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Randi Mayes



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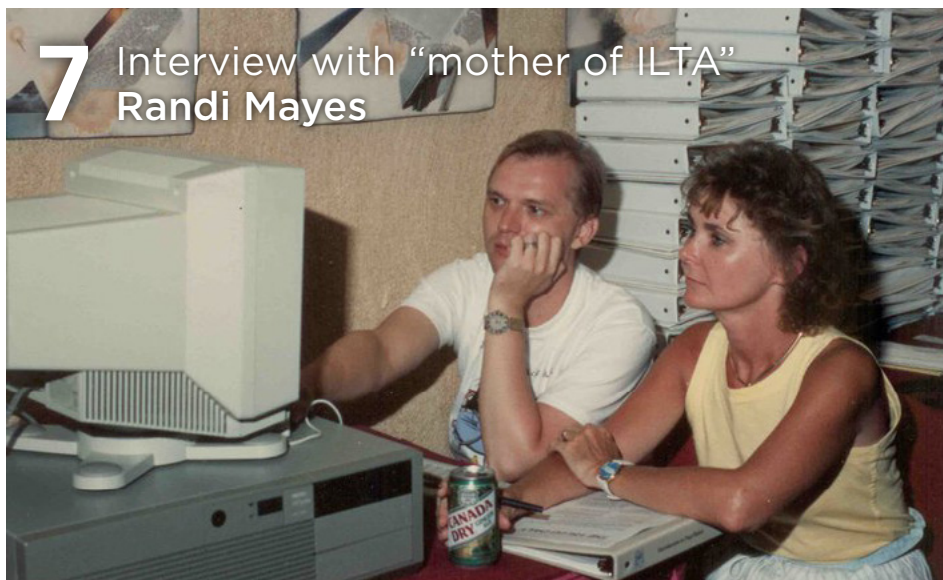
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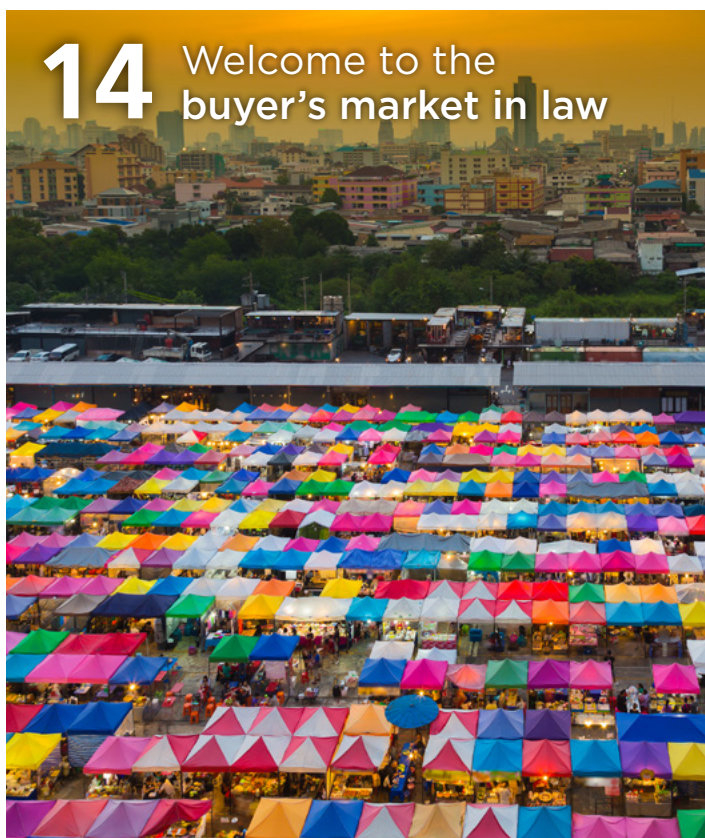
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From the editor

Welcome to Issue 15 of Legal IT Today!

Apple Computer had only recently been founded. The original 'Star Wars' movie was still on its first run in cinemas. Karol Wojtyła became Pope Jean Paul II and Margaret Thatcher became the first female prime minister of the UK (the second was appointed just a few months ago).

It was around this time that a 'ragtag team of law firm administrators' got together in Phoenix, Arizona to form a group that would grow into the world's premier international legal technology organization – ILTA. One member of that team was Randi Mayes, who has been ILTA's executive director since 1997. In this issue, Legal IT Today interviews Randi about her involvement with the organisation over the last four decades.

Perhaps her most surprising comment is that fundamentally, ILTA hasn't really changed that much. Obviously the technology available to law firms has changed – just a tad – but the 'culture of sharing' at the association has not. It's also still an organisation with a 'desire to have fun'. Perhaps that is the secret of its success!

If you were at ILTACON 2016 at the end of August, I hope you found some time for fun. One of the companies present was Kira Systems, whose co-founder and chief executive Noah Waisberg also spoke to us for this issue. Noah, winner of the prestigious 2016 ILTA Innovative Thought Leader of the Year Award, echoes the point made by Casey Flaherty at Lexpo earlier this year: don't make unrealistic demands of your IT. 'If you expect it to do 100% of the work for you, you are going to be disappointed,' he says.

Kira's machine learning-based software can save lawyers a great deal of the time they spend on contract review, but it can't do everything. That is the case for all technology. And yet even if you 'only' save 20% of your time, that is still the equivalent of a whole day's work over the course of a week, Noah says.

Canadian legal market analyst Jordan Furlong is worried by how few lawyers think of themselves as participants in a market. According to this mindset, the only reason for clients to exist is to provide a living for lawyers. Those who approach their work in this way are in for a shock when they eventually realise that not only are they in a market, they're in a buyer's market. Furlong urges them to figure out their firm's purpose, identify their ideal markets and clients, create three sets of strategies and develop a modern talent and operations base.

Dutch lawyer Niek van de Pasch makes the interesting point that the way lawyers are trained encourages them to see themselves as heroic warriors engaged in some kind of winner-takes-all gladiatorial combat. The focus on landmark cases means they pay too much attention to atypical events, overlooking what Niek calls 'the beauty of a system that functions perfectly well for run-of-the-mill situations'. In his fascinating overview of

enlightened lawyering, Niek says we should be teaching aspiring lawyers to dissect and collaborate – both with each other and across complementary disciplines.

Law firm Goodwin has recently developed and launched an innovative BI tool that focuses on the company's litigation case experience. As David Hobbie explains, a key part of this is interactive visualization, based on the rich data gathered by the firm in the course of its work. With such a tool, lawyers can quickly understand the gist – the meaning of that data – rather than having to investigate and analyze a list of numbers. BI does not have to be restricted to financial data; it can also be used for insights into key case information such as disposition, forum and hours worked.

Earlier this year, Jobst Elster was the moderator for an expert legal IT panel where the topic under discussion was 'Measure to manage: employing data to promote positive behavioral change at your firm'. The panel considered the best techniques for organizing and using data in ways that are useful to attorneys, firms, and clients, while promoting positive behavioral change that impacts the bottom line and client relationships. Jobst's article highlights the key points to emerge from the discussion.

Like bartering and banknotes before it, blockchain could revolutionise the way we distribute wealth and account for our transactions. A recent World Economic Forum survey found that most experts think blockchain, the technology that underpins Bitcoin, will become mainstream by 2025. Lance Koonce, a partner at Davis Wright Tremaine, provides us with an assessment of the technology and examines the implications for lawyers and the law.

Normally for 'The Verdict', we ask several thought leaders to answer and comment on a single question. For this issue, we thought we'd mix it up a bit and ask for questions they would like to be answered. If you think you can answer any of the questions they have come up with, please let us know so we can share them with everyone! 'Answers on a postcard, please,' as the presenters of TV shows used to say when inviting viewers to enter competitions. These days, of course, you have to email them or send a text if you want to win that star prize.

I hope you enjoy Legal IT Today. As ever, we aim to share ideas and opinions across the global legal IT community and stimulate discussion. Please do get in touch with feedback and suggestions for topics, features, and images. It is always good to hear from you.

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ILTA creates an atmosphere of learning **that benefits** the **entire** profession

BY JEFFREY BRANDT

As she prepares to retire, the 'mother of ILTA' Randi Mayes speaks to Legal IT Today about the organisation's journey from grassroots group to global powerhouse.

The International Legal Technology Association (ILTA) started out as a small group of law firm employees who got together years ago to talk about this new-fangled thing called technology. The investments their firms

were making were significant, and they wanted to ensure they made the most of them by sharing information and networking.

No one could have predicted that from such humble beginnings, with a few dozen loosely affiliated people meeting in two rooms in Phoenix, Arizona, would come a group that has grown to be the world's premier international legal technology organization. It now has more than 1,433 member organisations, accounting for over 20,000 professionals in 43 countries. It provides programming and networking events throughout



the year and an annual educational conference that offers 460 speakers in close to 200 sessions aligning with twelve focus areas for 1,660 attendees.

