Interview: Stephen Allen
Global Head of Legal Services Delivery at Hogan Lovells

In September 2016, Stephen Allen came over to Hogan Lovells from DLA Piper, where he was director of delivery and quality. Prior to DLA, Allen was head of global legal services transformation at PwC, and a director of innovation at Berwin Leighton Paisner.

Legal Tech Link sat down with Allen shortly before this year’s International Legal Technology Association (ILTA) meeting, where Allen participated on a panel called Artificial Intelligence in Law: AI in Action. There, Allen lamented the current atmosphere of hype around AI and set the tone with the quip, “Naughty vendors, naughty firms, and naughty press have made the really useful stuff that AI does seem very unsexy.”

In the following interview, he focuses on practical AI tactics and strategies that don’t require cutting-edge technologies to implement, but which can deliver strong, innovative results.

What is your role at Hogan Lovells?
Quite simply, my remit is to drive three things: Efficiency, quality of service, and innovation in general. I’ve typically focused on the front end – innovation and efficiency in the legal work itself – versus the back office.

So, how do you go about that?
Well, there is a very tactical layer and a more strategic layer. The tactical layer involves helping out on individual matters or helping a specific lawyer with processes. Project managers are central here – this is the real hotbed of activity.

There are really three kinds of project management we help with. The first is simply a “Tracker” service, sort of a default level of project management that simply involves tracking budgets, targets, and so on. This helps track burn against actual work, as they try to solve whatever it is they’re trying to solve. This also helps accustom people to being watched. It’s actually a default mode of work, and based on a behavioral insight – as when everybody knows that pensions are good for them, but no one ever gets around to arranging one, “OK. Well, let’s just default people in.” So, that layer is very light and shallow, applied across the board. What it gives me, obviously, is stack loads of data for pricing, which we don’t currently have. That’s kind of useful.

The second kind of legal project management is what we call self-serve, which I don’t expect many partners to use, quite frankly. But it’s where you don’t really need a full-on legal project manager, but you need a bit more depth than you would get on

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Interview, continued ...

Tracker. So, it could be, “Actually, I want to track against tasks,” or “I want to track against phases,” or that kind of thing. That’s a tool we’ve developed, but we’re in the process of buying some software to help us do that.

The third kind is full-on legal project management. We’ll help scope a matter, plan resources, monitor and manage, and we’ll do post-action review at the end of it. And the legal project managers we’ve got – four in the UK; four in the US which is, of course, never enough – they work on material, big projects, and they divide their time in three different ways.

Sixty percent of their time is hands-on matter management. Twenty percent of their time is training, working on pitches, doing whatever they need to be doing, drafting materials, and so on. And then, the last 20% is a process re-engineering project of their choice based on the work they do with their partners. They’ve spotted an issue, and they have a chance to go fix it. That’s really important because it gives them a bit of diversity, and makes it a bit more interesting. They can get into genuine, sustainable solution-building rather than just fixing the bucket every time there’s a leak. We’re attracting really good candidates based on this final 20%.

Any other roles in the group?

We’re actually creating two new roles under legal project management. The first role is legal project coordinator, which is the coordination activity on huge projects that’s normally done by junior or senior associates and is just, quite frankly, administrative: Have foreign counsel got their report back in? Before you even look at what they’ve read, is it even in the right format? Have they answered all the questions? There is a fair amount of that work on every single big transaction mid-case. So, we’re creating a training path for paralegals to become legal project coordinators, which they do among their other paralegal tasks and they’ll report into the legal project managers. It also means that we just strip out a whole bunch of wasted cost where you’ve got very senior resources effectively quarterbacking the transaction.

I also have a group of work-allocation managers. They provide three benefits. Number one is cutting down part of the time of trying to find the right resources. Number two is keeping up a skills index, so we have the right resources doing the right work. It enables the associates to say, “Do you know what? I’ve done 15 private-equity deals, but I’ve never worked on an IPO,” and this can bring that to the partners’ attention. Because partners, obviously, tend to default to who they know. The third benefit is that it kind of flattens out utilization. You don’t get half the team at 140% and the other half at 60%.

