

legal insider

Top stories in this issue...

- ▶ 3Kites hires trio including former Easyjet GC, p.3
- ▶ Microsoft says Peppermint has "shifted gears" with CRM online, p.4
- ▶ Clockimizer to unveil machine learning capability, p.5
- ▶ Lupton Fawcett rolls out Visualfiles, iManage and SOS, p.6
- ▶ Are you aware of Reynen Court? p.7
- ▶ Up and running: Adidas Global Legal Solutions, p.12

▶ Exclusive: Epiq rolls out SAP with Fulcrum GT

Epiq has rolled out SAP across its entire business with Fulcrum Global Technologies as its systems integrator, as the legal services giant also goes live on Fulcrum's global time entry solution Epoch in a project made more complex by the merger last year of Epiq and DTI.

Epiq, best known for its eDiscovery and bankruptcy work, is one of the largest providers of legal services in the world, worth about \$1bn with five distinct lines of business all oriented around providing legal outsourcing services to large corporate departments and law firms.

Before its merger with Epiq (an existing SAP client), DTI, which drove the merger, had begun an ERP selection process run by global transformation director Michael Bodker. Having whittled the pitch down from around 20 to three, DTI selected Fulcrum's SAP HANA-based system combined with Epoch.

Come the merger, that selection was put on hold as management decided whether to rip out Epiq's existing older version of SAP and put in Fulcrum's SAP HANA-based system, or effectively fold Epiq into DTI's version of the software.

In light of the existing upheaval around the merger, Epiq decided to do the latter and chief financial officer Eddie James told us: "A lot of thought and consultation went into the decision. As soon as the Epiq merger was completed, we said, 'Stop everything, let's work to understand the condition of Epiq's implementation of SAP and whether it's worth just folding into that SAP or if we need to rip it out and replace. We consulted

with Fulcrum in that process and they confirmed our expectation that, while the best long term solution would be a full reimplementation and upgrade of SAP with the Fulcrum wrapper, it was too risky to do so in the environment of an integration of two large businesses. The result was that we followed the recommendation by the board and Fulcrum to first combine the businesses in the current SAP environment."

*EPIQ ROLLS OUT SAP WITH FULCRUM GT
CONTINUES ON P2*

▶ Elite to split as part of TR restructure

Thomson Reuters Elite is in the process of splitting along company-wide customer segments as opposed to product lines and cutting its headcount in line with the wider Thomson Reuters restructuring in a move that while welcomed by many, is creating significant internal tension as staff find out if they still have a role.

As part of a wholesale restructure and "delaying" following the sale of Thomson Reuters' finance and risk division, Elite, which to date has operated as a self-standing transatlantic unit, will be integrated within the wider TR business, with the restructure understood to be underpinned by a McKinsey playbook.

According to one TR insider, the new look Elite – which in the UK will be divided to focus on the large, medium and small legal market - will have more of a customer focus, be potentially more agile and be quicker at bringing new products to market.

*ELITE TO SPLIT AS PART OF TR RESTRUCTURE
CONTINUES ON P3*

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► Exclusive: Epiq rolls out SAP with Fulcrum GT

CONTINUED FROM FRONT COVER

Fulcrum did the migration to the legacy SAP system including help with licensing and will migrate Epiq onto Fulcrum's SAP HANA in a year or so. James said: "There are a couple of businesses still to move into SAP. We have to get those integrated and handle a few expansion-related tasks that were deferred as we worked through the fold-in."

While there is a delay, the decision to move to Fulcrum SAP HANA has been made and James said: "We have five distinct businesses, and each is slightly different. We wanted a platform that had three primary characteristics. We wanted it to be prescriptive, and tell us how to run the back office with best practices built and without the need to extensively customise the application. We wanted it to be SaaS because we do business with clients in 45 countries and in 11 different currencies so it needs to be robust and globally deployable. Finally, the provider had to be committed to the industry. It's easy to find prescriptive and SaaS but there are only a few that are committed to the legal industry."

"A lot of software companies make good ERPs, but not necessarily for the legal industry. Fulcrum is 90% configured out of the box and built for the legal services industry. That works for us. for us. We wanted a systems integrator that is committed to the business and none stood out as being so knowledgeable - not just about the industry, but they lunged into our business to understand it. In conversations with Fulcrum around the business requirements, it was clear they had done their homework and understood how our business operates and our need to be prescriptive and to have a SaaS product."

One of the tasks in rolling out the existing SAP was that it had been over customised and James said: "We are trying to comb out some of the complexity. Fulcrum came in and helped us tune it back up and it's in great shape, waiting for the opportunity to go to HANA."

He adds: "You hear that SAP implementations always come in over budget and take too long but that is absolutely not our experience. Part of it is the discipline you carry into the process and not customising is critical - allow the system to do its job."

Epiq runs in much the same way as a law firm and still goes by the billable hour for a lot of work, so how is it running on SAP without a legal wrapper? "SAP is enormously powerful and it was customised into a solution that Epiq could use for the business prior to the merger, but it's but not at its best. It was a great deployment of SAP at the time although we realise now it is probably wrongly configured."

"We are working to un-customise it and are trying

to get to a point where we can roll the whole business into HANA with the Fulcrum wrapper, which is the perfect model for businesses in the legal industry. We are a multi-faceted technology-enabled professional service organisation for the legal industry and the Fulcrum wrapper fits 90% of our business requirements out of the box with best practices built in."

Meanwhile Epoch has now been live for its first full month and James said: "We went live on Epoch on September 1 and that was, for us, a very transformative moment. A lot of what we do is time-keeping just like law firms and corporates. This was the only enterprise-scaled time-keeping system we could find built purely for the legal industry and it provides tremendous control and insight around time by the matter and time keeper and allows us to be extremely efficient with the commentary on our bills. It also snaps right into SAP."

