# Briefing SMARTER LEGAL BUSINESS MANAGEMENT

#### LONDON CALLING

A minute or so with Joy Kingsley, head of business development at JMW

#### TOOL RUNNINGS

The R&D team at Kennedys on the process of kitting out innovation and taking it global

#### SHARING HEALTH

Dechert makes the case for appointing a group of mental health champions



### Power is learned

Chatter about the latest dreamy AI seems to be a nightmare for some – but where do law firms find machine learning has most potential to transform?



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# Editor's letter



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As we approach Mental

Week in May, it's always

worth underlining that

very common illnesses

size, status, budget or

billable-hour success

are no respecters of

Health Awareness

ast month, I decided to gatecrash one of the conferences of **Briefing**'s much-loved sibling publication LPM (that's legal practice management fyi, not project management). We divide the readership of our two titles at

the £19m revenue mark. I'm sure some will find that a touch arbitrary, but we've found the SME legal market and so-called Big Law to have their own sets of challenges, warranting different words and pictures.

That said, I was surprised to find many discussions throwing up questions from my more familiar turf. For example, how can firms introduce process/document automation with all the internal dissent about the chosen precedents, troublesome underlying data, and clients each preferring their own degree of self-service? How can you get

all parts of the firm charging what their service is 'worth', stamping out routine discounting or writeoffs? And do firms get that a brand 'refresh' really ought to be as much about behaviours as new stationery? Then, at the close of the day, I was also

Then, at the close of the day, I was also especially encouraged to see the 'future workforce' session turn into a really open conversation about mental health consideration. As we approach Mental Health Awareness Week 2019 in May, it's

always worth underlining that very common illnesses are no respecters of size, status, budget or billable-hour success.

In 2018, several firms signed up to a Mindful Business Charter, which sought to identify some practical steps while not shying away from the fact that some stress is an inescapable part of law firm life. And in this issue we hear from one firm that has introduced a programme of mental health first-aid training. In spite of some calls for it, citing duty of care, this is not a mandatory risk-management measure. But last year the UK's Health and Safety Executive also updated its guidance in the area. Following a first aid needs assessment, you "might decide that it will be beneficial to have personnel trained to identify and understand symptoms and able to support someone who might be experiencing a mental health issue", it says.

RICHARD BRENT EDITOR-IN-CHIEF

Briefing

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#### **FEATURING**



Joel Cohen, general counsel, Premier Model Management



Priya Lele, legal process design lead, UK, US and EMEA, Herbert Smith Freehills



Brian Dunlop, global director of strategic pricing, White & Case



Shamus Rae, head of innovation, digital labour and cognitive transformation, KPMG

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# Inside this month



Empower tools

"I needed to persuade the board that the idea was something we could and should scale."

Richard West, head of innovation, R&D team,



Briefing is the only legal business management title, and is focused exclusively on improving the work and worlds of law firm management leaders. Every issue is packed with relevant insight and lessons from peers and pros.

#### **UPFRONT**

06 Roundup
Promotions and other moving people pieces

65 seconds with Joy Kingsley, senior partner and head of business development at Manchester-based **JMW** 

**Database** How do countries compare on some key questions of cybersecurity?

#### OPINION

Dr Ali Fenwick at Nyenrode **Business University** discusses improving business by way of identity

Patrick Hurley at **Thomson Reuters** Elite airs his views on artificial intelligence

#### **FEATURES**

The big idea
Jem Sandhu asks how law firms are really using AI and what's stopping them doing more

Team profile O Richard Brent hears how the R&D team at **Kennedys** refreshes its innovation toolkit

#### **BRAIN TRAINING**

Hands on Caroline Bowes at Dechert on the management of mental health

#### **INDUSTRY VIEWS**

Faisal Abbasi at **Introhive** says that even the smartest machines are only as good as the data firms feed them

Peter Dombkins and Andrew Babbage at Gilbert + Tobin explain how **Pinnacle** helped it to build new business intelligence

Stephen Allen at Hogan Lovells on how **Clocktimizer** has helped to transform time-recording data

Laura Bygrave and Adrian Rainey at **Taylor Wessing** on adding value with Kira Systems

#### LAST WORD

Six of the worst The National Cyber Security Centre reveals the most breachable passwords ... check that yours doesn't make the cut



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ROUNDUP

# Partner parcels



hecking the tidal motions of talent in a people-based industry is important, and a veritable wave of moves and promotions has occurred recently, with talented individuals, lawyer or not, recognised across both law firms and tech companies.

Along with six lawyers promoted to partner last month at Mishcon de Reya, the seventh partner was Joe Hancock, head of cyber, who is the fourth business services professional at the firm to be elevated to that level. Having acquired an alternative business structure licence in 2015, at which time COO Bambos Georgiou

was made a partner, in 2017 Mishcon also appointed business development director Elliot Moss and human resources director Vanessa Dewhurst to the partnership.

Hancock leads MDR Cyber, which provides cyber consultancy and intelligence services, and is a mentor for MDR LAB. a startup incubator.

Also breaking ground,

Addleshaw Goddard's head of innovation and legal technology Kerry Westland has become the first former paralegal in the firm's Transaction Services Team (TST) - profiled by Briefing in February 2019 – to become a partner. Westland, who was involved in the development of the TST, also shared her thoughts on what to expect of this legal technology year in April's issue.

Of course, many firms have been bringing people up to partner level in bumper promotion rounds recently. Over at Allen & Overy, Shruti Ajitsaria, who trained at the firm and has been leading the tech innovation hub Fuse since 2017, is one of 34 new partners at her firm.

Needless to say, the diversity of these recent promotions has also received some scrutiny. In 2018, A&O set itself a target of at least 30% of

candidates for partnership being female each year - and results certainly seem to be moving in the right direction. Of those 34 new global partners this year, eight are female, equating to 24%. This is up on last year, when only two of the 20 new partners were women.

Clyde & Co, however, has expressed some disappointment at the diversity of this year's promotions. Globally, only two of its 24 new 2019 equity partners are women – a significant drop from what partner Liz Jenkins said has been 28% "over the last five promotion rounds".

> Although not the first in recent months to do so - Macfarlanes critiqued the

> > made similar comments. Senior partner Simon Konsta said in its press release: "We will be analysing the reasons behind that and redoubling the initiatives we have in place to ensure we are

Meanwhile, the wider legal industry is also providing professionals with some hot prospects. Alex Smith, innovation manager at Reed Smith, has been plucked from that role to join **iManage** as global product management lead. Two years ago iManage acquired artificial intelligence platform RAVN, and in the press release Smith said: "This move is an exciting opportunity for me and will take me back into the depths of commercial product design, artificial intelligence and breaking down the traditional barriers in the legal ecosystem - all areas that I'm extremely passionate about."

Are we seeing a new front opening in that hard-fought war for talent? Either way, opportunities for those on the business side of law is certainly something for **Briefing** to cheer on.



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# JOY KINGSLEY



Joy Kingsley, senior partner and head of business development at Manchester-based JMW Solicitors, explains the rationale for London launching and the importance of showing an interest

#### How has your role at JMW evolved over the years?

I'm both senior partner and head of business development. In the early days I was building clients at JMW outside of personal injury and clinical negligence - there wasn't a big commercial client base. When I came to JMW we set up Lawshare, a referral scheme for lawyers. It introduces work to us and now includes 430 firms. I also helped to develop the website at JMW. I'm a non-executive director of I-COM, a search engine optimisation company, which grew alongside us at my former firm Pannone, so I have experience in that area. At JMW, we've now grown our website from producing £100,000 of work a year to £2.5m.

#### How has the firm achieved its recent success?

Our work in 2010 was largely personal injury and clinical negligence – since then we've grown on the commercial side and in high-net-worth private client and family work. It's been gradual growth. We're not arrogant – we do what we do well, so we have competitors only in relation to the types of work we do.

#### What were the drivers for the new London office? A Last year we took over the family team from DWF, who are now based in Manchester and a small Liverpool office, but that

department has a lot of London clients – as does our commercial litigation team – plus there are court hearings for Manchester-based clients there. Our national-based work took us to London, too – for example, we now act for a number of senior police officers, and meeting them in a hotel or barristers' chambers wasn't ideal. We chose to build a real presence – most of the work there will be originated by the London partners – but it'll be a facility for the Manchester partners too.

