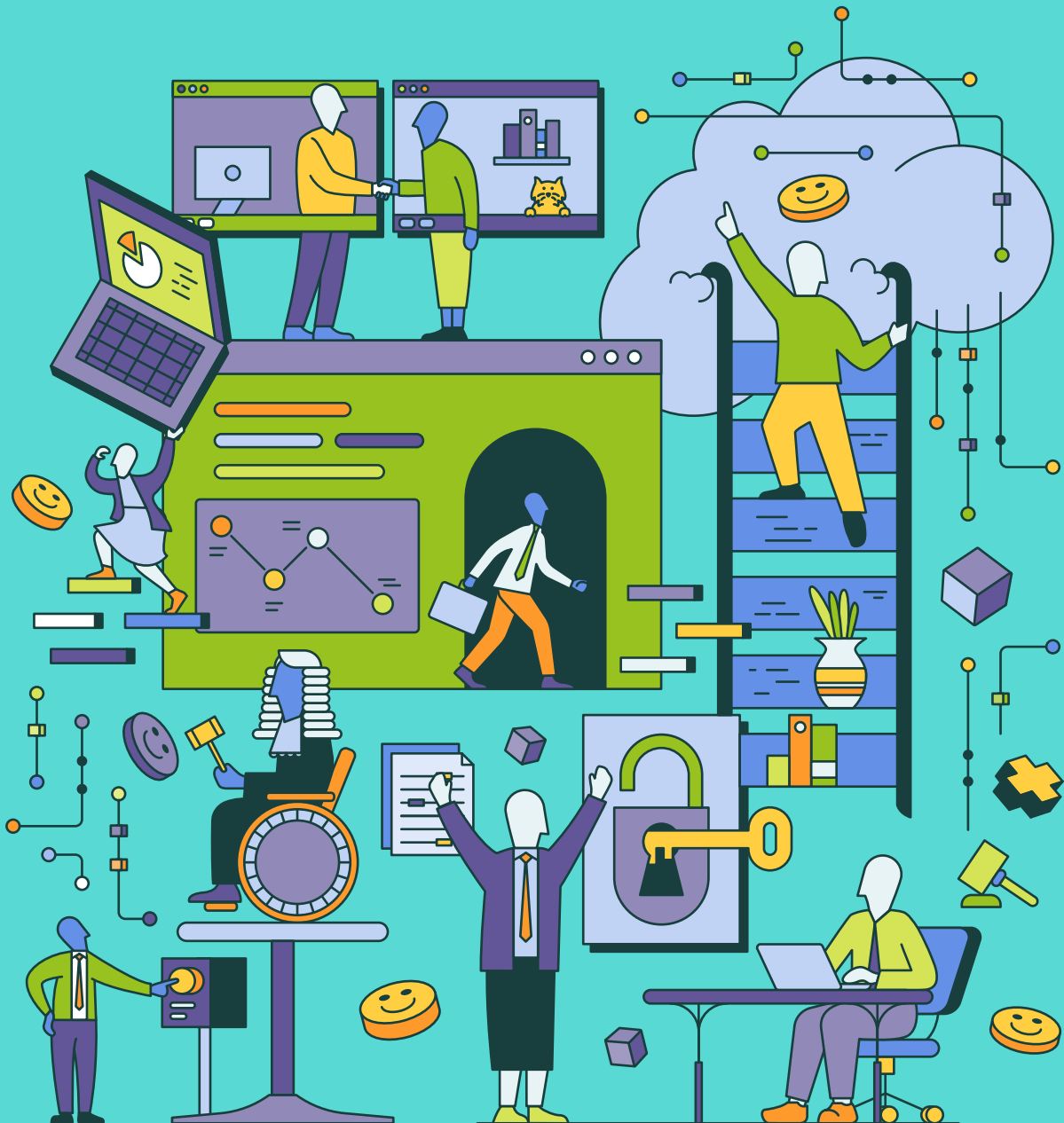


# THE CHANGING LAWYER





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Litera has been a global leader in legal technology for 25-plus years, helping legal teams work more efficiently accurately and competitively. As a leader in document workflow, collaboration, and data management solutions, we empower legal teams with simplified technology for creating and managing all their documents, deals, cases and data.

# FOREWORD

*Following a year characterized by change and instability, we examine the trends reshaping the legal industry*



It has been another year of significant change for the legal industry. While lawyers spent much of the previous 12 months working remotely, the past year has forced law firms and corporate legal departments to rethink their operating models in a world where businesses are divided between working from home or returning to the office. Many firms have adjusted to this backdrop by offering blended work arrangements, where lawyers spend part of the week at the office and the remaining days working remotely.

Broader instability in the jobs market—coined the ‘great resignation’—forced law firms and in-house teams to focus on employee retention. Law firm associates and in-house lawyers have commanded higher salaries as employers weigh the costs of staff turnover against lifting pay and other benefits. Overall, in-house compensation in the US rose by more than a fifth from 2020 to 2021 following increases in base pay, bonuses and long-term incentives such as stock options, according to a BarkerGilmore report. Meantime, associate salaries in the US had increased 11.3% by the end of November last year on a rolling 12-month basis, according to Thomson Reuters. For AmLaw 100 firms, it was 15.6%.

Stricter data privacy rules around the world are also forcing organizations to step up their cyber defenses, particularly in a hybrid work environment where IT systems are increasingly being migrated to the cloud and data stored off-site, sometimes in other jurisdictions.

Amid this state of flux, opportunities abound. While the pandemic accelerated digital transformation plans, the past year has seen firms and in-house teams continue building on those efforts. Workflow automation and AI tools are helping lawyers become more efficient by reducing the number of manual tasks they have to perform, freeing up more time to focus on clients or their wider business.

Technology also has the potential to transform how lawyers work, from improving collaboration with colleagues and clients, to empowering them to work seamlessly wherever they are. This can enable better work-life balance by supporting permanent hybrid work options that can help cut down on long commutes.

Law firms and in-house teams are also increasingly seeing the value in allied professionals to help lawyers do their jobs better. From legal project managers to technologists, these specialists are bringing operational expertise to professionalize the delivery of legal services so that lawyers can focus on doing what they do best—providing expert legal advice.

In this fourth edition of *The Changing Lawyer*, we examine how these trends are reshaping the legal industry and talk to the legal thought-leaders who are at the sharp end of this transformation. ♦



**Amid this state of flux,  
opportunities abound**




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**SHERYL HOSKINS**

Chief Executive  
Litera



**58%**

of lawyers are worried that allied professionals will take work from them

*The Changing Lawyer*  
(TCL) 2022

**54%**

of lawyers still spend too much time on non-legal work

TCL 2022

**83%**

of lawyers agree that allied professionals make their job easier

TCL 2022

# HERE COME THE ALLIED PROFESSIONALS: DIVERSIFYING THE LEGAL WORKFORCE

*How can lawyers and allied professionals best work together?*

**A**s in-house legal departments become increasingly integrated within their wider organizations' strategic operations and with law firms increasingly trying to modernize the way they deliver legal services to clients, there is a growing recognition that lawyers are not always best equipped to handle non-legal tasks.

Roles such as project management and legal operations are increasingly being performed by specialist professionals who can bring non-legal expertise to the table and enhance the

way in-house teams function or how law firms can deliver services.

The number of these allied professionals is on the rise. A fifth of tasks traditionally performed by generalist lawyers within in-house departments are expected to be handled by allied professionals by 2024, according to a Gartner study. More broadly, the proportion of allied professionals working in legal occupations in the US rose to almost 40% in 2020 from 36.5% a year earlier, according to US labor data.

“What’s driven it for us has been client demand,” says Al Hounsell, senior innovation lawyer at Norton Rose Fulbright. “We have clients that are coming to us with a legal problem, but attached to that legal problem is a legal service delivery problem, a workflow problem and a technology problem for which they want a holistic solution.”

This has meant the firm has developed a number of internal capabilities such as legal operations and full stack technology developers to provide an offering to clients beyond traditional legal advice, says Hounsell. Clients are also expecting law firms to provide more professional project management, particularly for projects that span several years or jurisdictions. “When we are pitching for work, clients want to know not only what expertise we have but how we are going to deliver complex projects,” says Rachel Broquard, service excellence partner at Eversheds Sutherland.

While the firm initially hired general project managers, they lacked the legal domain expertise to work effectively with lawyers. Now, legal project management has evolved as a profession, with specialist project managers able to provide that legal domain expertise, Broquard says.

Eversheds employs a range of allied professionals, including project managers, legal technologists, change managers and others, ultimately to help lawyers do a better job. “It all comes back to our purposes as an organization around helping our clients and our people to thrive,” says Broquard. “From a client’s perspective, it’s about delivering a better service. Then from a people perspective, it’s about having professionals in place to support our lawyers in delivering better legal services and help them focus on their core expertise rather than everything else.”