It's early days but James is keen to shower praise on Fulcrum, as he says: "I've implemented a number of ERPs and executed several migrations. Working with Fulcrum was, by far, the best experience that I can recall. Their commitment to the success of the project, knowledge of our business, and industry expertise have been invaluable. We are looking at Fulcrum as a key partner on some other initiatives on the revenue side of the business. They have proven their effectiveness as a development resource."

Epiq is eyeing further acquisitions, with the idea that SAP will enable it to scale up more easily.

Fulcrum's CEO Ahmed Shaaban told Legal IT Insider: "This was a big change management project, but it wasn't difficult because people wanted change. Epiq is very geared towards leveraging technology to give them a strategic advantage, so when you have that attitude things tend to be more straightforward."

Bradford & Barthel goes live on Fulcrum Snap

And it's more good news for Fulcrum GT this month, after Bradford & Barthel, a leading West Coast employment firm with 13 offices, took just three months to be ready to go live on Fulcrum Snap. Snap is Fulcrum's integrated business suite that incorporates new business intake; time management; matter management; billing, finance and practice management; and Snap Insights, a real-time analytics solution that includes dashboards, visualisations and reports.

Fulcrum won Aderant client Bradford and Barthel in July and the project began on 1 August. It became ready to go live in October, although the firm is yet to decide if it will migrate to the new system now or wait until the year end.

Shaaban said: "Fulcrum Snap is incredibly efficient to implement. It's a cloud solution and completely SaaS. From signing to implementation took three months and Bradford & Barthel are ready to go."

"The platform simplifies not just the implementation but the purchase - they decided to pay per user and be done with it: they don't have to work out different models and, do we want to pay this much or not, and be done with it."



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► Elite to split as part of TR restructure

CONTINUED FROM FRONT COVER

However, the execution, which was described by an observer as “ruthless”, is also creating collateral damage, as jobs are redefined, roles reduced, and staff slowly find out who is in and who is out.

The restructure began in the summer with the announcement that legal and tax and accounting will be aligned into three customer segments instead of product lines and co-chief operating officers Brian Peccarelli and Neil Masterson were appointed.

Thomson Reuters said at that time that it plans to “de-layer” the business and reduce its costs-base to reflect a smaller organisation following its sale to Blackstone.

A press release at the time said: “With these organisational changes, Susan Taylor Martin, President of Legal, has decided to leave at the end of June.”

It added: “Gonzalo Lissarrague, President of the Global Growth Organisation, who first joined the company in 1991, will also be leaving the organisation as a result of these changes.”

As a result of resizing the corporate centre to fit the new organisation, chief communications officer Gus Carlson and chief strategy officer Brian Scanlon also elected to leave the company.

It is not yet known who or how many are to depart from Elite.

A spokesperson for TR told us: “Thomson Reuters is routinely looking at ways to run our global business operations more efficiently and effectively. This disciplined approach sometimes includes the need to make personnel, or other, changes which allow us to balance our internal resources with the needs of our customers in a highly competitive environment.”

► Quote/Unquote

“We had the signing meeting - drank eight bottles of wine, and I realised I’d forgotten to sign the contract.”

The founder of one legal startup that recently received a funding injection recalls getting over excited.

► 3Kites hires trio including former Easyjet GC

In a major growth spurt for 3Kites Consulting, the professional services consultancy has hired a trio of new consultants, one of whom is the former general counsel of EasyJet, we can reveal.

Giles Pemberton joined 3Kites as a consultant this month after a stint as an airline consultant, where he helped airlines to overcome regulatory challenges surrounding cancellation compensation, and to build systems and processes to deal with the increasing volume of claims driven by claims-handling companies.

Freshfields Bruckhaus Deringer-trained, Pemberton was general counsel and director of corporate governance at Easyjet between February 2006 and April 2015, prior to which he was assistant general counsel at Cable & Wireless.

Pemberton’s hire is designed to give 3Kites credibility in the in-house legal market and, speaking to Legal IT Insider, consultant Melanie Farquharson said: “It’s also an added strand to what we can offer law firms by being able to offer Giles’ perspective on the clients’ needs and how law firms can best meet those needs.

“Giles was interested in exploring a different angle on what he spent his entire life doing – being a lawyer. Now he is looking at making it more efficient for law firms and clients to work together.”

The second hire is IT consultant Michele Asbury, who has previously worked as client services manager for Tikit and, before that, as an IT director at Finers Stephens Innocent, which merged with Howard Kennedy in 2012.

The third is Justine Francis, who joined in August from Addleshaw Goddard, where she held various roles including, latterly, business service manager for almost five years. She will work from home in Yorkshire.

These hires bring 3Kites to a total of nine consultants and Farquharson said: “We have a ton of work: business is expanding and we needed more resource.”

3Kites has an office near Monument that now doesn’t seat the entire company but Farquharson says: “We don’t need a massive office that sits empty. We’re in a serviced office with plenty of communal areas so there are plenty of places we can go, and once a month we all meet and hire an office.”

The company has recently been involved in a large number of practice management system replacement

projects thanks to products such as Thomson Reuters Elite Enterprise becoming unsupported in the next few years.

Farquharson says: "Selection is important but the implementation and the leadership you bring to bear is more important – it's not just about writing a cheque. We see these projects as a real opportunity for law firms to improve their processes, reduce the amount of fee earner time spent on administrative tasks, dramatically improve the information they can make available to help lawyers manage their work and the leadership manage the business and, on the all-important bottom line, reduce lock-up days.

3Kites is also seeing a lot of work on engagements in knowledge, case and document management, where Farquharson says: "The electronic file is finally being seen as the 'master file' after a long period when lawyers have worked in a hybrid way between the DMS and paper."

