



LEGALVISION®

# TRANSFORMING THE LEGAL LANDSCAPE: THE NEWLAW PHILOSOPHY

---





# CONTENTS

---

## **03** Foreword

---

## **04** About the Author

---

## **05** What is NewLaw?

---

NewLaw - An Introduction  
NewLaw - A Philosophy  
The NewLaw Philosophy in Action

## **08** Technology

---

Facilitative Innovation  
Experimental Innovation  
Other Legal Tech Trends

## **14** Process Design and the End-User

---

What is Process Design?  
'Kick-starting' Process Design  
Case Study: A LegalVision Design Jam

## **17** Outsourcing

---

## **18** Key Developments for NewLaw Players

---

## **19** Final Word

---



# FOREWORD

---

The legal industry is currently undergoing a period of significant change. In particular, new technology is changing the way legal services can be delivered.

We are seeing the emergence of a broad range of 'NewLaw' businesses providing either access to legal services or technology to aid in its delivery. This offers clients a broader range of choice for meeting their legal services needs. For existing law firms, there are a new set of competitors on the horizon as well as potential opportunities for innovation, or for partnership and collaboration with these new providers.

Gilbert + Tobin is a 'BigLaw' firm with a young history. We were a NewLaw firm ourselves 28 years ago and we are excited to see the entrepreneurial energy occurring in the Australian legal services market today.

This report will help clients (and law firms) to navigate the sometimes busy landscape of NewLaw, to understand some of the tools that NewLaw providers use, and the opportunities that innovation in the legal industry presents.

Sam Nickless  
COO, Gilbert + Tobin

---

# ABOUT THE AUTHOR

---

The LexisNexis Bellwether 2015 Report into the state of the legal industry found that 9 in 10 lawyers think that they are working in a period of unprecedented change. I count myself as one of them. No doubt, many of you do as well.

As a lawyer at one of Australia's largest commercial law firms, I was confronted with many of the effects of the changing legal landscape. The path to partnership is long and becoming longer (in fact, the number of partners at many firms is decreasing). The influx of overseas firms has made competition for work fiercer than ever before. Meanwhile, despite the increased competition, many lawyers regularly work long hours and on weekends.

This period of radical change in the industry affects in-house lawyers too. While in private practice, I was seconded to one of Australia's largest commercial institutions. I was surprised by the delicate balancing act that in-house lawyers were being asked to perform. The in-house team was expected to protect the business from risk, while also working collaboratively with the business to achieve growth. And, they were to do so without adding to head count or overspending on external providers. Do more with less, and be more commercial while you're at it!

This paper explores some of the ways the legal industry is responding to this period of intense change, and the opportunities that these changes provide for in-house lawyers. We do this by examining the concept of 'NewLaw' and some of the key tools employed by NewLaw businesses. In particular, this paper explores:

- The opportunities and limitations of legal technology
- The need for a creative way of thinking about legal problems
- The effective use of outsourcing

It has been nearly a decade since Richard Susskind posited a future in which lawyers either adapted to a new legal order, or became redundant, to be replaced by software. Neither future has yet come to fruition, but change continues apace. At LegalVision, we firmly believe that adaptation and innovation will be critical to the future of all lawyers, whether in-house or in private practice. This program of adaptation and innovation is what we call NewLaw. We view the rapid change that is occurring in the legal industry as an opportunity to improve the ways that we work with our clients. This is not the end of lawyers. Far from it, the future of the legal industry is bright.

James Gonczi, Lawyer  
Growth and Innovation Team, LegalVision

# WHAT IS NEWLAW?

---

## NEWLAW – AN INTRODUCTION

You may already be aware of the concept of NewLaw and the ongoing dialogue about its impact on the Australian legal market. In 2013, Eric Chin of Beaton Capital coined the term NewLaw to describe the business model of legal service providers that are the antithesis of traditional law firms. As it was used to describe a business model, the term NewLaw was often used in contradistinction to the term 'BigLaw', which described law firms operating according to a traditional business model.

