THE FUTURE STATE OF LEGAL I.T.
FROM THE AGE OF DICKENS TO THE AGE OF DIGITAL
“BE EXCITED BY THE FUTURE, AND MEET IT WITH A SENSE OF OPTIMISM.” - ROHEN PHOENIX

New and emerging technologies are fundamentally changing how professional services firms operate, and the legal industry may be the most affected. The costs of doing business aren’t getting any smaller; investing in technology that allows lawyers to deliver services in ways that deliver real value to clients while keeping costs down can make the difference in an increasingly competitive market.

In this three-part series, Alan Legal, vCIO and Director, Strategy at Ricoh Canada Inc., focuses on key trends in technology and business, how they will affect the legal community and how Ricoh’s Virtual Chief Information Officer (vCIO) model can help small to midsize law firms save money, develop I.T. strategies and prepare for the future.
TRADITIONAL FIRMS ARE TAXI COMPANIES
How the changing relationship between lawyer and client is creating the new Uber of law

CLIENTS HAVE GREAT (TECHNOLOGY) EXPECTATIONS.
According to Richard and Daniel Susskind, authors of The Future of the Professions, today’s legal clients expect firms to have the same level of technology that they do, while most legal working practices haven’t changed since the days of Charles Dickens. Clients expect the latest hardware and software, digital archiving, encryption in transit and at rest, immediate recall of documents and, collaborative data rooms for deals.

Most important, they expect these to be highly secure and always available. Law firms will need to adapt their processes and their strategies to meet this technological challenge.

“GOOGLE LAWYER” IS COMING AND IT’S GOING TO DISRUPT TRADITIONAL PRACTICES.
The law is ripe for disruption – and the Uber-ization of its practices are happening right now. A traditional aversion to risk has kept the many in the legal profession from the vanguard of new technologies while providing with a service that many clients perceive to be costly and opaque. Just as many people have become their own “Google Doctor”, the internet has made clients more interested and informed regarding legal matters.

IT developers and entrepreneurs look inside the legal profession and envision an emerging market opportunity where users are seeking and finding access to similar online resources as lawyers at the fraction of the cost. This leads tech-savvy corporate clients to question the size of their legal bills and find ways to reduce risk and exposure.

While search engines can give clients free opinions and a broad access to legal knowledge, it doesn’t give them practical application of the law to their real-life scenarios. If firms can break away from traditional mindsets and provide clients access to knowledge is a commoditized way, they can become more than simply a source of opinion and expertise in times of change and crisis.

DIFFERENT GENERATIONS WILL HAVE DIFFERENT I.T. NEEDS.
There are a number of law firms across the North America where four generations are working together – from Traditionalists (born 1927 – 1945) through to Millennials (1980s to 1991). Each generation has a different comfort level with technology, how best to use it and expectations of its ubiquity.

Firms are trying to understand how to balance the technology needs of each group without reinventing workflows for each generation. For some, simply convincing senior equity partners to invest in technology is their biggest challenge, while others are scrambling to catch up with their users who are “going rogue” in an attempt to improve their own technology experience at work.

CONNECTING TO A LEGAL PROFESSIONAL IS GOING ANYTIME, ANYWHERE.
Internet-based applications, software as a service, secure web access and powerful mobile devices mean that legal professionals can work remotely from any location with an internet feed. Giving clients greater access and connectivity with lawyers may improve their experience, but it can be a double-edged sword in a profession notorious for long hours. For some practitioners, this increased connectivity allows for greater flexibility in their work schedule, but for others it means never truly being away from the pressures of the office.
YOU SHOULD BE INSECURE ABOUT YOUR SECURITY.
Information Security should be top of mind for all law firms, period. Protecting your client data as well as your firm’s reputation aren’t nice-to-haves – they’re must-dos. The Panama Papers hack from global law firm Mossack Fonseca resulted in the leak of 2.6TB of data, representing 11.5 million documents and more than 40 years of client information.

Cyber attacks on law firms are increasing exponentially, and firms are particularly inviting targets. Hackers can get critical, confidential information on hundreds or thousands of businesses through law firms instead of hacking into each company individually. This makes firms the “soft underbelly” that allows hackers to gain access without facing more robust security. Additionally, many firms have critical or confidential client data stored locally, making them particularly vulnerable to ransomware attacks.

THE INTERNET OF THINGS MEANS MORE DATA – AND MORE PRECEDENT.
In the Internet of Things (IoT), everyday objects generate large amounts of data that is stored in cloud platforms, communicating with other devices and to other parties. IoT will continue its inexorable march toward comprehensive integration into seemingly every industry, including smart cities, transport systems, buildings, eHealth and telemedicine, wearable technologies, homes, automobiles, industry and energy.