► Microsoft says Peppermint has "shifted gears" with CRM online

Microsoft says that Peppermint Technology has "shifted gears" following the launch earlier this year of a Dynamics 365 public cloud customer relationship management system that is gaining the interest of Microsoft's larger enterprise clients.

The launch coincides with Peppermint taking out a further £1.5m in borrowing from Scottish Equity Partners as it commits under new management to a major cloud drive.

Peppermint on 5 July registered a charge in respect of the borrowing of £1.5m from SEP and speaking to Legal IT Insider, chief sales officer Tony Cox, who joined in May from KCOM Group, said: "What we're doing in essence is investing in a new product push while continuing to invest heavily in CX and the private cloud, which is what the business was built on.

"What's really important is that clients will be able to securely consume the benefits of CRM online from the public cloud and put their toe in the public cloud water without having to divest their investment in the private cloud. They can move at their own pace."

He adds: "We have a longer-term plan to make all of the modules of CX available in the public cloud."

Peppermint in April appointed Gary Young to take over as chief executive officer and in September appointed Nicki Grundy as chief financial officer. Speaking to Legal IT Insider, Microsoft's enterprise sales manager Matt O'Callaghan said: "I've seen a huge shift in Peppermint between the beginning of this year and now in terms of their capability around CRM online.

"Peppermint were in our eyes a small to medium business partner, but they've shifted gears. They have new leadership focussed on looking at the future platform and moving into the cloud space. There has been a lot of feedback about CRM online from traditional customers but a lot of interest from Big Law and Tony [Cox] has been engaged in opportunities around that."

Whereas CRM has historically suffered from a lack of input Callaghan says: "It's a real game changer how Peppermint has developed automatic population via an integration with Office 365 that we've not seen before. For law firms it's tackling a lot of the client challenges and there are very few of our partners that get that message and have an end-to-end proposition at the moment."

The CRM tool can be accessed from any device and O' Callaghan says: "The whole thing is that it creates more mobility. With on prem systems you have to go back to your desktop to input information but here you can surface it straight to mobile and you benefit from a lot more autopopulation."

While client data is the life blood of law firms,



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entering it is unchargeable and O'Callaghan says: "The problem with CRM is that people don't get paid for it and it's clunky and not fit for purpose. We have to help fee earners to autopopulate more and use their mobiles so they can update it on the fly and that's what Peppermint's CRM online does: it takes away from the situation where you make notes and three weeks later input it. With this CRM online you get richer content and more integration with Office 365 that will take it in a new dimension."

He adds: "Our enterprise clients are expressing an interest because Peppermint are innovating in the direction that law firms want to go: cloud-based CRM is the direction of travel."

Cox said: "Microsoft has a number of partners generally in the IST space but we've become unique as a partner in the legal space where we are delivering Dynamics with real legal expertise so that firms can do things much more quickly. Client centricity is key, particularly with big law firms, and we are helping to better understand clients and react quicker with better predictability."

► DLA restructures entire US back office with BigHand Now

DLA Piper has successfully completed an entire US back office administration and support restructure using task delegation and workflow tool BigHand Now, which has been rolled out to over 2,000 users across all 28 of DLA's North American offices.

In the early stages of the restructure and prior to selecting BigHand Now, DLA says it developed a shared resource model to replace the traditional one-to-one relationship between lawyers and legal secretaries. The new multi-level teams were intended to not only be more efficient in supporting multiple lawyers at a time, but more cost-effective.

Initially, the new model was supported by an internally developed tool, but the global giant says it quickly became apparent that the tool lacked the visibility required to facilitate effective task delegation across teams and to ensure the right tasks were going to the right level of resource at all times. Sonji Le Blanc, senior project manager at DLA Piper says, "To enable staff to delegate tasks to appropriately skilled resources, DLA required an easy to use and more robust solution – a fluid, highly visual tool for users and one that provided management with a single view of all tasks at once on a dashboard."

DLA Piper implemented BigHand Now to facilitate the effective capture, delegation and reporting of legal tasks throughout the business.

Following swift user adoption, DLA now reports over 8,000 tasks being sent through the BigHand Now system each month by over 1,000 daily users, with the proportion of work being carried out by the appropriate

level of staff having more than doubled within six months. Moreover, as the roll-out of BigHand Now expands, both internally and across the wider business, this is expected to increase further.

► Clocktimizer to unveil machine learning capability

Clocktimizer is set to unveil new machine learning capability to automate the extraction of costs codes from lawyers' billing narratives, as it grows 20% month-on-month in the US.

Clocktimizer was co-founded in 2013 by Pieter van der Hoeven, who was previously an associate at DLA Piper. Speaking to Legal IT Insider, van der Hoeven said: "We started out with the core algorithm we still have today to read narratives and we trained it to recognise words and link those to activity."

"In the beginning we would compare 10 M&A deals and work out what the next one will cost. We still do that but now we also look at operational data, for example working out where people spend most of their time, so that if for example a firm is rolling out Kira it knows who the people are who do the most due diligence."

"The new product introduces machine learning, which is incorporated into our existing algorithm. We have preallocated codes, whether JCodes in the UK or LCodes in the US, as everyone hates task codes. Lawyers' brains are really comfortable with text but then someone says 'there are a number of codes and you need to work out which is the assigned code' I need to get to another part of my brain and it really annoys lawyers – it really annoyed me. We see that in any given dataset roughly 75% of time cards will have no task code or will be wrong."

Clocktimizer has used a sample of 10,000 time cards of which 7,500 have been used to build its out-of-the-box capability and 2,500 to cross-check.

Van der Hoeven says: "We have to use the sample set each time. No firm would allow us to use their data to build a product out of the box because that is what helps to give them a competitive advantage."

Clocktimizer is part of Clifford Chance's "best delivery" tech stack led by Bas Boris Visser and Anthony Vigneron, who are using the software in part to quantify their innovation efforts by measuring output before and after process improvement. Van der Hoeven said: "Bas Boris has really propelled Clocktimizer and propelled the project."

