

FEATURED ARTICLE

WHY LAWYERS ARE STILL WAITING FOR THE FUTURE

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One snowy week in February I went looking again for the Future of Law. I started at LegalTech New York, ALM's flagship trade show, which, as usual, was spirited, shiny and splendid, crowded with lawyers and technology experts filled with the fierce urgency of Now.

Then I visited a Flatiron loft for Lex Redux, a meeting designed to bring together investors and inventors with ideas to transform the practice of law. They were energetic and passionate, but still at a distance from organizing a tectonic shift in the marketplace. I ended the week at ReInvent Law, a TED–like event led by Daniel Katz and Renee Knake, two Michigan State University law professors who periodically gather legal visionaries and Cassandras, all determined, like me, to find the emerging future. At their event, many drums were beaten, many updates given, much progress announced. And yet I finished my week thinking that almost six years after Lehman's death, technology-driven transformation remains on the margins. We are still in the early stages of change.

This is not work for the impatient. If I had any doubts, they were quieted by another meeting that was held this week: the first Forum on Legal Evolution, organized by my friend Bill Henderson, the Indiana University law professor, and Bruce MacEwen, a law firm consultant. Henderson started with a discussion of the half-century-old Rogers Diffusion Curve, which, shaped like a gentle rolling hill, maps the progress of adoption from invention through embrace to the final state best described as Of Course.

Henderson sees the legal marketplace at the Innovator/Early Adopter stage, which, according to the theory, is the most difficult to navigate. It's just human nature: the slow pace of change can frustrate the promoters of new ideas. Henderson also walked the audience of about 120 through a series of slides that outlined the legal market and where innovative efforts were or might be made.

Henderson was one of 11 speakers, all of whom touched on the variety of topics that are familiar at these conferences. Ray Bayley, who runs NOVUS Law in Chicago, reviewed the progress he'd made over the last decade in applying systematic process improvement techniques to discovery and other document review methods. Katz, of

ReInvent Law, outlined some of the challenges ahead in applying predictive analysis to the legal sector.

Along the way, he pointed out a relative surge of investment capital into start-up companies: \$458 million was the investment estimate in 2013, an almost sevenfold increase from two years ago.

Along with those who usually attend these conferences—a collection of innovators, vendors, and provocateurs—three partners and the chief technology officer from Skadden, Arps, Meagher, Slate and Flom were also in the audience. Kimberly deBeers, a Skadden M&A partner, responded to Bayley's remarks by saying she can imagine a time soon when technology will build processes that make lawyers' work more efficient and capture the firm's "knowledge." Another Skadden M&A partner, Thomas Kennedy, who also serves as the firm's global head of "knowledge strategy," said in an email after the session: "We are very aware of the dynamics facing the industry, including both client desires to control legal spending and the potential impact of digitally-based technologies. We have spent a lot of time and resources considering these technologies and process improvements and continue to look to implement them in ways that will help reinforce our overall value-add approach to client service."

The meeting was meant to encourage and identify early adopters. What is to be adopted remains the open question. For those already a bit uncomfortable with the events of the last few years, none of this will sound reassuring. They think things have changed rather dramatically already, forcing them to cope with slow-growing markets and newly competitive circumstances. As a result they've begun to think harder about efficiency, project management and talent, and they've begun to act. That's good practice for the future: These issues are only going to get more difficult.

Despite all the hand wringing and podium pounding about the indignities of dealing with both angry clients and unquenchable partners, big law firms remain largely recognizable. Other than on price—sometimes even on price—clients haven't been as demanding of change as they might have. Some don't want it; some don't know what to ask for. For the most part, they, too, are skilled lawyers and not process engineers. They have legal problems to solve, not revolutions, or evolutions, to foment.

Will this state of affairs continue? Yes, for the foreseeable future. Will Big Law die? No. But it will confront challenges on its boundaries, which in turn will force more reaction and stress. The tech-based threats will likely come in two broad categories: how work gets done and how data—otherwise known as law—gets processed.

In the work category, much of the conversation last month focused on two real-world client engagements. In one, a still-unidentified global bank has hired Riverview, a U.K.–based flat fee

legal services provider, and Legal OnRamp, a Silicon Valley professional network/worksharing "platform," to build and manage its regulator-mandated Recovery and Resolution Plans. In the other, BT has retained Axiom to run its contract operations around the world. Both assignments are big and involve repetitive tasks and documents, where careful organization can drive down costs and risk. These outfits are learning to fashion legal work as a sort of "design" process. That's a bit of jargon broad enough to accommodate whatever may come along. We don't know how many tasks will be susceptible to this treatment or whether clients will embrace the effort.

The data category is more remote but potentially more significant. Ed Walters, the CEO of Fastcase, an online legal research service, spoke at the CIO Forum at Legal Tech. He talked about the meaning of Moore's Law—the idea that computing power doubles every 18 to 24 months—to the practice of law. By 2017, he said, the fastest computers will possess the processing power of a human brain. His point: If existing computers can learn to beat chess grandmasters or drive a car on a California freeway, why, as they keep improving, won't they be able to brief an appeal?

Not tomorrow, but not impossible to imagine. For lawyers, these may be the good old days.

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