The Legal Tech Landscape

Professor Jennifer Gundlach
Disruptive Forces in the Legal Profession

- Ferris Bueller's Day Off
- “Life moves pretty fast. If you don’t stop and look around once in a while, you could miss it.”
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• What do we mean when we refer to “disruption” in the business world?
  – It is the theory used to explain why some successful companies fail to stay atop their industries when confronted with technological, market, and social changes and innovations.
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• Innovation comes in different forms:
  – a “sustaining innovation” - process whereby good products become great products. Companies pursue strategies to refine products using tech advances/research to respond to customer demands at top end of market.
  – a “disruptive innovation” – process whereby a simple product/service is developed at bottom of market and then moves to top of market, often displacing established competitors and introducing accessibility and affordability.

-Clayton Christensen, author of Innovator’s Dilemma: When New Technologies Cause Great Firms to Fail (1997)
Clayton Christensen, author of *Innovator’s Dilemma: When New Technologies Cause Great Firms to Fail* (1997), originally thought that professional services industries (like the legal profession), unlike manufacturing industries, might be immune to disruption.

But that has proven to be incorrect . . .
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- Non-tech influences that impact the delivery of legal services today:
  - Clients demanding more but want to pay less
  - Unbundling of legal services performed by non-lawyers
  - Liberalization of unauthorized practice rules
  - Alternative business structures/non-lawyer ownership
  - Middle/lower income clients can’t afford or access basic legal services
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- **Tech influences** that impact the delivery of legal services:
  - Artificial intelligence-based problem solving
  - Improved/faster processing power
  - Big data/expansion of web-based search tools/capabilities
  - Web-based marketplace, communications, and services
  - Wider availability of smart phones and computers
  - Shared/open-source of information on the web
  - Automation of tasks
  - Expansion of internet
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• Technology tools fall within three categories:
  • Those that store and transport knowledge
  • Those that extend the human mind
  • Those that perform autonomous/independent knowledge work
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• Technological innovations in the legal profession have two types of consequences:
  – Impacts *how and when* lawyers do their work, as well as *what* work they do
  – Impacts the ability of consumers of legal services to access those services more directly
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• Remember the two forms of innovation: sustaining and disrupting – both are happening in the legal industry now:
  • **Sustaining:** Tech innovation is offering opportunities to change and improve the services that lawyers provide for the clients.
  • **Disrupting:** Tech innovation is providing broader access to the justice system for those who are otherwise unable to afford traditional legal representation.
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- Tech for Lawyers for sustaining innovation:
  - Case management and business development
  - Research & analysis of big data through AI and machine learning
  - Automated or outsourced legal services
  - Cybersecurity & Privacy
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- Potential benefits to lawyers of tech innovation:
  - Faster, more cost effective legal services for clients
  - Improved analysis/predictions for practice
  - Frees up time for more bespoke work on behalf of clients
  - Improved workflows
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• Tech for Clients that is disrupting legal services and improving access to legal services:
  – Improved communication and referral services
  – Improved access to legal information
  – Document assembly
  – Expanded access to pro bono or low-cost legal assistance
  – Blockchain
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- Potential benefits to consumers of tech innovation:
  - Greater access to justice system for those who cannot afford to pay
  - Cost savings, once the technology is scalable
  - More educated consumers
  - Improved workflows for referral systems
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- Risks/challenges for lawyers with tech innovations:
  - Recognize that work by a human can lead to new/creative ideas that can’t (or haven’t yet been) been programmed
  - Imperfections/constant need for updating of technology & info
  - AI is only as good as the humans that feed it data/write code
  - Ethical, malpractice, and privacy concerns
  - Costs might be prohibitive for some practices
  - Complexities of certain matters/clients
  - Need to understand the technology
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• Risks/challenges for clients with tech innovations:
  – Clients with mental health issues, language barriers, or other types of challenges
  – Clients with multidimensional or complex problems to solve
  – Ethical limitations for unauthorized practice, competency requirements
  – Clients should know what they are getting (informed consent)
  – Clients’ lack of accessibility to technology & internet
Food for Thought:

– The bespoke specialist who handcrafts solutions for clients will continue to be challenged by innovation forces in technology and otherwise.

– Ask yourself: how can lawyers’ work be decomposed, broken down into a set of tasks to improve efficiencies without compromising quality? What is it that lawyers do that can’t be done by a machine?
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• Beyond the traditional professional tracks, what should you consider?
  – Create a niche in e-discovery management or knowledge management to play a leadership role at a firm, agency, or company
  – Develop multidisciplinary expertise to provide insight and leadership on interactions of law, technology, ethics, cybersecurity, business management
  – Distinguish yourself for a hybrid position, such as as a legal project manager, legal solutions architect, process analyst, or legal knowledge engineer who can work well with programmers, computer engineers, data managers, and IT staff
  – Launch a legal-tech start-up company or identify ideas for implementing technological improvements in your legal practice
  – Get involved in strategic planning for data management, cybersecurity, etc.
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• What unconventional employers might offer you these opportunities?
  – global accounting firms
  – major legal publishers/online content and databases
  – legal process outsourcers/companies doing “decomposed” legal tasks
  – online legal service providers
  – “new look” law firms
  – Legal tech start-ups
  – legal leasing companies (contract lawyers)
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• Opportunities to explore while you are in law school:
  – Apply for part-time jobs, internships, externships with legal tech start-ups and established companies
  – Enroll in experiential courses and non-traditional course offerings
  – Attend hackathons, conferences, tech education
  – Stay up-to-date: by reading blogs/books, newsletters, listening to podcasts, experimenting with new products
  – Consider outside tech courses, app development academies, professional certification courses
  – Apply for legal tech scholarships
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“The fastest way to succeed is to double your failure rate.”
- IBM’s Thomas Watson, Sr.

• Don’t be afraid to fail – embrace and encourage failure tolerance for yourself and in your practice settings
• Contribute to a culture of intelligent risk-taking that can lead to sustaining innovation and prevent disruptive innovation in your legal practice.
• Use your knowledge as a talking point
• Be the future in your practice
• Reject the prophesies of doom and embrace change