DLA Piper, meanwhile, is using Clocktimizer to identify which fee-earners are doing what type of work and therefore need what technology to support them and van der Hoeven said: "If you provide the information that people need, adoption is really pretty easy." He adds: "We see that in pricing in the US - the

data to work out how you spent your time is critical. We have seen a major uptick in the US over the last year, and in the last six-to-eight months we've had 20% growth month-on-month. Firms are competing like crazy and getting quite creative with the data and GCs are pushing them more."

While Clocktimizer would appear to compete with other pricing solutions such as Prosperoware, van der Hoeven says: "To a certain extent our product is complementary to any matter management software that doesn't have the ability to assign codes."

► Perfect storm or holy trinity? Lupton Fawcett to roll out Visualfiles, iManage and SOS

UK commercial law firm Lupton Fawcett has selected LexisNexis Visualfiles, Solicitors Own Software and iManage to replace its sunsetted integrated practice management system Thomson Reuters Elite Envision, we can reveal.

Led by commercial partner Jonathan Moore and IT manager James Hood, the three-pronged case, practice and document management selection was driven by Visualfiles, which put forward the proposal to the firm.

Speaking to Legal IT Insider, Moore said: "Envision has served us well but technology is moving rapidly and, to keep pace, we thought 'let's make the change and investment needed.'"

The Yorkshire firm plans to migrate department by department.

Moore said: "We engaged with the entire business a year ago and asked what's wrong with the current system; what do they want in a new system; what would their clients like; and what is hampering them from delivering the best service.

"We pulled all this together in a report that threw up recurring themes and must-haves and that formed a blueprint that we took to market. We invited various suppliers to give us their proposals and Visualfiles was head and shoulders the best offering for us. We selected them at the start of the summer. I then assembled the purchase team to negotiate terms and signed off in the early summer.

"From there we kicked off the deployment project and our department will go across at the turn of the year - we are taking this as an opportunity to review and assess and improve all our core processes, which are all going under the microscope to ensure that we are the best we can be with Visualfiles.

"The first department has already looked at their processes and is user acceptance testing and, once that's done, they will be trained and the systems deployed. As

that's going on the second department is coming on. So the departments with a fairly heavy workflow are already being worked on, getting guidance from Lexis' project management team.

"If your workflow is light, there will be a lot of deconstructing of the process with old fashion pen and paper and identifying all the points that can be processed. You mention to a lawyer about process and standard forms and they will say 'my work is unique' but process and workflow can be anything: if you are sending a letter to a client, that can trigger a workflow and a task for a secretary or junior lawyer. It doesn't necessarily involve you and can be done for you.

"That to me is the most basic workflow, right up to documents being pulled from the precedent and auto-populated, so that the first time the senior partner opens file the AML has gone through and the first letter sent out and all they are doing is the lawyering.

"It's not always easy for people to understand. We're running process improvement sessions and asking how can we get better? We're challenging ourselves. It fascinates me: it's a shift in mentality."

This process mapping and improvement is being done across all departments across the firm. Moore says: "Everybody will be using it. There is process in everything we do."

Visualfiles and iManage will be rolled out at the same time, although 90% of users will only see Visualfiles according to Moore. Once those two systems are deployed, it will roll out SOS.

"How long will it take? We're ready when we're ready," says Moore. "We're in no rush although we want to roll this out as soon as possible for all the obvious reasons. I think we'll get it done with the next 12 months."

The concept of rolling out three core systems simultaneously is enough to make most IT heads feel queasy but Moore says: "We did a load of due diligence and it's quite clear that the holy trinity works hand in glove."

► Legal IT Insider Intelligence – UK Top 200 Case Management Report

Legal IT Insider will shortly be analysing the UK Top 200 Case/Workflow/BPM column and producing a detailed report that will look at who the dominant providers are; who the challengers are; and what the future of CMS technology looks like. The report will be researched and written by industry expert Neil Cameron.

If you would like more information, please contact Jeremy Hill on +44(0)7973 483131 or Jeremy.hill@liti.co.uk



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► Are you aware of Reynen Court? You need to be

The single biggest bit of news in the past four weeks - and we'd argue potentially the biggest news this year - was the launch of Reynen Court, which aims to become the marketplace where IT directors procure all new legal applications and which so far has the backing of 12 heavyweight global firms co-chaired by Latham & Watkins and Clifford Chance.

Founded by former Cravath, Swaine & Moore associate Andrew Klein and formally launched at the end of September, Reynen Court will audit vendors and offer containerised cloud applications, enabling firms to buy and run the application in their preferred environment.

At its simplest, containerisation sees an app unbundled from its infrastructure and put into a container so that it is entirely portable. The platform works on top of any infrastructure a law firm runs, whether on premise (in virtualised data centres) or in private or public clouds hosted by AWS, Azure, Google or others.

Klein tells us: "The important point is that by running containerised applications, firms get all of the benefits of modern cloud computing without having to trust content to third party SaaS platforms."

Instead of individual IT directors having to audit and worry about the security of new providers, that will become Reynen Court's job, with the idea that it becomes an official legal app store that, once established, clients can give their blanket approval to.

This sort of store will also help law firms to optimise their costs by enabling them to use applications as they need them.

Latham and Clifford Chance have been involved from the outset alongside Paul Weiss (vice chair); Covington; Cravath, Swaine & Moore; Freshfields Bruckhaus Deringer; Gibson Dunn; Linklaters; Orrick; Ropes & Gray; Skadden Arps; and White & Case.

The 12 firms were engaged by Reynen Court in order to add weight and advice to help get the platform off the ground.