For Norton Rose Fulbright, the use of allied professionals for non-legal specialisms means the firm can take on new mandates beyond traditional legal services. “Lawyers could always branch into some level of consulting making use of their business acumen. In terms of building customized workflow solutions for clients using technology, a specialized, multi-disciplinary team is required,” says Hounsell.

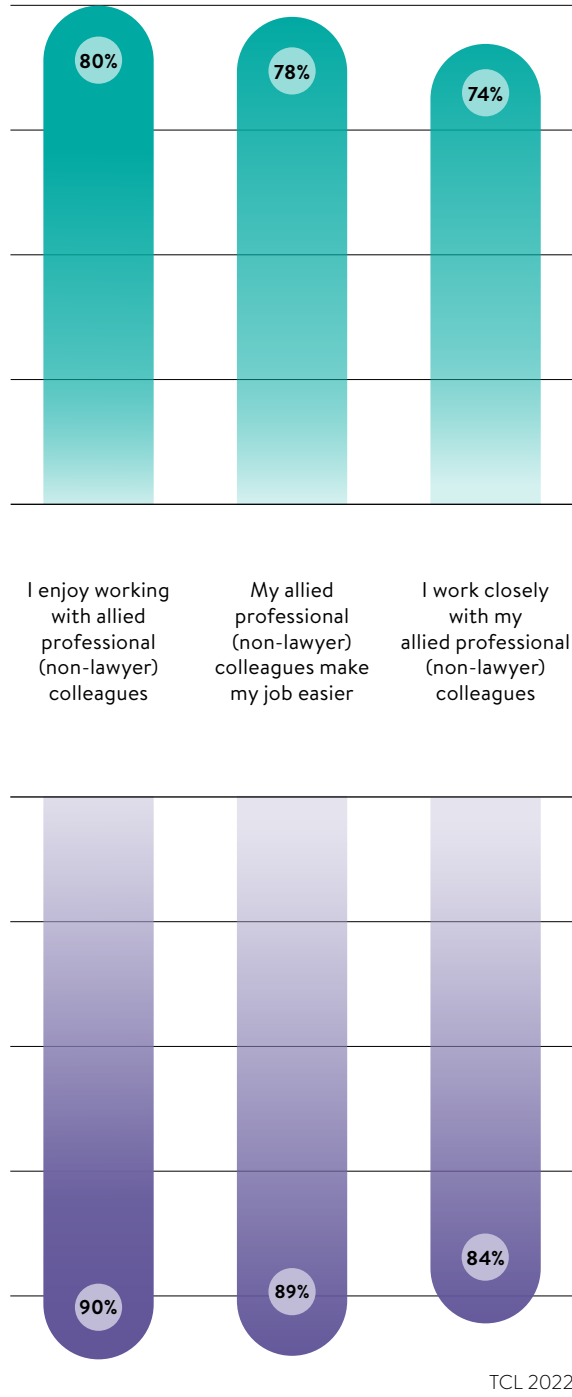
Now the firm is receiving mandates for work where the primary component is handled by allied professionals. “It’s not always where they come alongside a legal mandate, sometimes the core of the offering is what the allied professionals can offer in terms of building a solution for clients, and lawyers will then help inform the legal content for that solution,” he says.

## LAWYERS TEND TO ENJOY WORKING WITH ALLIED PROFESSIONALS WITH THESE STATEMENTS

Lawyers who ‘agree’ or ‘strongly agree’ to the statements

◆ Female

◆ Male



TCL 2022



“

**One of the single biggest barriers to integration is the term ‘non-lawyer’**

”

Integrating allied professionals can be a challenge for organizations and allied professionals themselves, often when they are disparagingly referred to as non-lawyers.

“One of the single biggest barriers to integration is the term non-lawyer—it really is the most uninclusive terminology that we could have come up with,” says Barbara Hamilton-Bruce, business manager for Simmons & Simmons Solutions, a former lawyer who now oversees an entire business of allied professionals. “When you think of a role such as data scientists, a law firm is probably not their natural habitat, which means you have to make them feel welcome; otherwise, you will just have a revolving door of people who come through and don’t feel like it is their home.”

That means demonstrating what part they will play in the success of the business while ensuring both lawyers and allied professionals understand the respective demands on their time. “Traditionally there

is the potential for a lack of understanding in terms of what each side brings, and what challenges each side is facing—for example, it might be hard for an allied professional, unless they come from an intensive accounting firm where they’re used to billable hours, to fully appreciate the pressures that are on somebody who has billable hour targets,” says Hounsell. “This is why at NRF we make an effort to keep open lines of communication.”

Tensions can also be avoided by delineating exactly where each role starts and ends. “It’s being clear about what the scope of work is and what are the respective responsibilities and also agreeing what you’re not going to do,” says Hamilton-Bruce. “If you can get those roles and responsibilities sorted out early on, allied professionals can help you serve the client in a much-improved way.”

While there has been a growth of allied professionals in corporate legal departments, some teams prefer lawyers to have broader skillsets rather than employing people with only one specialism.

“We hire people with a project management mindset; those are specific competencies we look for when we hire in-house lawyers,” says Andrew Cooke, general counsel at business travel management platform TravelPerk. “I don’t draw a distinction between legal and non-legal skills, but we’re much more likely to train somebody on project management or workflow management training than bring in specialists to focus solely on those areas.”

Law schools are also increasingly focusing on the operational side of the law for students

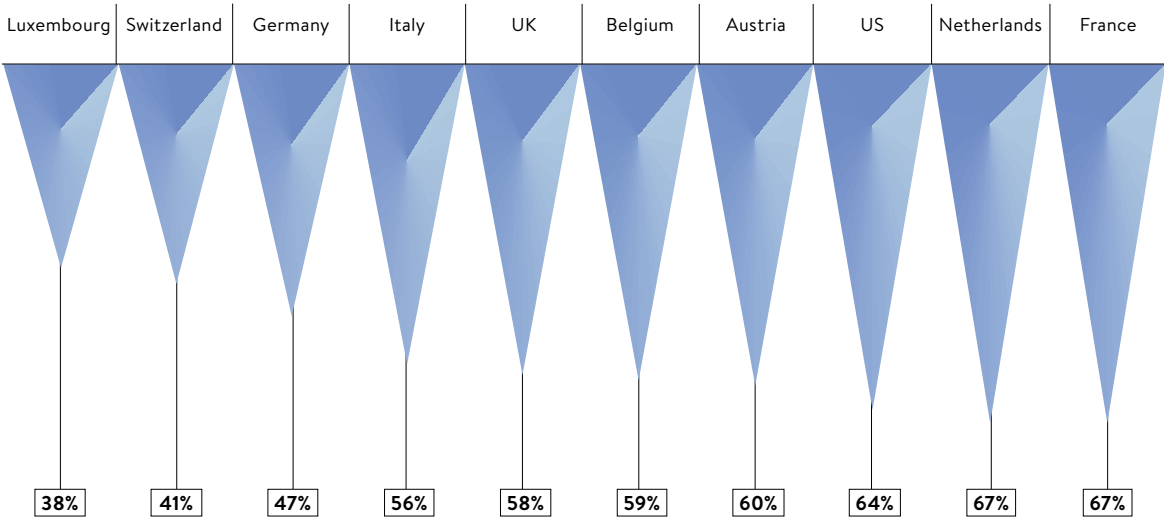
**76%**

of allied  
professionals enjoy  
working with their  
lawyer colleagues

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LAWYERS CAN FEEL THREATENED BY ALLIED PROFESSIONALS

Lawyers who ‘agree’ or ‘strongly agree’ to the statement ‘I worry that allied professionals will take work from me’



TCL 2022

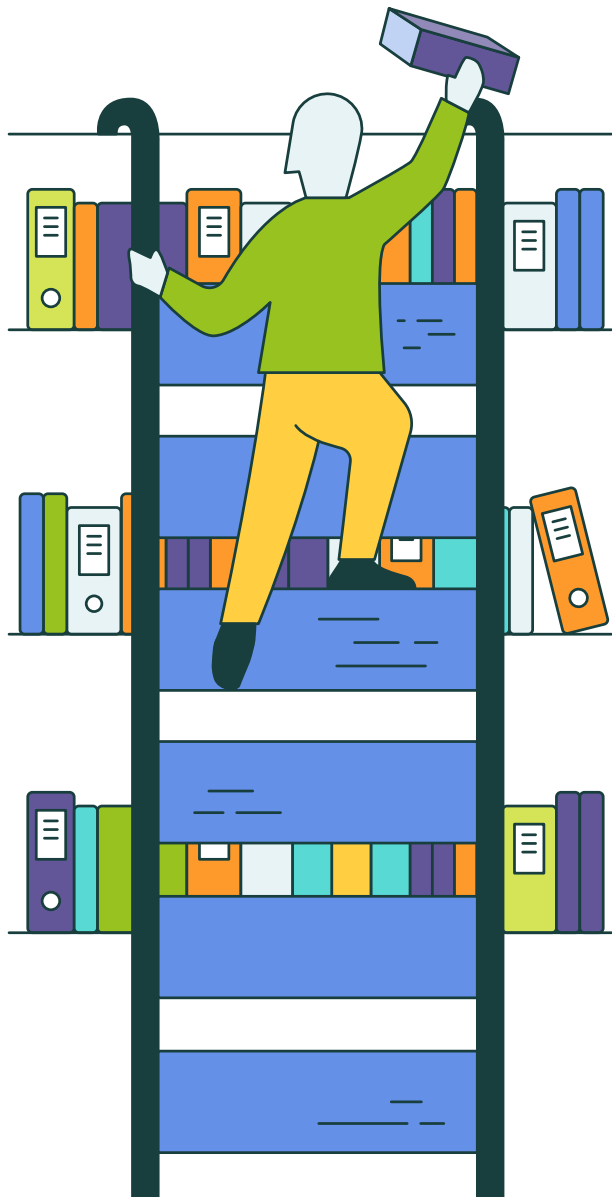


who want a legal career but don't want to qualify as lawyers.