So, that’s kind of the tactical focus and very much “the now” around here. “I have pain. Please help me just do things better.”

What about the more strategic work you mentioned?

At the strategic level, we address longer-term issues. Our profits may be constrained. We might be under price pressure from the client, or missing deadlines. For issues that are more systemic, we work almost like an internal consultancy. “OK. How is your function working? What’s the current leverage mix? Is that the right leverage mix? Are you making better use of technology? Are you using paralegal resources properly?” All of those things. We work on a continuous-improvement basis to drive our practices to a more operational level of effectiveness. And then, obviously, the legal project manager can drive even more benefits. So, we’ve got this kind of two-tier engagement model.

What’s the scope of your organization, and how do you operate across the firm?

I have a global role. If you include the people we’ve got in our paralegal team in Birmingham, I have 30-40 people in the group at the moment. My aim is to not get any bigger. Plus, there’s a number of people who kind of own innovation in other ways in the firm. We have a very innovative head of pricing. The US CFO is a very innovative person. Obviously, our IT people, we have some innovative people in there. And, what we’ve done is, we started talking about working in the collaborative space between the blurred lines. Let’s stop worrying about, “This is my territory, this is your territory.” We know there is some legal process management and pricing stuff that overlaps, as does some general legal-service delivery and IT stuff. We know there’s some knowledge-management and continuous improvement activity that overlaps. Rather than getting territorial about it, let’s talk as much as we can about those overlaps, and then fix those issues and bring others in and cover it with them.

What we’re finding is that this all starts to appear seamless to partners and clients. You’re talking to a pricing person or an LPM person or a professional-support lawyer or legal research or whatever. It kind of doesn’t matter. It just gets done, and that’s really important. So, we have this kind of unofficial cabal, for lack of a better word, that works together. We have regular weekly reports and nightly catch-ups, not just as a group but between each other, just to try and drive this activity. We work on joint projects together.

We also have two other working groups. First is an innovation working group. It spends a lot of time coming up with innovation awards for people in the firm. A subgroup of that is called the new ventures group in which an associate can say, “Look, I think it would

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be great if we created a chatbot that produced NDAs,“ for example. “OK, come up with a business case. We’ll give you a little bit of money and some resources. Let’s see if there’s anything in this.”

Second is an AI working group, which looks at different dimensions of AI. When we say “AI,” what we really mean is kind of new legal tech. As a group, we’re looking at this with the head of KM, head of pricing, me, a person from IT, and a practice-support group. We’re looking at it continually and trying to assess what the capabilities are and to find proofs of concept.

How has the evaluation of technologies changed now that you’ve put the structure in place? Was evaluation of technology a little more siloed before, or less systematic?

Yes, I think it’s exactly that. What tended to happen was that a tech vendor went to IT and said, “We’ve got some cool tech.” And, IT struggled to involve lawyers. We’ve even bought technology and not really utilized it. Or sometimes, a tech vendor goes first to a partner, who thinks it is the greatest thing ever invented, demands to buy it, and it’s either not best-in-class nor really fit for purpose. What we now do as a group is look at it more holistically. “Okay, what is the business case here, where and how far are we going to apply it, what’s the possible outcome, and how do we use it?”

For example, when I bought a piece of legal project management software, we spent a lot of time with our finance and pricing teams to ask, “Could we not use this as a pricing tool as well? How does this fit?” We’re talking to our work-allocation people about it; would it fit with their work? When we’re looking at things like RAVN or Kira, there’s a wider group of us now involved than just a lawyer giving his or her opinion. We’re looking at it more broadly and making sure the proof of concept genuinely tests the proposition, and we understand what the proposition is. I think that’s partly because of this group and also because we’ve invested quite heavily in our IT talent, and they are very collaborative. They’re headed by Ash Banerjee and very collaborative. They bring a commercial business rigor that, perhaps, we didn’t have before and which many law firms don’t have.

Another thing that intrigued me about your remit was the focus on quality of service vs. just the quality of the work product itself. What does that entail? What are the client touch points?

