

A complex network of white and light blue nodes connected by thin lines, set against a dark blue background with subtle bokeh effects. The network is denser in the center and fades towards the edges.

Legal

INNOVATION & TECH FEST

Community Report

2020

8-9 June
The Maslow Sandton
Johannesburg

Produced by



Introduction

For 24 years, The Eventful Group, which has recently taken on local ownership in South Africa, now operating as Eventful People, has specialised in developing communities of common interest for business and IT professionals. Eventful People recently ran a series of **Legal Innovation & Tech** research groups across South Africa with senior legal professionals and innovation drivers working in the legal space, from both law firm and corporate environments. The attendees discussed the challenges they are facing with within their role with their peers. This report is a summary of the key discussion points and insights gleaned from these discussion groups.

The themes identified in this engagement inform the agenda for the **Legal Innovation & Tech Fest**, taking place in June 2020. The event will demonstrate innovation and process improvement which is being enabled by technology and innovation, through a combination of case studies, thought-leader presentations, discussion groups, product demos and panels.

We are living in an exciting time where technology is enabling us to literally transform the way we work. Digital transformation is impacting and disrupting business globally, and leaders and employees alike are going to have to start embracing the change to allow for the technology advancements to be a key enabler and drive strategy. Are you ready to make the most out of these innovations? How prepared are you in terms of strategy and future planning? What is the impact of the change?

The Eventful Research Process

Our unique research process ensures pure and accurate information is generated through debate and discussion among the community. Themes that emerge from the research groups are used to build the agenda for the Legal Innovation & Tech Fest 2020.

Legal Innovation & Tech Fest will demonstrate how law is being enabled by technology through a combination of case studies, thought-leader presentations, discussion groups, product demos and interactive panels, all based around the key topics in this report.



01 Three months of in-depth research

02 Hot Topics defined by round table discussions

03 Most pressing topics chosen for community report

04 Agenda curated using Hot Topics as a blueprint

Participant Profile

Professionals who participated included:

- General Counsel, Partners and Directors
- Chief Information Officer
- Director: Knowledge Management
- Director: Governance, Risk & Regulatory
- Group Company Secretary
- Group Head of Legal
- Head of Service Delivery
- Head of Technology
- Head of Alternative Legal Services
- Head: Legal & Compliance
- Head: Projects Legal Investments
- Innovation & Marketing Lead
- IT Manager
- Legal Technology Specialist

Thank You

to our round table discussion attendees from:

Adams & Adams Attorneys | Allen & Overy (South Africa) LLP
Ashburton Investments | BDO South Africa | Bowmans
Brentleys | Capitec Bank Limited | Clicks Group Limited
Cliffe Dekker Hofmeyr | Clyde & Co | Cognia Law | Coronation
Fund Managers Limited | Dentons | ENS Africa | Exigent Group
Limited | Fairbridges Wertheim Becker | Futures Law Faculty
Goodman & Wynn | Guthrie Colananni | Herbert Smith Freehills
South Africa LLP | Juta and Company Ltd | LAW FOR ALL
Legalese | Nedbank Limited | Norton Rose Fulbright South
Africa | Oceana Group | Origin Systems | Standard Bank of
South Africa Limited | Stellenbosch University | The
Development Bank of Southern Africa Limited | The Foschini
Group (Pty) Ltd | Virgin Active South Africa | Ward Ward &
Pienaar Attorneys | Webber Wentzel | Werksmans Attorneys



AFRICA
LEGAL

For the first time, Eventful People has partnered with Africa Legal, the official Intelligence Partner for the 2020 Legal Innovation & Tech Fest. Africa Legal was founded in 2018 and is the first sector focused platform to be launched by the Africa Professional Services Group. Driven by a desire to create access for aspirational legal professionals across Africa they provide access to news, jobs and courses via one integrated platform. With a growing team based in London, Durban, Cape Town, Johannesburg, Lagos and Nairobi they partner with law firms, academia and corporates to create bespoke and engaging content and insight.