The woman who has been at the center of it all for the past 40 years is Randi Mayes. ►



Randi Mayes and Ken Hansen editing the daily newsletter at the 1990 VSLUG Conference

The beginning

The group that became ILTA started out in the late 1970s as a 'ragtag team of law firm administrators,' Randi says. They had one thing in common – accounting and word processing software packages that ran on Wang VS minicomputers.

They were not pleased with the accounting software; it was buggy and 'certainly didn't live up to its price tag,' Randi says. Given the huge financial investment and the problems with the software, one member got a full Informatics (née PSS) customer list – about 40 firms in all – and invited them to a meeting at The Camelback Inn in Scottsdale, Arizona. This was just outside the Informatics headquarters.

They gathered for several days to get to know each other, learn how to make better use of the software, overcome some of their common challenges and demand improvements to the program. 'The biggest meetings had the vendor on stage with us hammering them with our complaints,' Randi says.

This collective 'hammering' did produce results – the bug list was prioritized and eradicated. Randi says the group used its time together 'to network, share successes and talk about our struggles'. Does that sound familiar? Forty years on, it's still a good description of what ILTA is all about.

The group continued in its grassroots form for five years or so before incorporating in 1985 as VSLUG (VS

Legal Users Group). Despite the many changes and the amazing growth of the organization, Randi says she is often struck by how little has really changed. 'It wasn't so terribly different than it is now,' she says. 'That culture of sharing is a huge part of that spirit, and the desire to have fun is an integral part of us.'

The world then was less complex than it is today. Accounting and word processing made up the initial key focus of the organization. 'We had far less need for meeting rooms,' Randi jokes. In addition to the word processing and accounting special interest groups, a focus on databases soon arose. Likewise, the corporate legal department professionals, part of the membership from the early days, formed their own special interest group.

The influences

There have already been a lot of articles written about Randi and her decision to retire, and many people talk about the influence she had on them. I know she has influenced me. But who has influenced Randi?

'I kind of feel like I won an Oscar, I want to thank everyone,' she says. 'My honest answer is that I have had thousands of people influence me and I'm not exaggerating. There are so many great examples of maturity and graceful leadership. I'm fortunate that I've grown up in a culture of servant leadership.'

Randi did mention three people in particular who influenced her the most.

From John Adrian, one of the leaders of the grassroots group and first president of the organization, she learned what 'commitment to purpose and tenacity' looked like. As for Mal Mead, who held many roles over many years, 'he gently pushed me in directions I didn't have the courage to move into,' she says. 'I owe my first volunteer role to Mal.'

Peggy Wechsler, program director at ILTA, has been a 'friend, mentor, spiritual guide and a source of energy and inspiration'. Randi worked with Peggy as the organization went from 'mom and pop' status to 'global sophistication,' evoking comparisons with Steve 'Woz' Wozniak and Steve Jobs taking Apple from that famous garage to its current world-conquering status.

*We view our
service as serving
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community, not just
our members*

Change

What has been the biggest change to the organization? It can be summed up in one word: scope. 'We've grown the depth and breadth of everything we do,' Randi says. This is partly due to the rapid evolution of technology over the years. 'Technology began to touch every corner of the law firm – moving beyond just the accounting staff and word processing staff to the litigation support staff. It has allowed so many professions to find purpose in the business of law.'

Randi says that adding professional staff to support the organization was another big change. 'This was very liberating for volunteers, allowing the board to set the overall vision and allowing the other volunteers to tell us what is important, what we need to be doing, and to task staff to make it happen,' she says.

There is more competition these days (LegalTech, ALA, ABA etc.) for the various segments inside ILTA, but for Randi, 'the term "competition" is alien to ILTA

blood'. It's a sharing culture where there is a lot of collaboration, she says. 'We view our service as serving the larger legal community, not just our members. In that spirit of collaboration, we see ourselves stronger as we work with others in the space. That kind of sharing elevates all of us. It creates an atmosphere of learning that benefits the entire profession.'

The organization reached a huge inflection point in the early 1990s as people moved away from Wang minicomputers to local area networks. It was a good home for any firm moving from proprietary systems. 'We always serve what the members' needs are,' Randi says.

Satisfaction

How about the most satisfying experience for her over the years at ILTA? 'The condition I'm leaving the association in is tremendously satisfying,' she says. 'By that I mean top-notch talent will actually compete for my role. That's quite a change from my humble beginnings. The most gratifying personally, the thing that's given me the most joy across all the years – this answer might surprise you – is creating a business. Creating jobs and creating benefits that allow families to grow and thrive.'

As for the challenges she has faced over the years, Randi says the biggest was learning to be an association executive. 'I had to learn how to grow a business,' she says. 'I had to learn to mentor and train our boards of directors. How did I do that? I moved to the association world and found my peers, who could mentor me.'

The association experienced steady growth and steady maturation, without any big bangs. At no point could one say that the organization was radically different to the way it used to be. Much of this was due to the steady presence and guidance of Randi, whose decisions did not generally produce unexpected consequences.

'Incredibly, so many of the decisions we made across all the years turned out to be good ones,' she says. 'Making decisions is a risky business. We are largely a home-based staff running a very large complex organization. That is challenging, but not unexpected.' Would she take any do-overs? 'Not a do-over

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we produce*

per se, but I wish I could have started out as smart then as I am now,' she says. Don't we all!

The single biggest thing Randi is most proud of is 'the business part, how much we've matured our process for the development of our board of directors' development'. She says it is radically different from how it was more than five years ago and 'it's on another planet' from where it was 20 years ago. 'ILTA is famous for its wonderful programming and publications. I'm really proud of what we produce.'

If the 2016 Randi could talk to the 1980 Randi, she would advise her younger self to 'build out that network'. As an introvert by nature, she says she tends

to retreat inward to recharge. 'I would challenge the 1980s Randi to build a strong professional network and tell her: it will reward you in ways that you can hardly understand today.'

On retirement

Ten years ago Randi couldn't even bring herself to utter the word 'retirement'. Five years ago, she could start talking about it a little. And then a few years ago, she felt able to start planning for it. However, things came together faster than she expected.

'With the exception of taking 18 months off to be with my baby, I have worked non-stop for the past 44 years,' she says. 'I absolutely love what I do. I have extraordinary passion for the association. But I'm tired. I do want to enjoy my grandchildren and the quiet pleasures of life while I'm still healthy enough to do that.'

She also thinks ILTA is poised for a very exciting future. 'I think it deserves a CEO with vision and a desire to accelerate the forward momentum,' she says. 'So I think it's time. I'll be better for it, and the association will be better for it.' It's the people she will miss the most. 'That's obvious. Just this wonderful spirit that we have.' Setting an alarm is what she will miss the least. 'I can sleep as late as I want to!' ►



Randi 2.0

Randi doesn't think she has to offer any detailed advice for her successor. 'The organization has the opportunity now to bring in someone with a vast knowledge of association management,' she says. 'So I don't have to give any advice around any of that; it's just sort of built in. I would advise this person to love it. Come into this and love what you have. Love what you'll be a part of creating. Love and respect the extraordinary spirit and culture of the organization. This is not just a job. It really is a passionate commitment. And I hope the new person will have that level of passion and commitment.'

However, even if Randi 2.0 has all this association experience, might it not be an issue if that person has not grown up in legal and is not so tightly coupled with the ILTA heart and soul? 'My honest answer is I don't know,' Randi 1.0 says.

In the association community, there are two schools of thought when hiring a CEO, she adds – either get someone who knows the profession or someone

who knows the association. 'We are so close to the profession; some experience, some knowledge on some level will be important,' she says. 'To the extent that it is more important than association knowledge, I'm not really sure. This is just a very different association in terms of the size of the business component than when I first started. Like in most things, it's finding that perfect balance. And I have no doubt there are some wonderful candidates out there who have the right business chops and who are familiar enough with the legal landscape that they can come in and do a terrific job.'

Future challenges

Randi thinks the profession's key challenges for the future are the rise of alternative legal services providers and vendors, consultants and others moving in and out of the 'member' and 'vendor' labels. 'All of that brain share is tremendously important to the organization,' she says. 'So can we build a membership model that takes full advantage of all that without harming those things that we value? I

can ask the question, but I can't give you the answer.'

She also thinks the culture of sharing faces huge challenges. As firms get bigger and morph from 'professional organizations' into 'businesses,' there is a risk of impacting or challenging the community of sharing. 'I think this will happen,' she says. 'Again I don't know the answer. It's something we need to be mindful of. We have to keep our eye on it. We have to be prepared to address it. We have to be mindful that we can support change. In many cases we can drive change. But the last thing we want to do is react to change that we weren't prepared for.'

Conclusion

From humble beginnings with a dozen people in two rooms, ILTA has spent almost four decades becoming the premier international legal organization. While the 'mother of ILTA' may be retiring, she leaves a substantial legacy. She also leaves the organization in the great hands of many of her 'children'! ■



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What's happening at Kira Systems?

