The Client Perspective:
In-house lawyers leveraging emerging technologies to improve business results

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I’m not a legal technician, and (likely) neither are you:

*Is that an excuse?*

Why does it matter? Why should you care? Do your clients care?

Leading tech practices in (firms and) law departments:

*What’s sustaining  /  What’s disruptive?*

How to leverage change for results.

**PRESENTATION OVERVIEW**
Confessions of a Tech Idiot

For me, it all started in the 1960s
My first tech “crush”:

“Danger, Will Robinson! Danger!”
As lawyers, we are often as dismissive of and threatened by tech as Dr. Smith was.

WHY?
KARL SAYS:

“EMBRACE THE TECH !!!”
Tech is here
It’s growing
It’s not going away
Get over it
Leverage it
Lawyers compete for relevance with clients; we don’t own the market anymore.

“Lots of lawyers working really hard” is no longer a leading measure of value or the quality of service.
What Clients Want
(and the tech that supports service delivery)

• Measurable results
• Better mgmt / Lean efficnncy
• Certainty / Predictability
• Costs that equate w/value
• Knowledge practices
• Continuous improvement

→

• Metrics driven by data
• Project and process mgmt
• Cost and spend analysis
• Competitive comparatives
• Harness experience
• After-actions / Scorecards: competence and productivity
What are Law Firms Doing?

Q: Is your firm doing any of the following to increase efficiency of legal service delivery?

- Using technology tools to replace human resources: 58.0%
- Knowledge management: 56.9%
- Rewarding efficiency and profitability in compensation decisions: 48.6%
- Project management training: 43.8%
- Shifting work to contract/temporary lawyers: 41.7%
- Shifting work from lawyers to paraprofessionals: 37.2%
- Reengineering work processes: 26.4%
- Using non-law-firm vendors: 16.7%
- None of the above: 6.9%
Can you envision a law-focused “Watson” replacing any of the following timekeepers in your firm in the next 5-10 years? (Select all that apply.)

<table>
<thead>
<tr>
<th>Timekeeper</th>
<th>2011</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paralegals</td>
<td>35.0%</td>
<td>47.0%</td>
</tr>
<tr>
<td>First year associates</td>
<td>23.0%</td>
<td>35.0%</td>
</tr>
<tr>
<td>2-3 year associates</td>
<td>14.0%</td>
<td>19.2%</td>
</tr>
<tr>
<td>4-6 year associates</td>
<td>5.5%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Service partners</td>
<td>8.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Yes, but not in 5-10 years</td>
<td>4.5%</td>
<td>38.0%</td>
</tr>
<tr>
<td>Computers will never replace</td>
<td></td>
<td></td>
</tr>
<tr>
<td>human practitioners</td>
<td>20.3%</td>
<td>46.0%</td>
</tr>
</tbody>
</table>
Q: Is your firm currently pursuing any of the following alternative staffing strategies?

- Using part-time lawyers: 61.1%
- Using contract lawyers: 56.3%
- Using staff lawyers: 44.4%
- Outsourcing non-lawyer functions: 24.7%
- Creating a low-cost service center for back-office functions: 10.8%
- Outsourcing legal work: 4.9%
- None of the above: 18.1%
Who’s leading and who’s following: does anyone know?
Should firms be out in front since they’re in the “law” business?
How can medium and larger departments drive better practices in firms that they don’t appreciate enough to implement in-house? (the rise of LegalOps)
Are law depts kind of like “in-house law firms,” so we should just focus as they do on cost and budgets and repetitive delivery of expert service? (NO!)

IF THAT’S WHAT FIRMS ARE DOING...
WHAT ABOUT DEPTS?
Clients don’t have legal problems, they have business problems ... Solving business problems requires different tools than most lawyers use.
Tech and data practices are **not a substitute** for practicing law ... They allow lawyers to practice law in a **business-like fashion**.
Unpacking tech practices in depts.

Practices might target:

- A worker’s capacity to use basic or more advanced technologies
- Improved department operational efficiency
- Lean process and knowledge practices that leverage experience/avoid reinvention
- Facilitated communication, collaboration, information-sharing
- External/virtual team management & coordination
- Applying Data to: spend, efficiency, productivity, competence
- Advancing the company’s business interests or strategic agenda
- Predictive practice (informing risk assessment, executive decision-making)

Supports evaluation, metrics, KPIs: measurable results

Protects clients, helps us work better, frees workers to highest use

Tech helps us solve problems
“Better-Faster-Cheaper” is not a spiral to the bottom ... It’s about EFFICIENT (“cheaper” is a result of “better+faster”); it’s not the goal itself.

Better + Faster = Cheaper
Examples: Leading Practices Using Tech

- 3M (Bringing litigation technologies in-house)
- 7-Eleven (score cards evaluate service providers and converge valued provider lists)
- AIG (leveraging data and spend to drive efficient legal spend)
- BMO Financial (Matter and Document Management Systems)
- BT and United Lex (Evaluation and best-sourcing legal sends routine work to LPOs)
- Embraer S.A. (Measuring productivity and efficiency)
- Fireman’s Fund / Novus Law (Applying Data to Practices)
- Ford Motor Company (Pricing large scale litigation on flat fee annual engagement based on data)
- GlaskoSmithKline (Data driving re-engineered law firm portfolios)
- Google (Collaboration and teaming practices based on tech platforms)
- JP Morgan/Chase (Predictive Data in Early Dispute Resolution)
- KIA Motors (Legal Technology Assessments for lawyers – basic skills)
- NetApp, Inc. (Technology Roadmaps: dashboards, analytics – managed relationships)
- Seyfarth Shaw / Nike (Process Mapping and Lean Six Sigma)
- Symantec (Knowledge Practices)
- United Technologies (Measurement + Metrics leads to outside counsel success)
- VMware (Cost reduction and predictable budgeting)
Examples: Leading Department Practices Using Tech
Changing the tires on the bus...

(... while it’s moving.)
One Size Fits One: choose something discreet and relevant, customize
Incremental Change: you can’t do it all at once; but create deliberate priorities
Leadership and Behavioral Barriers: plan for success, anticipate resistance
Compensation, Accountability, Evaluation: people do what they get paid to do
Model from your corporate client: reach into the company for help
Capture and Report Results: demonstrate department value
Look for uses that accelerate business, as well as legal, goals

LEVERAGING CHANGE FOR RESULTS
Thank you for including me in your conversation –

Questions?

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