# What have the top priorities for investment been over the last two years?

We've invested a substantial amount in technology because we were slightly behind – we are incredibly secure now. We also recently invested over £1m in our case management system and £350,000 in office space for our property-law professionals – it was important to get residential, commercial and property finance in one place. Obviously, London is a considerable investment for us. But investing in people is also always key.

# What are your top strategies for retaining talented professionals?

A lt's important to recruit well, and we work hard on employee engagement. When I first came to JMW and interviewed applicants from other firms, they described a

menu of every benefit you could think of. Then I'd tell them about our benefits: holidays. We've gradually added the usual – private health, death-in-service, pensions - but we also offer travel insurance and travel-to-work loans, which everybody gets, from secretaries to partners. However, the most important thing in management is communication. If you ask for the opinions of those around you, you can't go far wrong. People perform at a higher level if they enjoy their environment - and if you're not that interested in the people you work with you probably won't get sustainable growth.

# What changes have you seen in law firm culture during your time in the profession?

I was at Pannone for 32 years we had jobs for life and you might become a partner at a much earlier stage. That's less common now. Millennials have been a big topic for the last two years, but I think you can over-generalise. They're more concerned with work-life balance and they'll move around if they're not happy. You get a few people, like me, who regard work as a hobby, but largely people don't. Some won't share your vision and may leave your firm - you just have to accept that. Law is a people business - keep your people, whether colleagues or clients, at the centre.

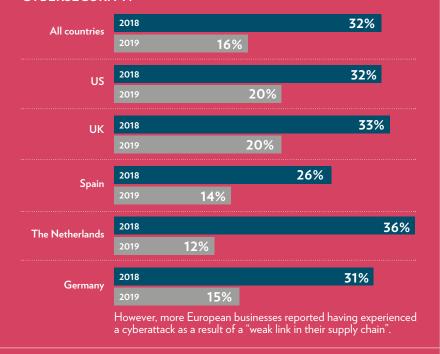
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# **Database**

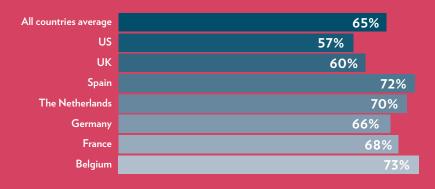
### Plans for attack?

The proportion of businesses that report they have "no defined role for cybersecurity" has halved in a year, according to a new cross-sector report. However, almost a fifth (19%) are outsourcing that 'role' to an external service provider and UK companies are less likely to have one than some of their closest European neighbours

#### HOW MANY BUSINESSES HAVE NO DEFINED ROLE FOR CYBERSECURITY?



#### HOW MANY BUSINESSES SAY THEY HAVE EXPERIENCED A CYBERATTACK RELATED TO A PROBLEM IN THEIR SUPPLY CHAIN?



#### **INSURE THING?**

41%

Of businesses say they have now taken out cyberinsurance

33%

Reported having taken this step in 2017

25%

Have no plans to purchase cyberinsurance

Source: Hiscox cyber readiness report 2019. Approx. 5,400 respondents involved in cybersecurity strategy across sectors, including professional services, completed an online survey in late 2018.





SPEAK UP

# Questions of identity



n today's rapidly changing work environment, it is becoming increasingly important to have leaders who can inspire, connect and engage a workforce operating in a complex and uncertain business environment. However, as physical boundaries within organisations steadily disappear, managers need to look for more durable attachment and engagement approaches. The ability to lead effectively today means the ability to connect with employees at a cognitive level that can transcend the physical premises of the workplace. Although general leadership principles support this key objective, little focus has been given to the value of leveraging the idea of 'identity' at work to inspire productivity and retention.

This brings us to identity leadership

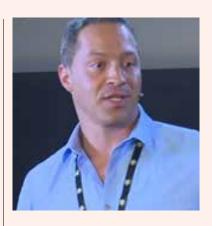
- which means what exactly? Identity
leadership seeks to help employees to
understand the 'why' behind their work,
as well as how that work fits into the
bigger picture, which can provide a more

Research shows that triggering and fostering strong social identities at work, like being a team member and belonging to a professional network, can help individual employees to understand who they are and motivate them to act in favour of organisational interests

meaningful experience and promote employee wellbeing. This kind of leadership is pivotal in connecting individual employees to a common goal and purpose, while at the same time allowing their individual identities to flourish.

A key point is that everyone has multiple identities. The different identities we show throughout the day perhaps, for example, being a parent, a team leader, an environmentalist and a religious believer - affect our thinking and behaviour in different ways. This is the same at work. Different work identities can have varying effects on work attitudes and behaviours. Being called a Barista instead of a coffee-maker can significantly affect how you behave at work and interact with customers, and even with whom you associate. And my research shows that triggering and fostering strong social identities at work, like being a team member and belonging to a professional network, can help individual employees to understand who they are and motivate them to act in favour of organisational interests.

Today's changing nature of work requires new leadership strategies to motivate and inspire people. Identity leadership is a skillset that can significantly improve leadership effectiveness in a modern workplace. It provides leaders with the behavioural and psychological skills to effectively connect, engage and inspire followers working with shorter time horizons, flexible work contracts and in virtual environments. And not only does identity leadership promote behaviours that benefit the welfare of an organisation, it also creates a more resilient workforce, able to deal more effectively with change owing to enhanced wellbeing, a sense of purpose and common direction.



Dr Ali Fenwick Behavioural scientist Nyenrode Business University

@pldcoach

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# AI, or CDCT?



Patrick Hurley
Vice president, customer advocacy
Thomson Reuters Elite

®TPatrickHurley

've written about buzzwords and catchphrases before – their cyclical nature; their tendency to digress quickly into meaningless, marketing vacuity; their lemming-like appeal followed rapidly by their Betamax downfall. Please, for the love of all things holy, if I never read the words agile or innovative again I would die a happy (slightly sanctimonious) man.

For the past year or so, I haven't been able to read a press release, open an industry mag or attend a conference, without being assaulted with a phrase I swear I first heard uttered by Richard Nixon (yes, I'm that old): artificial intelligence.

So, what does my annoying (but then, it has kept me employed) 'actual' intelligence do about this? I stew. I complain. I analyse. I critique. I look down my too-small nose at the ridiculousness of the hoi polloi. Yeah ... I annoy myself as well.

Part of me sees AI as an oxymoron. True intelligence can't be faked. I mean, just look at me trying to sound intelligent in this column. You, my discerning reader, already sussed out the limits of that intelligence halfway through the first paragraph, am I right? Intelligence either 'is' or 'is not'.

Think of other artificial things. Artificial hair is a wig. Artificial grass is AstroTurf. Artificial intelligence is ... I don't know ... Celebrity Big Brother?

What are people really trying to say when they use the phrase artificial intelligence in relation to legal technology? Well here it is, my big reveal: I posit that all artificial intelligence really means is Computer Does Cool Thing (CDCT). There's a hashtag for it, I'm sure ... because I just started one.

My own employer, Thomson Reuters, revolutionised legal research with some #CDCT technology back in the last century, and it has just done so again with our new Panoramic solution, which is truly, sincerely and authentically intelligent – nothing artificial about it. It's got #CDCT stuff all over the place. Overused phrases like "gamechanging" and "the end of startups" are being used.

If you think about it (that is, use that actual intelligence), a computer is really what we're talking about. A thing that computes. I compute. My iPad computes. My dog, Rasta, who has been dead a long time, but I swear was really, really smart, computed. She may not have had any #CDCT, but the basic point is: we all compute.

So, I dare you to impress me with your newfangled AI tool. I got me some #CDCT. Lots and lots of it. I've got Panoramic.

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#### Hitting the hype notes?

Is AI as revolutionary as the PR suggests? Jem Sandhu questions the reality of how firms are using it

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#### Game of less

Richard Brent gets an update from the R&D team at **Kennedys** on its innovation toolkit and using lawyers less

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THE BIG IDEA

# Hitting the hype notes?

It's been three years since our last Al-focused cover feature. In that time, various technologies have made their way through Gartner's Al hype cycle. Jem Sandhu asks law firms how they are really using Al technology, and hears about their data headache and emerging liability issues

egal AI, as a term, suffers from semantic satiation: the more we hear it, the less meaning it seems to have. This could be because of over-inclusion (all legal tech seems to be AI), and also the constant hype – a hype that comes from legal AI's association with generalised AI (such as self-driving cars) which seems to handle tasks with human-like intellect.