BY JONATHAN WATSON

Kira Systems has used machine learning to develop software that could save lawyers between 20% and 60% of the time they spend on contract review. Its co-founder Noah Waisberg, winner of the 2016 ILTA Innovative Thought Leader of the Year Award, shared his views on the legal technology market with Legal IT Today.

How did you come to start the company?

When I was an M&A lawyer at Weil, Gotshal in New York, I spent a lot of time reviewing contracts. Later, as I became more senior, I was supervising people reviewing contracts. During this time, I came to realise three things.

The first was that people spend a huge amount of time reviewing contracts and extracting data from them. It's one of the primary tasks of junior corporate lawyers. The second was that they make mistakes in this work, even at very good firms. The third thing, and this is what became the genesis of Kira Systems, was that people were almost always looking for the same data over and over again.

If you are company being bought or sold, for example, you might be looking through contracts to figure out what they say about assignment and change of control, maybe governing law, and maybe exclusivity or non-competition. Our idea was that if people were looking through contracts for the same things over and over again, maybe we could build software to help them find those things.

When we started developing the software in 2011, using state of the art machine learning technology, we were focused on helping M&A lawyers

conduct due diligence. We soon came to realise that there were a lot more people trying to find things in contracts than just M&A lawyers. Things have changed to the extent that one of our very large users right now is Deloitte in the US. They have more than 3,000 professionals – mostly auditors and consultants – using our system to find things in contracts, many of which are very different from the data that we originally set out to teach the system to find.

Our clients now tell us that they spend 20–90% less time extracting data from

contracts and that their work is as accurate or more accurate than it would be without our software.

How do you see AI developing in the legal space?

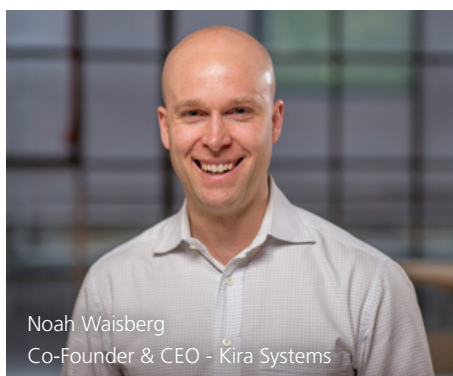
There are still a huge number of tasks that lawyers do that are high-volume and quite often get passed off to juniors. This is not necessarily because they don't matter, but because they are high-volume and unpleasant. There are quite a number of these tasks, and I see them being done increasingly by computers in the future.

There's a ton of people spending a lot of time doing work they shouldn't be doing

This does not mean that those junior lawyer jobs will disappear. AI is simply going to allow them to do more and better work. In M&A transactions that involve big companies, for example, there can be a huge number of contracts to review. Lawyers often have no choice but to focus on the ones that the client thinks are the most important. With the right software, they get powerful help to find the most significant data in more contracts. This enables them to deal with much more content overall than they were able to previously.

You recently entered partnerships with Clifford Chance and DLA Piper. Are your customers most likely to be large firms?

Most of our sales effort goes to big firms, but there are smaller firms who use our software such as Miller Egan in the US. Big firms tend to have unlimited numbers of people to throw at a problem. They can review all their contracts – it just maybe isn't fitting well with their business model or they're not serving their clients as well as they can. At a smaller firm they don't necessarily have that level of extra resource, so the software can definitely be useful there to



supplement people. It's just not a market we've been targeting as heavily.

Also, if you're an M&A lawyer at a small firm, there might be some big deals you can't take on because you haven't got the resource to handle the diligence. Software like ours could actually help you to get these transactions done.

Do smaller firms tend to assume that advanced technology is out of their reach?

It's like buying a bike. When I was thinking about getting one, I wanted to do a lot of research first, so I put off doing anything about it. Eventually I bought it and within the first day I had saved so much time that I wished I had put the effort into making the purchase six months earlier.

That may be how small firms are thinking about AI. In the end, we should just buy the bike. Although obviously buying software is a little different, because you do have to make sure you make the right choice for your firm.

You also have to have realistic expectations. Software is not magic. If you expect it to do 100% of the work for you, you are going to be disappointed. It's not going to be perfect. We are sometimes surprised by the responses we get. One person who had a trial said the software 'only' saved about 50% of their time, 'so that's not really any time'!

We usually say our software can save 20-90% of the time spent on contract review. Even if you 'only' save 20% of your time, that is still a whole day's work over the course of a week!

Is your software designed for everyone in the firm to use or just for particular people within the firm?

It's more for the corporate lawyers in

the firm. There are going to be others who could use it, but it's mainly for the corporate lawyers. Sometimes, internal teams like KM use it, or the IT department when it needs to get a handle on its contracts. It's also worth noting that the system is not necessarily just for firms who are heavily international, and it's not necessarily just for English-speaking lawyers either.

Is the system easy to customize?

It can come pre-trained to find particular information. So if you have a subscription to our system you would immediately be able to find more than a hundred data points in contracts. If you need it to find something different, you could teach it to do that using its machine learning. That's how Deloitte got the software working for its audit practice.

With machine learning, it's a case of garbage in, garbage out. The better the training you give it, the better the system will be. A lot of leading law firms can take it and teach it in a way that few other firms could. Our aim is not to send in a consultant to teach you how to use machine learning. You can just show it some examples and it will learn from those.

Law is ripe for change

What are the other big trends you're seeing in legal technology?

We are seeing way more startups. There wasn't so much focus on them when we started in 2011. There's a good reason for that, which is that many parts of the legal space are ripe for the picking. There's a ton of people spending a lot of time doing work they shouldn't be doing. Some of that work is ready to be outsourced, some of it has been outsourced, and some of it is ready for technology to come in and make it faster and more accurate. There's a lot of low-hanging fruit.

Lawyers may not be the easiest group to sell to, but they actually have a pretty long history of using efficiency technology. If you think of legal research, for example, Thomson Reuters Westlaw is nothing if not an efficiency technology. Like the education and medicine sectors, law is ripe for change. ■

Welcome to **the buyer's market** in law

BY JORDAN FURLONG



meet a remarkable number of lawyers who don't seem to appreciate fully that they are participants in a market. I don't mean that they're unaware of how client demand is changing, new competitors are arriving and a new value proposition for legal services is emerging. I mean that they don't even appear to recognize the existence of a 'market' in which they are participants.

Many law firm strategies and business development plans seem to regard clients as something like stationary targets, passively awaiting a law firm's

The rules of the legal services game are changing, and if you want to continue playing this game, you need to adapt your approach.

intervention to bestow solutions upon them and convert them into revenue streams. Markets are envisioned as hunting grounds and clients as trophies awaiting capture. In this way of thinking, the client's role is primarily to act as the grateful paying recipient of beneficent legal ingenuity. Their only relevant purpose is to provide a living for lawyers.

Maybe that's how the legal world did indeed work 30 or 40 years ago. But it sure isn't what we're up against today. Lawyers and law firms are now in a market – a crowded, noisy, sometimes chaotic free-for-all where buyers and sellers fight with and among each other

trying to get what they need. And as with any market, the buyers are the ones in charge. They have the money, the power, and the final choice. The sellers give the buyers what they want, at the price they want, or they get nothing.

So when I hear lawyers saying (as I too frequently do), 'law is not a business, it's a profession,' I can only shake my head. Law is obviously both of these things – it's a professional business. But more importantly, it's a market, one with many buyers and many sellers, and the buyers have gained the upper hand. Failing to recognize and act upon that reality is tantamount to running your professional business into the ground.

Here are six facts about the market for legal services that lawyers need to learn, and fast.

1. The market is huge. Massive.

Gargantuan. Conservative estimates pin the annual value of legal services in the US at \$300 billion and north of \$800 billion worldwide. If you think a market that big isn't drawing colossal predators into your waters, eager to swallow as much of your business as possible, do a Google search for 'Big 4 Law' and find out what the world's biggest accounting firms are up to in the legal sector these days.

2. Buyers are increasingly sophisticated.

Legal service purchasers have access to more information about the law and more intelligence about legal providers than ever before. Five years from now, they'll have twice as much. The asymmetry of knowledge, confidence and leverage between clients and lawyers is rapidly disappearing. The people on the other side of the bargaining table from law firms are formidable.

3. Buyers have procurement expertise. In most corporations, there's now an entire department dedicated solely to paying suppliers as little as possible. In-house counsel are getting advice and support from Procurement, and they're teaming up with these pricing specialists to deliver a one-two purchasing punch that most law firms don't even see coming. Clients have professionalized their buying. Has your firm professionalized its selling?

4. Buyers have numerous options. Put differently, your firms have numerous unfamiliar competitors – and it's not just the accounting firms. There are software companies offering buyers expert applications and cognitive reasoning engines that can carry out legal tasks. There are flextime lawyer platforms offering buyers the services of lawyers at bargain prices. There are 'NewLaw' firms that have incorporated innovative methods into their businesses. And more competitors are on the way.