### The BigLaw vs NewLaw Divide

---

Some characteristics of **NewLaw** providers, which are said to distinguish them from their BigLaw counterparts include:



Commitment to using technology to address legal issues



Virtual or dispersed workplaces



Flexible work arrangements for employees



Alternative billing arrangements



Flatter working structures (possibly without partners)

---

**NewLaw is a program of innovation that challenges the orthodoxy, with the aim of addressing the challenges felt by those who interact with the law.**

---

In contrast to those characteristics, **BigLaw** providers are built on:



A partnership model, where partners are generally promoted from within and share in the equity of the firm



A group of young lawyers who are recruited out of university, worked hard and paid well (though perhaps not if calculated on an hourly basis)



Time-based billing



High hourly rates

## NEWLAW – A PHILOSOPHY

The concept of NewLaw is undoubtedly apt to describe the business models of many new players in the legal market. However, the differences between the NewLaw and BigLaw models is one of emphasis. Fixed-fees, capped fees and “no win, no fee” billing are all loosening the strangle hold of hourly rates billed in six-minute increments. Many firms now have non-equity partners. Flexible work arrangements are available at a growing number of firms and almost all players in the legal industry have been increasing their spending on technology.

Traditional firms are, in an ad hoc way, doing many of the things which are said to set NewLaw providers apart. NewLaw must therefore be more than just a business model. In our view, NewLaw represents a theory or attitude which is capable of being adopted by anyone as a guiding principle for behaviour. NewLaw is a philosophy that drives, and responds to, the radical changes affecting the legal industry. It is championed by young players, but is increasingly subscribed to by many traditional firms. In essence, NewLaw is a program of innovation that challenges the orthodoxy, with the aim of addressing the challenges felt by those who interact with the law. People and businesses that subscribe to a NewLaw philosophy may seek to enact it in many different ways, some of which may pull in opposite directions.

By using these assumptions to guide our decision making, LegalVision addresses the legal needs of our clients in a way that takes a holistic view of the challenges that they face. As the demands on in-house lawyers grow, and the problems that they are expected to solve change, we seek to grow and change too.

**NewLaw is here. Its influence is spreading and it is seeking to provide innovative solutions for clients.**

The impact of service providers that adopt a NewLaw philosophy remains to be seen. In 2013, Eric Chin noted that, if Axiom Law continued its rate of growth, it would be the largest legal services firm by revenue within five years. Three years later, although still making huge strides, Axiom's rate of growth has slowed. Traditional law firms still dominate the business law market. However, there are signs that the NewLaw philosophy is making inroads. Perhaps the most significant of which is that a number of traditional firms have begun to expand into the NewLaw universe. Gilbert + Tobin's investment in LegalVision is just one example of this trend.

### LegalVision's Approach

LegalVision's philosophy has, at its heart, two key assumptions:



Technology can make life (and work) better, but only if it responds to a real need



Understanding the end-user of legal services is critical to determining how the law can best serve people and businesses



# THE NEWLAW PHILOSOPHY IN ACTION

In the table below we give a snapshot of some different types of NewLaw providers. This doesn't provide a comprehensive account of all players, just an indication of some of the different types of organisations that are out there:

