



LawFest
Innovation & Technology in Law

The future-ready legal business

Sam Nickless, COO + Partner, Gilbert + Tobin

#LawFest2019

Challenge

The future – closer, faster
and more uncertain

Law firms – structurally
challenged in responding

Future ready

Portfolio of responses –
including being willing to
challenge own business

The defining shift for legal businesses

Labour

- Labour as the primary unit of production
- Owned by key labour (partnerships)
- Significant manual tasks and cognitive labour
- Priced according to scarcity of labour (time)
- Value from 'moments of genius' but revenue from hours on the tools

to

Labour + Capital

- Capital (technology) increasingly relevant
- New sources of investment capital
- Automation of tasks
- Priced according to value created
- Reduced return from hourly billing

Capital is coming

\$1.85bn

Total Funding since 2009

533

Deals since 2009

\$4.56M

Avg. Deal Size since 2009

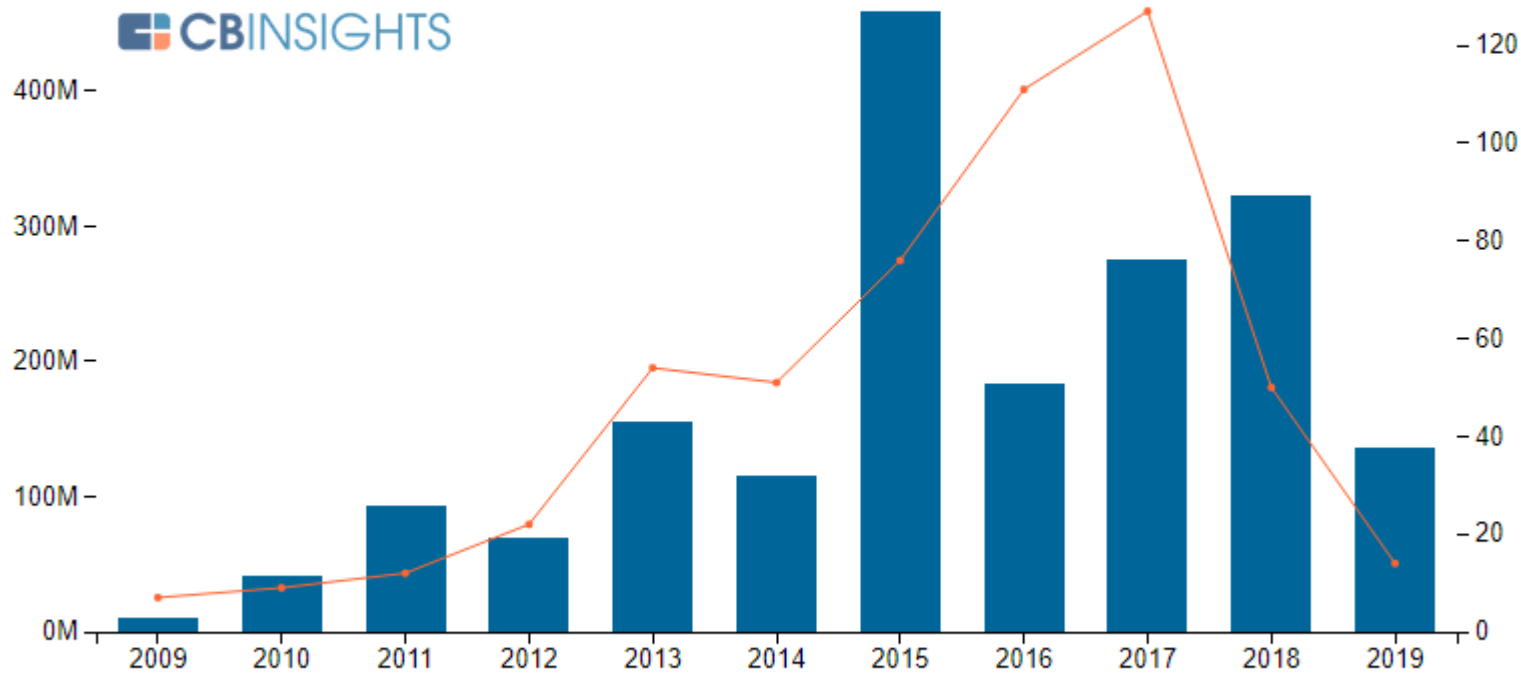
\$750K

Median Deal Size since 2009

Funding Amount (\$)