As Intelligence Partner, Africa Legal has extended our research into the rest of Africa and some of the findings are noted in this report.



The information provided is based on responses

FROM:



73

Organisations

(both law firms and corporate legal departments)

OPERATING IN:



18

African Jurisdictions

The findings of this research are embedded within this report.



The following
broad themes

7

emerged from our research
as being most important
to the community:

Navigating the
Maze of Legal
Technology –
Past, Present
& Future

Change
Management &
User Adoption

Embracing
Technical &
Process
Innovation

The Future of Law,
Legal Talent
& Rethinking
Operating Models

Legal Technology
Regulations,
Ethics &
Cybersecurity

Deriving Value
from Data &
Determining ROI

Legal Services
Pricing Structures &
Cost Saving

Navigating the Maze of Legal Technology – Past, Present & Future



Our lives are being disrupted daily by the rapid evolution of technology, and the legal profession is no different. The question is no longer “why” technology should be embraced in the legal sector, but rather “how” to utilise the plethora of technological solutions available to become more efficient, competitive and resilient. Every legal professional should be thinking about how technology could be used to transform the business of law. Technology is the great enabler and has the potential to increase access to justice and legal services, as well as make the legal sector more diverse and inclusive.

When it comes to technology, one of the biggest challenges that the legal community are faced with is understanding what solutions are available to them, and when to use what! There are hundreds of solutions available and without understanding the capabilities of modern technological innovations, and how the tools available can meaningfully impact the legal function, businesses, and legal professionals in particular, are unlikely to fully embrace the technology available to them. The question is, what processes in the legal sector, both within a corporate and law firm environment, can be made more efficient and effective by investing in technology?

The other challenge that accompanies the rapid pace of technological development is that we often find ourselves in the situation where our business is home to a “technology graveyard”. What might have been the latest and greatest at one point, might now be completely outdated and obsolete, even though massive investments were made. We are, however, also faced with another scenario where sometimes businesses land up with owning several pieces of technology that are underutilised. This said, it is essential to understand how we can be “sweating the assets” and getting maximum value out of the technology that we already own before falling into the trap of constantly needing to invest in more solutions.

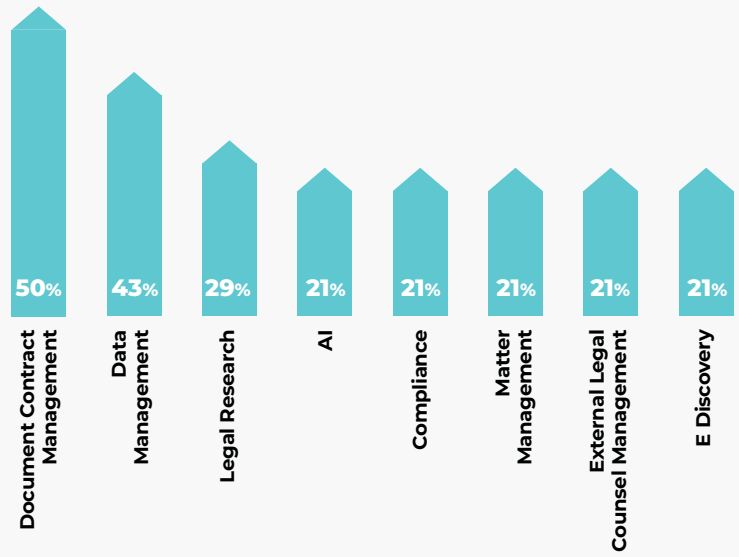
Summary of Key Challenges & Areas of Interest:

- Navigating the complex technology landscape and sourcing the best vendors
- Examples of how technology can be used to significantly save costs and reduce pricing
- How technology can enable and empower remote workers
- Automation in the legal profession – what is possible?
- Insights into blockchain and cryptocurrency in the legal profession
- How Smart Contracts are impacting the legal profession
- Billing technology solutions
- Intelligent technology solution to manage precedent banks
- Using technology to streamline mundane, time-consuming processes
- Making the law more accessible through the use of technology
- Getting the most out of the technology you already own – small wins, sweating the assets and using the technology that’s at your finger tips
- How are age old legal principles impacted by new technology
- Innovation and Technology for dispute resolution
- AI & Machine Learning in the legal profession