We're not immune to the excitement. As recently as 2018, **Briefing** cited Gartner's claim that smart machines could replace professionals by 2020. Well, of course they could; but they clearly won't. Legal AI in mid-2019 is a bit more prosaic. It's 'weak' AI – narrowly defined innovations based (mostly) on machine learning or natural language processing – both at the peak of inflated expectations on Gartner's 'AI hype' cycle. John Fernandez, global head of innovation at Dentons, sums up the reality of AI for his firm: "it doesn't replace the work, it just augments it."

#### The rise of the machines

That said, the hype around machine learning, which only last year emerged from under the AI umbrella as a separate innovation, might be warranted. The timesavings can be impressive.

Harvey Lewis is associate partner at EY. His job is to help the tax and law professionals at the firm navigate the use of AI and machine learning. At EY, artificial intelligence is used for both internal efficiency, and to engage with clients. In particular,

tax accountancy involves classifying transactions in order to determine tax treatment. "It identifies patterns in corporate transactions - how they are described on the ERP [finance software] – and applies them to new data to make predictions", says Lewis, describing how the tool works. "The client looks at 10,000 transactions, which normally takes two weeks. We do it in less than a minute".

This ability to just trawl and trawl with superhuman focus, makes machine learning ideal for due diligence work. Indeed, due diligence is one of the top uses of AI in 2019 according to the **Briefing** Legal IT landscapes report. Dentons ran stringent pilots to see how machine learning could help. "The tool effectively expedited the collection and identification of the documents and key terms", savs Fernandez, "we validated the hours saved relating to the diligence. There was more efficiency and accuracy". Similarly, when Slaughter and May piloted Luminance, a review tool which learns from interactions between lawyers and documents, for due diligence, the firm's benchmarking exercises showed increases in accuracy, and "startling" timesavings, says Alex Woods, head of the firm's knowledge management function.

Woods is particularly enthused by how, once its algorithm had matured, fee earners could use the tool to check clients' regulatory compliance: "It can look for particular provisions - such as GDPR compliance - over a huge corpus of documents." In keeping with machine learning's current standing



as a "transformational" innovation, there's no shortage of alternative, client-focused, use cases. "For example, we looked across our knowledge at the last 150 share purchase agreements we negotiated. So, client advice is informed by a trend analysis of key provisions", says Woods.

#### Leverage your data

In the old days, files relating to closed cases could be found in cardboard boxes somewhere in the law firm's basement. Digitisation has resulted in reduced storage costs and efficiency. Both good things, but hardly revolutionary.

Three years ago, **Briefing** anticipated that content-heavy internal systems would soon start harnessing AI to leverage their data. Slaughter and May's recent machine-learning pilot – extracting data from historic time entries – is a success story on how such AI tools can move beyond efficiency, towards profitability. "We're planning to extend it to different work classifications," says Woods. "We want to unearth more data to inform broader business decisions". Risk management is another area which could benefit. "We're exploring how it can be applied to prompt incorrect time entries," says Woods.

Machine learning's ability to extract value from filed-then-forgotten information is not lost on

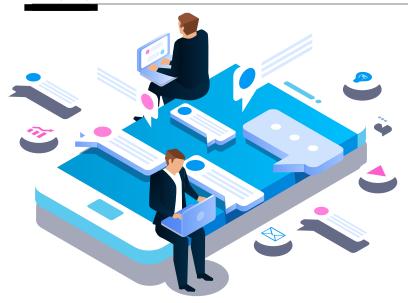
Linklaters. "We use RAVN to automatically ingest and categorise documents from our eBible", says Partha Mudgil, COO of Linklaters' in-house AI platform Nakhoda, referring to the firm's collection of finalised matter documents. But the firm's plans to make the eBible data available to applications such as pricing tools is what will truly unlock the value in the data; to this end they will use AI-based solutions to automatically extract clauses and certain metadata.

#### Chatbots

Chatbots, although not yet fully conversational due to the limits of natural language processing, also have a variety of uses. EY uses them in business services to fill out routine forms, and to retrieve information. "For example, questions about tax, or about generating tax codes," says Lewis. Goldie, its HR chatbot, easily answers questions about everything from performance management through to learning. Lewis finds that clients also increasingly want both routine form filling, and the ability to efficiently answer questions that their tax, finance, and HR functions receive most frequently: "That is where chatbots have a good niche. The same 20% of questions get asked 80% of the time."

#### Artificial or real success?

To say that legal AI is no different from any other law tech when it comes to implementation is to



underestimate the evangelistic nature of the hype around artificial intelligence – that it is infallible; that it will replace human judgement. The hype will only accelerate, resulting in organisations not preparing themselves for the reality of these solutions, says Lewis. He admits to getting riled up about the perception of perfection, given the huge benefits of AI: "If you think about it as being imperfect, the way that you would change organisations and build up talent is different." One example he points out is that "they might underestimate the amount of oversight that the AI solution needs."

It can help to ignore outlandish promises and define a narrow solution at the outset. Using AI for a specific purpose "is an easier proposition for a rollout because it's more like a point solution", advises Woods. Slaughter and May goes further than just assessing the use case and setting the strategy. "We look at practice delivery and what this means for the firm and its clients. We're explicit about what it can't do yet – to avoid the pit of disillusionment," says Woods. Linklaters has a machine learning team. "They focus on specific use cases, and advise practices on which tools to use based on the task and its complexity," says Mudgil.

#### Training the algorithm

Hype can inflate expectations. "This magical box doing the work must be right every time", says Lewis. The reality is that the algorithm doesn't just work straight away – it must be trained correctly. When Woods' team implemented its AI for fee earners, they had to first train the algorithm on legal concepts. It didn't take long since the tool works on the basis of both supervised and unsupervised learning. "The algorithm learns on its own using probability theory, pattern

recognition, and anomaly detection to identify relationships. Supervised learning involves lawyers labelling concepts and teaching Luminance." It was this blend of learning that helped the algorithm to mature so quickly, helping build trust in the tool and drive adoption.

Fernandez points out that time taken to train algorithms can vary, especially at the beginning. "At this stage in AI adoption, creating and validating the algorithm takes longer than you expect. As we get more experienced in this area, the front-end time investment might come down".

#### **Bad data**

Data sources with incomplete or incorrect information will cause AI errors. This points to a potentially intractable problem facing legal machine learning tools - the data. "The press portrays a perfect picture of data and AI", says Lewis, "but in business, the data is not so well behaved. Often, we spend time cleaning it up and enriching it before applying an AI solution".

How much does the legal community's expectations for legal AI come from eyeing products around the house? Alexa, for example. Legal AI has not met its promise, and it could be, in Mudgil's view, because of the underlying data. He points out that the biggest strides in general AI involve learning from, for example, searches, where each data point is recorded rigorously. According to Mudgil, law firm and client data has one main issue: "The linguistic data is held in Word and pdf, not in the form needed to be able to deploy AI and machine learning".

To make legal data similarly predictable for AI technology, right from the moment it is created, led to Mudgil creating Nakhoda. With Nakhoda's 'ISDA Create' product, for example, all parties create the contract in the same digital environment – templated from the firm's clause bank. The data is structured at point of creation. There is no need for an extraction technology since the data is already in a machine-readable format.

Fernandez sees another data-related challenge where AI is used for internal business practices in large firms with different systems throughout the organisation: "You have to create effective data links to extract data from multiple sources, harmonise it, make sure of a taxonomy, and

"Before you can talk about technology, you have to have a meaningful conversation around 'What problem are we solving?' The right solution could be anything from just changing the workflow to actually using advanced technology"

John Fernandez, global head of innovation, Dentons

aggregate". Recent years have seen the launch of tools such as iManage RAVN Insight to locate, analyse and identify information across different systems, which Linklaters uses in business services.