5. Buyers are insourcing work. With all these new tools and know-how at their disposal, corporations are keeping more tasks for themselves – especially basic day-to-day and compliance work – rather than routinely sending it out to law firms as they have in the past. The range and

volumes of outsourced corporate legal work are going to shrink in the coming years, meaning the growing number of sellers will be fighting over a smaller amount of business.

6. Law is a buyer's market. Or at least, it very soon will be. Sellers will be competing hard against each other on criteria that matter to buyers: price, timeliness, accessibility, loyalty and customer relationships. Quality of services and delivery will continuously increase as vendors vie to out-perform each other. The terms of transactions will become more favorable to buyers, and the key element of successful transactions will be buyer value, not seller profit.

How can law firms respond to all of this? Begin by recognizing that you still, remarkably enough, have the opportunity to gain a first-mover advantage in the lethargic

legal profession. The irreversible transformation of the legal market has begun, but it's nowhere near complete, and you have enough time to make at least some of the adjustments necessary to thrive in the environment to come. Here are my suggestions.

1. Figure out your firm's purpose. Why does your firm exist? What purpose is it serving? If your answer is 'to maximize profitability for its equity shareholders,' go back and try again. Even if that's an honest answer, it's the wrong one for a professional business in a buyer's market. Law is a serving profession. Who are you here to serve? What do they need? How do you know? What do you provide for them? How do you provide it? And if your firm disappeared tomorrow, would the market notice or care? If the answer to that last question is no, what would you have to change about your firm to get a different answer? ►



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*Law is a market,
one with many
buyers and
many sellers,
and the buyers
have gained the
upper hand*

2. Identify your ideal markets and clients. In an \$800 billion legal market, not only can you not do it all, you'd be crazy even to try. Choose the market niches that you want to serve, and be clear why you want to serve them. Make them as narrow and specialized as you like: when the ocean is this deep, even diving a cubic meter down gives you a massive amount of volume. Then describe the perfect client in these markets: who or what is it? What are its characteristics? Look beyond 'rich' or 'prestigious': whom would you actually enjoy serving? I know most lawyers don't think they're

allowed to enjoy their work or their clients, but really, you are. It makes your working life a whole lot better.

3. Create three sets of strategies. A client strategy governs all aspects of your client relationships, maintaining and improving them through continuous communication, intelligence gathering, performance feedback and trust-building efforts. A competitive strategy governs all efforts to distinguish your firm in its chosen markets from its identified competitors on criteria that are important to buyers. A cultural strategy governs all dimensions of your firm's identity, including the behaviors you encourage and require, the compensation systems you develop and the values you express in your policies and practices. These strategies are the foundation of your firm's success.

4. Develop a modern talent and operations base. Success in the future buyer's market will no longer be as simple as hiring the 'best and brightest' lawyers and giving them a desk and a timer. 'Non-lawyers,' including technologists, knowledge engineers, process experts and salespeople, will be critical to your firm's ability to deliver competitive services. Incorporate new technologies into your firm to increase the speed and

quality (and lower the cost) of your own operations. Develop pricing systems that revolve around the value of your services to buyers, not the effort expended by your workers.

The rules of the legal services game are changing, and if you want to continue playing this game, you need to adapt your approach. Exercise leadership within your firm and begin the adaptation process today, even if some of your colleagues resist, because decisive leadership is what your firm most needs. Your window of opportunity is starting to close, but there's still plenty of daylight left — so long as you start moving right now.

Jordan Furlong is a leading analyst of the global legal market and forecaster of its future development. Law firms and legal organizations consult him to improve their understanding of why the legal services environment is undergoing radical change, and they retain him to advise their lawyers how to build sustainable and competitive legal enterprises that can dominate the new market for legal services. You can find him at <http://law21.ca> and contact him at jordan@law21.ca. ■

ILTA CON 2016

Themes and
Insights From





Getting from ‘list’ to ‘gist’: data to insight to action

BY DAVID HOBBIIE

Law firm Goodwin has used visualization to turn its gold mine of knowledge and information into a practical tool that is easy for lawyers to use.

Data visualization and business intelligence (BI) tools and approaches have many benefits compared to traditional reporting and list making. At my firm, we have recently developed and launched an innovative BI tool that focuses on our litigation case experience.

Getting To Goodwin Gold
How did it all start? A substantial part of my responsibilities as a

knowledge manager have related to my firm’s matters experience, or more specifically, managing, processing, and reporting on case information. Not all the work I support is public litigation, but there is enough to justify it being the focus of some of my knowledge management (KM) work.

To that end, my firm has invested in staff, built custom reporting tools and set up consistent processes for litigation



data collection and control (and also of course for deal data, although that is not my area of responsibility).

The data collection efforts were perhaps an almost accidental spin-off from the development of the Matters Pages portal system. As a by-product of creating matter-specific portal pages, one could easily record a variety of information at the matter level, beyond what was available in the finance system. But as it turns out, systematically vetted and researched aggregated information about our cases has become a gold mine of knowledge and information. It's incredibly valuable for marketing, business development, pricing and scoping, practice management and work product search.

On the litigation side, obvious key data points include forum, disposition, lead attorney, matter duration and level of effort. When properly queried, the data can answer questions like: "What is our class action experience in New York courts?" and "What is our securities experience in Western US states such as California, Arizona and Utah?"

But there's a lot more that could be accomplished with this gold mine.

Partners do not directly access our reports. Our matters reporting tool is complex, our data is often multi-value, and it isn't easy for partners or other people responsible for making decisions to leverage it properly. It simply isn't possible to have a single reporting tool, however powerful, that both accounts for the complexity and richness of our data and is sufficiently user-friendly to be lawyer-facing.

Instead, marketing, business development, pricing and practice management staff either use our reporting tool themselves as 'power

users' or call the KM staff for assistance, depending on the complexity of the request.

What our sophisticated system produces is most commonly a report of matters. This might relate, for example, to our cases involving commercial contract litigation in a Massachusetts state court, or those before a specific judge.

As the example shows, our reporting system provides a list of matters (in this case in an Excel document), often with 'dimensions' such as legal service, industry or forum, along with measures such as hours worked or revenue associated with the matter.

The detail is there, but as a matter of information consumption and leverage, how easy is it to figure out what's really going on with this work? What proportion of the work in front of this judge has led to a trial? Which is the most significant work (in terms of level of effort) that we've had in this court? How much more important is the first piece of work compared to the second or the tenth?

Presenting information in a visually compelling format means that the raw information or data can be converted more readily to action and understanding

These types of questions or stories can be much more readily understood and acted upon through giving the attorneys interactive visualizations of their work, based on the rich experience data we have collected. With such a tool they can quickly understand the gist – the meaning of the data – rather than having to investigate and analyze a list of numbers.

Visual consumption of information – the power of descriptive analytics

Extensive research compares the effectiveness and speed of the different methods our brains use to obtain information. It shows that humans did not evolve to read text on a screen. We evolved to track, recognize and make minute distinctions between animals, plants and other aspects of the natural world. Our visual perceptions are the dominant way that most of us receive information, and our brains are incredibly sophisticated at doing so.

The recent rise of machine learning and more sophisticated artificial intelligence has only confirmed the complexity of our perceptions. Even custom-built systems trained over many years to recognise ►

Matter List											
Client Number	Client Name	Matter Number	Matter Name	MRA	Total Hours	Legal Service	Disposition	Disposition Date	Forum	Appellate Status	
127336	8626.6	F6E00-Derivative Litigation	Trial with Bench Decision or JNOV	10/2/2013	Massachusetts State Court		
065641	AA055-Individual Consumer Claims/MERS	Motion to Dismiss granted	11/15/2013	Massachusetts State Court Massachusetts District Court		
129318	F6E00-Derivative Litigation	Trial with Bench Decision or JNOV	7/14/2015	Massachusetts State Court	On Appeal	
099997	P0000-Pro Bono	Settlement	1/14/2015	Massachusetts State Court		
129318	AH000-Corporate Governance	Trial with Bench Decision or JNOV	7/10/2015	Massachusetts State Court		
039741	F6E00-Derivative Litigation	Motion for Summary Judgment granted	12/22/2011	Massachusetts State Court	Won Appeal	

common objects can still be fooled or make mistakes that would be obvious to a five-year-old.

Presenting information in a visually compelling format means that the raw information or data can be converted more readily to action and understanding.

Interactivity encourages exploration

It takes more sophisticated technology – specifically, interactive technology – to take visualization to the next level of utility.

In the below public example, a visualization of potential topics for the International Legal Technology Association’s annual 2016 conference, the relative proportion of the main topics jumps out at you. Exploration of a particular topic’s sessions is accomplished through clicking on an area, which filters the detailed list below.

The visualization user can dig into the data and see the related details. Answers are more immediately available, leading to quicker understanding and faster decision-making.

Uncovering questions for further analysis

A good visualization, through interaction



and improved perception, will also lead to uncovering areas for additional investigation, analysis and improvement of the visualization. Why is the average duration of some types of dispositions so long? Did the change from having the senior associate role dominate the staff breakdown on a case to having partners dominate result from the increasing importance or sophistication of the work, or because of the elevation of a senior associate to partner?