Yes; a very clear setting of client expectations. The basics you roll your eyes at but sometimes don’t happen. Do we fully understand what the client’s expecting? Do we understand the format they want it in, or if they have to translate it to others? What are the touch points? How does the client wish to get updates: emailed, a weekly call, a self-service portal? Most clients are like, “Can you just send me the stuff?” Why bother? It was attached to an email. So, it’s really about everything we do to deliver those engagements.

What measures of success do you have on yourself? Do you know at year’s end whether you’ve succeeded? Any concrete milestones?

I like some measures in place because that’s helpful. In an ideal world, what would I be looking at? The number of matters under LPM management. Any improvements in realization and profitability for matters we touch, either in legal project management or because we’ve engineered them. And, in an ideal world, I’d want to give a one-off number at year’s end to say, “In terms of pounds, here’s how much more work we got paid for this year than last year.” Accessing that data or even capturing it is very difficult because law firms are difficult.

One measure I’m looking at is engagement. How broad and deep is it across various practice areas? That’s where we’re measuring success at the moment. What’s the buy-in? How many repeat engagements? We’re in the process of acquiring and implementing Thomson Reuters Elite® 3E at the moment. Once 3E is in place and working, we’ll have the data quality to get to what my ideal is, which is, “Hey, my team contributed $12 million this year,” or whatever it was. We’ll get closer to that goal.

Your whole approach to innovation isn’t necessarily tech-forward. Is that a fair characterization, or what really is the mix of technology and service design in all of this?

Yes, I think it’s a classic people-process-technology piece and we’re starting from a fairly low rung on the ladder. There is technology, but technology for its own sake won’t get us anywhere. I’m always for the quick wins, such as having a legal project manager manage something and almost fixing the project manager manage something and almost fixing the service-delivery piece on the hoof. Is that perfect? No. Is that going to drive long-term change? No. Is it going to deliver for us if we do it often enough in quick wins in the firm? Absolutely.

I think long-term, tech is one of the three prongs of the fork we use to fight this good fight, but we must integrate it with process and people. A big problem is that whenever law firms talk about innovation, quite often they mean technology: “We’ve got an app. We’ve got a database. We’ve got a whatever.” All of that’s great, but I’ve seen many firms invest a lot in things that never get used.

We’d rather drive sustainable change. Where there is a tech solution – like automated doc review – that can drive a real change, let’s embrace it. Let’s get it in. Let’s make it work for us. Let’s not do what other firms have done: Run out and sign a bunch of MSAs and then say we’re doing AI.
Legal Tech Events Calendar

January 2018

Legalweek
January 29 - February 1, 2018, New York
ALM’s annual legal tech trade show and conference. Over 10,000 attendees and hundreds of legal-tech vendors in the exhibit hall. Formerly LegalTech New York, Legalweek now encompasses other events: Business of Law Forum, Legal Marketing, Legal CIO, and Legal Diversity and Talent Management.

Info & Register Here

March 2018

British Legal Technology Forum
March 13, 2018, London
The Annual British Legal Technology Forum 2018 offers five presentation stages and access to 94 leading exhibitors over two floors. The 2018 program explores: Artificial Intelligence and Law Firm Automation; Driving Firm Innovation; Managing Technological Disruption; The Future of Cloud Computing; Blockchaining the Legal Sector, and many other topics.

Info & Register Here

April 2018

CodeX FutureLaw Conference 2018
April 5, 2018, Stanford University
CodeX – The Stanford Center for Legal Informatics at Stanford Law School hosts FutureLaw 2018, the center’s sixth annual convening of academics, entrepreneurs, lawyers, investors, policy makers, and engineers spearheading the tech-driven transformation of our legal system. FutureLaw is well known for compelling educational content and exceptional opportunities to connect and exchange ideas with legal-tech innovators from around the world.

Info & Register Here

Throughout 2018

Evolve Law Events
Various venues throughout 2018
If you don’t have time or money to travel to one of the larger legal-tech events, Evolve Law events can be a good alternative. They’re generally shorter, more informal events, often with a local twist, in various cities around the U.S.