Speaking to Legal IT Insider at the time of the launch, Klein said: "We're focussed with the law firms on a new generation of application. You have AI and machine learning and all sorts of automation coming to the legal field which presents huge opportunities to innovate and deliver services to clients in better ways and also huge challenges when it comes to trust and security, which are of paramount concern to clients."

"All new apps take advantage of the cloud but are vertically integrated and law firms are required to trust the cloud environment of vendors giving them potentially dozens of points of exposure. They want to innovate but don't want that exposure."

"We're devising a way to bring the apps down into the environment we know and can protect, giving law firms the benefit of the cloud but not the risks."

He adds: "One analogy for law firms is that we are providing an App Store that you can bring onto your phone and, like the App Store, we're going to try to create a similarly secure environment." (see our Q&A with Klein on page 9).

Clifford Chance's CIO Paul Greenwood told Legal IT Insider: "From our point of view we use Kira, Neota, Workshare Transact and Docusign which are all great new tools but on the same matter we may have to upload and get client sign off for each of them - wouldn't it be great to use them freely because they have blanket authorisation? That will really open up the potential for adoption."

And Latham & Watson's deputy CIO Rene Mendoza

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said: "We often have small startups that don't have the robust infrastructure and don't understand what we require but we can work with them through Reynen Court."

In response to the news, one established vendor reacted nervously, commenting, "We're an established player with huge security credentials, why would I work with a startup?"

A valid question, which we put to Paul Weiss' CIO Andreas Antoniou, who said (see his quotes in full below): "More established enterprise platform solutions may not be the ones to come online first but we are more interested in creating the modern market vendor space."

He added: "Those providing new services around AI technology or more sophisticated productivity tools can't argue that they have a more mature security framework. We've audited every one of the vendors we use and they are not doing such a good job so the idea that they have a better framework is not true."

Reynen Court is in late-stage talks with a number of as yet undisclosed application vendors to make their solutions available to law firms through the platform. Initial vendors will provide contract analysis, discovery, compliance, and practice management technologies.

None of the 12 firms has invested in Reynen Court – so far the only funding has come from an affiliate of Klein, Prins H LLC – and the hope is that more firms will give the startup their backing.

That will certainly add pressure on vendors and Antoniou told us: "Vendors may have to enter the marketplace to compete. If you are providing legal tech services, you want to be in the marketplace. I'm not going to find you and take the time to evaluate you if you're not, so you're really at a disadvantage."

While a number of legal tech vendors such as HighQ, NetDocuments and iManage have already begun positioning themselves as the platform or natural integrator for new applications, Reynen Court takes things significantly further.

We asked industry commentator Dan Katz, who is a professor of law at Chicago Kent College of Law and co-founder of LexPredict, what he thought of the Reynen Court offering and he said: "I do believe that there will be a proper platform or even several of them. The key to winning a platform race is to get the incentives right for the participants (law firms, vendors and perhaps clients as well). It remains to be seen whether this initiative will be able to do so but this is a development worthy of attention."

Andreas Antoniou, CIO of Paul Weiss, talks Reynen Court

"Reynen Court is a good idea because of several forces or trends facing IT teams within law firms: they need to move key services to the cloud and AI technology is now readily available. We are seeing some really good solutions for the legal industry and the expectation is

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that a number of those solutions will accelerate in the coming year.

"Those two forces compel someone like me who is responsible for IT strategy to come up with a different model to the traditional 'go to vendor; negotiate; and manage that solution with that vendor'. The fact I'd have to do that in depth analysis a dozen times a year to find the best solution would require IT support that is simply not sustainable.

"If we can come to some understanding that we have a platform that normalises our ability to evaluate and put these solutions into production, we all win. The vendors on the platform will have priority over those not on the platform.

"Those providing new services around AI technology or more sophisticated productivity tools can't argue that they have a more mature security framework. We've audited every one of the vendors we use and have evaluated for use. Many have mature security in place while others have work still to do.

"More established enterprise platform solutions may not be the ones to come online first but we are more interested in creating the modern market vendor space.

"Vendors may not have a choice - they may have to enter the marketplace to compete. If you are providing legal tech services you want to be in the marketplace. I'm not going to find you and take the time to evaluate you if you're not, so you're really at a disadvantage.

"That's the vision - we'll know in 12-18 months how close we'll get but the team assembled is very impressive and the firms are fully committed to ensuring the success of the platform.

"Once Reynen Court becomes an established, viable and proven business model it will be a matter of putting it in front of clients in key industries and saying 'take a look at this solution, it provides the security and safety that we are all concerned about so we can all be ok with moving forward.'

"It's a lot of trust but if you look at Andy's bio and what he's built in the past, as well as the experience of the team assembled and the type of law firms who are there to advise them, for me that is the evidence that this could well work.

"Does this normalise and equalise the playing field and remove competitive advantage? No. How you procure a solution is one thing. What a law firm does with that is the differentiator.

"The game changer is not the procurement of technology but how we provide client services and how you leverage that solution. This just gives IT the time and space to focus their attention where it matters."

The technology play: Andrew Klein answers our burning questions

Are you planning to be a cloud provider with your own data centre and hardware?

We are not a cloud provider. Our platform works on top of any and all infrastructure a law firm runs, whether on-premise (in virtualised data centres) or in private or public clouds hosted by AWS, Azure, Google or others. Our platform brings efficiency and speed to the discovery, adoption and management of third party applications, and enables firms to place and run the application in their preferred environment and even to easily move specific applications to the environment that runs the application most efficiently. The important point is that by running containerised applications firms get all of the benefits of modern cloud computing without having to trust content to third party SaaS platforms. Our platform also generates telemetry in respect of the actual cost of each application and the storage and compute resources actually consumed in running the application. This enables firms to measure accurately and optimise their IT expenditures and potentially to develop new billing models as technology figures more importantly in the work they do.