Because of this, the ease of spinning up a new report, reacting to additional user needs, is another key feature of much visualization software and data work.

An interactive visualization of firm experience

What is the end result of the litigation matters data work accessed through a modern visualization / BI tool?

Goodwin Litigation Intelligence, launched in March 2016, gives partners fingertip access to Goodwin’s entire collective litigation experience. A forum map identifies all of the firm’s appearances in any US court by type of work, class action status and more. On an interactive disposition dashboard, outcome proportions and historical level of effort are provided for specific types of legal work, such as consumer

Topic Tree



Team

- ☒ (All)
- ☒ ILTA
- ☒ Team 1 - Information M...
- ☒ Team 2 - Business Mgmt
- ☒ Team 3 - Desktop & Apps
- ☒ Team 4 - Tech Ops
- ☒ Team 5 - Legal Operati...

Secondary Area of Focus

- ☒ (All)
- ☒ Null
- ☒ Applications
- ☒ Blank
- ☒ Business & Legal Proc...
- ☒ Financial Management
- ☒ Information Governance
- ☒ IT Operations
- ☒ Knowledge Management
- ☒ Legal Operations
- ☒ Litigation Support
- ☒ Marketing & Business...
- ☒ Security
- ☒ Technology Support Se...

Topic Details for Topic Tree

ID	Topic - Idea	Main Area of Foc..	Assigned to	Subject Matter	Session Length	
3	The New System Center Configuration Manager - Let's kick it up a n...	Applications	Will Babbitt	Configuration Management	60 minutes	1
4	Exchange 2016: Why and How to Upgrade	IT Operations	Michael Viscito	Servers	90 minutes	1
5	E-Mail Alternatives	Applications	Maria Smith	e-mail management	60 minutes	1



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SECURE

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COLLABORATE

Collaborate with your clients on shared documents for a more efficient review cycle.

PROTECT

Add Digital Rights Management to outbound content restricting recipients from printing, sharing, or text scraping from documents.

MANAGE

Mobile Application Management (MAM) capabilities allow the remote wipe of sensitive firm data from any connected mobile device.

SHARE

Effortlessly share your content via secure link instead of attachment.

MOBILITY

Access Worldox content and effortlessly share and collaborate while on the road.

AUDIT

Full auditing of activity for security & compliance purposes.

CONVERT

Automatically combine attachments into a PDF including conversion to PDF/A and other formats.

financial services class actions, with specific outcomes, such as motion to dismiss wins.

Most BI efforts in the legal industry have focused exclusively on financial data, where the primary concern is firm revenue. Goodwin Litigation Intelligence unleashes the power of BI on key case information such as disposition, forum and hours worked in order to uncover data-based insights about how cases get resolved, how long they last, and in short, their risks. This provides great client value. Such insights aid general counsel in talking to their businesses about the scope and nature of litigation risks.

One key innovation was marrying Goodwin's rich litigation data, developed through years of KM team efforts, with the cutting-edge data visualization platform Tableau to provide a 360-degree view of the firm's case experience.

Partners do not have to rely on reports from others to access the most important information about the firm's collective experience – they can themselves interact with the dashboards to uncover the information that is most relevant to the client call or pitch. Information about where our work is concentrated, how long it takes and more is more apparent at the outset, and the user can easily carry out further analysis.

Conclusion

Unleashing the power of data that legal organizations already have or could readily collect through interactive visualizations has the potential to add tremendous value to decision-making and leadership insight. While interactive BI resources such as Goodwin Litigation Intelligence are only the first step down the path of becoming data-driven organizations and professionals, they currently offer the potential for competitive advantage, better client service and differentiation – if you have

the underlying data and the capability to build them.

David Hobbie is the Senior Manager for Knowledge Management (Litigation) at Goodwin. He helps litigators find and leverage various kinds of information about previous matters and work through knowledge management, business intelligence and data analytics.

The information contained in this article reflects the opinions of the author and is not an official opinion of Goodwin Procter LLP.

Why measure if you don't manage?

BY JOBST ELSTER



While many might shrug off the popular and often misused business adage ‘you can’t manage what you can’t measure,’ it nevertheless contains a good deal of truth. It should perhaps not be treated as an absolute – yes, you can manage things that can’t be measured – but it is still advisable to use metrics, key performance indicators (KPIs) and relevant statistics to help devise or in other cases substantiate a specific management strategy.



Recently, let’s say within the past five years in particular, ‘measure to manage’ has again become a hot topic in legal technology and management. IT budgets are being squeezed; it’s time to ‘do more with less’; competition is heating up as cyber and social act as the great equalizers; and law firm clients are not only cutting back on outside counsel, they are putting the screws on the select few they still work with.

‘Warm and fuzzy’ is being replaced with ‘measure it, prove it, earn it,’ especially when it comes to business, operational efficiency and technology competence.

Earlier this year, I had the privilege of moderating an expert legal IT panel where the topic under discussion was ‘Measure to manage: employing data to promote positive behavioral change at your firm’. This was part of ALM’s 12th

Annual Law Firm Chief Information & Technology Officers’ Forum (CIO Forum).

Our panelists included Justin Hectus, who is Keesal, Young & Logan’s director of information; industry pundit and founder of Procertas Casey Flaherty; Google’s head of legal operations Mary O’Carroll; and Tikit’s director of business development and customer value engineering Ryan Steadman. We

Proper metrics measurement relies heavily on knowing your audience, how they consume information and in turn delivering it in the proper format.

Peter Zver, President, Tikit North America

discussed how best to organize and use data in ways that are useful to attorneys, firms, and clients, while promoting positive behavioral change that impacts the bottom line and client relationships.

Specifically, we drilled down into real world 'measure to manage' examples including time data, system utilization, technology proficiency, client KPIs and pricing.

Law firm client perspectives

Legal operations management need real time visibility into outside counsel spend and staffing in order to make informed business decisions. When the GC stops by and asks about outside counsel value (What are we spending and on whom? For what? How are our matters staffed? How do we measure up versus our peers? And against the overall budget?), what answers are the world's leading corporations getting?

According to Mary O'Carroll, the days of ad hoc, stale metrics and 'gut-based' estimates are long gone. In the case of Google, the company's Outside Counsel Dashboard delivers a simple and easy-to-use online tool that gives attorneys a near real-time view of their outside counsel spending across their matters.

Google's technology evolution has focused on three core tenets, she said. These are:

- data availability (do we have the data?)
- data access (can we get to the data easily?); and
- data value (can we effectively use the data?)

As Flaherty pointed out, 'Google's mission is to organize the world's information and make it universally accessible and useful,' so it makes sense that the company would seek to achieve

a similar paradigm with legal operations metrics and KPIs. While Google's legal team has successfully transitioned to a self-service metrics and real-time information environment, the overall success and value of any single initiative depends on other key players within the legal ecosystem.

Sweating the small stuff

From the law firm perspective, one of the most interesting things about what's going on in the landscape of metrics is that while there is ample ability to analyze the complexities of enormous data sets, many firms are overlooking the mundane repetitive tasks which, if optimized, can have a big impact in terms of cost efficiency.

'At Keesal Young, we look at usage across all applications and can determine who is using which applications, how much, and how well,' said Hectus. 'If our attorneys are knee-deep in a specific set of applications, we can tailor training to ensure that they are using those technologies to the greatest effect, often resulting in certification.'

Instead of relying on perceptions, the firm can use this new data reality (what's actually happening compared to where usage and productivity should be, based on client expectations) and develop a measured action plan. 'This "360° perspective" really provides a clear picture and road map ahead,' Hectus said. He believes there is considerable value to be had from simply measuring baseline technology use and maximizing usage and effectiveness, despite the readily available 'fancy' predictive analytics and big data tools.