Info & Register Here

ABA Techshow
March 7-10, Chicago
ABA Techshow has a unique feel. As an ABA event, it is much more targeted to lawyers than to IT specialists and technologists. It also has a broader appeal with programming targeted to the entire spectrum including small firms, which tend not to be on the radar at other legal-tech events. Conference sessions are full of practical “how-to” sessions, many of them with a peer-to-peer flavor. There’s some attention paid to higher-end, cutting-edge tech such as blockchain or artificial intelligence, but the emphasis is more on getting the most out of productivity tools such as practice management, drafting, and communications technologies.

Info & Register Here
Events Reports

The State of Legal Design: The Big Takeaways of the Stanford Law + Design Summit
By Margaret Hagan
Director of the Legal Design Lab, Stanford Law School, and lecturer at the Stanford Institute of Design

The Stanford Legal Design Lab, a collaboration between Stanford Law School and the Stanford Design School, is a center for forward-looking research and practice around new methods in legal services design. This summary illustrates the shift in thinking on the way legal services innovations will be delivered in the future – a shift from top-down decision making by experts, to experimentation and iteration by those working in the trenches.

On September 22, 2017, Stanford Legal Design Lab held its first Law + Design Summit, to bring together all kinds of legal people interested in changing the legal system. We had attendees from the courts, law schools, law firms, legal departments, research groups, and beyond. Also present were designers, product managers, and engineers, who aren’t law specialists, but who care about civic improvement.

This article synthesizes the main takeaways that emerged out of the day’s talks and work. Some of them came straight from our speakers, others from the participants after they went through the workshop.

1. Our hair is on fire, so it’s time to start designing and thinking.

We in the law are in the middle of a huge crisis, whether we feel it or not. Our “user base” for courts and legal services is on the precipice of a radical decline, while our courts are overburdened with litigants without lawyers. Even if our budgets are limited – or our short-term prospects are fine – we need to be moving at a radically quick new pace to build a better legal system.

Particularly, as Jose Fernando Torres called out, we cannot have our legal innovation work be focused on committees, reports, and boardroom discussions. We need to be on a structured path of experimentation. Rather than talking to experts, we need to find small jurisdictions who are willing to try new ways of delivering service and structuring legal rules. We can learn more from well-planned, user-centered experiments than roundtables and write-ups with very smart people.

2. Imagination is the key to design, and it is what’s missing with so much of law school and law practice.

As law professor Jay Mitchell and design/management professor Richard Buchanan both discussed, the key to being a good designer is having an open imagination: What could be different? What could be better? What if we completely reimagined what’s possible in the legal system?

Being a legal designer is not about being able to make beautiful drawings or powerful tech. We in law schools are not encouraging this restless imagination enough.

3. Legal orgs need to empower their people to be scrappy and quick, amateur designers.

Don’t think that design consultants are your answer to making your work more human-centered or to get to better ways of doing things. Be suspicious of people trying to sell you packaged “innovation.” There is some use in learning the fundamental mind-sets and processes of innovation work, but not in following strict recipes – or in relying on outsiders to do the work for you.

Instead, the key to change lies in your own organization. Who within your firm, court, department, or school is open to work with you on prototyping new ways of doing things? Find them, work with them, and slowly build out experiments that can turn into pilots that can turn into full-blown programs. Don’t wait for a huge grant to be able to hire consultants to be able to do this work.

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Events Reports, continued ...

4. Be careful of tech-first innovation.
So many of the projects that are being built, including those by some of our spotlight speakers, are made with the best intentions and end users in mind, but end users aren’t finding and connecting to them. It’s lawyers who are using them. Lawyers aren’t very good at getting nonlawyers to use their stuff. The trend we noticed among our speakers and participants is that if you just build cool tech, you might get some lawyers in your circles to use it and love it – but you won’t get wider adoption among lay people.

We in law need to invest in testing out different outreach and community-embedding strategies, to get our great new solutions to the people who most need them. Our design work has to focus on engagement of nonlawyers. Where can we reach them, how do we support them, how do we understand them better? Because our work so far isn’t getting there.

5. We need to get to 4th-order type of work.
Professor Richard Buchanan, in his keynote, challenged the legal innovation community to raise its game. Don’t just focus on making documents more usable, or making services have a better experience. Think in systems-levels, to get to more meaningful solutions. (Read more about Professor Buchanan’s Four Orders of Design framework here, in Design Issues).