By containerise do you mean you're bringing the apps behind the firms' firewall?

We bring applications to the firm's data. The data may reside - and the computer can run - in the firm's data centre (so long as the data centre is set up to run containers). Alternatively, it can run in one or more cloud environments that a firm will set up under the services of a major cloud provider. We expect all firms to begin moving workloads to private clouds and eventually run most of their heavy computing in private clouds. We provide plumbing that will make this transition smooth and cost-effective.

Why is this not a horizontal play versus a legal play?

Docker Containers and Container Orchestration (Kubernetes) are indeed transforming the entire enterprise software industry. We are leveraging these technologies plus proprietary services automation software to build a vertically focused solution. In addition to simply orchestrating deployments of containers, we also bring efficiencies to both firms and vendors by centralising and standardising vendor compliance and application certification, and by enabling technical integrations to be built once and used by many. We also believe we can achieve a greater degree of interoperability between

and among legal tech applications. Moreover, we aim to make training and support more standard and consistent experiences, with special attention to the unique challenges of driving innovation through large law firms.

What do vendors need to do to adopt your tech/get involved? How must they adapt?

We support vendors in developing containerised versions of their applications and in utilising our APIs to integrate into our platform. We invite all vendors – big and small – to reach out. We believe the entire industry has much to gain.

Why would established vendors get involved - why is your tech better?

For established vendors that sell software for traditional on-premise deployment, the advantages are obvious. Containers will enable their applications to run more efficiently while both vendors and clients can eliminate costs involved in manual installations and version deployments. For vendors that have bet on moving their business to vertically integrated SaaS solutions, they will have to decide whether they have the leverage to convince firms and their clients to trust their content to the vendor's clouds. Some of the most

significant vendors may successfully win that argument. On the other hand, for many, many others the path of least resistance will be to align their offerings to the core infrastructure roadmaps of their clients – which we have not doubt means that most applications will move to private clouds (multi-cloud) over the coming years.

Do you audit vendors?

Yes. Vendor compliance and application certification is another core pillar of our platform. Not all firms or clients have the same standards, and so there is not a one size fits all solution to approving vendors and applications. But we are working with the consortium firms (and their clients) to find areas where standards can be agreed and, more importantly, we are starting to demonstrate that compliance and certification work-product can be shared/re-used. As we build a reputation as a trusted neutral service provider, we see great opportunity to save both vendors and law firms time and money in compliance and certification.

Are you doing demos?

We will be in the near future.

Have the initial 12 law firms invested in the platform?

So far the only investor in Reynen Court is an entity called Prins H LLC which I control. We will have more to report about further financing in the near future.

What is your charging model? Presumably you take a percentage from vendors, like the App Store?

We are not quite ready to express the details of our charging model. We intend to help both law firms and vendors save time and money and accelerate their businesses and, in general, earn our dues in proportion to the value we create.

At launch we will have two programmes for vendors. One will be for application vendors that sell with us to law firms, in which case the vendors will not pay us but will have to contract directly with, and directly engage and support, the law firms. The other will be for application vendors that sell through us, under a reseller agreement, where we will generate sales and directly support the law firms in respect of the application. In both cases, fees will also apply to law firms that bring up and use the platform, with the law firms having the ability to add any compliant application to their internal App Store and, of course, easily purchase the apps sold "through" Reynen Court under one consolidated enterprise software agreement. Law firms will also be able to "bring" their own infrastructure (private clouds or on premise virtualised data centres to work under the platform, or they will be able to purchase Infrastructure as a Service from AWS, Azure and Google Cloud through our platform.



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► Up and running: Adidas Global Legal Solutions

One of the highlights of the past month in our packed legal tech calendar was attending Eversheds Sutherland's in-house legal 4.0 event, where the UK top 20 firm brought together a number of senior in-house counsel to discuss their technology challenges and achievements.

Katherine Roseveare, EMEA GC of Adidas' global legal team told a packed room about the creation of Global Legal Solutions – a three-strong team also led by Roseveare that was formed to take charge of legal technology, spend, knowledge and communication.

Within legal technology, GLS has looked at the entire contract lifecycle, which includes matter management; contract creation and automation; eSignatures; and contract management.

The global legal team's foundation legal systems are:

- Anaqua, which is being rolled out for IP property management;
- Legal Tracker – Adidas had Legal Tracker in the US but it is now being rolled out globally;
- GEMS for legal entity management;
- DocuSign for eSignatures;
- EDT for litigation management

Roseveare said: "We looked at the entire portfolio from scratch." The Global Legal Solutions team worked out its exact spend across the world to create "one version of the truth" and created a global legal supplier database with updated policies.

The team uses SharePoint to manage its know-how and has created a global legal homepage where the business can get to know the team and find out the latest news and topics as well as search for content.

A global leadership pack for 2018 includes the teams' playbook and mission statement, its leadership framework and 2018 ambitions and priorities.

While much of this is not earth shattering, Adidas' creation of the dedicated GLS team has enabled it to be systematic and engage with its mind-bogglingly large global business. Asked what she would do differently if she started the project from scratch, Roseveare said: "I would have a proper legal matter management platform from the outset and build up from there."

Roseveare, who is talking to Eversheds Sutherland about using its in-house managed legal services ES Ignite, adds: "It's about trying and failing; lawyers are bad at that. It's a totally different mindset."

Eversheds Ignite RPA update

It was interesting to hear an update from Eversheds Sutherland partner Jonathan Townend on how the firm's managed services business ES Ignite is using robotic process automation in an ever more integrated way.

Where ES Ignite finds RPA (Robotic Process Automation) offers most value is the likes of regulatory

repapering exercises and Townend said: "Where this has had the best application for us is contract remediation projects where you might be sending out a 1,000 or 2,000 emails with updated terms and you need to track those through and make sure they are closed appropriately. It's very easy to configure the robot to go through the steps that an administrator would take."