Another core theme tackled by the panel related to communications and transparency. Progressive clients like Google expect their outside counsel to offer up legal teams that have the requisite skills to make effective use of the best technology available. What good is it to use collaboration tools such as extranet portals, management dashboards and legal spend solutions if there's limited confidence that the available technology is being used properly and that the appropriate, 'common-ground' metrics are being identified, measured and acted upon? ►





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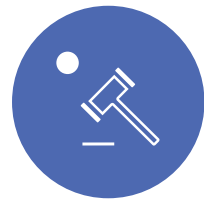
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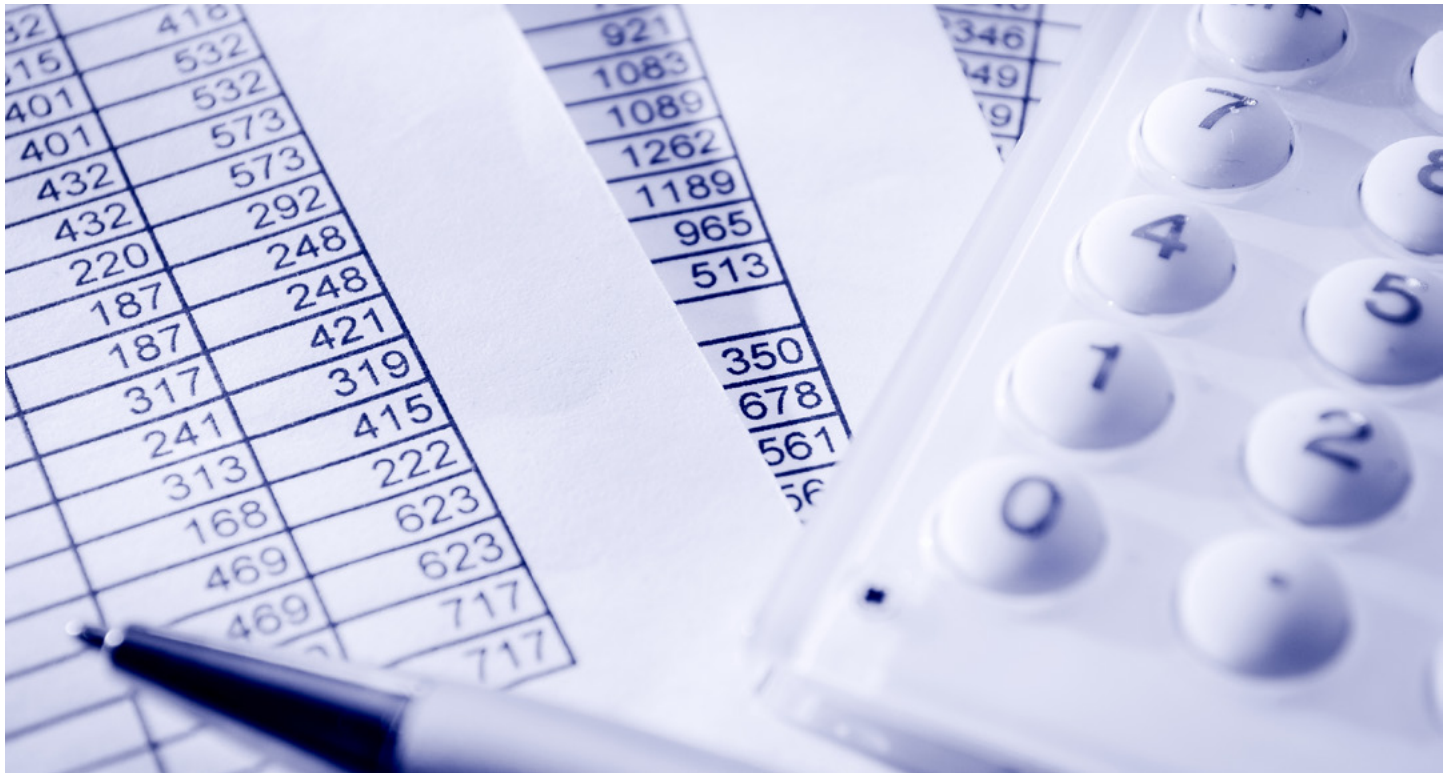
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This is partly why there's an increase in client-driven technology audits, similar to risk assessments, focused on an objective confirmation that firm users are making the grade. 'For us, it goes beyond investing in technologies that our clients want us to use and into listening to recent client feedback (via requests for proposals, outside counsel guidelines, and one-on-one conversations), focused on increased technology proficiency,' Hectus said.

Designing to measure

An interesting connector between firms and clients are the specialist legal technology companies. In some ways they act as translators of existing data and information and in others they are the 'on-ramp' for more information sharing and ultimately metrics.

Ryan Steadman said focusing on metrics has brought about considerable change for company clients – a point echoed by Tikit's North American CEO Peter Zver, who was in the audience. According to Zver, metrics are really a derivative of good data and good data is the derivative of good quality input by users. This in turn is the result of a good UI/UX user experience.

'We have learned over time that proper metrics measurement relies heavily on knowing your audience, how they

consume information and in turn delivering it in the proper format,' Zver said. 'Take for example the recent development of next-generation time recording technology. We had to consider the various consumer-centric user personas right from the beginning so that we could develop technology that would not only address firm timekeeping productivity needs but also provide value to the law firm-client relationship in the form of metrics and KPIs that demonstrate billing transparency and accountability.'

One could also look at data and information consumption. In the old days, this was easy. You would print out a report and put it on someone's desk and that was the route to transmitting information and creating specific action. Today, you have a large collection of endpoints that can be leveraged when looking to engage your users, so the question for technologists like Tikit becomes: 'What are the five to ten most popular endpoints and how can we create a user experience that drives staff engagement?'

Metric futures

'Don't get blinded by shiny metrics and complex analytics at the expense of missing the mundane but major low-hanging fruit,' Hectus said. Current behavior and engagement patterns, with moderate tweaking of

technology, processes and training, can yield significant gains. From a technology development standpoint, understanding user personas, analyzing user engagement and how consumer-driven professionals will best interact with specific applications is paramount. However, none of this is possible without measuring the baseline, in order to determine where firm users are and how technology processes and common sense can take them to the next level.

Lastly, sound communication and collaboration between firms, clients and their turnkey technology partners forms the basis of delivering value to all stakeholders. Knowing where the data is, being able to access it easily, and ultimately being able to use it effectively, are common themes that when recognized by all go far beyond metrics management and are part of a bigger, transformational process.

Jobst Elster is the Head of Content/Legal Market Strategy for InsideLegal.com. He brings extensive experience in market analysis, market research, public relations and product marketing to the legal industry. His clear view of legal trending, market development and market perception uniquely positions him to advise companies, legal associations and law firms as they align their business strategies to reflect market realities. ■



Seismic shifts: blockchain technology and the law

BY LANCE KOONCE

Blockchain technology, which allows data to be shared swiftly and securely between parties without middlemen, has major implications for lawyers and the law.

Disruptive technologies often manifest themselves like earthquakes. There is a big initial impact, followed by lots of aftershocks. For attorneys, the first impact is usually felt through relationships with clients. The new technology may be seen as a threat or as an opportunity, depending on where the client sits in a particular industry. Either way, whether advising a startup that is creating a new business based on the technology, or an existing player worried about potential effects on its business model, a lawyer who understands the technology can play a key role in serving clients' interests.

The second shockwave is usually felt later, when the technology begins affecting the manner in which attorneys and law firms themselves practice law.

Blockchain technology, also known as 'distributed ledger' technology, is one such disruptive force, and it is likely to shake up many industries as well as the practice of law – much as the Internet did more than a decade ago.

The technology

Blockchain technology is a form of distributed computing first created in



the context of Bitcoin. It solved a thorny problem that had plagued early efforts at digital currencies. Known as the 'double spend' problem, the issue here was how to ensure that digital value did not get

Blockchain technology appears almost custom- made for the legal profession

transferred more than once. The solution was to use a decentralized peer-to-peer network where every node in the system keeps a copy of all validated transactions. As it turns out, that technical solution has broad applications for many digital transactions that occur between arm's length parties. Blockchains allow data to be shared swiftly and securely between parties without middlemen.

Whether we recognize it or not, intermediaries whose role is to provide a trust-verifying function between disparate parties exist in all industries, from banks to escrow agents to government bureaucracies. Disruption of those functions will create major displacements of existing institutions, but lead to greater efficiencies for the remaining market participants.

Impact on many industries

The delivery of entertainment content to consumers and the payment of royalties to creators such as musicians, artists and writers currently require multiple parties. Each of them plays a different role in distribution, verification of identity and access rights, and back-end payment. Blockchain systems, by contrast, offer the promise of streamlined systems eliminating many of these functions.

A band might determine, for instance, that for a particular song it has self-produced, the price of a download by a consumer will be shared among the band members, several session musicians and the sound engineer. Data about the song, including the royalty-sharing information, would be recorded to a blockchain, and when a consumer downloads the song, the funds would be split automatically and delivered to each participant in real time.

The impact of this type of arrangement will be felt across every industry. The broad outlines of the potential disruption in banking have already started to come into focus, as investment in blockchain research and development has skyrocketed and proof-of-work projects for things like equity trading markets have started rollout. Global supply

chains for physical goods also stand to be disrupted, with blockchains providing more transparency and security for those goods as they move between the many parties in the chain.

One area of intense interest is the use of blockchains for facilitating better verification and management of digital identities, both for the many undocumented or poorly documented individuals across the globe (especially in the developing world) and for individuals who want more control of their online identity. Another industry that is likely to see major changes is healthcare, where the sharing of health records across many institutions is critical but the security of personal data and patients' ability to control their own records is also very important.

Implications for lawyers and the law

If the predictions about industry disruptions from blockchain technology are correct, then lawyers will have a role to play in advising their clients on the implications of the changes that result. Already, a (relatively small) cadre of attorneys and firms are advising clients on issues such as regulatory coverage for digital currencies and the consequences of cross-border asset transfer using blockchains. Others have helped clients try to patent new applications built on top of blockchains (although many such applications are developed in an open source fashion).