NewLaw Business	Services Provided	Example Organisation
Legal Process Outsourcing (LPO)	An outsource solution for high-volume legal tasks such as discovery, and due diligence. LPOs tend to use inexpensive labour from cheaper jurisdictions to minimise costs.	Pangea3 LLC Exigent
Legal Marketplace	Online platforms that connect businesses with individual lawyers who offer their services to the marketplace. These platforms tend to focus on small businesses.	Lexoo Upcounsel LawPath
Dispersed Law Firm	A firm comprised of individual lawyers who find and perform work and pay a percentage of their fees to the firm to manage administrative and regulatory responsibilities.	Nexus Lawyers KeyStone Law
Tech Driven Law Firm	A full service law firm that uses technological innovations to deliver legal services to clients in an efficient, cost effective way.	LegalVision
Hybrid Legal Services Business	A business that provides a variety of legal services and support, including in-sourcing, and assistance with large scale projects such as due diligence.	Axiom Riverview
Labour Hire/Legal Placement	A labour hire service, which places lawyers in in-house roles.	Lawyers on Demand
Legal Software Companies	Companies that focus on facilitative technologies, including speech recognition, task delegation, hiring, e-discovery and Artificial Intelligence.	BigHand Premonition LegalSifter Neota Logic
Online Legal Services Provider	A business that provides online access to a range of legal services, including documents, legal information and advice.	RocketLawyer LegalZoom

# TECHNOLOGY

---

One characteristic of nearly all NewLaw players is an emphasis on the use of technology. By contrast, the legal industry as a whole is often portrayed as technology averse. It is easy to characterise lawyers as being stuck in the past (the wigs, robes and still pervasive use of Latin hasn't helped). However, to convey lawyers as technophobes is simplistic. Consider some of the technological advancements that the legal profession has adopted in only the last decade or so:

- Online legal research
- Wholesale use of email as the primary means for communication
- Electronic filing in Australia's Federal Court (with other Courts now following suit)
- The use of video link in Court proceedings for cross-examination of witnesses

Clearly, lawyers are not as averse to technological advancements as is often assumed. This is borne out by the statistics: in FY2015/16, law firms increased expenditure on technology by an average of 3.3%. This continues an upward trend over the past few years and suggests that most law firms recognise the value of technology in their business (although, the 'benefit' of some technological advancements is a matter of debate – 24/7 access to emails via a smartphone, for instance).

---

**Technology is not inherently valuable; it is a tool that can be used to solve a problem. Like all tools, it is most valuable when used for the right job, and by a person who knows how to handle it!**

---

Like many legal innovators, technology is crucial to LegalVision's approach to the practice of law. However, technology should not be adopted just for its own sake. We believe that technology will only enhance our ability to service our clients (or allow clients to better perform their own work) if it is deployed in response to a real need that is felt by clients or other end-users of our services.



In FY2015/16, law firms increased expenditure on technology by an average of 3.3%





## What do we mean by ‘technology’ in a legal context?

There are many different types of technology that are taking on increasing significance in the legal industry. Some of these technologies are directed at managing internal administrative processes, while others focus on helping lawyers to do actual legal work. It would be impossible to give an account of all of the different kinds of technology being used in the legal industry today. Instead, we have examined some of the key technological developments in the legal industry through the lens of two categories that define how we think about innovation at LegalVision: ‘facilitative innovation’ and ‘experimental innovation’.

### FACILITATIVE INNOVATION

Technologies that constitute ‘facilitative innovation’ support lawyers to promote the efficient delivery of legal services. Examples include document automation tools, project management tools and ticketing systems for recurring tasks.

#### Document Automation

One of the best examples of a facilitative technology is document automation. Document automation platforms use questionnaires to obtain the key information for a contract. The document automation software then uses this information to build a first draft of that contract. Many lawyers who have worked in a commercial law firm will have used a document automation tool, usually coupled with the firm’s precedent system. An important aspect of these tools is that they are most beneficial when scaled. For example, a simple automation tool might save a lawyer 5-10 minutes each time it is used. Used once, this is a small time saving – but when used repeatedly, the savings are potentially huge. In addition to the time saved, these tools can reduce errors that may otherwise occur as a result of repetitive manual data entry.

Over the past few years, document automation has developed in leaps and bounds. Technology businesses such as Neota Logic are increasing the level of back-end complexity in their solutions, while also making them more user friendly to lawyers. The scope for further improvement is vast. However, lawyers will still have much to do, including

tailoring the contract to fit any unusual circumstances that arise and negotiating terms with the other side.