#### Behavioural change

General excitement around AI does not necessarily translate into behavioural change. "AI is not unique in terms of having to deal with change management, and driving a different mindset", says Fernandez. Genuine buy-in involves "painting a picture of how these technologies can make it easier to do your work, and improve the quality of that work." Dorothea Baur, a consultant on business, technology and ethics, sees that there are opportunities when AI automates non-productive work "particularly in research and due diligence – creating more time for 'meaningful work' such as advising clients or negotiating deals".

However, lack of skills might be an issue. The classification of transactions is unlikely to be 100% accurate, says Lewis. "With AI, if it goes wrong, we don't always know where it went wrong. The tax professional still needs to have the skills to spot the inaccuracies". The most significant skills-related deficit, in his view, is spotting tech-related issues: "When the tax professional reviews the output, they need to know how the technology works in order to use it. So, you need both tax and tech knowledge in the same person". Baur points out how, given the limits of algorithms and prediction, "using AI requires a significant amount of knowledge about data science".

The solution, for now, seems to be broad

training around technology, such as Slaughter and May's recent digital literacy training pilot, alongside training on specific applications. "Our training on substantive law incorporates the use of the relevant tools", says Woods.

Fernandez also highlights the role of emotional intelligence. "The traditional counselling and engagement skills that help lawyers be really good lawyers, machines can't provide. The machines together with our talent will give us the best offering for our clients." He also thinks that even just raising fluency around evolving AI technologies and innovation is a huge step towards adoption. "Before you can talk about technology, you have to have a meaningful conversation around 'what problem are we solving?' The right solution could be anything from just changing the workflow, to using advanced technology. You need to have fluency enough to have a meaningful conversation with a client about what their needs are, and what problem we can work on together".

#### Moral crumple zones

Legal AI, in spite of its many rewards, might also present risk. In the realm of self-driving cars, the idea of 'moral crumple zones' is gaining traction – that if the car is involved in an accident, humans, rather than machines, will be blamed.

It's not yet clear how moral crumple zones can be applied to legal AI. However, concern around liability arising from AI-driven products in general is such that law firm Paul Hastings recently formed an AI practice proup to help mitigate such liability. Fernandez does see the liability issue as "front and centre". "In many of our innovation frameworks, risk is part of the discussion. We want a large enough sample to look at the accuracy of the tools to ensure that we are comfortable with it from a risk perspective". Baur, from an ethical and practical standpoint, advises against law firms delegating their responsibility completely to AI: "Firms must preserve the resources necessary for critical thinking."

So, it certainly doesn't look as if AI can replace lawyers anytime soon. However, its benefits – from efficiency through to making use of archived data – are clear. The tricks are to ignore the hype, clean your data, and be prepared to invest time in training both the algorithm and your people.



Richard Brent meets the R&D team at Kennedys to talk client-facing innovation, its internationalisation, and the rationalisation for an increasingly lawyer-less future

n this year's **Briefing** Legal IT landscapes research, we asked a new question of readers – whether their firms' innovation investment was focused more on internal process improvement and efficiency, or creating "client-facing products and services". Setting to one side the fifth of firms that reported they have "no dedicated innovation investment" at all, responses were almost eerily split – 37% per camp.

However, firms that sensed their clients primarily bought them for the quality of their 'outcomes' (over and above – although not mutually exclusive – the quality of their lawyers) were more than twice as likely to come down on the side of client-facing innovation. With its widely published motto, almost a battle cry, of "use lawyers less", one such firm is surely Kennedys.

Richard West, a partner and head of innovation for the firm's R&D team (a subset of the innovation function), says: "The sole mandate for both this

team, and the development team we have integrated in India, is to create products that will either help clients to make or save money, or help them to use all lawyers less. That is a point of differentiation from other firms, and it's certainly our core principle.

"We have another team for the inward-facing activity – that's called our IT team," he laughs.

#### Making KLAiM

In 2017, the firm hired its first head of research and development, Karim Derrick. Arriving from a technology/startup rather than a legal background, his remit is to build on that principle across the firm – and today already has a suite of different products under its belt that fit the 'less lawyer' brief, known as the 'innovation toolkit'.

The first of these – an online litigation system (or 'virtual defence lawyer') called KLAiM – has been at the firm for a fair while longer than Derrick. It was West, and other partners such as

FROM LEFT TO RIGHT: Richard West, partner and head of innovation; Karim Derrick, head of research and development; lan Davies, partner and head of motor; Jennifer Harris, office managing partner; Tom Gummer, innovation manager; R&D team, Kennedys

FIRM FACTS

Kennedys

Offices: 57 (excluding associations) Countries: 22 Revenue: £196m Headcount: 2015

Ratio, total fee earners to business services staff: Approx 3:1

Jennifer Harris, managing partner of the Chelmsford office, who first recognised the client need for some litigation DIY. Indeed, the KLAiM claim is that its templates and guidance can take a client through to settlement without seeing a single lawyer 80% of the time. It can also auto-populate and push out necessary court documentation. And in January 2019, it was announced that its latest incarnation, KLAiM 4, entailed a set of modifications that meant it was ready to be rolled out for legal processes across Kennedys' offices globally.

Derrick says: "A large part of my role is to extract the value from a product that has proved itself well in one context and apply that to other client situations. We've developed a rigorous process of prototyping, testing – typically in partnership with clients – and then generalising so that products can be configured for as many new contexts as possible."

There's certainly been plenty of opportunity for that, as a simultaneous strand of the Kennedys strategy in recent years has been to steadily expand its international presence. But West explains there has also been a journey to build buy-in for the fundamental principle. "I needed to persuade the board that the idea was something we could and should scale. Initially some saw it as good, but more as an attractive piece of sales kit – a useful door-opener." They weren't all that convinced it could amount to more. It was after Derrick's arrival, he says, that the "hearts and minds discussion shifted gear" to get to this point. "Now senior partners are persuaded it's key in redefining how our clients seek to instruct our lawyers."

#### Changing the conversations

Harris says this is also true of the other items in the innovation toolkit (all developed from scratch in-house), several of which came out of a "challenge" West set for his other partners. Just how else could clients be empowered to become more self-sufficient and less reliant on lawyers?

She explains: "The top goal for our clients really is to reduce litigation as much as they can. There's still 'good litigation', but they want to stop the constant flow, to identify avoidable litigation. Our competitors will have practices such as all manner of different fee arrangements, but we see this as an

"We've worked on translating legal language into the development team's dialect, and vice versa."

Jennifer Harris, managing partner, Chelmsford office, Kennedys

extra step. In certain situations, there's no need to instruct lawyers – we want our clients to instruct us only when they really need to."

On the other hand, it does demand that lawyers and the developers of their 'replacements' work that bit harder in collaboration. For example, Ian Davies, partner and head of motor at the firm, has worked with Derrick and his team to create a new tool that sits alongside KLAiM in the kit for the UK market – Kollect. This allows insurers to pursue recoveries of their losses direct from third parties, once again without asking a lawyer to assist.

Davies says: "Meanwhile, all the products need modifying as the rules change, and we also update them with input from clients." And in the best cases, this unlocks new possibilities, which might become future products. "It starts more collaborative conversations," he says. "Clients may look to us to be part of their own innovation. What are we thinking now? Where are we going next? Could they partner with us to get there? That's a fantastic place for the firm to be – and hopefully for them as well."

Harris adds: "It's especially important to have the right level of lawyer involvement at the outset of a tool's development. In fact, we've worked on translating legal language into the development team's dialect, and vice versa."

West points out there's certainly no shortage of work for lawyers to do in a 'less lawyer' world of client self-service. "We have two exclusive three-year contracts where we now have half as many instructions as was once the case. However, we benefit from a longer-term relationship and increased market share."

Derrick adds that the R&D process is also identifying new legal needs within existing clients. "We're able to understand more about their overall business, perhaps including areas that haven't traditionally had access to a legal service."

"There was already an innovation culture, but you can't take that for granted – you have to keep it alive."

Tom Gummer, innovation manager, Kennedys

Of course, as well as taking on complete tasks, another area of value is the trend data tools like these might surface for those resetting strategy. For example, one of the toolkit's products focuses on fraud management, and like KLAiM, this is also spinning out additional legal uses. Derrick explains: "We've applied machine intelligence to identify types of fraudulent crime, and then also moved to ingest data from the Ministry of Justice and provide clients' operational data. And at each stage of the evolution, you're augmenting the data with the expertise."