“There are masters in legal studies that people who are not lawyers can do and develop substantive legal knowledge without having to pass the bar,” says Aileen Leventon, a legal strategy coach and co-chair of the Corporate Legal Operations Consortium’s legal project management committee.

Leventon says law firms and corporate legal departments should adopt the so-called ‘Delta lawyer model’, which maps the balance of skills someone should have for a particular role based on their legal expertise, business and operations know-how, and personal effectiveness.

“As law schools have started acknowledging the multi-dimensional aspect of what makes an effective lawyer, the next generation will start to acknowledge that different people should do different things at different levels,” says Leventon. “The use of allied professionals is only going to increase.” ♦



# THE AI-ENHANCED COURTROOM

*Could AI help to streamline court processes, or is algorithm-based justice a step too far?*

**I**magine a future where legal cases are decided by internet courts, where individuals don't have to appear in person and matters are resolved by non-human judges. That might sound like something from a science fiction movie where robot judges dispense AI-powered justice, but some disputes are already being settled this way in China.

While that level of courtroom AI has yet to be adopted elsewhere, technology is increasingly being used in courts around the world. In England and Wales, defendants can now submit pleas online rather than having to physically go to court or submit a letter.

"There will be an increasing desire on the part of government to streamline guilty pleas to low-level criminal offenses to reduce the burden on the magistrates' courts," says Max Hardy, a criminal barrister at London's 9 Bedford Row Chambers.

The HM Courts and Tribunals Service has also introduced an online civil money claims service that makes it easier and faster for individuals to file small claims up to £10,000. Since launching in 2018, it has achieved an average settlement time of 24 days. Large complex civil claims, by contrast, can sometimes take more than a year to go to trial and another year to get a judgment, says Tom Whittaker, a senior associate in Burges Salmon's dispute resolution team.

Such schemes could potentially increase access to justice.

"Two of the key barriers for access to justice are cost and the other is uncertainty about how cases will be resolved," says Whittaker. "If you have an online portal, which by its nature is streamlined and hopefully has lower fees associated with it, that will at least minimize the cost barrier."

Technology is also being used to make courts more efficient. Take Louisiana District Court Judge Scott Schlegel. He has been trying to make his courthouse run more smoothly by simply adopting off-the-shelf

## 21%

of the work done  
by judges can be  
automated by  
existing technology  
including AI

McKinsey Global  
Institute 2018

tech and applying it to the court process.

"I always use the example of the big red book and the way things are calendared," he says. "If you ever go to a court in the US, a minute clerk typically has a big red book or a paper calendar of some sorts, and you have to send a runner to get a date from that person, or you need to call and leave a message. That's just an inefficient system."

Instead, Schlegel puts his calendar online so that lawyers can go in and check what is available and select their own dates. That also enables Schlegel to stagger his docket, so lawyers and defendants don't all just show up at the same time. "That way, my courtroom is not overflowing with people," he says.

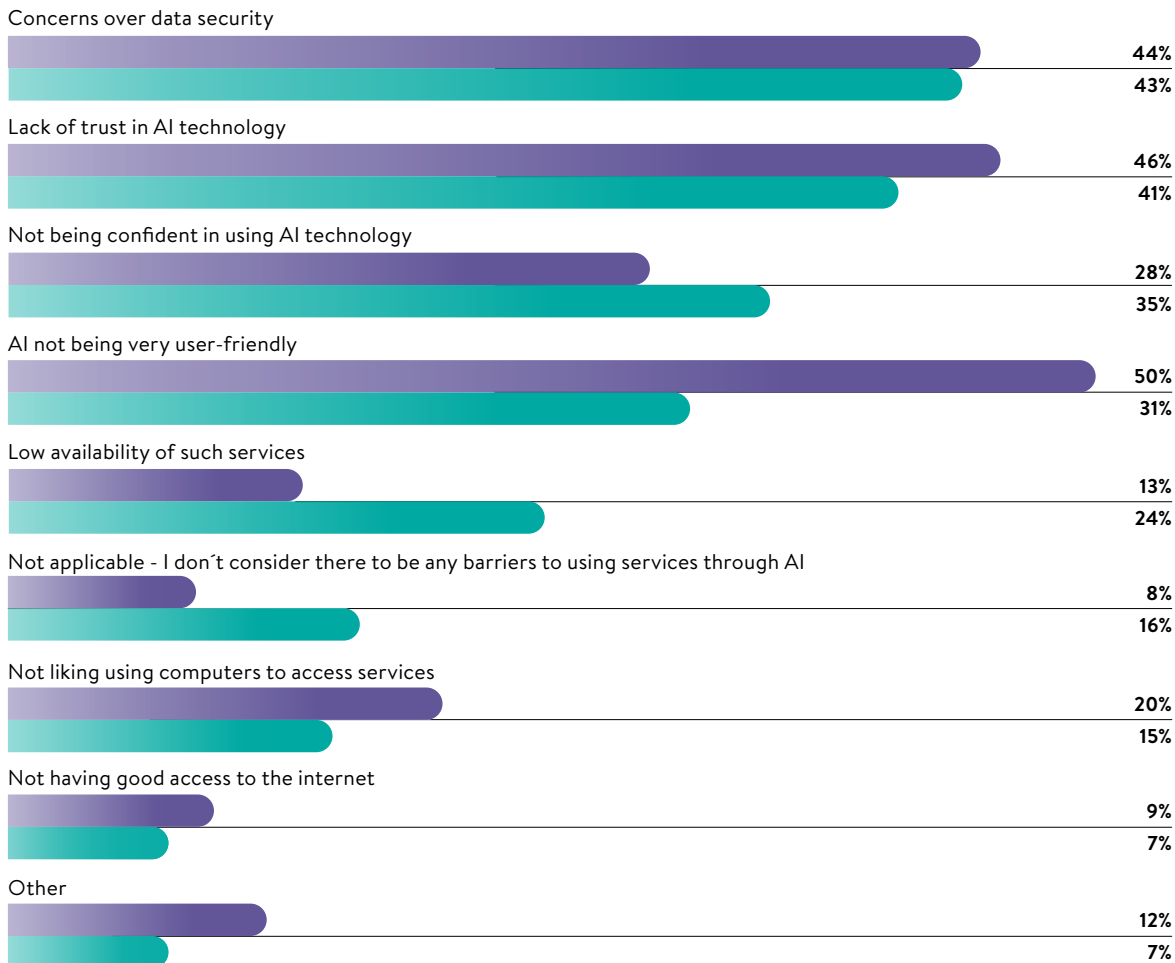




## CONSUMER TRUST IN AI LEGAL SERVICES IS GRADUALLY INCREASING

Factors consumers consider as barriers to using legal services delivered through AI in the UK

◆ 2020    ◆ 2021



Legal Services Consumer Panel 2021

The Covid 19 pandemic has also spurred a rise in virtual hearings.

“Video hearings were just simply unthinkable before Covid, and that is a welcome transformation insofar as non-trial hearings are concerned,” says Hardy. “Before Covid, you would often get court hearings convened in order for directions to be given by a judge or for a judicial inquiry to be made as to why something’s not being done. That could entail potentially hours of travel if you were appearing in a traditional courtroom.”