This means seeing everything around us, including the possibilities, as a possible system. Instead of thinking of legal documents just as products that we can improve the interfaces of, we need to be thinking of them in their systemic role, and then taking systems-level solutions to improving them. That means moving away from more “surface level” design, but really getting to the core of changing the rules, the processes, and the way the system works. Not just putting better patches on top of a rotten system.

Professor Gillian Hadfield’s proposal for new legal rules and systems leads the way in this higher-level of design work.

Legal Tech Start-Up Focus

Contract automation start-up Ironclad raises $8M
$8 million funding was led by venture capital giant Accel. Ironclad sells a cloud-based platform for managing contracts that aims to significantly reduce the number of steps involved in preparing an agreement. Ironclad is a former Y-Combinator start-up.

Source: Legaltech news

Atrium: Combination law firm and legal tech company raises $10.5 million
A new type of law firm, Atrium will target other start-ups looking for better and cheaper ways to manage the legal work involved in getting a company off the ground. The company has a unique two-headed structure, with a law firm and a services provider that focuses on process work.

Source: Law Sites Blog

ROSS Investment: $8.7 million
Ross provides a machine-learning enhanced legal research service, focused today on bankruptcy law. Firms piloting or using the service include Latham & Watkins, Dentons, Shearman & Sterling, Sidley Austin, Bryan Cave, Carlton Fields, Sedgwick, Kobre & Kim, BakerHostetler, K&L Gates, Fennemore Craig, and Womble Carlyle.

Source: Artificial Lawyer

Legal tech start-ups in Switzerland
The Swiss Legal Tech Hackathon and Conference was held in October. Switzerland has developed into a hub of legal-tech activity, with a significant number of new start-ups, some of them part of a new Thomson Reuters Labs incubator in Baar.
Readings

Deloitte Report: The Legal Department of the Future
Describes the disruptive trends that are creating a new business model for in-house legal. Drivers include the deregulation of the practice of law and advancements in technology that have been changing the face of the legal sector. Rigid silos are being replaced by more fluid structures. And, in-house lawyers are becoming business partners, embedded and able to work across units and specializations.

Report

Mark Cohen Series in Forbes
Cohen is an independent consultant and frequent legal tech speaker, and an advisor to a number of legal tech start-ups. He’s currently writing a series of articles in Forbes about the state of the legal industry and its relation to innovation and technology. One recent article, for example, focuses on the new skill set the industry needs in the face of new technologies and processes: Who Will Train Tomorrow’s Lawyers and How Will They Learn?
Source: Forbes
Full Archive

White Paper: 11 Emerging Legal Technologies You Can’t Ignore Anymore
A good overview of the various technologies currently having the greatest impact in the legal services industry.
Source: Legal Executive Institute (Thomson Reuters)

Three Legal Blockchain Alliances Formed
Blockchain is one of the hottest corners of the legal technology world – and also one of the least understood. Blockchain is likely to be a cornerstone for the development of smart, self-executing contracts, and with other kinds of legal transactions and property transfers. Blockchain is a technology that will require a high degree of collaboration and standards-making by the parties involved. One of the signs of this is a number of consortia of various kinds of players (law firms, banks, technology providers, standards organizations, and information providers) that are coming together to address blockchain issues. Here are three active groups worth watching as a way to track blockchain developments in the legal industry:

Enterprise Ethereum Alliance Legal Industry Working Group
Ethereum is an open-source computing platform for development of smart contracts. Its Legal Industry Working Group includes a number of leading law firms such as Cooley, Debevoise & Plimpton, Goodwin, Hogan Lovells, Holland & Knight, Jones Day, Latham & Watkins, Morrison & Foerster, Perkins Coie, and Shearman & Sterling.

Global Legal Blockchain Consortium
This is a fairly new group developing around another blockchain platform called Integra Ledger. Law firm members include Orrick and Baker Hostetler.