#### Get the ideas

As is often said, replacing lawyers with automation or 'AI' isn't the same as displacing them. Davies puts this into context. "In the motor sector certainly, people are now seeing test litigation relatively early in their careers – that wouldn't have happened before. Lawyers had to gradually earn their stripes on certain claims, but they can now progress faster."

International expansion, meanwhile, is leading to new types of global contracts that need resourcing, and even the R&D journey itself is creating new career paths, says West.

A case in point is our final team player this time – innovation manager Tom Gummer. A qualified lawyer, he also ran his own contract automation startup for a time. Now he and his family are about to relocate to Mexico City as Kennedys R&D gets its teeth into North and Latin America markets.

Gummer still practises, as it happens – for the R&D team's own commercial legal needs. But he also product manages some of the tech that emerges, as well as managing the Ideas Lab programme used to harvest seeds of viable prospects for the innovation toolkit in future.

He and Derrick pitched the board that they should develop a method of building "a pipeline of potential products, which would also serve to keep



fresh ideas coming", he says.

"There was already an innovation culture, but you can't take that for granted – you have to keep it alive. We mapped out a process that would effectively empower everyone, including lawyers – who are closest to the client need – with the incentive that their ideas could be funded for prototype, testing and development." Ideas are welcomed, and indeed have arrived, from offices worldwide – and those behind the chosen ones get ownership of that product's onward journey.

For around three months, an online platform crowdsources the firm and allows for others to comment and rate submissions. Karim and Gummer also work with individuals to "tease ideas out of heads and into design", he says, and in some cases 'team' people with similar or complementary ideas together.

In July 2018, six out of over 100 proposals pitched were then selected for prototyping and pilot using the firm's development team in India, and R&D will now consider whether they can be turned into fully-fledged offerings. A second round of the whole process is set to begin this summer, supported by a global roadshow, webinars and comms that naturally emphasise the career-changing potential.

The pitch process itself is also clearly an internal-engagement exercise, as it culminates in a celebratory global gathering, complete with awards-style dinner. The firm's new-found innovators are flown in from around the world.

However, AI hype need not apply. The ultimate selection criteria are carefully drawn up and rigorously applied – and the top one at least looks unlikely to change. Yep, you guessed it: "Will it help our clients to use lawyers less?"



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#### Support in mind

Caroline Bowes at **Dechert** discusses how the firm has worked on mental health, which is good for both employees and the business



NANDS ON

# Support in mind

Caroline Bowes, director of human resources, EMEA, at global law firm Dechert, explains how the firm has set about promoting good mental health in the workplace



government report recently found that there are more people in work with a

mental health condition than ever before, and that those individuals are struggling emotionally. No less than one in three people in the UK workforce has been formally diagnosed with a mental health condition at some stage,

according to the mental health at work 2018 summary report from Business in the Community. The topic of mental health has become more prominent in recent years, from the government launch of a series of mental health reforms in early 2017 to the Heads Together campaign led by the Duke and Duchess of Cambridge and Prince Harry to change the national conversation and tackle

the stigma surrounding the issue.

As more businesses come to understand the prevalence of the problem, forward-thinking firms are introducing important initiatives to encourage a supportive and healthy work environment. As well as making good business sense - for example, a 2017 independent review of mental health by Lord Dennis Stevenson and Paul Farmer for the government estimates that mental health costs UK employers between £33bn and £42bn a year - this is also the right thing to do.

Dechert's people strategy is focused on having a committed, global team to deliver the excellence in service and innovative thinking our clients expect. We recognise that the best ideas come from an environment where everyone's voice is respected and where good mental health is valued and supported. Actively promoting good mental health practices is key to realising the firm's vision of a supportive and inclusive wellbeing culture. The aim is to destigmatise and normalise open discussion of mental health issues in the workplace and support employees with their concerns by educating them and offering resources.

#### Daily practice

In 2018, the firm launched a suite of mental health initiatives to support all of our people. Developed and implemented by the firm's Talent Team, these were launched during Mental

Actively promoting good mental health practices is key to realising the firm's vision of a supportive and inclusive wellbeing culture. The aim is to destigmatise and normalise open discussion of mental health issues in the workplace and support employees with their concerns

Health Awareness Week in London, and a different focus and initiative related to wellbeing was highlighted to employees each day. For example, the first day promoted 'Meditation Mondays', Dechert's ongoing weekly programme of guided meditation exercises aimed at reducing stress and improving concentration. Another, 'Workout Wednesday', communicated the benefits of physical activity for maintaining good mental health, and 'Let's Talk Thursday' explored the role of dialogue in combating social stigma. To underline the importance of taking a break, one of the activities included a group walk along the Thames. The firm also screened a webinar over a lunchtime, covering nutritional ideas for good mental health.

#### **Creating champions**

During Mental Health Awareness Week 2018, the firm also took the opportunity to launch an important new initiative – its mental health champions and mental health first aider programme in the London office. A group of employees completed accredited mental health training with the St John Ambulance Service, covering stress and stress management, stigma, spotting signs of distress, starting a supportive conversation, recovery and much more.

These employees are now trained to provide support to colleagues who may be struggling with mental health issues.

Our mental health champions are volunteers who now have a role as trusted confidants for employees to reach out to for support, with serious issues picked up by the Talent Team or other internal and external resources, again in line with guidance from St John's Ambulance. Complementing this, the firm has an employee assistance programme, including a support phone line, face-toface professional counselling sessions and an online platform for cognitive behavioural therapy, as well as professional counsellors provided for through private medical insurance, all on a confidential basis.

However, the firm's mental health champions contribute more than just support for their colleagues in times of need. This group has a unique perspective and meets quarterly with the talent team to discuss other initiatives and policies we could

introduce to maintain a healthy and supportive workplace.

#### Building a thriving wellbeing culture

Addressing mental health is best done as part of a holistic approach to employee wellbeing. Dechert has recently launched THRIVE@Dechert: a six-point programme to raise awareness and facilitate a reduction in mental health distress and improve overall wellbeing. This is a wellness framework (which aligns with the American Bar Association's campaign pledge), around which we provide education and develop policies that support our values and culture. The six-point programme focuses on:

- Character strengths impacts on self and others
- Direction having a sense of purpose and meaning in life
- Social connectedness
- close, meaningful and supportive relationships
- Physical health nutrition, physical activity and rest to maintain physical health
- Emotional health balance in all areas of your life, and control of emotions and behaviour
- Financial security having sufficient resources to pursue your life goals.

#### Environment and inclusion

As well as providing employees with such additional wellbeing programmes, resources and support, firms are paying increasing attention to their

broader cultures and infrastructures to ensure that these properly support both physical and mental health.

Dechert, for example, offers healthy in-house cafe menus, complimentary fresh fruit every day, and an office environment that includes comfortable sofas, ample breakout areas and plenty of open space and light to encourage movement and collaboration. And the firm's social and sporting calendar encourages people to connect in many ways, including a choir, theatre club, softball, sailing, netball, guided meditation and yoga.

The firm's overall approach to wellbeing is also founded on inclusion; its personal commitments and guiding principles set expectations that everyone at Dechert will act with integrity, treat others with respect, take responsibility and build an inclusive firm.

