years on the firm's operating group (its management committee). At Bryan Cave, John created one of the first practice economics consulting groups, one of the first client facing technology groups, and one of the first in-firm legal process outsourcing (LPO) organisations. The groups he created developed innovative web-based, client-centric applications that delivered legal advice to clients, managed complex workflows, and even created pleadings automatically. They also developed client-facing knowledge management, project management, project estimation, and business intelligence systems, and highly technology leveraged alternative staffing solutions for engagements of all types.

Martyn Caplan is a founder and director of Lawyers Inc. He has previously been head of commercial litigation at Fruhman Davies Livingstones and commercial litigation partner at Pannone LLP. Qualified since 1987, Martyn's experience as a practice lawyer has covered the entire spectrum of commercial litigation. He became a CEDR Accredited Mediator in 2007.

Martyn's extensive knowledge and expertise in dealing with commercial and legal partner disputes has enabled him to build a comprehensive understanding of the pitfalls and challenges of the legal profession. He is a passionate advocate of the view that to avoid vulnerability, lawyers must dedicate time and attention to the succession of their practice and their exit strategy.

Recognising that to succeed a legal practice must be built as 'a business that practices law', inspired Martyn and his business partner David Tucker to create the new legal model of Lawyers Inc.

Joanna Goodman is a freelance journalist, writer, and author. She covers business and technology topics for national publications and blue-chip corporates. She is the IT columnist for the *Law Society Gazette* and writes regular features for the *Guardian* about cutting-edge technology, brands, and media. Her favourite topics include artificial intelligence, robots and chatbots, virtual assistants, connected devices, driverless cars, and virtual and augmented reality – and she’s always interested in finding out about technology that’s new and different. Her professional life reflects her interests in technology, books, art, and design.

Joanna has written several short films and an independent feature film, *Alfheim’s Edge* (2016). She has an MBA in strategic management from Kingston University. Joanna is based in London. She likes films, going to dance classes, and travelling to new destinations.

Christie Guimond is part of Ashurst Advance, an integrated global team within leading international law firm Ashurst, which focuses on innovation and efficiency in the delivery of legal services. Ashurst Advance combines the three fundamental areas of legal service innovation – resources, process, and technology – and works alongside Ashurst legal teams globally to respond to changing client needs in the way legal services are delivered, as well as directly supporting a number of in-house legal teams to meet their own ‘more for less’ challenges.

Christie is qualified as a project manager with the Association for Project Management Professionals and her experience in the legal industry over the last decade has included roles in legal project management, strategic business change, and R&D. In her current role as R&D manager for Ashurst Advance, Christie is responsible for capturing, evaluating, and deploying a wide range of innovation and change initiatives.

Markus Hartung is a lawyer and mediator. He is director of the Bucerius Center on the Legal Profession (CLP) at Bucerius Law School, Hamburg. His expertise in the framework of the CLP lies in market development and trends, management, and strategic leadership, as well as corporate governance of law firms and business models of law firms with regard to digitisation of the legal market. He is chair of the Committee on Professional Regulation of the German Bar Association (DAV).

As a lawyer he focuses on conflict management, regulatory issues, and professional indemnity issues. In addition, he advises law firms in strategy and management questions and coaches partners in management functions.

He is a regular lecturer and conference-speaker on leadership, management topics, and professional ethics, and he has written numerous articles and book chapters on these topics. He is a co-editor and author of *Wegerich/Hartung: Der Rechtsmarkt in Deutschland* ('The Legal Market in Germany') which came to the market in early 2014 and has developed into a standard reference for the German legal market. He is also co-author of 'How Legal Technology Will Change the Business of Law', a joint study of The Boston Consulting Group and the Bucerius Law School.

Debbie Epstein Henry is the founder of DEH Consulting, Speaking, Writing, and is an internationally recognised expert, consultant, best-selling author, and public speaker on careers, workplaces, women, and the law. She is also co-founder and managing director of Bliss Lawyers, a secondment firm employing high-calibre lawyers to work on temporary engagements for in-house and law firm clients. For more information, please visit www.debbieepsteinhenry.com and www.blisslawyers.com.

Fleur Kitchingman is the senior vice president of legal and corporate secretary for Carillion Canada. She is responsible for all the legal affairs of Carillion Canada and supports the business there in a diverse range of sectors and jurisdictions spanning all of Canada's provinces and territories. She is a solicitor admitted in England and Wales in 2000, and following an early career in private practice, she has held a number of senior legal positions within Carillion plc, including roles in the UK, in Carillion's Middle East operations, and more recently in Carillion Canada in her current role, since August 2014.

Fleur's interests include the management of legal practice in-house, and the implementation of legal technology and innovation to operations to improve the effectiveness and efficiency of legal services. Fleur is no stranger to the benefits of collaboration and some examples of this include leading a project which saved around £2 million by working with the Carillion legal network in the UK to develop a process for the smart procurement of external legal services on BSF projects, and collaboration with both the UK and Middle Eastern Carillion internal legal teams and CAS to devise a system for the support of transactional legal work in the Middle East from the UK.