There have been teething problems. Patchy audio and video quality due to poor internet

# 72%

accuracy of a machine-learning application at predicting the voting behavior of individual judges in the US Supreme Court

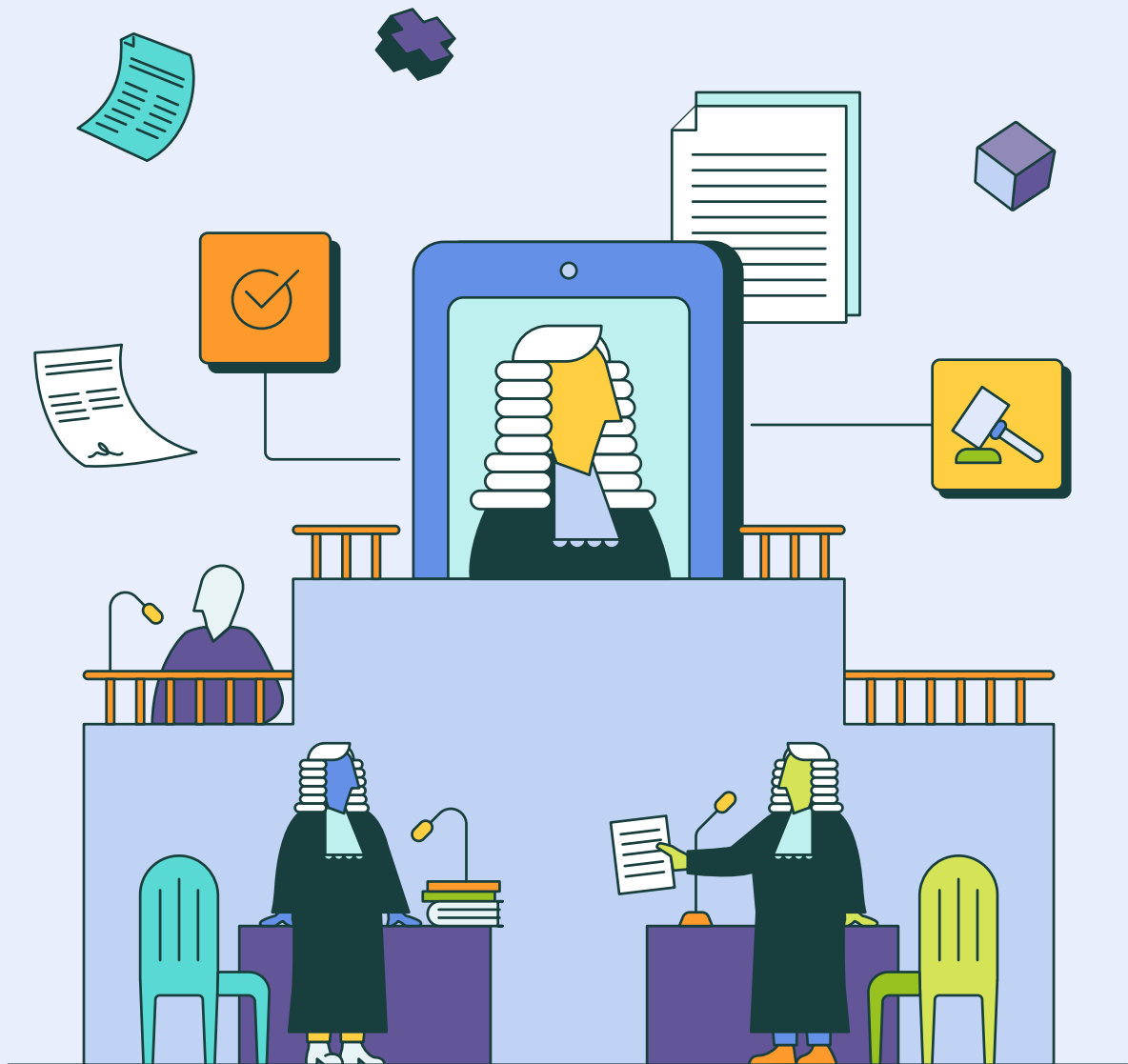
Katz et al 2017

connection are disruptive for all parties. Tech can also malfunction: a lawyer went viral last year after a rogue Zoom filter turned him into a cat.

“I know some judges have been unhappy about how casually some advocates have dialed into these hearings,” says Hardy.

Schlegel says the increase in hybrid hearings—where some participants appear virtually and others are in the courtroom—can be difficult to manage logistically.

“You have to think about camera angles, you have to think through how you share documents and how do you provide



opportunities for lawyers and their clients to visit privately? All of that becomes a challenge,” he says.

There are also potential risks to consider with the increased use of technology.

“Obviously, the business of people pleading guilty by app is a concern because the ease of using the technology obscures the fact that people press a button and they are incurring a criminal record—this isn’t like making an Amazon order,” says Hardy.

Outside the courtroom, AI is already heavily used by litigators for pre-trial document review. Case management technology can

help organize documents and notes, and create witness profiles and binders, leveraging information pulled in from AI-based document review. Technology is also helping lawyers with their pre-trial administration and preparation to accelerate their own processes, but some legal professionals are skeptical about using AI beyond that and in the courtroom itself.

“Even if AI gets smart enough to make actual decisions in court, I don’t think people would have a feeling of justice or equity,” says Schlegel. “How do you blame a machine that gets it wrong?” ♦

# 90%

accuracy in  
predicting case  
outcomes with  
AI-powered legal  
prediction engine,  
according to  
Toronto-based  
Blue J Legal

Forbes 2019

# ONLINE COURTS IN PRACTICE

As online courts become a reality, one court has been leading the way: the British Columbia Civil Resolution Tribunal (CRT) in Canada.

The CRT first opened its virtual doors in 2016, initially focusing on condominium claims (neighbor disputes and the like) before expanding to include all small claims up to CA\$5,000 as well as most claims related to motor vehicle accidents.

Anyone seeking to make a claim using the CRT's online system first goes through a legal expert system that uses basic AI technology to provide appropriate legal information based on a user's answers.

"Our free, anonymous Solution Explorer is a legal expert system that has been programmed to ask questions about a person's issues, and gives them tailored legal information based on their answers," says Lauryn Kerr, in-house counsel at the CRT.

The other goal is to give people ways to consensually resolve their disputes or give them ideas about how they might resolve that claim, says Kerr.

"The Solution Explorer includes self-help tools, like communication templates, that are tailored to the type of issue that the person has," she says. "For example, if a person tells the system that they are a consumer and they have an issue with a product they bought, the Solution Explorer will provide them with information about consumer protection laws, and ask them what they want to do. If, for example, they say they want to request a refund from the business, the Solution Explorer will give them a template based on the applicable consumer protection laws."

To date, the system has been used more than 200,000 times.

"That is a lot of legal information that's been provided to people, and hopefully a lot of people that have been able to resolve their disputes without entering the formal justice system," says Kerr.

If the dispute has not been resolved at that point and they want to take formal legal action, individuals can file an application to the CRT, which will then issue a dispute notice and serve it to the respondent. Once they have responded, it goes to the CRT's negotiating platform, which is a text-based online dispute resolution system that works like a chat platform.

"We incentivize people to settle their disputes, by refunding CRT fees if they negotiate their own settlement early in the process," says Kerr. "If they aren't able to settle during the negotiation phase of the process, then a case manager is assigned to work with the parties to mediate a consensual resolution to their dispute, and prepare for adjudication if necessary."

All of this is aimed at resolving disputes faster for people unfamiliar with the justice system.

"The entire CRT process is designed to be accessible and understandable, so parties can self-represent," says Kerr. "There was a lot of outreach and user-centered design—we focused on consulting with people who don't have a lot of experience with the legal system." ♦

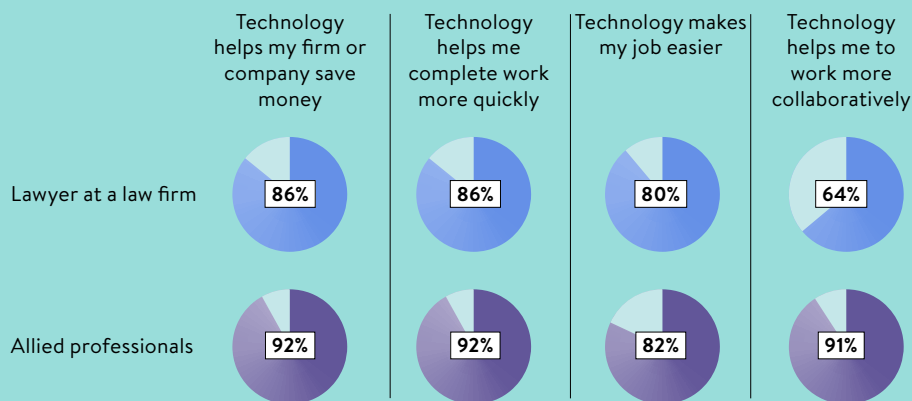


# MAKING LAW MORE SATISFYING

*Law firms' relationships with their most important stakeholder groups, staff and customers are under pressure. In the age of the 'great resignation', firms are working to hire and retain talent while increasing customer expectations are driving them to become more customer-centric to remain competitive. Can technology help firms to build and strengthen these human relationships by increasing practitioner engagement and improving customer experience? In short, could tech make law more satisfying for professionals and customers alike?*

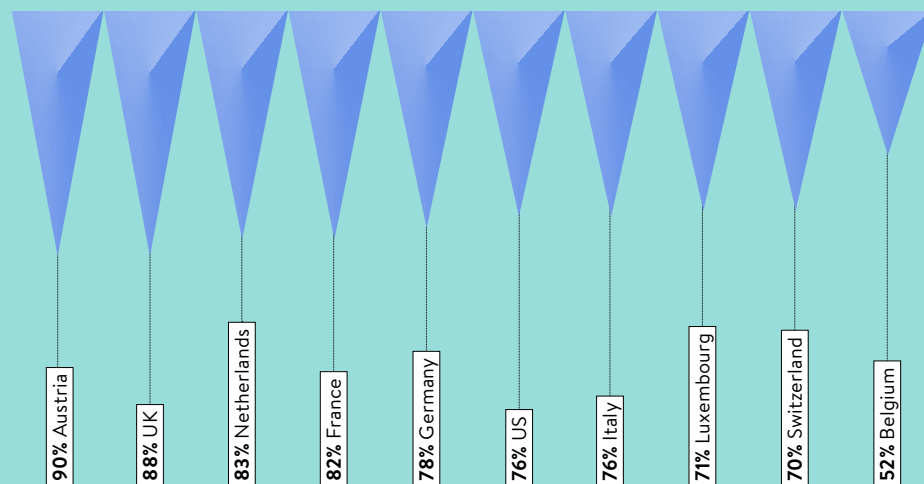
## TECHNOLOGY MAKES WORKING IN LAW MORE EFFICIENT AND COLLABORATIVE...

