

Digital innovations for law firms



Stu Mort (top), Law In Order's global head of consulting and chief security officer, and Paul Gooderick, the firm's director.

Power of AI brings new opportunities

Law firms that embrace innovation are proving to be more resilient as they face ongoing disruption from COVID-19 and digital transformation.

In a recent Thomson Reuters survey, 64 per cent of law firm leaders cited "insufficient leveraging of technology" as a medium-to-high risk factor for profitability. More than a third of firms reported they had adopted an advanced technology solution for document management, with 28 per cent using advanced technology for litigation support.

Locally, Commbank's 2020 *Legal Market Pulse* revealed 64 per cent of firms expect pressure on lowering fees to accelerate thanks to COVID-19, with 61 per cent predicting clients will want more work for less.

"The more resilient firms stand out for investing in their workforce's training and development while continuing to invest heavily in technology," the report concluded. "Firms that proved to be resilient have been those with a focus on technology and people and invested accordingly. As firms seek to position themselves for the recovery over the next 1-2 years, these are likely to remain as key determinants of success."

In this dynamic environment, many firms and corporates alike are turning to managed service providers. The Legal Executive Institute's 2020 legal market report notes these providers use technological breakthroughs including machine learning and artificial intelligence to provide services

more efficiently than would otherwise be achieved in-house through paralegals and young associates.

"[Managed service providers] often deliver faster, cheaper, better legal support services, particularly in the areas of eDiscovery and litigation support ... Because [they] provide a more cost-effective service alternative, both corporate legal departments and law firms are giving serious consideration to using them for their matters and are increasingly viewing them as trusted allies and partners in the legal process."

Legal service providers can also be an attractive option for sole practitioners or boutique practices with complex cases, says Paul Gooderick, director of Law In Order, a leading provider of scalable, end-to-end outsourced litigation legal support services for the legal industry.

"A big trend for us is a growth in demand for our managed document review team. Where firms or sole practitioners have claims that might not be high enough to justify a full-blown local review, this provided the option for a lower cost way to access that potential litigation path."

Gooderick says many big and mid-size firms are structuring their businesses to capitalise on innovation. "They're making big commitments at the senior level, and with good size teams. They're embracing innovation at a level that has a material impact on the firm."

Ongoing digital transformation is having a particular impact on document discovery, or the

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Stu Mort

obligation for parties to provide evidence pre-trial. Already a complex process that can involve hordes of lawyers sifting through tens of thousands of pages of documents, that complexity is only increasing now that businesses also generate, store and access masses of data.

Corporates need to adjust to the new reality of e-discovery says Stu Mort, Law In Order's global head of consulting and chief security officer. "They need to be discovery ready. I think that there's an uplift [required] in their obligations around e-discovery. I don't think they quite have a grip on where the data exists in their organisation, how disparate it can be, and the requirements within a legal case."

Many organisations need to resolve questions over whether data storage for document

discovery sits in the legal or security budget, how easy it is to access data stored by a third party – and maintain its integrity – when hit with a preservation order, and what impact live data or predictive data capture can have on the business. Add in questions over who owns data produced by devices connected by the Internet of Things in smart buildings and networked ecosystems, and the scale of the problem is clear. But while it may be tempting to ignore issues until they arise, Mort notes doing so risks jeopardising a party's position.

"It can be very much an afterthought. A company is hit with legal action, and they say 'let's try and learn on the job' rather than preparing for the worst outcome. The last thing you want to do is end up in court and find that your data is inadmissible because you don't have the [digital] equivalent of the sealed evidence bag."

Traditionally, clients often approached Law In Order for e-discovery services towards the end of the process, to produce data sets or present it in court. But Gooderick says they now work with clients at earlier stages, from data identification to preservation and analysis.

"I used to characterise our business as a 'post-event' business: we would come in after something happened, whether a breach, or litigation, or some other action. But increasingly, we're engaging well before the event, to prepare firms and corporates to be ready to act, should something happen."

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