#### Process Automation

Legal documents are not the only things that can be streamlined by a process of automation. Many of the tools that organisations use for administrative purposes are suitable for reinvention through automation. LegalVision’s internal tech developers spend much of their time designing and implementing technological solutions to these process problems.

In a recent LegalVision survey of the in-house team at one client, over 90% of respondents said that they found process-driven work unsatisfying or wasteful. However, for many lawyers, these process-driven tasks take up a great deal of time. Process automation tools seek to reduce error, promote efficiency and free lawyers’ time to focus on more strategic matters. Tools that fall into this category include those that:

- Are used to allocate work, such as ticketing systems
- Generate efficiencies in everyday tasks such as email management
- Bring simplicity and intuitiveness to otherwise complex manual systems



**In a recent LegalVision survey of the in-house team of one client, over 90% of respondents said they found process-driven work unsatisfying or wasteful.**

## CASE STUDY: DELEGATION OF AUTHORITY TOOLS

LegalVision has around 65 staff. At this size, our CEO, Lachlan, still personally approves many day-to-day requests. However, as we grow, decisions are being pushed down the chain of command. The question of who should sign off on these decisions will be affected by the size, complexity or risk profile of a transaction. More significant transactions require sign-off from more senior team members. The person seeking approval must often determine who the appropriate team member is by intuition or by following directions in a document. These internal processes have a number of issues, including disengagement and wasted time. Almost every in-house team we talk to faces this same issue.

This process can be improved using an online form that takes staff through a series of questions to determine who is required for sign-off. The system is essentially an online decision tree, which relies on inputs from the team who are involved in the sign-off (often the in-house legal team). The innovation in this solution is the user interface, because it replaces clunky legacy processes (like a word document or spreadsheet) with an easy-to-use platform. However, the real value is in the clear and exhaustive documentation of the process by the subject matter experts – the lawyers. The system can be used to pose questions about common issues that have arisen in similar transactions, and act as a subtle (or not so subtle) prompt to address those issues before approval is sought. The new user interface saves time and removes complexity from the system, thereby increasing the chance of buy-in and reducing the risk of error.



Staff requires sign-off



Staff accesses online form and answers series of questions



Online decision tree determines who is the appropriate team member for approval

---

## EXPERIMENTAL INNOVATION

The concept of ‘experimental innovation’ is the shorthand by which LegalVision refers to the generation and testing of ideas that, if sufficiently refined, could have a profound impact on the way we practice law or assist our clients. These technologies are often speculative, and not ready for wholesale adoption by the legal industry. In this category, two of the most significant technological developments are machine learning (Artificial Intelligence) and blockchain.

### Machine Learning

We previously talked about the ways in which document automation platforms can be used to save time that lawyers would otherwise spend doing repetitive tasks. These platforms tend to be fairly simple. The pre-population of party names, ABNs and other basic terms is all that most document automation platforms are programmed to do. However, the prospects for these tools are infinitely more exciting when combined with machine learning. By machine learning, we are referring to a branch of Artificial Intelligence that enables a computer processor to access and synthesise the data that it has previously been exposed to and use that data to inform its actions in the future.

Gmail’s spam filter is a useful (albeit simple) illustration of machine learning. Gmail has internal processes to work out what emails are spam. If something gets through their protocols, you can flag it as spam yourself. Gmail then uses that information when determining what is spam in the future. In the legal context, machine learning could

be coupled with document automation so that the inputs a lawyer provides will guide the automation tool in selecting appropriate commercial terms or highlighting issues for consideration. As lawyers work more closely with the system, its decisions about the terms to be included and how best to respond to idiosyncrasies in a document will improve. The lawyer then crafts the document according to the particular context. Those decisions will, in turn, affect how the computer operates next time it is presented with a similar contract (and so on, and so on). Repetition of these processes will refine the system, so that it becomes more and more intuitive.