The robot logs into a system or systems, extracts data from those systems, pastes it into an email, logs that it's done, and moves onto to the next in seconds. In an exercise run by Ignite, that Townend said could have taken a paralegal weeks, 1,500 emails were sent out in just two minutes.

Whereas the cost of setting up and training the system would once have been prohibitive, Townend said. "These things are now less than £10,000 to set up and train, probably more like £5,000."

He adds: "They will not make a mistake, if there is an error in the data it will skip it. It won't accidentally do the wrong thing. The average human error rate is 7-9% but the error rate is zero with these things."

Desktop RPA is only really suited to mass outreach projects, but Ignite also has a partnership with intelligent RPA provider Autologyx and contract review solution ThoughtRiver, which is where things start to get really interesting.

Autologyx can be used to organise and prioritise requests around the clock and assign them to the right person in the team. It can upload documents and send emails. "It's a very impressive piece of technology and we're only just beginning to scratch the surface of it," said Townend, adding: "There are already huge efficiency gains from it being able to work around the clock."

ThoughtRiver reviews contracts and provides a "red amber green" risk assessment. To review a third party NDA takes 30 seconds.

Underpinned by proprietary SharePoint-based matter lifecycle management system ES Unity, basic requests come through the client portal, are triaged, logged in the DMS, reviewed by the contract review tool and signed by DocuSign, with potentially very limited human interaction for the simplest contracts.

Eversheds is using this model within its managed service offering but increasingly clients are showing interest in its application across their entire portfolio.

Townend said in the not too distant view it will be possible to triage work for entire legal teams, commenting: "We are in discussions with a number of clients about taking this away from being pure managed services to something much more centralised."

Set up from scratch, ES Unity has a matter analytics dashboard that shows where work is opened, what is in progress, what has been allocated, what is with a third party and what matters have been aborted or rejected. "Where you might know every lawyer is busy, now we also know what they are busy on and whether it's the right type of work?" said Townend.

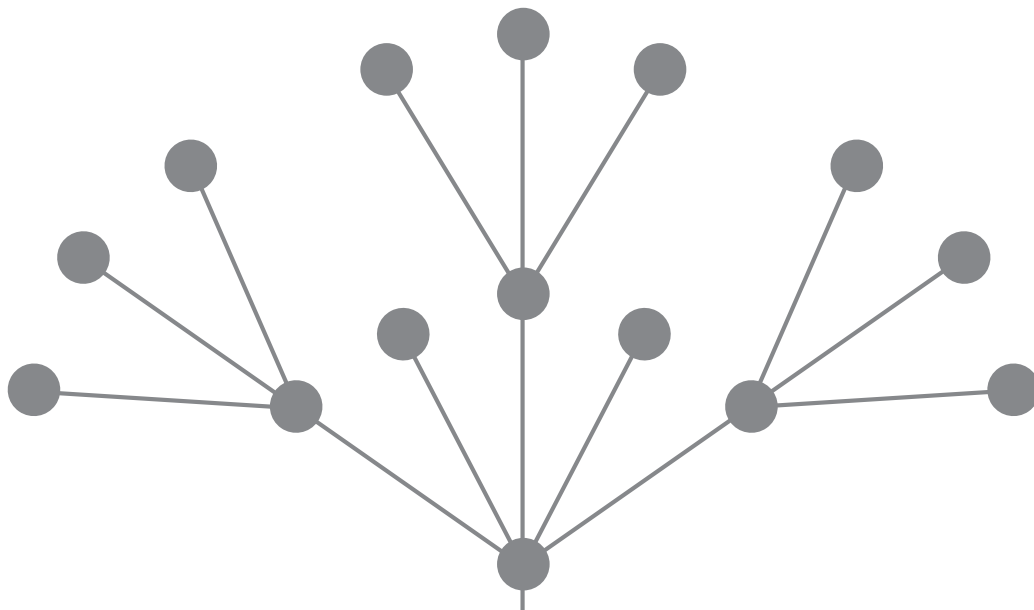
"Information like this enables you to have much better conversations with your business colleagues as well as with those imposing measures on legal spend and management."

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► Oh Joy! Entire world welcomes new ILTA CEO

Legal IT Insider speaks to Joy Heath Rush about her immediate priorities as new CEO of ILTA

The start of October saw Litera Microsystems vice president of client development Joy Heath Rush selected as interim CEO by The International Legal Technology Association (ILTA), with the response said by Heath Rush to be “overwhelming” as members say they have full confidence that she is the right person to fix the organisation in the longer term.

Heath Rush was selected by ILTA's board after they received over 100 applications. While she has more than three decades of experience serving in a variety of technology roles at global 20 firm Sidley Austin and then Litera Microsystems, it was her ILTA experience dating back to 1996 – including serving on the board of directors and as board president from 2007 to 2009 – that really swung it.

“Joy's combination of legal technology know-how and first-hand experience as an ILTA member, leader and business partner make her an excellent choice to take on this critical leadership role,” said Angela Dowd, ILTA board president, at the time of her selection.

Since that announcement the comments have been flooding in, and they concur with Dowd, in a relief for the board, which has felt the ILTA community breathing down its neck in its decision-making process as it looked to replace former CEO Dan Liutikas.

Sharing on LinkedIn Legal IT Insider's announcement of Heath Rush's appointment, Litera Microsystems director for Western US and Canada, Sean Ramsey, said: “I've only spent a year with Joy Heath Rush but she is an absolute shining star and one of the best people I've had the pleasure of encountering in my career. She is 1000% the right choice for ILTA and I can't wait to see her lead the transformation.”

And from the private practice sector, McDermott Will & Emery's senior director of technology support, Jennifer Cuenot said: “We love Joy! Brilliant, kind and passionate. Treats everyone like they are the CEO. She's a super star!”