At the core of the firm's culture is a belief that employees are entrusted and empowered to do their best

Firms are paying increasing attention to their broader cultures and infrastructures to ensure that these properly support both physical and mental health

#### THE DEBRIEF

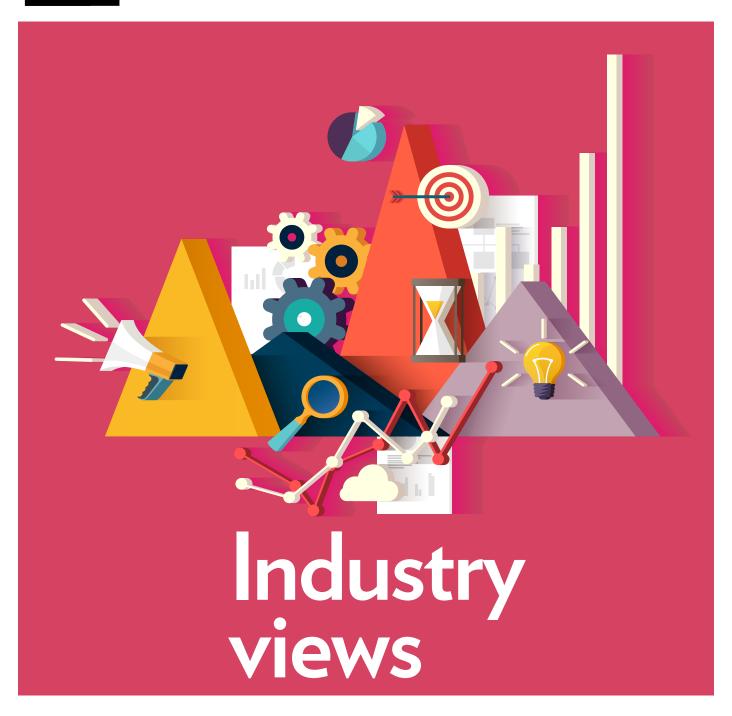


As an increasing proportion of the UK workforce is being formally diagnosed with a mental health condition, both the government and progressive businesses are attempting to address the issue. It's both good business sense, as valued people bring forth the best ideas, and the right thing to do for staff

Dechert's Talent Team launched a suite of initiatives during Mental Health Awareness Week and provided mental health first aider training from the St John Ambulance Service. Mental health champions – voluntary, trusted confidents for employees to reach out to – also meet quarterly to discuss healthy workplace policies.

Although a formal six-point awareness programme has also been implemented, a holistic approach to workplace wellbeing is crucial. Providing a healthy office environment and an active social calendar, as well as entrusting and empowering employees to do their best and bring their 'whole selves' to work, must be core values.

and that they should be able to bring their 'whole selves' to work without fear of discrimination. This is as true in the area of mental health as in every other aspect of diversity. Indeed, when launching our mental health initiatives, the firm engaged employee representative groups such as its Global Women's Initiative and LGBT Allies Programme to ensure they would be well integrated and truly represent the firm's full population. We're building a community within the workplace where everyone's voice is respected and valued.



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INDUSTRY INTERVIEW

# Eyeing digital transformation

Law firms can't welcome a world of greater efficiency through digital transformation and artificial intelligence until they can be confident their underlying information is accurate, says Introhive vice president and general manager of EMEA, Faisal Abbasi

s we approach 2020, artificial intelligence (AI) is rarely out of the Α headlines for long - from regular predictions of the human-based employment that may be lost to more efficient and reliable machines, to getting regulationready for 'roads' filled with lines of drones and driverless vehicles.

In the legal profession, meanwhile, law firms are busy testing multiple AI use cases - document classification and clause extraction, onboarding new business with a sharper eve on risk, internal knowledge management initiatives, network-wide relationship mapping and building up external business intelligence.

But whatever your definition of 'true AI', the outcomes can only be as good as the data these systems are trained on in the first place.

Introhive vice president and general manager of EMEA, Faisal Abbasi, says: "You can't 'do AI' if you don't have the data ready to feed it. And, as it stands, the fact is that many organisations may miss out on the next stage of the AI revolution we're seeing as a result."

In practice, that will mean efficiencies lost at a time when the base of competition is both broadening and reaping the benefits of this potentially game-changing technology across practice areas or business functions.

He continues: "If you're not taking advantage of

the emerging technologies that competitors are adopting to build more process-driven businesses, you're at an immediate disadvantage as your own relative costs will only increase. The potential is such that this will be the equivalent of many, many employees working to produce results that it could take several months to process manually."

However, without data that's solidly reflective of your organisation today - producing accurate and meaningful insights into the progress of matters and practices - that AI-augmented workforce won't deliver in any case. It could even introduce new risk rather than reduce it.

Unfortunately, such unprepared businesses could still be in the majority. In 2015, a global survey of managers by MIT Sloan Management Review and Deloitte, for example, found that 87% of organisations believed that new technologies were poised to disrupt their sectors. However, only half of these (44%) felt adequately prepared for that effect.

#### Machine or human?

The good news, says Abbasi, is that even now firms can get their houses in order for AI to get to work for them in the near future.

Take the area of information in which Introhive itself specialises – contact and client relationship management and data automation.

"With a platform like Introhive, in under six



weeks, you could have your sales and marketing contact data cleaned out and fully functional as a base for better business decisions," he says.

"The problem is that nobody really wants to admit that they have a data problem – that their CRM system contains inaccurate or out-of-date contact data. It's a difficult challenge to face. But it's a very widespread situation."

It's perhaps a little ironic that the CRM workload itself would do much better given to a more disciplined, rules-based machine. "The organisation's salespeople or business development specialists simply aren't configured for the work of entering data into a system," explains Abbasi. "They want to be doing the work that ultimately wins the firm future business:

"The problem is that nobody really wants to admit that they have a data problem – that their CRM system contains inaccurate or out-of-date contact data. It's a difficult challenge to face. But it's a very widespread situation."

"By automating the capture of client information, you can quickly build a fuller picture of what's happening across the business – length of sales cycles, different teams' performance, and so on – and use that to improve predictions about the future."

meeting people, positioning benefits, and discussing lots of detail."

"Then they're expected to spend hours documenting those meetings and interactions, and planning their day through a system. Some may occasionally take the time to manage contact data, but the reality is it won't happen regularly because it isn't something that comes to that particular talent pool naturally. So, the whole organisation's data rapidly goes stale. It needs a form of automation."

For example, Introhive automatically pulls, stores, and surfaces details of prospects and relationships from calendar entries, email communications and even telephone and VoIP call records.

Clearly, this isn't just about laying the groundwork for further digital transformation through the introduction of AI. There are also more immediate benefits.

"By automating the capture of client information, you can quickly build a fuller picture of what's happening across the business – length of sales cycles, different teams' performance, and so on – and use that to improve predictions about the future," Abbasi continues.

All of which, of course, informs what's required next within that wider business transformation strategy.

#### Workshop in progress

Introhive runs a focused workshop to help firms pinpoint their present state on the potential transformation journey to meet the disrupters in the middle. How healthy do their data repositories and processes look today? What actions could they prioritise tomorrow to get to where they need to



be in six months' time? People in different roles and responsibilities across the firms – strategic and operational, sales and marketing – all have the opportunity to put their heads together as one team to decide their next steps.

Abbasi says: "A detailed questionnaire reveals the present state, and from there prospective customers can create a plan of action." The law firm is helped to plot itself in terms of transformation maturity, mapping what can be encountered and expected at each stage.

"Rather than suggest one specific course or timeframe for action, we guide them through their choices collaboratively, providing the space to address and answer questions. After that, they can instruct consultants if and when appropriate."

In short, a firm can use the process to:

- Assess their present location within the transformation journey
- Create short and longer-term goals and plans to progress
- Make some decisions about the transformation project investments that will be most impactful. It's partly designed to avoid the classic

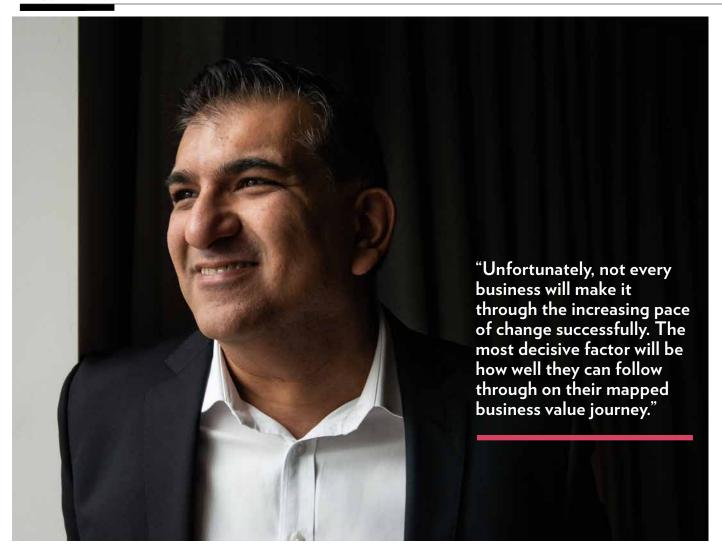
'waterfall' approach to a transformation project, which Abbasi suggests "often sees customers, five years down the line, with a failed delivery or little business value gained."