### Is technology stealing our jobs?

---

- Technology could replace some manual processes lawyers undertake
- There is no single technology that can perform all of the functions fulfilled by lawyers
- Technological processes can benefit lawyers by minimising repetitive processes, and allowing them to focus on the ‘value-add’ aspects of their role



## Blockchain

Much has been written about blockchain and it's not our intention to rehash it here in any detail. Instead, we have focused on the aspect of blockchain that is both the most tangible and perhaps the most intriguing for the legal industry: 'smart contracts'. The term 'smart contracts' is something of a misnomer. The term conveys something similar to the possibilities of combining contract automation with machine learning. In fact, as they currently exist, a better way to think of smart contracts is as an automated escrow service.

Smart contracts have the potential to greatly reduce the time and costs required in complying with obligations. However, the loss of nuance is something which could cause issues. Our case study below posits a contract with clear terms (50,000 users, \$5,000). There will be little prospect for debate about whether the 50,000 user milestone was reached. However, neither the smart contract, nor the independent third party (Google) knows what contributed to the uptick of users. What if the increase was as a result of organic factors, rather than Party 1's efforts? Who should Party 2 bring an action against if they want to recover the \$5,000? It would seem that their grievance is with the code that executed the 'contract' itself.

## Three key points to remember when thinking about blockchain:

- 1 To understand blockchain you generally need to start with the idea of a distributed ledger. This is a repository of data which is simultaneously stored across many institutions, sites and locations. This is the bank ledger of the future!
- 2 A blockchain is the mechanism that is used to store and ensure integrity of the data held in the distributed ledger
- 3 This integrity is verified at each separate location where the ledger is distributed, using sophisticated computer processors. This ensures that no fraud has taken place

## CASE STUDY: SMART CONTRACTS

1



Party 1 agrees that it will raise the number of unique users visiting Party 2's website to 50,000 users in a month. The parties agree that this will be measured using a program which is maintained by an independent third party (e.g. Google Analytics). This contract is stored on the blockchain infrastructure in the form of a computer code.

2



Both parties provide their banking details so payment can be made in the case of a trigger event. In this example, the trigger event takes place upon the website user target being reached. Upon the milestone being hit, the code sitting behind the contract would cause Party 2 to automatically make payment.

3



Blockchain allows for secure and independent verification that payment conditions have been satisfied. Accordingly, there is no capacity for Party 2 to withhold payment upon the milestone being achieved.

---

One final point to be aware of is that, in their present form, smart contracts are firmly in the world of developers. If lawyers are going to draft these contracts they will need to learn computer code in addition to their other core skills. Interestingly, some lawyers are already doing so – Gilbert + Tobin recently held a coding workshop for all of its lawyers. G+T's Chief Innovation Officer said that the purpose of doing so was to put G+T lawyers at the forefront of the capabilities, imagination and technical understanding of blockchain.

## OTHER LEGAL TECH TRENDS



Customer acquisition/customer experience technology such as CRMs, apps and client portals



eSignature tools such as DocuSign, which simplifies document execution procedures



Security systems such as Authentic8's Silo program, which provide secure web browsing



Timekeeping tools such as Chrometa, which capture time without lawyers needing to enter it



Billing estimators, which assist with matter estimates and forecasts



Legal chat bots such as DoNotPay, which has used AI to successfully appeal over \$4 million in parking fines in the UK and US



# PROCESS DESIGN AND THE END-USER

---

## A few definitions to help guide you through this section of the report:

- **Human Centred Design** – the process of designing something with the human end-user in mind
- **Deep empathy** – the method of achieving an understanding of the end-user's needs so that solutions can be designed for them
- **Minimum Viable Product or 'MVP'** – the most basic, functional model of an idea that you can take to market for testing
- **Hackathon** – a short, intense period of time spent focusing on an issue and rapidly generating solutions
- **Design Jam** – LegalVision's adaptation of a hackathon, which is designed to generate solutions for legal process issues

## What is process design?

On page 10 we looked at the challenges that in-house legal teams face with delegation of authority protocols. Delegation of authority is just one example of a legal process. Legal processes include things like sign-off protocols, document management and email management.