In-house corporate counsel

36%

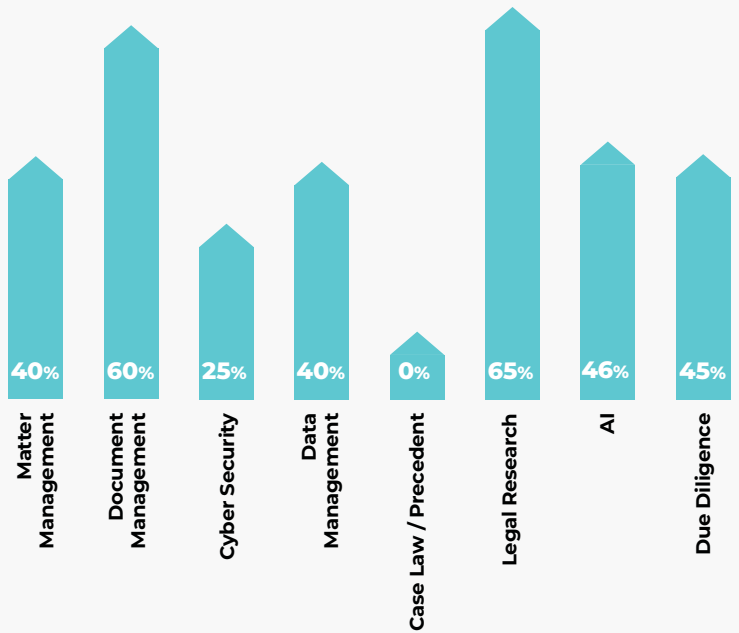
of in-house legal teams have purchased legal technology in the past 12 months.



Law firm

45%

of law firms have purchased Legal Technology in the past 12 months.



* Research conducted by Africa Legal

2. Change Management & User Adoption



Change is never easy, even more so in a profession that is built around precedent and entrenched ways of doing things. Future-proofing the business of law requires a structured and managed process of change. It is imperative to have buy-in both from the leadership and workforce to ensure that there is adoption and sustained compliance. There needs to be a change management strategy in place with a clear vision of the transformational journey. Technology is not a solution, merely a tool to enable change. Without transforming the processes and changing the mindsets and skills of the people, technology will not yield the intended results.

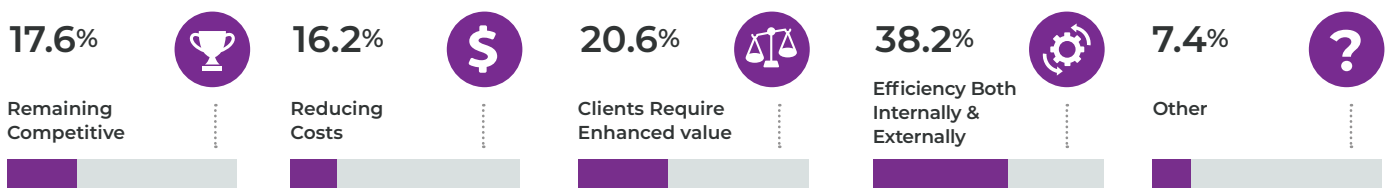
Before adoption can be expected, it is essential that those who are rolling out new solutions truly understand the needs and desires of their users and ensure that the value of the new solutions is communicated well to the envisioned adopters. Implementation approaches should be well thought out. It is widely believed that “less is more” is always most effective! The experience of the user should always be front of mind when rolling out new technology. If a solution is intuitive and easy to use, adoption rates will always be better.

