A Phased Approach To In-House Legal Tech Adoption

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The legal landscape is changing at an accelerated pace quite possibly not seen since the invention of the typewriter. Legal technology and services providers continue to raise capital in unprecedented amounts and numbers.

Take, for example, the $115 million raised by ContractPod Technologies Ltd., a contract management company, and the recent $14 million Series A funding raised by Trellis Research, an artificial intelligence-powered state court research and analytics platform.

Without a doubt, technology and innovation are transforming the legal industry.

Legal transformation is an oft-repeated buzzword, but that doesn't mean it does not exist or is all hype. While there is no standard definition of legal transformation, some explanations put out in the market certainly ring true.

Leading legal tech evangelist Mark Cohen defines it as creating a global marketplace where lawyers, allied legal professionals and technology experts collaborate seamlessly to provide accessible, efficient, cost-effective, data-driven, predictable, transparent, competitive, scaled and impactful legal services and products to customers and society.[1]

For purposes of this article, we will simplify legal transformation to mean leveraging technology, alternative legal service providers and process optimization to boost efficiencies, increase transparency and create value in the delivery of legal services.

You would be hard-pressed to find someone opposed to the idea of legal transformation. Who doesn't want increased value and efficiency in the delivery of legal services?

That being said, legal transformation requires an appropriate amount of vision, planning, budget and patience for success, be it an adoption of a new AI-powered certified legal manager or completely taking your legal department digital.

Making the leap too early, without the requisite attention and planning, can lead to frustration of purpose, delay, and in some cases, failure in achieving the goals of legal transformation. A phased approach, depending on where your legal department stands with respect to adoption of tech and outsourced services, will help ensure a smooth transition to a truly transformed legal department.

The Early Stage of Adoption

The early adoption phase is for legal departments that have just begun their quest to transform into the modern legal department of the future.

These departments are largely still relying on Excel spreadsheets, Word documents and human memories to manage data and processes. They may be using practice management software that was custom-built for their legal department over 20 years ago with no ability to link to other software via application programming interfaces. The legal department's budget for advances in tech and resources may be limited.

For legal departments in the early adoption phase, it is critical to engage in a process and workflow mapping exercise before embarking on any major legal transformation efforts. This should happen before any new product or service is introduced.

Convening a series of meetings with key stakeholders to better understand the current processes, identifying gaps and weaknesses, and brainstorming solutions are crucial to appreciating where you are and ultimately where you want to get to. A good mapping session will result in a graphical representation of your processes and will in itself be an invaluable resource for your legal department.

Once your team is armed with a process map and has identified where you want to go, you are ready to and connect with legal tech vendors.

Here are some useful questions and pointers when connecting with a vendor:

- Are you clear as to what you need the legal tech to accomplish? Do you have a set of key performance indicators to support the need for legal tech to evaluate the effectiveness?
- Does the legal tech provide you with must-have features, or simply nice-to-have ones?
- Does the legal tech vendor have a change management process in place?
- Does the legal tech vendor provide ongoing support to your team throughout the change process or does support end at the point of sale?
- Does the legal tech vendor offer a pilot program to allow you to evaluate whether the solution is the right fit?
- Will the legal tech integrate seamlessly with other critical departments such as finance, procurement and information technology?

Mid-to-Advanced Stages of Adoption

In-house departments that have either begun their journey or already invested in and implemented legal technology are well suited to expand their foray into legal transformation.

Here, the goal should be providing efficient, cost-effective, data-driven, predictable, transparent, competitive, scaled and impactful legal services and products to their businesses. This involves not only adoption of legal technology but also leveraging alternative legal service providers and process optimization to achieve the goals of legal transformation.

At the midstage or advanced stage, it's incumbent on legal departments to develop an overall strategy. This should be holistic and tie together the various pieces of legal tech into a comprehensive solution. The plan should go beyond legal technology and encompass resource optimization and the potential use of alternative legal service providers to augment personnel needs — be they lawyers, contract managers, legal assistants, etc.

Moreover, a legal department in the mid-to-advanced stage should also review and assess the ongoing legal transformation initiatives and ask what's working, what's not working and why? Then you can establish whether it's a problem with the tool or service or a lack of adequate resources. Is it a problem with the tool or service, or is the issue with implementation or lack of adequate resources?

At that advanced stage, a legal department will have worked out most of the issues found after a robust assessment, and will have all of its processes and workflows mapped out. The legal department will be well on its way in using legal tech tools to gain efficiency, knowledge transfer and cost savings.

It is now time for to look at more sophisticated tools to gain even more efficiencies and cost savings, such as artificial intelligence technology and predictive analytics. AI and predictive analytics can be harnessed in many ways, including by extracting key terms and obligations from contracts, predicting litigation outcomes to resolve lawsuits more efficiently and cost effectively, getting insights into how judges will rule on a specific type of motion, identifying potential data breach notification obligations, and more.

These types of smart tools will continue to proliferate and get better and more powerful, presenting legal departments with endless opportunities to improve and excel.

An achievable road map for legal transformation exists for your legal department, whatever stage it may be in at present. Whether you are at an early or advanced stage, the approach is similar: Map out current processes, try out tools that address gaps, develop an overall strategy and integrate more advanced innovations to take the legal department to the next level.

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[1] Are We There Yet? Reconciling the Type and Reality of Legal Transformation. Cohen, Mark. https://www.forbes.com/sites/markcohen1/2019/10/28/are-we-there-yet-reconciling-the-hype-and-reality-of-legal-transformation/?sh=cb5590c6a05c.