These processes are crucial to how effective a business can be in achieving its goals. However, they often develop on an ad hoc or even accidental basis, without much attention being paid to designing the processes for the end-user. Processes that have been developed without a coherent plan in mind can be improved; it is often not as difficult as you might think.

When LegalVision is seeking solutions to the issues that we face in our own business, we embark on an exercise in process design. Process design can be useful for organisations of all sizes, but is particularly important for large organisations, where changing how things are done can be a slow and arduous process. A key element of process design is taking a human-centred approach to designing solutions. As we emphasised earlier when discussing legal technology, a solution will be most effective when it addresses a real need that is felt by the end-user.

At LegalVision, process design, and an emphasis on achieving deep empathy with our end-user, are key aspects of our NewLaw philosophy. We use this process to think creatively about ways in which the orthodoxy (whether in our business, or the legal industry as a whole) can be challenged and improved. This allows us to provide our services to clients in a way that is efficient, and to present those services in a way that clients will find most useful.



---

**The ‘best’ solution will always be the one that most comprehensively addresses the needs of the people who will use it.**

---

## HUMAN CENTRED DESIGN

---

One of the best exponents of the need to focus on the end-user is award-winning global design firm, IDEO. IDEO takes a human-centred, design-based approach to helping organisations innovate and grow. IDEO's approach to creative problem solving relies heavily on the observation of, and deep empathy for, the user of a product or service. By empathising deeply with the end-user, IDEO seeks to move past its own ideas about what people should want, and discover what they need. This approach leads to more creative and more responsive solutions. For IDEO, the best innovations are found at the intersection of three perspectives:

- Desirability (human longing for something)
- Viability (a workable business case for what is desired)
- Feasibility (the capacity, whether technological or otherwise, to achieve what is desired)

### ‘Kick-starting’ Process Design

Properly identifying the needs of the end-user requires significant input from the people who interact with the product or service being designed. This process of achieving deep empathy with the user takes time. However, time is often what organisations are trying to save when redesigning the processes that are used by a business. To address this inherent tension, LegalVision borrows from the world of tech startups by undergoing a version of a ‘hackathon’. We call these workshops ‘Design Jams’. When run in the tech world, developers will often work through the night to produce a prototype model by the end of these hackathons in the form of a Minimum Viable Product, or MVP. These prototypes are rarely perfect, but can be used to generate discussion and test the viability of your proposed solution. By testing an MVP with users you can gain valuable insights, which allow you to iterate your idea in light of feedback.