Percentage of lawyers and allied professionals who 'strongly agree' or 'agree' with each statement



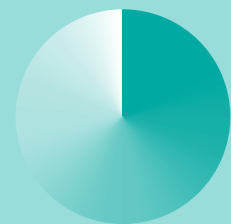
## AND IT HELPS FIRMS TO BETTER SERVE CLIENTS...

Lawyers and allied professionals who agree that technology helps them to offer a better client experience



## CLIENT EXPERIENCE IS TOP OF THE AGENDA FOR MOST LAW FIRMS

My firm prioritizes client experience



45% Strongly agree



39% Agree



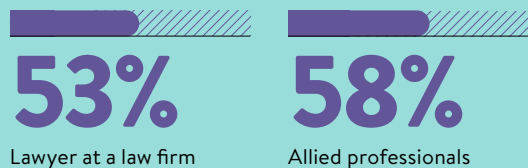
15% Disagree



1% Strongly disagree

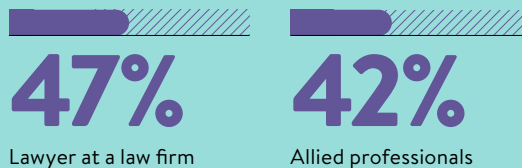
## BUT DESPITE THE BENEFITS, ONLY HALF OF LAW FIRM EMPLOYEES ENJOY USING THEIR FIRM'S TECH...

Percentage of lawyers and allied professionals who 'strongly agree' or 'agree' with the statement:  
**Technology makes my job more enjoyable**



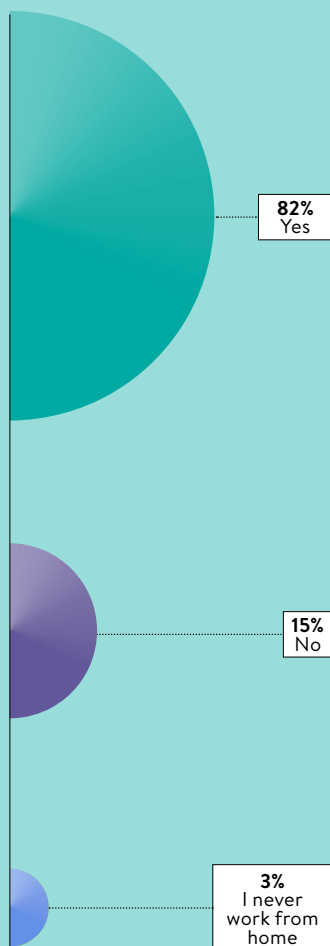
## AND A SIMILAR NUMBER FIND IT FRUSTRATING

Percentage of lawyers and allied professionals who 'strongly agree' or 'agree' with the statement:  
**The technology I use at work is frustrating**



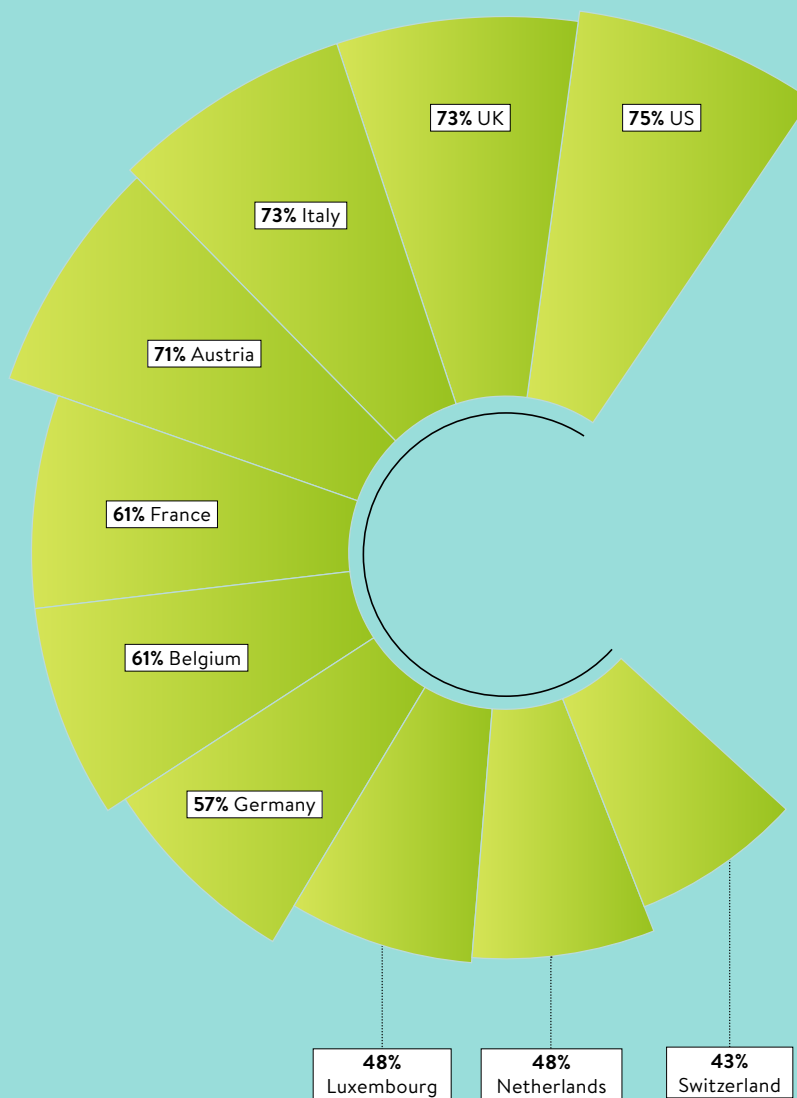
## SOME FIRMS STILL DO NOT HAVE THE TECHNOLOGY TO MEET GROWING DEMAND FOR FLEXIBLE WORKING

Do you have access to all the technology you need when you work from home?



## LAW FIRMS SHOULD UPDATE THEIR TECH TO ATTRACT AND RETAIN TALENT

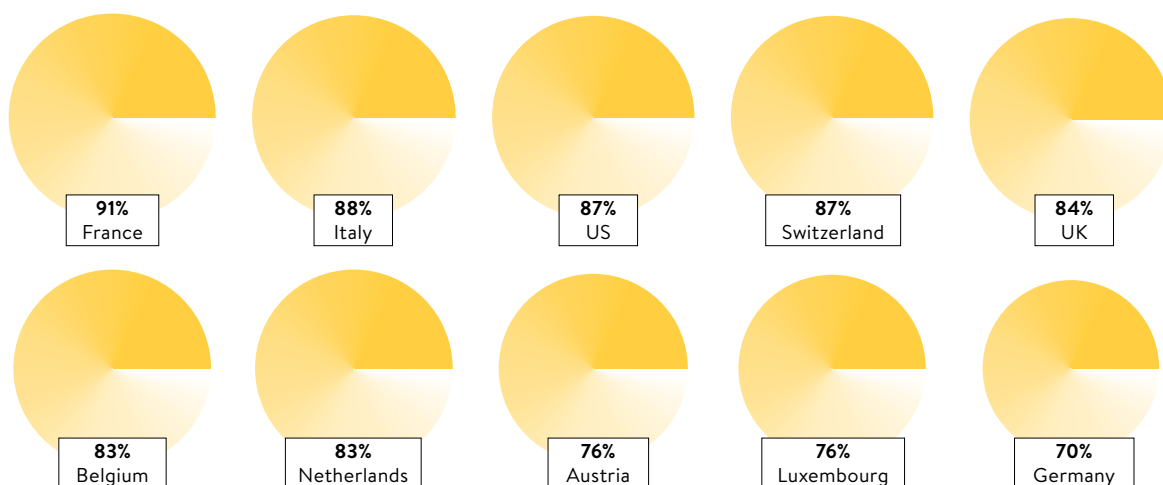
Percentage of lawyers and allied professionals who would decline a job offer if the firm used outdated technology



## CLIENT EXPERIENCE IS A PRIORITY FOR ALMOST ALL FIRMS

My firm prioritizes client experience

TCL 2022



# TRANSFORMING CLIENT SERVICE DELIVERY

*Technology and data are helping innovative law firms  
to deliver better client service*

**84%**

of lawyers agree that  
their firm prioritizes  
client experience

TCL 2022



law firms are quickening their pace of innovation. Many firms now have innovation departments or chief innovation officers dedicated to driving transformation with an eye on delivering better client service. Yet there is not a one-size-fits-all approach to overhauling service delivery. Some firms are reorganizing their businesses to focus on industries instead of practice groups, which had previously resulted in a siloed mindset that stifled collaboration. Some firms are also creating new business units that focus exclusively on optimizing service delivery.