 **CBINSIGHTS**

Number of Deals

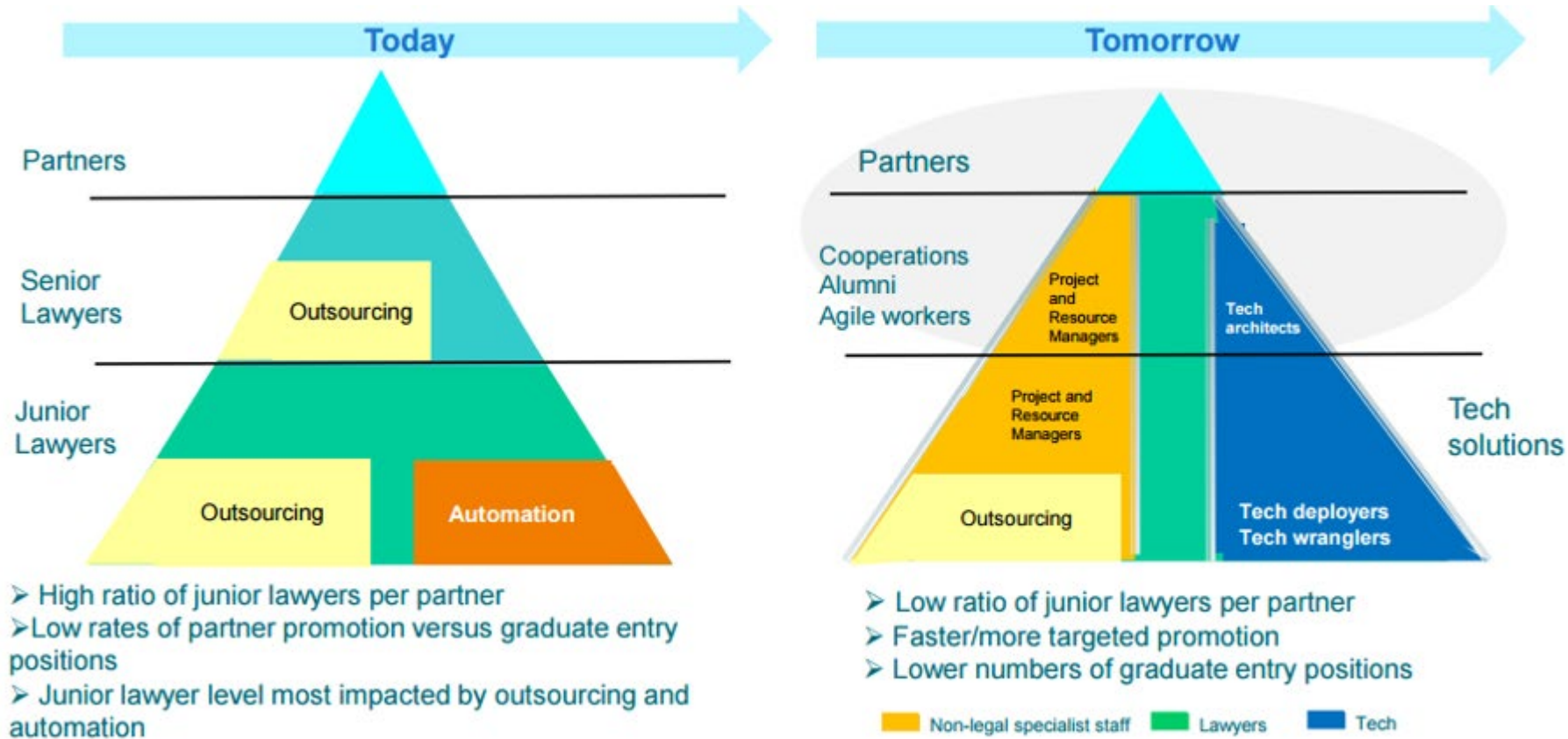


■ Funding Amount (\$) ■ Number of Deals

Source: CB Insights / [cbinsights.com](https://www.cbinsights.com)

CB Insights deal data
for 'LegalTech'

Legal businesses will look different



Structural challenges

Lots of...

Money

Threats

Talent

Noise

...but not much

Capital

Pressure

Capacity

Signal

**So what do
you do?**



LawFest
Innovation & Technology in Law



#LawFest2019

The future ready state



Mindset

- Need for change
- Governance / decision-making
- Willing to disrupt – i.e. reduce hours



Investment

- Dedicated resources
- What % of revenue on R&D?
- Capital beyond this year's distribution?