The workshop also includes a system of benchmarking relative strengths against those of



#### Digital Transformation

Most digital leaders don't know how they compare with their competitors or how far they have to go. Introhive helps benchmark cultural, organisational, technological, and insights capabilities.



the competition – namely, the capabilities of a firm's embedded technology itself, the organisation's strategy, the level of current insight they have achieved, and (last but not least) its culture. Introhive identifies gaps from the norm, alongside some possibilities for closing them (see illustration, p26).

Abbasi explains: "At the end of the process, the emphasis really moves away from technological change to the necessary change programme for driving a fundamental rethink of the corporate and cultural model of the organisation, for which digital technology is just the catalyst.

"Unfortunately, not every business will make it through the increasing pace of change successfully. The most decisive factor will be how well they can follow through on their mapped business value journey, which requires adapting to change. That's not technology change, but the organisational and cultural change that should be triggered by technology."

#### **Decision timing**

The workshop may provide a short, sharp shock, but the time for procrastination is past. It's now

time for law firms to choose an approach, he says, because the clients considering buying their services have never had so much choice.

Corporates could even build AI capability for themselves – or perhaps choose a non-traditional, possibly global, provider that may now specialise in areas of the law and data analytics combined at a fraction of the price.

"Without the right offer and relationships in place, firms risk losing hard-won and loyal clients to providers that are able to charge significantly less for essentially the same thing. However, they can still compete through investing in building more meaningful relationships and making more meaningful decisions."

But that requires the information to be reliably in place, and ready for the exact moment it's needed. "For example, what happens when a critical individual within a relationship leaves? Who picks it up and continues tomorrow morning?"

And once it's fit for the purpose, that data can also get to work with artificial intelligence, so the digital revolution doesn't pass firms right by before they know it.

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INDUSTRY CASE STUDY

# Insights and soundings

Peter Dombkins and Andrew Babbage at Gilbert + Tobin describe how they created a more powerful business intelligence proposition using the 3E Data Insights solution from Thomson Reuters, supported by Pinnacle

aw firm Gilbert + Tobin has established a reputation for innovative delivery of legal services. In 2018, for example, after a search of the legal technology market, it developed its very own tool to automate the verification process for an initial public offering (IPO) – a process that has remained largely unchanged for two decades.

More recently, the firm has been refining its data strategy and visualisation capability – in a bid to help make all manner of internal processes and practices more predictably efficient. Head of legal project management, Peter Dombkins, explains: "As law firms' data is very unstructured, they've long contended with being data-rich but information-poor." As financial data is more structured than other areas, that's where he decided to begin.

#### By the BI

A business-intelligence solution was therefore a must – and something the firm already had in place, in fact. However, having that product alone was no longer fit for purpose.

Dombkins continues: "To get the value from BI, you do rely on lawyers and those that support them using the system correctly in the first place. Our existing product was actually very good at cleaning the data, but it suffered in terms of uptake. There were only a few 'power users' in place, while the average partner found the quantity of information they could access quite overwhelming. We decided we needed to invest in something lighter-touch and

more precise."

His choice was the new 3E Data Insights tool from Thomson Reuters Elite, incorporating Microsoft Power BI – something that is nevertheless now the default BI solution for Elite clients, whether on the 3E or Enterprise system. Dombkins had been exploring the potential of Power BI himself just a couple of years earlier, he says, and had already built up a proof-of-concept cube. When Elite made its move, it made sense to see whether that might meet his needs, as well as taking on the "tricky" maintenance involved.

#### About the experience

Dombkins is frank that this wasn't without risk, even coming from such an established player. Data Insights had only been launched in October 2017. "If the situation had been different, and we desperately needed a BI capability we didn't have, the risk of choosing a new, relatively untested market offering would have been greater."

From Gilbert + Tobin's perspective at least, the basic product also needed some adapting to its requirements, and the Thomson Reuters team's 'agile' methodology – openly welcoming client involvement – was easily able to service this.

Fortunately, the firm also had consultancy firm Pinnacle onboard to help navigate how the tool taken out of the box might be adapted. Gilbert + Tobin is one of several firms globally that took part in the early adopter programme for the solution, assessing it outside the development and test

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For more information, visit: www.pinnacle-oa.com

environment. When Pinnacle found an additional requirement, they would judge whether it was a custom one or best incorporated in the standard solution.

"One obstacle we noticed quite quickly was a lack of point-in-time reporting," says

Dombkins. His team wanted the ability to drill into the cube for what was happening "last week, or last month" to identify process improvements.

Another was the security model. "We needed something that would enable two people to see the same revenue total, for example, but still respect confidentiality in other areas." As things stood, if two practice heads were to collaborate on leading a practice group, but had a Chinese Wall between them, they'd arrive at different numbers.

"We came up with a vision of our own alternative, which Pinnacle then built with Thomson Reuters and installed. In the best of agile traditions, much of the project has also been an iterative journey; with creases effectively ironed out along the way. We took a lot of comfort in knowing the people helping to implement were the same people that had helped to build the tool, and that proved to be a very good call."

Practice manager Andrew Babbage adds: "Pinnacle has been really instrumental in communicating our requirements to Thomson Reuters to reach the viable solution we now have. For our part, we've also appreciated having the opportunity to provide input that was fed back to them." At the time of speaking, Dombkins and his

team were just days away from rollout.

#### Future focus

The firm expects several advantages – even cleaner data, more flexible reporting that should also help with uptake, as well as a greater breadth of visualisation options, such as colours and design styles in dashboards. Babbage explains: "Groups of users do have fairly bespoke needs, so you need something flexible enough to spin out information quickly, often for a relatively short duration."

"Plus, it plays nicely in the sandpit with other tools, such as Microsoft Teams – it should all be that much more usable at significantly shorter notice," adds Dombkins.

Babbage continues: "Over time, the hope is we also manage to line data sources up efficiently across all systems, whether that's the email or even the phone system. And there's a reasonable and growing pool of talent in the market that possesses Power BI skills in particular."

But a final word of warning from the pair – this is no "turnkey" solution if you want more than "stock cubes" out of it. Other interested firms should ensure they're resourced for all of the groundwork. Babbage says: "It's a project that forces you to think hard about the detail behind how data is structured now and how you want to use it in future."

"Visualisation is the cherry on the BI cake," says Dombkins. "The really hard work is transforming the data into the mixture you need."

# Top of the clocks

Keeping a handle on time-recording data at law firms is a bewildering task, and not a job for the faint of heart. Stephen Allen, global head of legal operations and innovation lead at Hogan Lovells, explains how Clocktimizer helps the firm leverage and enhance that data

Α

s some wise person once said, necessity is often the mother of invention. Stephen Allen, global head of legal operations and innovation lead

at Hogan Lovells, explains that Clocktimizer, which his firm has been using to wrangle and enrich its data stores, was created by a former corporate lawyer at DLA Piper, who found himself endlessly going through bills and narratives at the end of a matter. It was, as Allen puts it, "rooted in a genuine need."

And the needs of the whole firm include rethinking how it services its clients, which in turn hinges on the way that it prices work. "We're looking at automated document review, automated document production, general process automation, legal research and big data." It's the last of these that led to a job for Clocktimizer.

#### Enrich in data

"We are awash with data — our time-recording data amounts to two terabytes," Allen explains. The firm needs to efficiently access and interrogate this huge quantity in order to deliver better client outcomes. It's important for pricing and resource planning, he says, to get granular information on what the firm's lawyers have been doing at a given time – and that can be a struggle.

Allen says that there's a "quality in, quality out" issue to contend with, which all businesses are likely to struggle with. "You're asking people who are very busy to put data into systems, which inevitably means accuracy suffers. You lose the nuance, such as: 'were you doing first-level review or second-level review on a piece of litigation?"

The challenge begins at the point of setup.

"Databases generally only capture what you thought you wanted to know when you set them up or, even worse, what the vendor thought you wanted to know."

He explains that using task codes to sift through data can be unwieldy, and that human error also vastly limits their usefulness, especially when trying to extract information to bring to clients. Allen says that Clocktimizer enables Hogan Lovells to comb through its existing data and use it more effectively: "I describe it as a 'data-enrichment tool'. It's taking data we have already and adds an extra dimension." He explains that Clocktimizer uses natural language processing (NLP) to read the bill narratives and allocate time to a task.