Chrissie Lightfoot is one of the world's top female futurists. She is a prominent international legal figure, an entrepreneur, a legal futurist, legaltech investor, writer, international keynote speaker, legal and

business commentator (quoted periodically in *The Times*, the *Financial Times*, and CNN), solicitor (non-practising), honorary visiting fellow at the University of Westminster School of Law, and author of best-seller *The Naked Lawyer* and *Tomorrow's Naked Lawyer*. She is CEO and founder of EntrepreneurLawyer Ltd and, as the visionary and creator of Robot Lawyer LISA (the world's first impartial AI lawyer), is CEO and co-founder of AI Tech Support Ltd (trading as Robot Lawyer LISA). In 2013 she was honoured as 'Legal Professional of the Year 2013' and a 'Top 100 International Executive'.

In 2015 LinkedIn announced Chrissie is the No.1 best-connected and most engaged woman in the legal sector (4th across all sectors). In 2017 EntrepreneurLawyer was selected by Feedspot as one of the Top 50 Entrepreneur Blogs on the web, she became an advisor to the board of the *Telegraph's* Digital Enterprise Network, was listed as one of the Top 10 Lawyers turned Entrepreneurs in *Entrepreneur* magazine, and made the shortlist as a finalist in the Enterprise Awards. Chrissie is also an Entrepreneur Mentor at Law Without Walls; featured in *Time Magazine*, the *Financial Times*, and *Forbes*.

Janvi Patel is a NewLaw pioneer and has been spearheading operational, structural, and cultural change within the legal services industry since starting Halebury in 2007. Her aim: to create an entirely original business model to service the needs of clients and lawyers at the senior end of the market. The firm now has partnerships with clients such as BT, Sky, and Virgin Media, a growing roster of clients in the TMT and FS sectors, a team of more than 30 senior in-house lawyers who provide flexible resourcing solutions as well as strategic in-house management support to FTSE 250 and SME businesses.

Mike Polson is part of Ashurst Advance, an integrated global team within leading international law firm Ashurst, which focuses on innovation and efficiency in the delivery of legal services. Ashurst Advance combines the three fundamental areas of legal service innovation – resources, process, and technology – and works alongside Ashurst legal teams globally to respond to changing client needs in the way legal services are delivered, as well as directly supporting a number of in-house legal teams to meet their own 'more for less' challenges.

Mike is a director of Ashurst Advance and co-head of innovation for Ashurst. After a successful career as a corporate lawyer, Mike joined Ashurst to help establish and then lead its legal sourcing and business

support office in Glasgow, which has grown to over 250 people in less than four years.

Michael Roster is co-chair of the Association of Corporate Counsel's Value Challenge Steering Committee. He was formerly managing partner of Morrison & Foerster's Los Angeles office as well as co-chair of the firm's Financial Services Practice Group worldwide, resident in both Los Angeles and Washington, DC.

Mike subsequently was general counsel of Stanford University, Stanford Medical Center, and Stanford Management Company – and then executive vice president and general counsel of Golden West Financial Corporation. He has also served as an outside director and vice chair of Silicon Valley Bank, chair of the Stanford Alumni Association, chair of the Association of Corporate Counsel, and chair of two start-up companies (Insert Therapeutics and Encirq). He is a former director of the California Bankers Association and the Federal Home Loan Bank of San Francisco.

Mike is currently an adjunct faculty member at USC Gould School of Law where he teaches advanced contracts. He also is a director of MDRC, a non-profit corporation based in New York that evaluates the effectiveness of government and other non-profit programs, and several years ago he chaired a project funded by two foundations that developed a private sector approach to eliminate abuses in consumer credit cards in the US.

Richard Tapp is company secretary and director of legal services for Carillion plc. He leads on legal and regulatory matters for Carillion globally, and is responsible for Carillion Advice Services, which provides a range of managed legal services offerings and resources, Richard is a solicitor, and a fellow of the Institute of Chartered Secretaries and Administrators. He holds first and post-graduate degrees in Law, together with that of Master of Business Administration.

He has led a range of innovative legal sourcing arrangements for Carillion. He is co-author of *Managing External Legal Resources* (ICSA) and *The In-House Lawyer's Toolkit* (Law Society Publishing). He is also general editor and author of a number of contributions to *The Future of the In-House Lawyer* (Law Society Publishing, 2016). He won the Most Innovative European In-House lawyer in the 2013 *FT* Innovative Lawyers awards.

Before joining Carillion, he was for six years company secretary and group legal adviser for Blue Circle Industries PLC, a FTSE 100 global

heavy building materials business. He has established, run, and integrated in-house legal teams in North and South America, Europe, Australasia, the Middle East, and Asia.

Emma Ziercke is a research assistant for the Bucerius Center on the Legal Profession and a non-practising solicitor. Between 2002 and 2009, Emma worked as a corporate solicitor (managing associate) for Linklaters in London, mainly in the fields of private international M&A and public takeovers by scheme of arrangement.

Emma Ziercke studied English Law, French Law, and French Language at the University of East Anglia in Norwich and at the University of Lyon, Jean Moulin III, in France. In 2014 she completed an Executive MBA with distinction and received an award for best overall performance from Nottingham University Business School.

During her MBA studies she focused on Law Firm Management and won an award for her dissertation on gender diversity in law firms. Following her MBA studies Emma Ziercke worked as an independent adviser in the field of gender diversity. Her work as a research assistant at the Bucerius Center on the Legal Profession focuses on law firm management, gender diversity, and organisational behaviour.