Accord
This group – based on smart contracts start-up Clause, firms like Cooley, and blockchain platform Hyperledger – intends to develop open source technology and standards for computational contracting.
Excerpt: Changes in the US Legal Market Driven by Big Data/Predictive Analytics and Legal Platforms

By Roland Vogl
Executive Director and Lecturer in Law, CodeX – The Stanford Center for Legal Informatics

The CodeX LegalTech Index, an open source database that at this point counts more than 711 legal tech companies, currently includes more than 38 companies in the analytics space.

1. Search

Electronic search of legal documents is one of the areas where predictive analytics algorithms have been playing an important role in predicting what cases are the most relevant for a particular legal search query. A recent article by Susan Nevelow Mart looks at what happens when six different teams of humans set out to create algorithms aimed at solving the same problem: how to return results relevant to a searcher’s query in a case database. When comparing the top ten results for the same search entered into the same jurisdictional case database in Casetext, Fastcase, Google Scholar, Lexis Advance, Ravel, and Westlaw®, the results turn out to be quite different. The author calls this “[a] remarkable testament to the variability of human problem solving ... it is fair to say that each different set of engineers brought very different biases and assumptions to the creation of each search algorithm.”

Some of the more recent entrants to the case law search space are RavelLaw, founded in 2012 and acquired by LexisNexis in June 2017, and Casetext, founded in 2013. Ravel provides a research tool that combines legal research and analytics using expert legal knowledge, machine learning, and comprehensive case law from the Harvard Law Library. Casetext combines data science, machine learning and natural language processing. In late 2016, Casetext launched CARA, a feature that allows Casetext users to upload a brief, memo, or any document that cites cases or statutes, and – using the power of contextual search algorithms – returns a list of “suggested cases.” These are cases that are relevant to, but not cited in, the document.

2. E-discovery

E-discovery is one of the early areas of big data law. Early systems were mainly concerned with storing and making discoverable legal information accessible. Lawyers, however, were still necessary to review massive amounts of information and highlight what was important and what was not. For several years now, numerous e-discovery providers have offered systems that leverage machine learning and so-called “predictive coding” to separate relevant documents from irrelevant ones with impressive accuracy. The San Francisco-based company Recommind (now rebranded as OpenText), for example, offers predictive analytics for e-discovery, allowing lawyers to spend less time searching for the proverbial needle in the haystack.

3. Judicial/Litigation Analytics

An early player in the judicial analytics space is Lex Machina, a Stanford spin off that was originally based on renowned Stanford Law School patent scholar Prof. Mark Lemley’s extensive empirical IP research. The Menlo Park, CA company mines litigation data for insights, recognizing that IP litigation dockets are gold mines of information that computers can more quickly and accurately analyze to the benefit of lawyers and clients alike.

In 2015, the company was acquired by LexisNexis and soon announced an expansion of its data analytics capabilities into the area of antitrust law. Lex Machina is one of the companies that carefully attempts to avoid the label of being in the business of predicting case outcomes. Instead, it is promoting its services as data-driven decision making for lawyers – enabling lawyers to practice at the top of their license.

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A recent entrant to the judicial analytics space is Docket Alarm, a New York-based company founded by intellectual property attorney Michael Sander. Among other search features, the company offers analytics for Patent Trial and Appeal Board (PTAB) decisions, showing trends across judges and technologies.

4. Contract Analysis
A number of companies were launched in recent years that use natural language processing (NLP), machine learning and semantic analytics techniques to mine contracts written in natural language. Contract discovery and analytics companies focus on identifying important information in contracts that enables the contracting parties to access and evaluate contracts more quickly and predict risks embedded in them. The contract analysis space is crowded with a number of different companies, including KMStandards, Seal Software, SirionLabs, Kira Systems, and LexCheck. Some contract life cycle management companies (CLM) providers also offer contracts discovery and analytics (e.g., Exari, Determine).

5. IP Analytics
IP Analytics is also a rapidly growing space. Some examples of companies in this field include Juristat – a company that promises predictable patent prosecution – and companies like Innography, Clairvolex, and PatentVector that use data analytics to provide deeper insights into patent portfolios.

6. Legislative Prediction
Skopos Labs has built a machine learning process that provides predictions of enactment for all bills on GovTrack – the most widely used bill tracking service in the U.S., with over 10 million unique users a year. The company accurately predicted the AHCA53 – i.e., ObamaCare Repeal Act – to have a low chance to pass the day it was introduced.