Action

- Get off the flip chart
- Portfolio of actions on core business and disruption

Innovation by committee...

NOTES FROM SIXTH EXCELLENCE & INNOVATION MEETING

Date & Time: 4 April 2013, 12:00 – 1:00 pm

Location: Corowa, Level 37, 2 Park Street, Sydney

Attendees: Sheila McGregor, Danny Gilbert, Peter Waters, Peter Leonard, Tim Gole, Deborah Johns, Russell Wright, Michael Boot, Michael Panikian

Apologies: Alex Danne, Moya Dodd, Sarah Turner, Paula Gilardoni

1 APOLOGIES

- The Committee noted the apologies.

2 MINUTES OF THE PREVIOUS MEETING

- The Committee resolved to approve the minutes of the previous meeting.

4(a) EXCELLENCE PROGRAM DETAILED PAPER

- The Committee discussed the Excellence Program paper, noting the previous decision of the Committee and the Project Long Run Committee to fold the Continuous Improvement activities under the Committee's oversight and to "rename" the Continuous Improvement program as the "Excellence Program".

• The Co

– **A Charter should be adopted at the next meeting, reflecting the agreed approach, including the principle that the Committee had a review rather than an operational role;**

– A Charter should be adopted at the next meeting, reflecting the agreed approach, including the principle that the Committee had a review rather than an operational role;

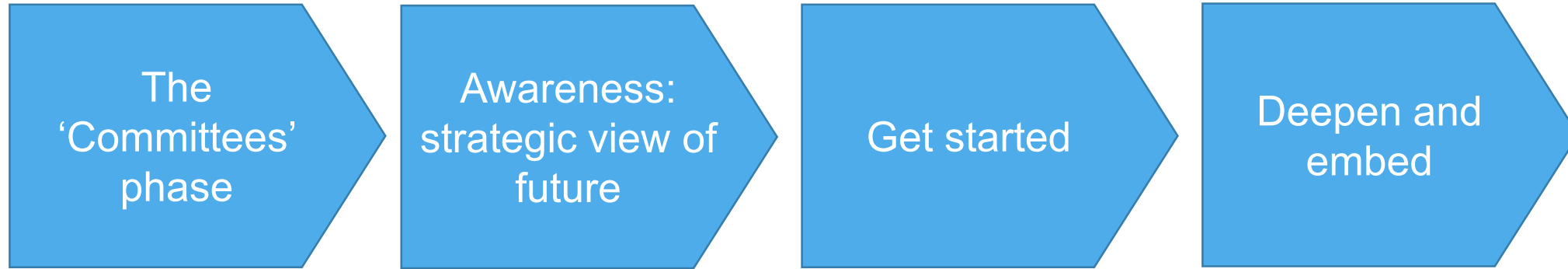
– The Committee should adopt a **regular monthly meeting cycle**, with meetings to be held on or around the Friday morning in the week before the monthly Board meeting;

- The Committee requested that a gap analysis be prepared to ensure that we remained on track