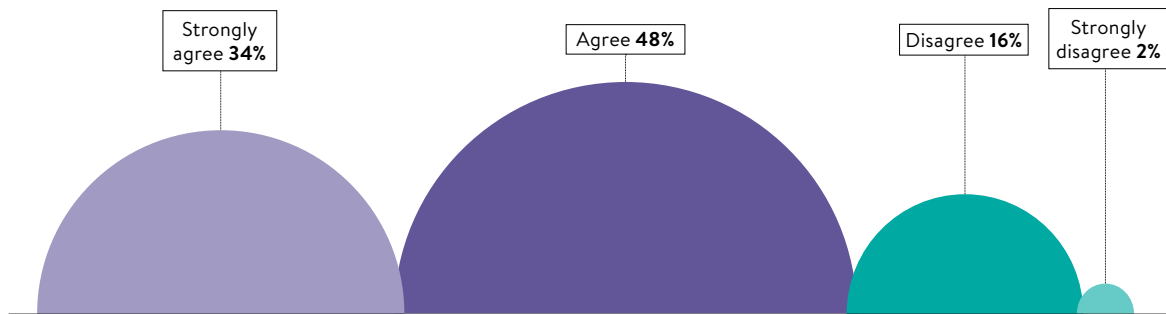
Take Simmons & Simmons; it focuses on four key sectors, ensuring the legal advice clients receive is tailored to those business areas. The firm has also spun out a fifth group—Simmons & Simmons Solutions—which is focused on non-legal client service delivery aspects, such as flexible resourcing, project management, ediscovery and legal engineering.

“The reason for doing that was to put an umbrella around these services but also create the best environment we could for doing things differently,” says Barbara Hamilton-Bruce, business manager of Simmons & Simmons Solutions. “It isn’t a standalone monolith that does its own thing; it is striving towards integration with the practices. So it is the law plus the alternative legal services that is the combined offering we bring to clients in terms of the delivery model and solving their most complex problems.”

Technology and data are also playing an integral role in how law firms are innovating to deliver better client service. Eversheds Sutherland, for instance, uses a range of internal and external data sources to help underpin better client service, says Rachel Broquard, the firm’s service excellence partner. One way is by using robotic process automation to search through publicly available planning information to help clients

## NEARLY ONE IN FIVE DO NOT SPEND ENOUGH TIME BUILDING RELATIONSHIPS WITH CLIENTS

Do lawyers and allied professionals agree with the statement 'I spend enough time building relationships with clients'?



TCL 2022

understand their chances of success with a planning application.

Reed Smith, similarly, is developing a work allocation system that is designed to ensure partners can assemble optimized teams for client matters while also ensuring associates are being delegated work they are actually interested in. That in turn ensures clients are getting lawyers who are properly engaged.

"We're doing this in a very thoughtful way—we're not just looking at how busy lawyers are, but we're looking at how we meet peoples' career objectives," says David Cunningham, chief innovation officer at Reed Smith. "So it's about how do we make sure we're meeting our own objectives and our clients' objectives—are we getting diversity right, is the price sitting right? We want to ensure we're planning and allocating work in a really smart way."

While the pace of innovation is increasing, it is mostly because firms are growing from a very low base, says Tim Corcoran, a legal management consultant.

"It doesn't mean that we're suddenly now seeing the vast majority of law firms thinking big and being really progressive, but peer pressure in this market is a powerful thing—the more they hear about other firms innovating, the more nervous they get," says Corcoran. "But they're nervous about the competition—they're not actually always thinking, does this improve clients' lives?"

Implementing new technology that can support better client service is a huge undertaking for firms. One barrier is the fragmentation of different technology systems, which can deter lawyers from using new products.

"It's hard to find good legal tech systems from the partners' perspective that really do more than one thing well," says Cunningham. "And by the time they need it, they've

forgotten how to find it or how to use it."

One way this barrier could potentially be dismantled is through a platform solution where everything is located in one place, encouraging greater adoption and ensuring clients are not missing out on the benefits.

Cunningham says another way firms can get better at client service delivery is to understand the metrics that clients are using to rate their legal providers.

"Law firm dashboards show how much money they are making, but if you look at customers' dashboards, they're looking at satisfaction with outcomes," he says. "Law firms are not measuring the same things our clients are measuring about us, and that's really going to come back to bite the firms that don't understand how the client measures."

Improving client service is not just about delivering services more efficiently; it is also about ensuring firms are meeting other client objectives.

"For clients that are pushing for differentiation, they're doing it not just in the client service delivery model—they're also doing it in terms of how they see diversity and inclusion and who they're being represented by," says Hamilton-Bruce.

Therefore, one of the biggest trends for delivering better client service is not about having the latest piece of shiny kit but more about getting the processes right for delivering client service.

"We keep throwing innovation out as the coolest new tech that comes along, but we're not fixing the fundamental maturity of the business," says Cunningham. "Optimizing our business is the next level of innovation for us. Clients are getting more sophisticated in their buying decisions, and those buying decisions have a huge impact on our need to grow as a business." ♦

# 78%

of lawyers agree that tech helps them offer a better client experience

TCL 2022

# 81%

of lawyers believe that they spend enough time building relationships with clients

TCL 2022



# FLEXIBLE WORKING IN THE CLOUD

*While some law firms are turning to the cloud to enable remote working, others are still hesitant*

**A**s the dust from the pandemic settles and law firms and corporate legal departments adjust their operating models to accommodate more permanent remote and blended working options, having the right technology to support a dispersed workforce has become essential.

This backdrop has forced organizations to consider cloud-based technology that enables lawyers to access systems remotely and at a scale that would be unattainable with traditional on-premises infrastructure.

“The way that the likes of Microsoft and Zoom and others were able to scale up their infrastructure so quickly to meet our requirements is something that internal IT departments can’t do,” says William Jenkins, chief information officer at Eversheds Sutherland. “Speed of deployment as well is greatly increased, purely because you’re not having to deal with all of that infrastructure sitting in your own datacenters.”

That will also improve broader operational efficiency, given that organizations won’t have to dedicate as much time to basic IT maintenance tasks such as patching and firmware upgrades.

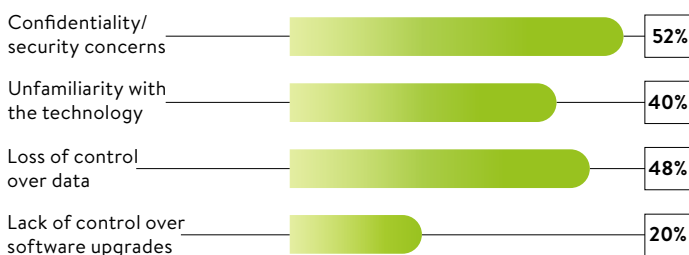
“

**There are some great new cloud technologies that have really focused on innovation, functionality and ease of use**

”

## SECURITY IS A TOP BARRIER TO ADOPTION

The concerns preventing lawyers from adopting cloud technologies



ABA TechReport 2021



“That layer gets stripped away the moment you move to the cloud and get to focus a bit more on the high-value tasks of keeping the business running while someone else takes care of the utility behind the cloud service you’re consuming,” says Johan Dreyer, field chief technology officer for EMEA at cybersecurity provider Mimecast.

Any lingering worries about a lack of resilience and reliability for cloud-based technology have also been dispelled.

“There was a lot of concern four or five years ago that cloud providers hadn’t really got their scale and their capabilities in place to look after the systems to the same degree that we could do internally, but we’ve reached the point where actually they can provide higher resilience and reliability than our own internal departments can do,” says Jenkins.

Another potential benefit is that cloud-based tech can improve lawyer workflows, which has a knock-on impact on improving client service.

“Cloud systems can often easily integrate with one another, allowing attorneys to become significantly more efficient with their non-billable time and enabling them to collaborate more easily with colleagues at their firm,” says Zach Posner, managing partner at The Legal Tech Fund, which invests in legal tech startups.

This is especially critical in a remote work environment where practice teams are working in different locations but need to replicate in-office conditions.

To be sure, the shift to the cloud is not without challenges, some of which can act as a barrier to adoption. One such concern is about giving up control of their IT systems.