The implications of this technology on the law is significant and many firms are developing new practices to better understand and shape the law surrounding it. Paul Hastings LLP, DLA Piper and Morris, Manning & Martin have all established interdisciplinary practice groups to address the wide range of legal issues that IoT brings, working to understand the IoT and the technologies employed within it.

GOING GLOBAL WILL HAVE KNOCK-ON EFFECTS IN YOUR I.T.
As firms continue to look for opportunities for expansion, the opportunities to go global – through new offices, mergers and acquisitions or outsourcing – are going to be tempting for organizations of every size. If firms are not careful, the push for growth can subsume long-term business and operational objectives. Factoring the growing pains across borders can mean the difference between a successful acquisition and a major setback.

Partners and lawyers need to be increasingly concerned with data security and data residency requirements of the countries where they do business. These are non-negotiable and need to be factored into any plan to expand or outsource work outside of Canada.

INBOUND DIGITAL MARKETING WILL CHANGE HOW CLIENTS COME IN THE DOOR.
Clients today want the best legal representation, not simply the firm closest to them and the internet gives them shopping tools to help them decide which firm to give their business to. Having an online marketing and communications strategy that demonstrates your firm’s unique skillsets and expert practice areas is a key asset when Google Page Rank is worth more than proximity.

Social Media is today’s and the future’s networking and marketing tool, but using social won’t replace traditional lawyer/client relationships. Instead, social media allows lawyers to expand their network of clients, promote their services online to a broader audience and to foster connections with existing clients to build evangelists.

FROM CAVEAT EMPTOR TO BUILDING STRATEGIC I.T.

Overcoming I.T. challenges to protect your clients’ interests
USING DIGITIZATION TO DELIVER VALUE
How firms can keep costs down and meet business goals via technology

ARTIFICIAL INTELLIGENCE IS HERE – AND IT WILL SAVE YOU TIME AND MONEY ALMOST IMMEDIATELY.
The courts create millions of legal decisions in Canada every year. Lawyers comb through these looking for precedents that can help them resolve their clients’ legal problems. By automating these basic tasks to AIs, firms can take an activity that would take hours for a junior lawyer and turn it into a task that can be completed in minutes.

THE DAYS OF SIFTING THROUGH PAPER FILES AND MEMOS IS DISAPPEARING QUICKLY.

Dentons, Latham & Watkins and Baker Hostetler have all signed on to use ROSS, a Canadian invention and the world’s first AI lawyer who helps US bankruptcy and insolvency lawyers complete research faster. ROSS’ inventors have a goal to sell this subscription service into every law firm globally; while this service isn’t available in Canada as yet, it is something to keep an eye on.

PARTNERING WITH THIRD PARTIES MAKES E-DISCOVERY EASIER AND LESS COSTLY.
As more and more of business and personal activity is stored electronically, the days of sifting through paper files and memos is disappearing quickly. Gartner estimates that in 2017 e-discovery services will account for $2.9B in business and will continue to grow as the amount of information available for digital discovery proliferates. Sorting through it all is time-consuming, driving up the cost of litigation. Process automation efforts help organizations reduce the time it takes to complete repetitive tasks such as research and discovery.

Law firms are increasingly acquiring internal teams or partnering with accounting firms in e-discovery efforts, leveraging global forensics skills and technology that keep costs lower while improving overall service delivery.

CONNECTING TO THE CLOUD WILL CHANGE HOW YOUR BUSINESS DOES BUSINESS.
Beyond the hype, Cloud is having a major impact in almost every industry and law firms are not immune to this experience. The benefits of cloud include increased security and accessibility for data and applications, protecting business continuity and a shift from major one-time capital spending to a consistent operational spend.

Cloud is moving beyond the public and private options, creating new hybridized models that allow firms to keep their private data private while benefiting from the flexibility and scalability of the public cloud. New hosted software solutions are in continuous development, bringing enterprise efficiency and scale solutions to small and medium firms. The choices are almost endless and target all facets of operations.

ALTERNATIVE BILLING ARRANGEMENTS WILL CREATE MORE STABLE INCOME FOR FIRMS.
Firms are always under pressure from clients to reduce cost. The traditional time/billing model continues to give way to flat, blended or fixed fee arrangements, as law-as-a-service and retainers stabilize anticipated costs for clients. Using technology to lower the cost of that service delivery – finding ways to commoditize their service to keeps costs lower and maintain desired profitability – will keep clients happy while protecting the bottom line.