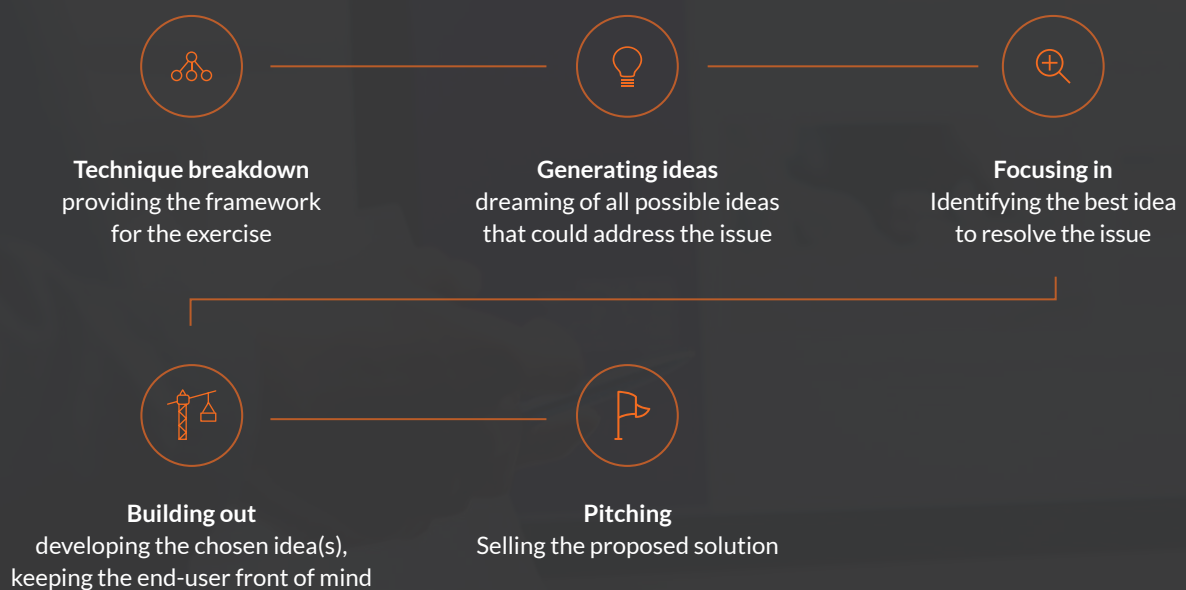
Of course, a tech solution seems like an obvious outcome for these kinds of workshops. But it need not be the only outcome. The refinement of an existing manual process, or the institution of a new one, could be a hugely valuable improvement for a business. The ‘best’ solution will always be the one that most comprehensively addresses the needs of the people who will use it. This is an inherently NewLaw concept. It challenges the traditional ethos of the legal profession as ‘knowing best’. Instead, it appreciates and emphasises the client’s role in shaping the solution to their challenge.

## CASE STUDY: A LEGALVISION DESIGN JAM

LegalVision recently facilitated a half-day design workshop with the in-house legal team for a large manufacturing organisation. The team of 20 were tasked with coming up with solutions to three internal legal process challenges that the team had identified in surveys completed prior to the workshop:

- 'Business-as-usual' requests
- Legal sign-off / approvals
- Invoice / document management

To assist the team to come up with solutions to the issues that they had identified, we guided them through a workshop that used the following framework:



The solutions that were proposed were substantially developed by the conclusion of the workshop. Unlike a traditional hackathon, the teams did not work through the night generating an MVP. Instead, LegalVision's in-house developers put their hands up to build a prototype for one of the solutions following the Design Jam. The key aspect of the Design Jam was not the presence of LegalVision's facilitators. The people who were in the best position to solve the challenges facing the business were the people in the business itself. LegalVision's primary role was to equip the team with the tools that they needed to think creatively and generate responsive solutions. A typical question from a LegalVision facilitator might be something as simple as: "So, in an ideal world, what would that look like?"

# OUTSOURCING

It is generally uncontroversial that doing work in-house is cheaper than briefing it out to an external legal service provider. Despite this, whether because of the need for specialist support, a lack of capacity in-house, or a reluctance to add to head-count, work continues to be briefed out to external firms. Traditionally, much of the more complex work that a business dealt with would be briefed out. This made sense when in-house teams were small and may not have had capacity to handle complex matters. However, over the past 15 years, the number of lawyers working in in-house roles has increased from around 10% to 35% of all practising lawyers. Furthermore, briefing out complex projects to larger firms can mean sidelining lawyers with the best knowledge about a business – the in-house team.

The outsourcing model is likely here to stay. However, the type of work being briefed out, and the type of provider that is used, is not set in stone. As competition in the market increases, in-house teams will have greater opportunities to try new alternatives, or to obtain better terms from current providers. LegalVision sees great potential for what we call

an 'inverse-outsourcing' structure. In an inverse-outsourcing model clients brief out high-volume 'business as usual' work to legal service providers with competitive pricing structures and fast turn-around times. The time freed up by this inverse-outsourcing process can be used by the in-house team to focus on the strategic projects affecting their business. This has the added benefit of increasing team engagement by providing greater opportunities for the in-house team to take on challenging and fulfilling work.