One of the biggest pain points in the legal community at this time, and a reason why legal professionals might be reluctant to embrace change, is the fear of the impact of technology on their future, the fear that their jobs may very well be made redundant because technology could replace them in the future. Lawyers do not only have legal knowledge but are also proficient at the application of the law, made possible through years of experience in dealing with a multitude of cases and cannot be achieved with the aid of any technology. Thus, the attorney’s wisdom and legal acumen will always be of utmost importance in the legal profession. To combat the feelings of uncertainty and uneasiness that might be felt, firm and business leaders need to invest energy into building a culture of open communication and trust with employees to ensure that intentions are understood.

Summary of Key Challenges & Areas of Interest:

- Tips and tricks for developing an effective change management strategy
- How to inspire greater adoption – putting the user’s needs at the heart of any technology investment and implementation
- Technology Implementation approaches in the legal profession
- User experience and accessibility – a great user experience = great adoption
- Building a culture of open communication and trust in the business
- Embracing Design thinking and other collaboration techniques
- Enhancing the user experience to achieve better adoption rates

What is the biggest driver for adopting new technology in your organisation?



* Based on 44 participants from 41 organisations in the legal sector.



Only 21% of in-house legal teams would actively consider buying ‘homegrown’ African Legal Tech compared to 55% of law firms.*

* Research conducted by Africa Legal

3. Embracing Technical & Process Innovation



Despite being known for following precedent, the legal sector is not immune to innovation. There has been a sudden burgeoning of legal innovation globally, most evidently in new business models and players involved, which is transforming the business of law as we know it. Technology is a catalyst for legal delivery transformation and a foundational element for new delivery models, but a tech tool alone will not disrupt the industry. Thus, innovation requires more than simply implementing new technology solutions, it requires a deeper look and processes too. Technology is a means, not an end.

The desire to innovate in the legal sector in South Africa is gaining momentum. Legal professionals are used to having limited capacity to deliver the legal services that clients and the business require. With ever-increasing time pressures, and constraints on spend, legal professionals are required to deliver more for less, faster. The modern client and the broader business world expect us to keep up with innovative working methods and technology, while being flexible in how our services are delivered and paid for. It goes without saying that innovation is becoming a necessity to remain competitive in the legal landscape.

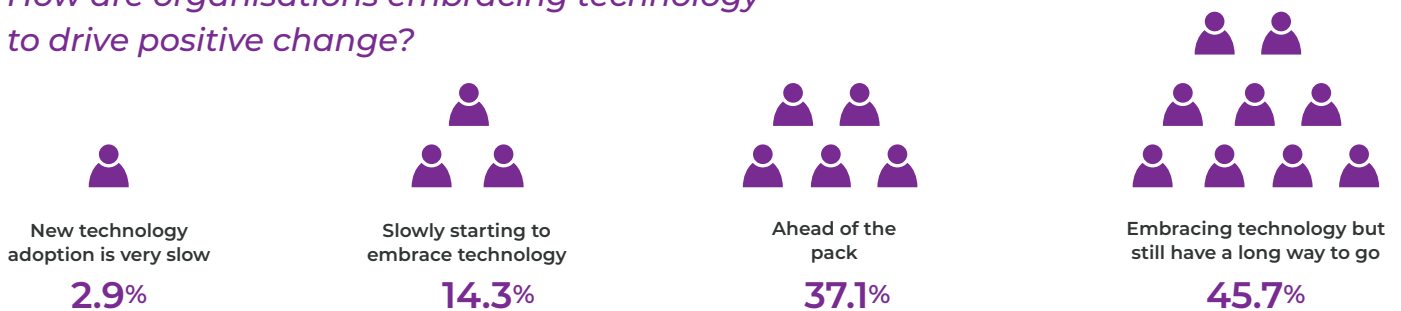
How does the traditional law firm expect to compete with “New Law” and continue to operate as a profitable business with its current fee structure and business model? Legal professionals are being forced out of their comfort zone and are reassessing the skill sets that make an effective transformative leader.

Although there are many drivers of innovation and players are aware of the lucrative potential in harnessing the tech opportunities, there are still significant barriers to change.