“There’s a well-established approach of building equipment in your own datacenter and in your own environment,” Dreyer says. “That brings a lot of comfort, and so there’s a natural resistance to giving that up.”

That lack of control can cause issues if a cloud provider’s service goes down.

“There’s very little you can do—you’re all in the hands of their engineers to bring the service back online,” says Jenkins. “This is why it’s so important that you pick good-quality suppliers, who’ve got robust processes and robust disaster recovery capability.”

Security can also be a potential stumbling block given the sensitivity of client information and the need to reassure clients that their data is safe and not at risk of leakage.

“There are some great new cloud technologies that have really focused on innovation, functionality and ease of use, but the biggest barrier to adoption is they haven’t necessarily baked-in security,” says Jenkins.

## THE MAJORITY OF LAW FIRMS ARE LOOKING TO MOVE SOME TECHNOLOGIES TO THE CLOUD

Legal technologies to be moved to the cloud, according to law firms worldwide



Aderant 2020

Data residency rules are another potential challenge firms need to consider if the cloud provider is storing data in a different jurisdiction and data has to be sent across borders. That can be a problem for firms that operate in multiple countries where data was traditionally stored locally.

“Most cloud providers out there will have a finite set of options in terms of data residency, so if you have a requirement for multi-jurisdictional data residency, that may or may not be possible,” says Dreyer. “These are considerations that have slowed the adoption of cloud, particularly in the legal services industry.”

Despite those considerations, the direction of travel is clear. While it is technically possible to support remote working without cloud-based tech, it is no longer realistic, says Jenkins.

“If you want the latest capabilities and solutions, almost all of them are being developed in the cloud,” he says. “As we evolve, there is less and less choice for on-premises solutions anyway, so we’re at a turning point. I think most businesses would be absolutely lost and would not be able to work without cloud capabilities for blended working.” ♦

# 66%

of law firms store data in the cloud

Solicitors Regulation Authority 2021

# 39%

of firms plan to move their practice management solution to the cloud

Aderant 2020



he pandemic has prompted many workers to re-evaluate their careers. A survey by Microsoft found that 40% of the global workforce was considering quitting their jobs last year. This so-called ‘great resignation’ has not spared the legal industry. By the end of November 2021, the associate turnover rate at US law firms had hit 23.2% on a rolling 12-month basis, up from 18.7% pre-pandemic, according to Thomson Reuters.

“The ‘great resignation’ has impacted the legal industry in a really big way, especially because law firms are extremely busy right now,” says Bea Seravello, a partner and co-head of NewLaw at legal services advisory Baretz+Brunelle. “There are huge gaps in areas that are really important for firms to operate seamlessly.”

While there has always been a struggle to retain three-to-five-year associates, there is now even a struggle to keep the first-to-third year cohort, says Seravello.

“They usually spend three years trying to figure out if they want to continue being lawyers—now they are quickly coming to the conclusion that practising law is not their thing,” she says.

Part of the problem has been the lack of training and mentoring opportunities.

“Creating close bonds is almost totally impossible when you have started your career in a remote way,” Seravello adds.

Law firms have been responding to this problem by throwing more money at junior lawyers to convince them to stay. In the UK, magic circle firm Clifford Chance bumped up the pay of its newly-qualified lawyers by 16% to £125,000 a year. That is dwarfed by the rates



**People have realized that lawyers are worth much more than they thought they were because it is a much more complicated world**



being offered by some elite US rivals. Akin Gump, for example, is offering newly-qualified lawyers in London £164,000 a year.

That solution is unsustainable, Seravello says. Salaries have also been going up across the board as lawyers seek to take advantage of the disruption caused by the ‘great resignation’ and the need for firms to keep hold of their top talent. Cravath, Swaine & Moore, for example, increased pay for its most senior US associates to \$415,000 a year.

“People have started jumping around for more money,” says Nick Robbins, a director at Nicholas Scott Recruitment, a specialist global legal recruitment firm. “It’s definitely becoming more competitive. People have realized that lawyers are worth much more than they thought they were because it is a much more complicated world.”

Some firms are responding not just by increasing salaries but also by offering different career paths for lawyers who want more flexibility and don’t want to go down the traditional partner route. Honigman, for example, last year created Honigman Review Solutions as a dedicated corporate transactions diligence team for lawyers who don’t want to become partners.

“We developed Honigman Review Solutions to provide meaningful career opportunities, development and growth for our non-partnership track attorneys to improve work-life balance while still ensuring that these attorneys are fully integrated into the firm as a whole,” says Laura Davis, a partner at Honigman.

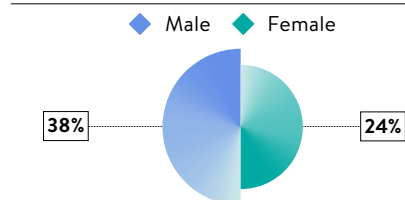
While there was widespread enthusiasm for remote working early in the pandemic, that sentiment has become more nuanced. Some lawyers have since concluded that they need to be in the office if they are serious about career progression, says Robbins.

“It soon dawned on people that it was all well and good being told they’re doing a good job, but in terms of moving ahead in their careers, remote working means you don’t get the face

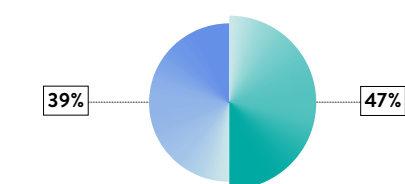
# REDEFINING WORKING LIFE IN THE ‘GREAT (LEGAL) RESIGNATION’

## OVER A QUARTER OF LAWYERS AND ALLIED PROFESSIONALS ARE ACTIVELY LOOKING FOR A NEW POSITION

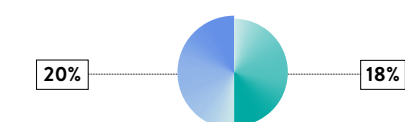
Are you considering leaving your job in the next 12 months?



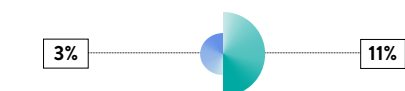
No - I want to stay in my current role



Maybe - I would seriously consider it if the right role came up



Yes - I am actively looking for a new job within law

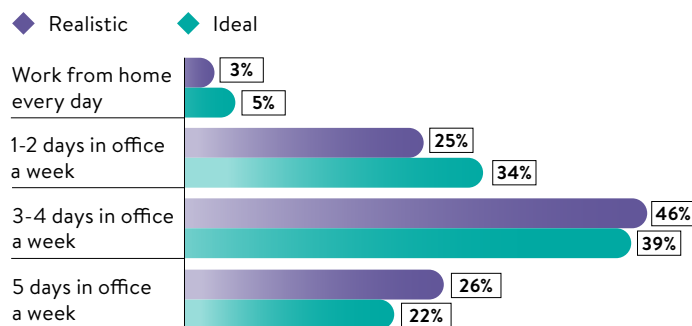


Yes - I am actively looking for a new job outside of law

TCL 2022

## TODAY'S LAW FIRM EMPLOYEES WANT TO SPEND MORE TIME WORKING FLEXIBLY

Lawyers and allied professionals' realistic and ideal working patterns over the next 12 months



TCL 2022

# 68%

of lawyers would consider leaving their firm for one with better technology

TCL 2022

# 59%

of lawyers would decline a job offer if the firm used outdated technology

TCL 2022

# 69%

of lawyers and allied professionals are considering leaving their jobs in the next 12 months

TCL 2022

time with the relevant people that are making decisions about their futures," he says.

Remote working could help improve diversity by providing more options for lawyers who might otherwise be forced to leave the profession, for instance, to handle child care—a potential tension if firms are pushing for lawyers to return to the office.

"There's no question that working from home has definitely helped with diversity as that has made it much more flexible and easier for people to do if they have family or other care commitments," says Robbins.

Yet remote working is not a panacea for boosting diversity, particularly if people don't have adequate facilities at home.

"It can be more challenging if you actually don't have a home office or the firm doesn't equip you with everything you need to work from home, so there can be inequality around remote work," says Seravello.

Working from home can also increase security concerns when it comes to client confidentiality and handling sensitive information. Seravello's co-head Brad Blickstein says most firms have tackled this by ensuring employees can only log on via VPN and can only print documents in the office.

"Good firms that have any sense of security will have solved that problem even before the pandemic," he says.

One place firms are continuing to fall short, Blickstein adds, is by embracing technology to support better work-life balance.

"If firms really want to solve this problem, they need to make work shorter, and the way to do that is by leveraging technology better," Blickstein says. "But when you do that, you need to change your firm's billing model because if you're being more efficient, you still need to get paid appropriately, so that is an enormous change management program for firms, and they're not really doing it yet."

In addition to work-life balance, technology can also help support staff retention by automating mundane tasks and allowing lawyers to focus on more substantive legal work. This is something that is critical for attracting the next generation of lawyers who expect firms to be using the latest technology to help them do their jobs better no matter where they are located.