**The direct result of inverse outsourcing is that an in-house team can focus more of its time on the strategic projects affecting its business.**

**Many large corporate clients brief work to a panel of different law firms.**

The legal landscape is changing. In response, clients are rethinking the ways in which they approach these panel arrangements. Some have expanded their panels to include alternative service providers, whereas others have contracted.



## Benefits of Consolidation

- Concentrating work in a smaller number of firms could be used to entice more favourable fee arrangements from existing firms
- Knowledge is centralised in a few trusted advisers



## Benefits of Expansion

- A greater number of providers allows the organisation to pick and choose the most appropriate service provider
- Clients can discriminate between providers based on specialist expertise, price or even location



# KEY DEVELOPMENTS FOR NEWLAW PLAYERS

---

## LIV Innovation Report

In December 2015, the Law Institute of Victoria (LIV) produced a report which noted that innovators in the legal industry generally increase access to justice by providing more affordable alternatives to traditional firms. LIV acknowledged that this benefit could be undermined if the cost of complying with regulatory requirements made the practice of law unfeasible for new players. LIV has indicated a willingness to support legal start-ups to comply with regulation through resources, education and advice.

## FLIP Inquiry

The Law Society of NSW's FLIP inquiry (future of law and innovation in the profession) is examining a range of issues affecting the legal industry, including technological innovation and new business systems; changing legal practice structures; the increased segmentation and diversity of the profession and changes to areas of work which were previously the exclusive domain of lawyers. Several LegalVision team members have made submissions before the Commission, as have many of our clients. Hearings before the inquiry are ongoing, and it is expected that a report will be handed down in February 2017.

## ABA Futures Report

The American Bar Association's Report on the Future of Legal Services in the United States has recommended that States should explore how legal services are delivered by entities that employ new technologies and determine the benefits and risks to the public of those services. This indicates a growing acceptance of NewLaw players by US legal regulatory bodies. In particular, it represents a substantial departure from the way that LegalZoom, a NewLaw business that provides online legal documents and advice, was treated by the North Carolina State Bar, which filed proceedings against it for the unauthorised practice of law in 2014.

## Technological Competency

Also in the US, Florida recently became the first state to make technological competency a mandatory aspect of continuing legal education. This is an excellent initiative. As technology becomes better understood by the profession as a whole, technological solutions to legal problems will be met with less resistance – to the benefit of clients and lawyers alike.



## FINAL WORD

---

We believe that over the coming decades the legal profession will continue to adapt in order to meet the changing needs of the people and businesses who interact with the law. This report sets forth some of the ways in which NewLaw can be useful to those with legal needs. However, this is just one view. The concept of NewLaw is not fixed, and the businesses that adopt the title are varied in approach and outlook. What unites businesses with a NewLaw philosophy is a desire to innovate and change in order to meet the needs of clients in ways that work for them. If lawyers embrace innovative new technologies and adopt a spirit of collaboration, we envision a legal industry that is both highly specialised and more in tune with, and more useful to, its clients.

---

LEGALVISION®

## ABOUT LEGALVISION

---

LegalVision is a market disruptor in the commercial legal services industry. Our innovative business model and custom-built technology assist our lawyers to provide efficient, high quality and cost-effective legal services. We are committed to working collaboratively with clients to address their needs.

We encourage readers to draw on the insights in this report wherever useful. If you would like any further information, please call us on 1300 544 755.

## OUR AWARDS

---



**2016 Innovator of the Year**  
Australian Law Awards



**2016 Client Service and Delivery Award**  
InfoTrack Client Centricity Awards



**2016 Professional Services Business of the Year**  
Optus MyBusiness Awards



**2016 Best Practice in Knowledge Management**  
Chilli IQ Lawtech Awards



**2015 Boutique Diversity Law Firm of the Year**  
Women in Law Awards



**2015 Deloitte Tech50 Rising Star**



**2015 BRW Fast Starters List**



**2015 ALPMA Thought Leadership Award Winner**



**2015 Lawtech Award for Innovation in Legal IT Finalist**

---