

## Tech Transformation: The Missing Conversations

### In-House Counsel Roundtable Summary

Discussion focused around four key areas:

1. Purpose of technology transformation
2. Products and their aims
3. Process and implementation
4. In-house counsel's wishlist for technology transformation

**Purpose** - what are the main drivers for technology transformation within an organisation? Do these primarily link back to increasing operational efficiency and decreasing costs or are there other factors? Understanding the purpose for technology adoption across organisations is key to developing an ecosystem that supports innovation.

- Reduction in external legal spend is a driver to tech adoption within in-house functions. There is also a focus on ensuring that legal resource is being applied sensibly. Where technology can help remove low-cost work from senior lawyers this is a positive driver for adoption.
- In response to a survey carried out with attendees the top drivers for tech adoption/development in in-house teams were operational efficiency and cost reduction. Improving quality, risk management and speed of existing services were both also mentioned, but scored much lower.
- There can be a disconnect between what in-house and private practice teams are trying to achieve through tech. Private practice is often more interested in improving the quality of existing services, or reducing the cost to them of delivering those services so as to maintain or increase their margins. This disconnect can make collaboration between in-house and private practice challenging.
- Collaboration between tech vendors/private practice and in-house counsel can work well where the tech provider, or the law firm, has obtained a clear view of the problem that the in-house team is looking to solve and is starting from that point rather than from trying to sell a specific type of tech or tech-enabled service.

**Products** - are the products invested in typically aimed at facilitating service delivery or creating new service lines? Are there any product or innovation trends emerging that are of particular interest? This will clarify to what extent these trends are common across private practice and in-house functions.

- Product interest is driven either by ease of integration due to limited internal technology resource or critical need. Example of the latter include e-discovery or cost management tools.
- Products developed within law firms can often be more closely associated with the needs of the firm than their client, and in this regard, there is a distinction within law firms between products they develop to improve their internal efficiency, and those that they develop to sell as a separate product or service line to their clients. If the firms took more time to understand what their clients' needs are then they would probably find consistent areas and could respond to those through their product development arms, but this approach is generally lacking.
- Some of the big consultancies have a competitive offer in terms of taking on some of the tech-enabled high volume work.
- There is a distinction between seeking legal and tech advice. There was some very positive feedback on the law firm consultancy arms and a recognition that there is helpful input on tech needs that firms can provide based on their previous experience or the experience of other clients.

However, in-house teams will still look more broadly across their panels and beyond for specialist legal advice so hiring a firm as a one-stop shop including tech advice is unlikely.

- It is unclear where barristers chambers sit in all this, but they play an important part in terms of any large scale technology transformation.

**Process** - what process issues arise when trying to implement new technology? How can appropriate pricing models be agreed with vendors/law firms for tech? How to price technology that can benefit multiple parties is often difficult for clients and law firms to address.

- There is a need for a clear mandate from the top of an organisation to say what they are aiming to do in terms of technology transformation and what is required. The structure of LLPs in particular (which comprise many law firms) is sometimes counter-intuitive to mid and long-term strategic investment. This presupposes that senior leadership itself has clarity around what its aims and expectations are in relation to technology, and thus requires a level of familiarity and understanding that is often not present.
- Procurement is a constant blocker in terms of testing and implementing new technology, but there is no obvious answer to this.
- Being user-friendly is key to any product, otherwise the people won't use it and then it's ultimately a waste of money.
- There has been some positive feedback in terms of forcing law firms to engage with certain new systems/tech as a condition to payment and this has been fairly transformative for in-house teams looking to drive change both internally and externally.
- Fragmentation of global legal services can also be a challenge for implementing technology.

**Wishlist** – what is the one 'to do' that in-house teams would like those providing them with tech to fulfil. What should they know?

- The importance of getting to know the business well and the problems that it's trying to solve.
- Simplicity of integration and interoperability with existing platforms and tools. If it takes more than a couple of clicks then it will stifle adoption.
- Focus on the benefits rather than the features. Understand what the technology trying to solve and make it customer friendly. Vendors needs to be able to answer the question, "how will this make my life easier, rather than more complicated, or add to my current workload?"
- There must be a team available to support implementation across the in-house function.
- Be clear about security, data etc as there will be compliance requirements that have to be met. The process can be tortuous, but it helps if vendors know that from the outset and come prepared.
- There is still very limited discussion about the potential for technology to transform the in-house team from a cost centre to a business function. The focus is on process optimisation which is relevant, but discussion around that more ambitious objective would be valued.
- More predictive trend analysis around legal functions could be valuable including predictions on what types and volume of claims are likely to be coming in.
- There is also an opportunity for in-house Counsel to drive the change by more openly sharing their objectives with their law firms. This will hopefully help to address the disconnect between what law firms and in-house teams each want in terms of technology transformation.

A key conclusion from the discussion was the need for private practice firms and tech vendors to understand the business and the specific need that they are trying to meet when developing and selling technology solutions.

**Organisations represented:**

- Aviva
- BT
- City of London Corporation
- ICAP
- Ignition Law
- Lexington Consultants
- London Metal Exchange
- MBNL
- Monzo
- NatWest
- Pinsent Masons
- Said Business School
- Santander
- The Law Society
- Willis Towers Watson