As more firms adopt a blended model of remote and in-office work, it remains unclear to what extent workforces will be dispersed in the future and how much time lawyers will be expected to spend in the office.

"It's hard to predict where things will come to rest," says Davis. "We're still in the midst of the change." ◆

# AUTOMATION IN ACTION: M&A

*Technology is transforming the M&A process and freeing lawyers from repetitive tasks*

**L**arge, cross-border M&A deals used to be a headache for legal advisory teams. In the past, paralegals would spend days ‘redlining’ documents—using a ruler and a red pen—checking to make sure contract drafts received from the opposing party were accurate. Some firms would even use out-of-work actors to do this task because it was cheaper than paying paralegals to do the job, says Daniel Rosenberg, a partner at Charles Russell Speechlys and chair of the American Bar Association’s sub committee on technology in M&A.

“Nowadays, we have redlining software—and that does the job in 30 seconds,” he says.

Similarly in the past, due diligence could often involve manually sifting through thousands of documents spanning multiple jurisdictions and languages.

Now, technology and AI are transforming the M&A process so that lawyers are no longer bogged down with these cumbersome,

repetitive tasks. For instance, Rosenberg’s team uses AI to review documents as part of its due diligence work, to help signpost what lawyers need to focus on.

“Sometimes, at the very simplest level, we would use these tools just for their recognition abilities,” says Rosenberg. “You can work out which documents are in English, or French, or Spanish, and you can parcel off documents in different directions in about a minute to lawyers around the world without having to sort through them one by one.”

Another potential use for AI is to quickly sort documents by governing law.

“You might have 2,000 documents, and it turns out only three of them are under Spanish law,” he says. “So you can actually scope the involvement of the Spanish lawyer very differently if half of them had been under Spanish law, and you can work out requirements in minutes. So even before you’ve started to do any legal work, you already know how many different people you’re going to have to involve and can see how big the job is for each of them.”

AI can also be used to sift through agreements to identify missing or additional clauses.

“That way you then can focus on the outliers and think about what’s different rather than jamming up so much time for lawyers just spotting the differences,” says Rosenberg.

In addition to technology being used to review agreements and track deal terms and market trends, it can also function to enhance transaction management.

“A transaction management platform can help you manage all of your checklists and make sure that you’re working on the correct version of a document, so everyone’s comments and changes are getting in,” says Jennifer Tsai, a product marketing manager at Litera and a former law firm M&A associate. “You can also create closing sets and track signatures, so it really cuts down on the time lawyers spend on non-substantive tasks.”

## 64%

of EMEA dealmakers believe that technology and AI can cut the due diligence process to less than one month by 2025

Datasite 2020

## 91%

of lawyers expect that AI document review will become a standard part of most M&A due diligence processes

Litera 2020



The time savings technology creates not only help firms increase deal flow, it can also help speed up the development of junior lawyers.

“The deals move faster, so firms have bandwidth to take on and work on more deals,” says Tsai. “As a result of that, junior lawyers who used to spend a lot of time on due diligence or checklists are now able to focus on more value-added tasks. They may get into drafting a little bit earlier or participate and observe in negotiations. That means they can learn different skills, like using AI to identify good precedent language and market trends, and build up their skillsets a little bit faster.”

While the traditional due diligence process is laborious for lawyers, it is highly lucrative for firms that bill by the hour. Making that process more efficient, therefore, might not seem to make much business sense from a profit perspective.

“Some firms might say why would they use this technology when they’re making a lot of money from getting ten lawyers to spend two solid weeks reading through thousands of documents—that’s a big part of their annual billing,” says Rosenberg. “The answer is if you don’t use this technology, someone else will get that deal. It’s a little bit like if you were a scribe when the printing press came along, you couldn’t really hold out for long.”

AI technology is not just about being more efficient; it is also about reducing errors and mitigating potential risks faster than you otherwise could.

“Without AI, if you look for a certain term within an agreement using a rules-based keyword search and the drafting varies so the language doesn’t fit within those parameters, there’s a chance an associate might not pick that up,” says Tsai. “With AI, even if it’s drafted in a different way, the AI will find it because it can keep far more examples in mind than a person building a keyword rule.”

Using technology in the M&A process also has broader benefits beyond the firms themselves.

“It’s good for the M&A market and the wider economy,” says Rosenberg. “Anything that increases efficiency and enables deals to be done with less friction is a good thing.” ♦

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**The deals move faster, so firms have bandwidth to take on and work on more deals**

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**TECHNOLOGIES TO SUPPORT DUE DILIGENCE AND NEGOTIATION ARE MOST IMPORTANT FOR M&A LAWYERS**

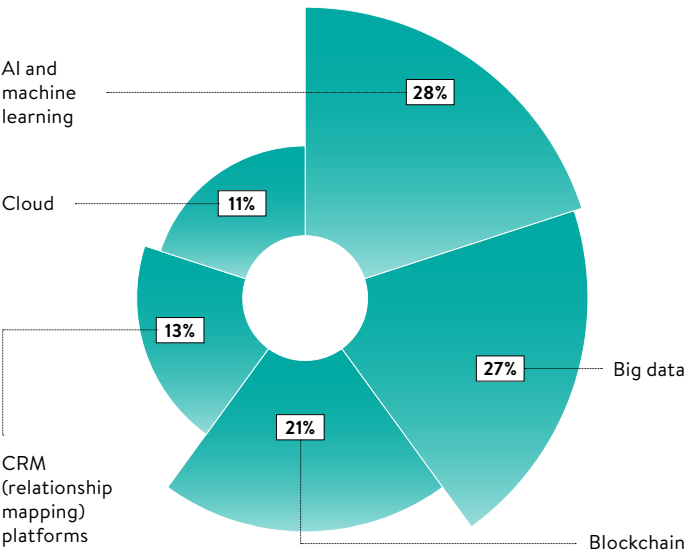
Technologies that are most important in M&A practice



Litera 2022

**AI, MACHINE LEARNING AND BIG DATA ARE SET TO HAVE A TRANSFORMATIONAL IMPACT ON M&A**

Which of the following technologies do you think will have the most transformational impact on the M&A process in the next five years?



Datasite 2020

# THE CHANGING LAWYER 2022: FIVE KEY TAKEAWAYS

*Over the past 12 months we've seen technology begin to transform legal departments and law firms, enabling flexibility, job satisfaction and customer experience. Here are the five trends to watch*

1

## **Allied pros support legal service delivery**

The number of allied professionals is on the rise in law firms and in-house teams as lawyers increasingly rely on support from those with non-legal specialisms, such as project management and data scientists. By 2024, allied pros will handle a fifth of in-house tasks usually performed by lawyers, according to Gartner. Allied pros accounted for 40% of all legal roles in the US in 2020, up from 36.5% a year earlier, US labor data show. To meet this growing need for broader skillsets, law schools are now offering legal operations courses for people who want a career in the legal industry but who don't want to qualify as lawyers.

2

## **Automation is everywhere**

From the courthouse to the deal room, AI and automation is being applied to a range of practice areas to streamline processes and make the business of law more efficient. For instance, defendants can submit guilty pleas via an app, while some courts are providing online portals for certain civil claims. In China, internet court cases are already being decided by robot judges. For law firms, AI and machine learning is increasingly being used in the M&A process, such as reviewing documents and flagging information that lawyers need to focus on or sorting documents by governing law.

3

## **Tech and data improve client service delivery**

Many law firms are recognizing how technology and data can help improve the way legal services are delivered, from gaining greater insights on clients to offer more tailored services, to using work allocation technology to assemble more effective client teams. Some firms are also trying to better understand the data clients are using to measure the

performance of their legal service providers so they can focus on the needs that matter most to clients. Optimizing processes and ensuring technology is better integrated, so lawyers don't have to constantly hop between applications, is also a key area where firms are seeking to enhance service delivery.

4

## **Cloud is taking over**

Remote working and the trend for more workplace flexibility means firms need to have robust IT systems that lawyers can access easily from wherever they are located. This is accelerating a rush to the cloud and software-as-a-service providers that reduce the strain on internal IT infrastructure, allowing firms to support remote working at scale. While some firms are reluctant to give up control of their own systems and datacenters, the catalogue of on-premises technology is shrinking, with the latest software and digital tools typically only available in the cloud—underscoring that this trend is only going in one direction.

5

## **Changing work expectations**

The pandemic prompted many workers to rethink their career options—with the legal industry no exception. This so-called 'great resignation' has increased pressure on firms to attract and retain the best new talent, with newly-qualified lawyers now commanding substantial six-figure salaries, driven mainly by US firms. Akin Gump is offering junior lawyers £164,000 a year in London. While money is one solution, some might say an unsustainable one, tech can also play a role in retaining talent. By automating repetitive tasks, lawyers can spend more time on work that interests them, making them less likely to quit. Reducing time-consuming tasks and enabling remote working can also help improve work-life balance. ♦