Some firms are counseling clients on issues like the intellectual property aspects of content delivery and management on a blockchain-based system, or the construction of local energy grids managed on blockchain systems.

- **Smart contracts**

One area where lawyers may be particularly affected by blockchain technology is contract formation. Blockchains offer the possibility of more pervasive self-executing contracts, where contracting parties set parameters for execution in advance, and the transactions (or certain portions of the parties' agreement) simply occur once certain conditions are met. For instance, two parties might enter into an installment agreement for the purchase of an automobile, with payments automatically being transferred every month and title ►



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“Time should no longer be viewed one dimensionally as hours to be billed. Today, time is multi-dimensional, driving billing, yes, but also informing pricing and re-sourcing, supporting alternative fee structures, underpinning legal project management, enriching client relationships, feeding into the business intelligence matrix to further illumine decision-making and shape the modern legal practice. We are not just in the next generation of time-keeping solutions, but in a new era of total time management.”

— Phil Wedgwood, VP Time Practice

documents passing automatically once a certain amount has been paid.

These types of arrangements are sometimes called 'smart contracts'. One necessary component of them is better standardization of contract terms, so that legal terms can be more readily coded as software. Within the next five to ten years, many transactional attorneys will need to become at least more familiar with coding, if not actually learn how to code. Law firms that anticipate clients' needs by having code-friendly contracts will also have an edge on competitors.

- Legal tech

Thus far, not much attention has yet been given to how blockchains may impact legal technology itself, but this is likely to be the calm before the storm. Given the potential for blockchains to record data and transactions in a virtually immutable fashion, and then to share verifiable information securely across trust boundaries, the technology appears almost custom-made for the legal profession.

The MIT Media Lab recently announced prototype tools using blockchain technology that are meant to address the problem that most laws and regulations made available publicly through government websites cannot be treated as 'official' and come with disclaimers on their use. The prototypes would allow legislatures and agencies to 'publish official statutes and regulations

via ordinary government websites by leveraging blockchain validators to meet key Uniform Electronic Legal Materials Act requirements... [leading to] a more streamlined, simplified native path than use of GPG software by each jurisdiction or outsourcing'.

Dazza Greenwood, who is leading the initiative, says that 'a killer blockchain app to liberate law as verifiable, standard data may also hold the key to render law understandable and usable by people, groups and organizations'.

Several new services already take advantage of the immutable time-stamping function of blockchains to perform registration-type functions. Start-ups like Blockai, Monegraph and Verisart, for example, allow users to create permanent records of digital content such as photographs and text, which act as stand-ins for copyright registrations (but notably do not provide many of the legal advantages of official registration as yet). Companies like Stampery and BlockNotary provide unofficial notarization of digital material.

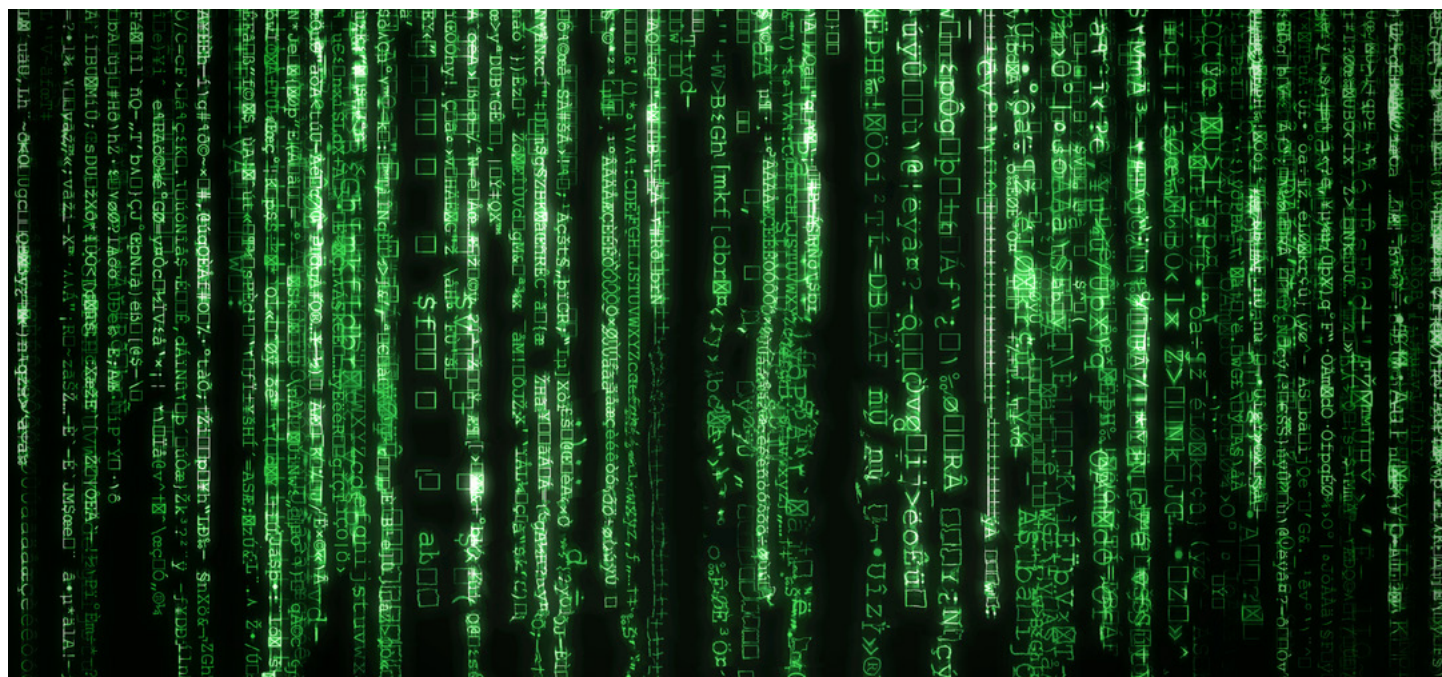
Or take electronic discovery. Currently, collecting material from clients and third parties and then organizing it typically occurs on centralized systems, and subsequently the material is delivered to opposing parties who then take full control of it on their own centralized systems (requiring things like clawback

provisions). But one can imagine the sharing of such information occurring on a shared platform, where the litigating parties agree to certain parameters and where any interaction with the data would be permanently recorded and available to both parties.

The possibilities are huge. The time-stamping function, for instance, possibly combined with RFID technology, could have implications for the chain of possession for evidence in criminal prosecutions and civil litigation. Back-end billing systems between law firms and their clients might benefit from the efficiencies created by digital currencies and more transparent tracking of transactions (think of a universal database of billing codes shared among many clients and firms).

These changes will come in fits and starts, just as they did as the Internet moved to a predominant role in global commerce and communications. Smart attorneys will not be waiting for shockwaves to hit, but will be mapping out a strategy for embracing such changes in their practices right now.

Lance Koonce is a partner at Davis Wright Tremaine specializing in intellectual property and technology law. He leads the firm's cross-practice blockchain initiative, and writes and edits the CreativeBlockchain.com blog. He can be contacted at lancekoonce@dwt.com. ■



The Leading Global iManage Partner



The scalable lawyer

BY NIEK VAN DE PASCH



Enlightened lawyers need to frame legal work differently and devise versatile solutions through multi-disciplinary, software-driven, design-oriented, client-focused thinking.

Intangible law firms

In the past, the differences between legal organisations could largely be expressed in terms of the differences between their lawyers. This meant that lawyers could become very powerful players at their firms. 'When your enterprise has only one type of asset of value to the market, you don't own that asset – that asset owns you,' notes Canadian legal market analyst Jordan Furlong.

However, the inexorable rise of legal technology is already tilting this internal dynamic, leading to the creation of what Furlong calls 'the intangible law firm'. Although this notion is an important insight in its own right, I would like to dig a little deeper. I think algorithmic innovations have the potential to bring about systemic changes.

Wars of law

To assess where the practice of law



is heading, we need to understand where lawyers are coming from. Legal professionals are taught to share their expertise and experience by advising on a face-to-face basis. They learn by studying hypothetical cases and advocating for either side, with rewards given for coming up with clever arguments that secure victory.

When applauding the power of law in distributing justice, there are often ►

references to seemingly noble notions like ‘equality of arms’. And yet all too often, students and teachers alike fail to make explicit the unfortunate implication that legal activities are by definition a tournament – or even a war.

The bigger picture

As a result, most young lawyers see themselves as vigorous combatants in zero-sum games. In such a competitive, winner-takes-all environment, they find themselves constantly surrounded by rivals. If associates choose their battles wisely and build stamina in the ring, they move up the ranks and gain personal prestige.

In this highly individualistic form of combat, the law firm may be seen as a kind of gymnasium – as a mere facility that does not inspire any loyalty. Rookie lawyers may be forgiven for losing sight of the bigger picture, devoted as they are to client and career.