Summary of Key Challenges & Areas of Interest:

- Addressing value creation and cost reduction as a driver for innovation
- Technical innovation versus process innovation and how to ensure attention is given to both “Structured innovation” for legal professionals
- Using Design Thinking to drive innovation
- Overcoming innovation stumbling blocks in the corporate and law firm environment
- Innovation for social justice – giving the average south Africa access to better justice through technology
- Not everyone can be an innovator – we need to identify and nurture those who are

How are organisations embracing technology to drive positive change?



* Based on 44 participants from 41 organisations in the legal sector.



21% of in-house legal teams are planning to invest / are investing in AI compared to 46% of law firms.*

* Research conducted by Africa Legal

4. The Future of Law, Legal Talent & Rethinking Operating Models



We are living through the fourth industrial revolution where disruptive technologies such as the Internet of Things (IoT), robotics, virtual reality (VR) and artificial intelligence (AI) are transforming the way we live, work and communicate. There are big questions: generally, what will life be like after the fourth industrial revolution, and more specifically, what is the future of law? How are these disruptive trends impacting legal business models? What does a lawyer of the future look like, or more on point, will there even be a need for lawyers?

The rise of the gig economy means that organisations are going to need to change from traditional structures if they are to keep up. Digital disruption is changing the nature of work and our roles in legal organisations. There are threats that certain roles may disappear in the future. This has an impact on retention and culture of the best junior lawyers. Agile teams, matrix models, and project-based management structures are becoming more common. How you prepare for succession with a transient workforce will have an impact on technology and process change decisions. New legal innovation solutions will need to reflect this modern way of working. How will technology assist in bringing the right teams together to solve cross-functional challenges? Core business behaviour becomes difficult to document as there is no standard way of working or reporting. Systems can benefit certain projects, but it is harder to identify what will best service client needs.

There is an increasing and elevated uncertainty as to what the career path of a person entering the legal profession will look like. The truth is that the legal industry of tomorrow will be significantly different to previous decades. The brightest and best future lawyers and clients see disruption as the norm and will continue to push back when faced with those unwilling to show similar agility.

Summary of Key Challenges & Areas of Interest:

- How to prepare for and embrace the workforce of the future
- What skills do businesses require to ensure future resilience and relevance?
- Is your older workforce trained to adapt to different needs and expectations of clients who are Millennials?
- How can we ensure that educational institutions, local legal authorities and business are encouraging and not hindering the next generation of legal professionals?
- How can your firm or company attract, retain and manage a workforce that will withstand the test of time and thrive in the era of digital disruption?
- Skills and attitude for new work – how are we teaching our young lawyers to be ready for the future, how do we move young lawyers into the Gig economy?
- Understanding Big Law versus New Law
- Embracing the evolving Legal ecosystem - Alternative Service Providers are no longer alternative
- Working remotely: Flexibility v compliance
- New legal careers: data technologists, legal data analyst & legal marketers

5. Legal Technology Regulations, Ethics & Cybersecurity



The number of specific technology applications designed for the legal sector has grown significantly in recent years, with legal startups springing up in every corner of the world. The development and application of technology in the legal sector challenges existing regulatory models and raises questions about the scope, objectives and form that regulation in the sector should take. There are a whole host of fascinating ethical questions around technology, and unlike their effects in medicine or science, guidelines for the ethical use of technology in the legal sector are considerably less developed.

The topic of Cloud technology, as an example, raises concerns around security of information and protection of privacy. Additionally, there is often concerns and uncertainty around transnational regulatory requirements in an increasingly digitising age of work. How can we ensure that as law firms and businesses that we are guaranteeing our clients a service that is safe and secure? Artificial Intelligence in the legal sector is another topic of contention. What are the ethical considerations that we should be adhering to in this regard?

In a South African context, who are the bodies responsible for regulating the use of technology in the legal sector, and how closely is this ever-changing environment being monitored? There is deep concern that greater focus needs to be placed on this from the relevant authorities.