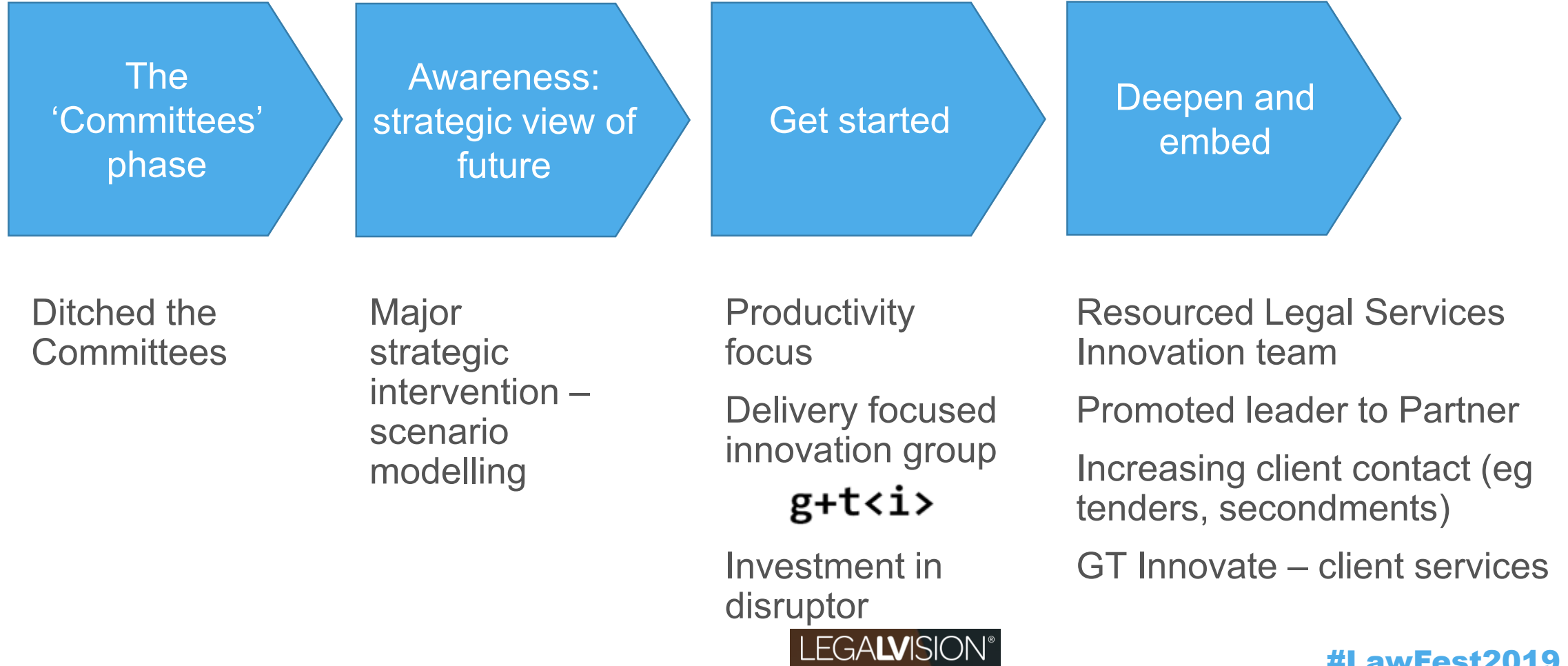
5 INNOVATION

- The Committee noted that there may be "low-hanging fruit" in relation to innovation opportunities and agreed to explore these.
- The Committee deferred further discussion of innovation opportunities until the next meeting.

The readiness journey



One firm's example



Getting started



Systematic – process reviews

Opportunistic – ideas from teams

Group	Legal Processes (matter-types)	Process Map	Playbook Gantt Chart	Matter-type-specific improvement opportunities			
				Lower-cost resource	Improved efficiency – process/matter management	Improved efficiency – task automation	Improved client experience
CA	SPA	✓	✓	• LegalVision/LPOs + DD<->	• DD<->		
CA	IPO	✓	✓	• Task outsourcing to specialists • LegalVision/LPOs	• Checklist collaboration		
CA	Due diligence	✓		• LegalVision/LPOs	• DD<-> • Process mapping		
CA	Takeovers and Schemes	✓		• LegalVision/LPOs	• Playbook		
C+R	S155 notice	✓	✓	• LegalVision/LPOs	• 'Showbag' template OneNote		
C+R	Merits review						
B+I	• Corporate finance • Acquisition financ • Leveraged financ • Leasing						
B+I	Infrastructure and Po						
IP	• Litigation • Opposition • Searches • Transactions						
REP	Commercial and retail lease						
LIT	General litigation and Discovery						

B+I – Unsecured Corporate Finance (generic)

Commercial Lease Review Checklist

Matter Number: Matter Name:
Client:

Contact: Name:
Email: Phone:
Job Title:

Select Courts:
 Australia
 High Court
 High Court of Australia
 Federal Court
 Federal Court of Australia

Tool	Metrics	Dec 18	Jan 19	Feb 19
Domain Search	Searches	10	22	18
	Hours Avoided	4.83	60.48	3.61
Lit Search	Searches	2	70	28
	Hours Avoided	6.83	239.17	95.67
PPSR Reports	Searches	27	9	14
	Hours Avoided	47.97	72.40	27.07

Please select output format:
 Word Excel

GILBERT + TOBIN Create

#LawFest2019

Final thoughts

Greater imperative

- Ripe for picking – high gross margin run in old-fashioned way
- Leverage-based profit under threat
- New and varied sources of competition
- Existential threat of technology

but

Easier to get started

- Case for change is strong – buy-in is achievable
- Technology now affordable to experiment at lower scale / risk
- ‘Plug and play’ dynamic – able to pick spots
- Quick wins - simple tech generates a ‘wow’ for lawyers



LawFest
Innovation & Technology in Law

THE GREAT ROOM

CORDIS

 @samnickless
@gtlaw

#LawFest2019