Scalable solutions

This direction of travel could be adjusted at an early stage of the journey. The current legal curriculum focuses strongly on the staccato evolution of law through landmark cases. This fosters a distorting preoccupation with the atypical. Students, in a frantic search for the next exception, overlook the beauty of a system that functions perfectly well for run-of-the-mill situations. That’s a real shame, both academically and socially.

This emphasis on the rare and the novel thrives in the staid atmosphere of case-by-case accomplishments. Legal stars are born from amalgamations of singular events, rather than the ability to invent scalable solutions for less spectacular problems.

Dissect and collaborate

Lawyers are still, by and large, trained as craftsmen, tailoring projects that can be both bespoke and disposable. Very much the quirky artists, they strive for one-off masterpieces in splendid isolation.

In the dawning era of tech-aided mass customization, such antiquated pursuits increasingly belong in the curiosity cabinet of bygone trades. To realize fully the potential of law in the 21st century, we should be teaching aspiring lawyers to dissect and collaborate – both with each other and across complementary

disciplines. This collaboration should not be ad hoc and reactive, but structural and proactive. In doing so, lawyers who are just starting out can fend off the pressure of premature specialization and pursue a more holistic approach to their careers – for a time, anyway.

Veil of enigma

The deconstruction of the legal process could perhaps have another positive impact. Puzzled by legalese, laymen at present look upon the practice of law as a sort of black box. With project managers carving out bits and pieces of the process, that veil of enigma will gradually be lifted. In a world where lawyers, paraprofessionals, clients and software co-operate closely, transparent language is vital if every player is to participate fully in the game. Innovation will thus spur demystification and vice versa. This in turn might tip the scales of respect in favor of clear-cut, replicable solutions.

Anthropocentric problem solving

It takes a deep understanding of law and society to contrive legal answers that transcend these sporadic snags. If this somewhat pompous statement makes you shudder, consider for a moment the more one-dimensional economics at play. Transforming individual consultations into products that can be marketed to large numbers of customers could result in business offerings that are capable of generating previously unimaginable profits. For this to be feasible (let alone successful), lawyers need first to shed their anthropocentric take on problem solving. Once again, this requires them to look up from their case files and take a step back. Lo and behold, legal tech looms.

The AI fallacy

At this pivotal point, misconceptions lurk. Debunking the so-called ‘AI fallacy’ will therefore be a crucial next phase in truly pioneering the delivery of legal services.

*Will the most
successful law firm
of the future have
zero lawyers on its
payroll? I hardly
think so*

Algorithms have long been capable of yielding highly useful outcomes without replicating human thought. Computers, for example, handle certain tasks without rendering them routine by relying on statistics rather than reasoning. Accordingly, to wonder if robots will ever be able to think like lawyers is to ask the wrong question. The real issue should be: to what problem is professional judgment the solution? When presented with that conundrum, many law firms are shaken to their foundations.





Fancy drills

As the time-honored analogy goes: lawyers are drills, clients want holes. Most lawyers unconsciously equate technology with automation. For them, progress would mean a faster, stronger or finer drill. But teaching tech while maintaining the same mindset will cause misdirected innovation that is unambitiously narrow. Lawyers could end up tackling many problems they have defined themselves, using solutions developed by their own profession.

This occupational tunnel vision is not intended as a reproach to every Atticus Finch or Rumpole of the Bailey out there. The world still needs you! But the world also (or even more so) desperately needs the bar to be less homogeneous. Start with the customer and work backwards. You'll see in the end that many of them won't benefit from a drill, however fancy it may be.

Access to justice

Flipping the legal methodology like this can have a huge impact on access to justice. There are vast untapped markets, chock-full of latent demand. This is a parlous state of affairs to be sure, but it's also a fantastic opportunity. Extending the reach of law to people and businesses who have not yet had access to expert help will prove beneficial for suppliers, customers and the community as a whole. If lawyers

are to perpetuate their prominence when this paradigm shift occurs, law firms should start adding people with other skill sets to their ranks right now. After all, interpreting and applying information given by a single client differs starkly from capturing and analyzing large data sets.

Rearrangements

Moreover, future lawyers ought to see the challenges and pleasures in designing the systems that assist and even replace traditional professionals. Savvy graduates are in the unique position of being able to team up with robots and make the whole greater than the sum of its parts. Frankly admitting the ways in which computers are far superior, these lawyers know what value their human touch adds elsewhere in the supply chain – a reintermediation, if you will. This rearrangement should then trickle down the organogram of law firms, allocating influence more evenly between stakeholders of all backgrounds.

Disruptive innovation

So where does that leave lawyers and law firms? Are we hurtling like lemmings off a cliff and into an abyss of disruption? Heck, every self-respecting piece on innovation should have at least one reference to Uber and Airbnb. The biggest taxi company in the world has no cars on its books, while the biggest hotel chain in the world has no real estate on

its books. Will the most successful law firm of the future have zero lawyers on its payroll? I hardly think so. The ongoing trend of labor arbitrage will indeed further alter staffing models, but that's the least interesting part of the equation.

Shuffle and swing

I for one am anxious to see enlightened lawyers framing legal work differently. Spotting red-hot issues hiding in plain sight by analyzing unstructured sets of raw data. Devising versatile solutions through multi-disciplinary, software-driven, design-oriented, client-focused thinking. And having fun experimenting. Technological innovations will reshape the legal market and law firms have to act now to offset these seismic changes. But as always, it takes two to tango. Lawyers should team up with artificially intelligent systems and alternatively intelligent humans. Intangible? Maybe. Sensible? Definitely.

Niek van de Pasch is a Dutch lawyer specializing in commercial contracts and insolvency. He is recognized as one of '35 under 35' (Dutch Lawyers' Monthly) and '8 to follow' (Wolters Kluwer Netherlands) for his views on legal innovation. A self-proclaimed legal nerd and trend watcher, Niek hopes to shape the future of law through his numerous tweets and blog posts. ■

Going into ILTACON 2016,
or while in an ILTACON session,
or now that **you're starting to**
process everything coming out of
ILTACON, what's the **single biggest**
question you want answered?

Normally for 'The Verdict', we ask several thought leaders to answer and comment on a single question. For this issue, we thought we'd mix it up and ask for questions they would like to be answered!



THE VERDICT

D. Casey Flaherty

Founder and Principal / Procertas

I'm long on technology in law. I'm long on the cloud. Etc. But I keep running into what seem like very intriguing point solutions that do not talk to each other (unless you want to spend an extra seven figures to build a bridge).



And it's not just new vendors. The client/firm divide is exacerbated by our inability to share data. It's nice when a firm builds an extranet. But most clients won't log into 20 different firm extranets. It's fantastic when clients build a portal for their outside counsel. But most outside counsel are going to be pretty upset about having to login into 20 different client portals.

I'd start a new company if I had an answer to my question. This is a genuine question, not a rhetorical device to share an opinion:

- What can we do, and what are we doing, to improve data sharing and integration among the solutions in the market and coming to market? ■



John Alber

Futurist / ILTA

- When will BigLaw begin to address the horrible user experience involved in engaging and receiving legal services from large law firms?

Everything about dealing with large law firms, from the engagement letter to the bill, seems designed to frustrate

clients, delay justice and drive up costs. We see a few firms attempting to design afresh what it's like to interact with them (e.g. King & Wood Mallesons), but the rest merely fritter around the edges.

Modern technologies, including but not limited to AI, offer lots of opportunities to alter the law UX, but firms have to want to make changes in their service models for those technologies to be useful.

The slowness of firms in responding has led to some significant DIY by clients. Big bank investment in blockchain and smart contracts is really a response to the decrepit infrastructure surrounding agreements. Do we really need a thousand pages of legalese and the court system to make and enforce financial agreements? Don't bother asking firms. Of course we do, they'll say. But clients have another idea. And it's a good one. ■

Ron Friedmann

Partner / Fireman & Company

To set the stage for my question, let's stipulate that:

1. Law firms face increasing pressure to deliver more value to clients; and
2. A key component of delivering more value is improving lawyer efficiency with technology.



Reflecting on ILTACON 2016, I was struck by the recent rise of legal tech startups and new classes of software. From multiple flavors of AI to deal management software, we see a lot of new technology. Some is broad in application, some narrow; some hyped, some understated. I see huge value in many of the technologies at ILTACON. But I worry that a focus on the new can divert management attention from training lawyers to use legal software effectively.

So, finally, my question...

- If a firm wants to maximize efficiency and really take advantage of what the market has to offer, what software would it license and what training and adoption planning would it put in place for both new and legacy software? And do we need a reference model, by practice, for software selection and for training and adoption planning? ■



Joy Heath Rush

Vice President of Client Development (Law Firms) / Litéra

At ILTACON, I had the privilege of moderating a panel on 'Speaking Techese' with lawyers. One of our key topics was 'listening to what lawyers want and giving them what they need'.

This panel actually colored my conference experience, and I went into every session from the perspective of how best to determine what lawyers need, so that we can deliver. With that said, my three-part question is:

- If we asked our lawyers which business problems they really wanted solved with technology, what would they say? How does this differ from IT's priorities? What is the best mechanism for asking? ■



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