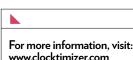
It's also a labour-saving tool: "On huge, multinational M&A transactions, for example, there might be thousands of lines to go through. For a human to do that would take an age — if you could keep someone long enough to do it, it would be a miracle."

"As a test, we ran 75,000 lines of who, what, for whom and how much, plus a billing narrative of anything from one word to 150 words, through the software. It designated those tasks to activities in 36 seconds. We timed it!"

"Databases generally only capture what you thought you wanted to know when you set them up or, even worse, what the vendor thought you wanted to know."

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#### Categorical nuance

But the firm has also been getting even more out of its data – such as categorising matter types. It's not always clear, he explains, what the matter type really is: "You'll open the file thinking it's M&A and it's private equity, or a client may be querying something in a litigation piece, but the work done was actually arbitration." The software can help make quick, nuanced distinctions there, too.

Furthermore, the firm can get greater insight into its sector spread, both for the firm's internal reporting, and for pitching and pricing. "Clients aren't just interested in other M&A or litigation work we've done. They want to know what work we've done in pharmaceuticals or banking." It can even categorise up to 140 different subsectors.

Data then makes its way back to clients as added value. "Clocktimizer pushes out data to

spreadsheets, so I can then do extra calculations and give clients graphics around how the pricing works." Once with the client, the GC needs to explain and justify its billing back to the business – Clocktimizer can review the matter and explain what was done, in detail.

#### Firm-fitting

Clocktimizer and Hogan Lovells make a point of collaborating well themselves. "They've provided us with a lot of training for the system. I've got to say it's pretty easy to use," Allen claims. "They're incredibly pragmatic and proactive about raising new ideas — I think we're an organisation they can come to and ask, 'what do you think about this?" He also says communication with Clocktimizer is personal and open and tends towards two-way conversation.

Hogan Lovells is looking at what comes next, and Clocktimizer is helping to form that picture. "We're looking at future planning and operations — the software gives us an idea of where the trends are, and that's immensely useful."



# Test of characteristic

Taylor Wessing set Kira Systems to work on identifying trends in venture capital deal terms, providing its clients with even greater insight into a fast-moving market. But that's just the beginning, say Laura Bygrave and Adrian Rainey

ira Systems has established itself as leading the way in helping law firms to make themselves more competitive and efficient with the help of artificial intelligence (AI). It is perhaps best known for the ability to step into the traditional due diligence process – automatically identifying and assembling key information, and so releasing lawyers to focus their time and attention on the more complex aspects of legal work.

However, the innovation team at Taylor Wessing had something else in mind when they were assessing the market for machine-learning solutions to support the firm's contract analysis work.

In 2019, even leading law firms can no longer rely on simply completing pieces of legal work for

their clients; clients expect their advisers to provide additional data surrounding the total body of work to continuously help those clients sharpen their strategies. Taylor Wessing realised that the algorithms of Kira held the potential to provide its clients with an additional layer of very valuable market insight.

Head of the corporate technology group, Adrian Rainey – whose practice advises tech companies on venture capital fundraising through to acquisition or sale – explains: "In negotiations, lawyers will often find themselves in discussions about how 'typical' a characteristic of a deal may be. It's very helpful to be able to indicate that 'X% of 200 previous financings in 2018 included Y', for example."

Just like the due diligence work itself, accurately



For more information, visit: www.kirasystems.com

pulling that data presents a very laborious task for the time-poor lawyer.

#### What's the use case?

Rainey continues: "This is an unusual use case in that we needed to train the core product entirely new concepts." Kira arrives already primed to automatically identify and extract over 600 built-in data points. However, the initial 20 provisions Taylor Wessing wanted were not among these. "We really needed to train it on a niche within a niche – emerging tech companies in the UK," he says.

The fact Kira could be engaged in such a way was the critical factor in its selection as the tool for the job, adds innovation manager Laura Bygrave. "One principle of the firm's technology innovation strategy is not to focus on a single use case, but to consider how we can deploy AI across multiple practices in the UK, and then internationally as well." Flexibility and speed to market are key drivers.

However intelligent your machine, of course it still initially relies on a subject-matter expert transferring their human knowledge, and thereafter keeping that intelligence up to date and governed. Bygrave's innovation team brought together 30 corporate partners and associates from the firm's London and Cambridge offices for a series of "relays", consisting of consecutive two-hour sprints to train Kira up to an appropriate level of precision within a couple of days.

An oft-heard innovation mantra is to 'fail fast' – something that clearly applied. Bygrave says: "We decided it would be best to experiment very quickly, to reach a point of knowing whether to invest further lawyer time, or to walk away and look elsewhere."

Winning the time of partners for an exercise like this is also quite rare, she adds. "It was therefore vital for us to prove that the product worked for the use case in principle," she says. "We needed buy-in from right at the top, right from the start."

Rainey adds: "The truth is we gave a lot of thought to whether we ought to involve partners.

However, as Kira needs to be able to spot very specific variations within terms, we felt that omitting partner experience would result in an inferior output."

The system will now be piloted in a similar fashion across the firm's private equity, banking and finance, employment and real estate teams, to put the business case for scaling beyond all doubt.

"Ultimately, new technology has to be embedded as a business-as-usual process," says Bygrave. "For that, it needs to address a genuine pain point to get people going and staying on the change journey."

#### Spot the picture

An unexpected bonus was that the lawyer-relay process lifted the lid on a second use case for the firm.

Rainey says: "If Kira could recognise all of these specific technology deal terms, we realised it could also effectively review a set of drafts – for example, from the other side of a deal – producing a summary, or highlighting the changes.

"In the short to medium term, a lawyer will definitely review as well. But an automated snapshot of 80–90% of the full picture could be really useful. That's a win we weren't anticipating."

Bygrave picks up the baton. "We were able to produce high-level insights that could be sent to clients in minutes, leaving lawyers to focus on the more complicated deal points."

This is only one of many innovation initiatives underway at the firm involving making the most of machine learning. The TW 'TechSet' consists of eight products, which combine legal experience with technology to provide advanced methods of client delivery. This includes the recently piloted TW:detect, also helmed by Bygrave, which was developed in response to growth in malware campaigns and which scans clients' websites for potential compromise.

Meanwhile, the future for Kira with Taylor Wessing innovation is bright ... if full of a lot more training. But this is one solution that has shown itself worth the investment.

#### Six of the best worst

### Passwords for 2019

Ahead of its CYBERUK 2019 conference, the National Cyber Security Centre has published a global password risk list (from the data set of Troy Hunt) – 100,000 passwords already known to hackers from global breaches, and which should therefore be avoided. It mightn't be a bad idea to take a look through them all. In the meantime, here's the most used six:

This horror of a sequence has been used 23.2 million times to access sensitive information. You may suppose that something as innocent-sounding as 'oreocookie' couldn't possibly compete. You'd be right ... but even that has apparently been seen over 3.000 times.



123456789

Just three more numbers in a line, and this has been used only a third as many times (7.7 million). NCSC suggests using three "random" but also somehow memorable words. "Be creative and use words memorable to you, so people can't guess your password," said its technical director Dr lan Levy.

This classic combination was used 3.8 million times. If you think your footie team is a better bet, guess again. The word liverpool was used 280,723 times, Chelsea 216,677 times and arsenal 179,095 times. "Nobody should protect sensitive data with something that can be guessed, like their first name, local football team or favourite band," said Levy.



password

Words begin to fail, as they say. No, password is not a super-smart bluff of a password. However, the NCSC recommends that organisations change password policies if necessary to make it easier to choose 'good' ones. One such change would be introducing a password blacklist – as you might expect, forbidding certain choices like these.

Another policy might be requiring people to use more than just a single key? Also, remember that some 'bad' passwords will be too specific to you, or perhaps time-limited, to appear in a global breach list. The name of your law firm, for example ... probably not the best idea. Nor is, say, Spring2019.



12345678

Something of a theme developing – but passwords is one area of management where that's a very bad idea. Also, watch out for the likes of computer, monkey, dragon, superman, princess, baseball, linkedin, gwerty (sic), iloveyou, iloveyou2 and a rather rude two-word, seven-letter offering. That's all before we're out of the top 100 ...



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