Summary of Key Challenges & Areas of Interest:

- Protecting your data and your clients – everything you should be considering before implementing technology solutions to replace an existing process
- Cloud regulation and ethics in South Africa
- Artificial Intelligence regulation and ethics in South Africa
- How South African Regulatory Bodies are planning for the use of technology in the legal sector
- Standards & levels of security to mitigate risks
- Best practices approach to cybersecurity: People & systems

6. Deriving Value from Data & Determining ROI



All too often businesses are data rich but information poor. The challenge is knowing how to harness the power of data analytics to be more efficient and to make good business decisions to manage risks. For legal professionals, stored data has traditionally been useful for benchmarking and knowledge management. New technologies have the potential to not only operate structured data (like spreadsheets) but also manage unstructured data (like emails).

One of the most fundamental challenges that law firms and in-house teams face is that their world is increasingly tied to data. In addition, client expectations have changed, and data is being increasingly used as a way of justifying conversations about cost-effective services and delivery methods. How can we use this data-rich world as an opportunity for legal professionals to demonstrate their value to clients? Is there a way that we can calculate Return on Investment for transformation initiatives? To succeed, we need to get better at collecting the right data and understanding how to use it in delivering legal services.

Another important use of data is to determine return on investments (ROI) and to build well supported business cases for future investments. On its face, determining ROI seems straightforward – a basic math equation that determines the ratio between an investment's profit and its cost. But with legal technology, this can get an unprecise result which does not necessarily convey the true value of a particular investment – the legal department deals in time and efficiency, not in widgets. The two broad factors to consider when determining ROI for legal technology are time and money, but what other elements should be factored in and how can we place a value to these metrics? How can we use data within the business more effectively to prove ROI and motivate for future investments?

Summary of Key Challenges & Areas of Interest:

- Developing a data management strategy
- Data governance: Creating a culture of compliance
- Identifying the best platforms and tools to manage data
- Complying with regulations
- Effectively using data to demonstrate ROI
- Benefits are not just financial – better experience etc.
- Understanding the metrics for measure ROI for technology investments
- Efficiency versus cost saving as a determining factor for ROI
- Using data to understand clients better to service them more effectively – being a learning organisation and learning from trends and data



*Statistics show that investing in data management solutions are equally important to law firms and in-house legal teams.**

Legal Tech spend to increase / decrease / maintain



In-house Corporate Counsel



Law Firm

* Research conducted by Africa Legal

7. Legal Services Pricing Structures & Cost Saving



The digital revolution has put the traditional business model of law firms into question. The billable hour billing structure has been the undisputed go-to in past decades but is unlikely to cope with the rapidly changing legal sector and the changing needs and demands of clients. As the legal sector evolves, so does the need to reinvent the way in which legal services are priced to remain competitive.

Value-based pricing (VBP) is beginning to revolutionise the legal services industry by transitioning legal engagements from the traditional hourly fees model to a new value-based approach. VBP, when structured correctly, significantly reduces total legal spend, increases budget predictability, promotes law firm risk-sharing and improves the productivity of corporate legal departments.

The digital revolution is making it possible for many legal services to be offered at a lower cost due to streamlined processes and efficiencies, making legal services in general more affordable and accessible for the wider population.

Summary of Key Challenges & Areas of Interest:

- Commoditisation of the business of law: Will we soon see the end of the billable hour billing approach?
- Insights into alternative fee arrangements
- How pricing structures can affect innovation and ultimately value
- Enhancing the collaboration between the client and the law firm
- Practical examples of how technology can be used to save clients' money
- Billing technology options

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INNOVATION & TECH FEST

The Legal Innovation & Tech Fest is two amazing days of content, networking, knowledge sharing and fun.

It brings together in-house counsel, lawyers, innovation and strategy leaders, leadership experts, technology executives and promising start-ups to celebrate the talent, technology, innovations and ideas that are transforming the future of law.

2020 8-9 June
The Maslow Sandton
Johannesburg

www.techfestivals.com/legal/

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