7. Predictive Policing
Predictive analytics is also used in law enforcement to predict crime, offenders, offender identity, and potential victims using data points such as date, time, location, and nature of past crimes. A large player in this field is the company Palantir, which due to its commercial success and rapid expansion, has taken over much of Palo Alto’s downtown district. The company equips federal and local law enforcement officers and agents with software tools to analyze intelligence and – at least according to their website – respond to crime as it happens.

8. Lawsuit Financing
Companies such as Burford Capital are incumbents in the world of financing lawsuits. They leverage data licensed from companies like Lex Machina to make predictions about the likelihood of a lawsuit’s outcome, on which they base their investment decision. Most recent entrants to this market include companies like Legalist, founded by Harvard graduates Eva Shang and Christian Haigh. Shang and Haigh develop algorithms to scour legal databases and analyze and identify the likelihood of a given case’s success. Similarly, companies like LexShares allow individual investors to buy shares in the outcomes of lawsuits. However, some commentators have criticized that intermediaries’ quest for profit may warp the legal system, spurring frivolous litigation and undermining the justice system’s ostensible purpose.
Academic Focus

Measuring Legal Innovation: A New Tool

The first iteration of a new Legal Services Innovation Index was launched this past August. In this article, its creator Dan Linna describes the background and goals of the new index, which attempts to add a new layer of transparency and actionable data to ongoing innovation efforts in the industry. Version 1.0 is a first pass, and plans for future versions include surveying firms for a more definitive view of innovations and technology deployments.

Measuring Innovation to Improve Legal Services and Access for Everyone

By Dan Linna
Director of Legal R&D – The Center for Legal Services Innovation and a Professor of Law in Residence at Michigan State University College of Law

Jim Sandman, President of the Legal Services Corporation, has suggested that to drive change in the legal industry, rather than ranking law firms on revenue and profit, we should rank and assess law firms on their use of technology. In his May 2016 keynote at the CodeX FutureLaw conference at Stanford Law School, Jim argued that this could accelerate the adoption of technology in law firms and might stimulate investment in the development of new technology that could benefit all who need legal services.

One year later at the April 2017 CodeX FutureLaw conference, Jim again suggested that we assess firms’ technology usage. At that time, no one had undertaken the effort to assess legal industry innovation. It was then that I decided to go forward with this project.

An Index for Legal-Services Consumers and Producers, and Law Schools and Students

This index is intended to serve both consumers and producers of legal services. My hope is that clients, including legal departments, consult this index and engage in deep discussions with their lawyers about how to improve legal-service delivery. Those discussions should include not only how to improve efficiency, but also how to improve quality and obtain better substantive outcomes.

This index is also intended to be a resource for the producers of legal services, from lawyers in legal departments and law firms to technologists, project managers, data analysts, and other professionals across the industry, including legal start-ups, legal process outsourcers, and alternative legal service providers. Our discussions about legal innovation and technology tend to include a lot of generalizations. One purpose of the index is to get more specific about innovation and technology, including the disciplines and tools driving it forward and the substantive legal areas where we see activity.

This index should also be a resource for law schools and law students. It will help law schools better understand the evolution of the legal landscape, which will help them better prepare their students for the future. Law students can use this index to learn more about how the profession is changing and the knowledge and skills that they should develop for long-term success. The index also aims to provide law students information about the law firms recruiting them as well as a framework for assessing each law firm’s strategies for the future.

Again, I caution that this index is simply an initial attempt to measure indicators of innovation and various weaknesses have been acknowledged. That said, the index and this initial information provides a starting point for very important discussions.

Finally, this index should be a resource for improving access to legal services. The various sectors of the legal industry – from legal aid and courts to legal departments and law firms – face challenges similar in many ways. These sectors can learn a lot from each other. They could work together on certain problems for the benefit of all. Law schools could play a role coordinating that collaboration, serving as laboratories for innovation and research and development. This provides the opportunity for law firms and legal departments to do well by doing good, partnering with law schools and legal aid organizations to improve legal-service delivery and access to legal services for everyone.