It is no wonder that, when we caught up with Heath Rush earlier this month, she said: “The personal outreach I've had has been overwhelming.”

Referring to her history at ILTA she said: “I've been in every role in the organisation except for on staff and now that one's covered. I go all the way back to 1996 and I've been a regular attendee and done a bunch of different volunteer roles and I've been a speaker. I love the organisation and the thought of being able to serve my colleagues is a once in a lifetime dream job.

Immediate priorities

While it is often unfair to ask someone who has just arrived in a role what their immediate priorities are, Heath Rush tells me: “One of the best management books around taking on a new role is The First 90 Days and personally my top three priorities are listen, listen, and listen to members and that includes the board and the volunteers and the rank and file members to the business partners to the ILTA staff.

“With reflective listening and thinking about what's actionable a new set of priorities will unfold and that's already happening - from the listening there will an action plan.”

It is now common knowledge that well-liked programme director TJ Johnson has left the organisation and, referring to the recent upheaval caused by Liutikas' departure, Heath Rush said: “It's no secret that we have to fill a couple of staff positions and the staff have been heroic over the last few months, making sure services to members and partners were not diminished. We need to make sure that the fantastic team has all the right pieces and players on the chess board and the listening will determine what those pieces are and will lead to a fuller action plan.”

Heath Rush will also be focussed on the feedback from ILTA's volunteer task force and speaking to Legal IT Insider at the time of the appointment, board member and Sidley Austin director of market intelligence and operations Kate Cain said: “We are really hoping that the organisation can now come together and the focus will be on volunteer leadership opportunities; shoring up operations; and ensuring that our professional staff have the resources they need.”

A virtual Town Hall meeting took place just over a week after Heath Rush arrived, meaning she had to get up to speed quickly on the issues that have plagued the organisation, including the perception that volunteers and partners have been sidelined.

While the board has been running the show since former CEO Dan Liutikas departed in the run up to ILTA, Heath Rush is now fully in charge.

Cain told us: “The CEO is first and foremost the leader of the professional staff team so decisions re staff hiring, developing where we need to grow and where we need to adjust is 100% Joy's jurisdiction as of 20 October. While the board has relished the opportunity to work closely with Patti [Moran], Jason [Stookey], Corey [Simpson] and others and it has been great to get to know them, we all have day jobs and can't provide the kind of day-to-day support required and we're excited that Joy gets to take on that role.”

Needless to say, it's a fantastic tick in the box for diversity that the CEO of ILTA is a woman and that is not lost on Heath Rush.

“I was very fortunate in the law firm I worked in for 28 years that they were committed to diversity and I was always given opportunity to move along based on merit.

“It's important for younger women to look and say there are people who look like me who can be at the top of organisations and you can aspire and achieve just by hard work.”

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► ICYMI. A new regular column from industry veteran Jonathan Maas

A digest of the more important eDisclosure / eDiscovery news from his BONG! email updates over the past month

US second circuit uses “Klipsch” to speak loud and clear on eDiscovery misconduct <https://maas-bong.io/2MWGfGd>

In what would appear to be bit of a theme for this month, a US court here imposes a monetary sanction on a defendant in favour of the plaintiff, who had to spend unnecessary time and money dealing with the defendant's catalogue of “misconduct”. The cock-ups were a veritable smorgasbord of unforced discovery failures: inadequate legal hold; missed deadlines; inadequate discovery; spoliation; and so on. As Ralph Losey notes, this is important because not only is it the ruling of a United States Court of Appeal panel in what is a rather arid area of procedural law in the US but it is also controlling law for all courts in its jurisdiction, including the all-important New York.

US court takes defendant to task for Discovery violations <https://maas-bong.io/2xxPVC4>

Another US case in which the defendant displayed absolutely no regard for the discovery process (no legal holds, massive spoliation, inadequate discovery). However, in this case the judge ruled it sufficient, on top of the proportionate costs awarded to the plaintiff for remedying the defendant's deficiencies, to instruct the jury to draw an adverse inference from the defendant's actions. This was partly because, despite the defendant's obvious scant regard for the discovery process, enough data had eventually been disclosed to likely win the case for the plaintiff on the facts.

“Don't Shoot the AI Puppy!” – The United Airlines eDiscovery case <https://maas-bong.io/2xDR5Md>

This month there were squawks following yet another eDiscovery cock-up in the US, this time in relation to the efficacy of predictive coding as applied in the United Airlines case. It was declared that a glitch in the technology had caused a production of 3.5 million documents to contain just a small fraction (17%) that were responsive. I felt moved to comment that there is nothing inherently wrong with the technology but, in this case, the error fell squarely on the shoulders of the humans involved.

Those involved should have had a glimpse at Epiq's brief piece: Why attorneys should shift to TAR 2.0 solutions <https://maas-bong.io/2N06kUL> (and *nota bene* the important 10 letter word: “supervised”).

US law firm Stoen Rives selects Casepoint to replace Relativity in nationwide eDiscovery contract <https://maas-bong.io/2N2pkSm>

This otherwise inconsequential piece of news stood out for me because this US firm decided to swim against the tide and not just pick an eDiscovery tool other than Relativity, the market leader, but also to dump its own on-premise instance of Relativity in favour of another tool altogether (Casepoint). (Obviously it was a two-header: switching systems and shifting from an internal solution to an external offering in the cloud.) However, it follows on from Linklaters London's July announcement that they had selected Servient (over Relativity) as their eDiscovery system of choice in July and A&O's August announcement of their adoption of RelativityOne.

eDiscovery mergers, acquisitions and investments in Q3 2018 <https://maas-bong.io/2xI0m6e>

For those with little time or inclination to keep abreast of the disposition of the various eDiscovery service providers, Rob Robinson of ComplexDiscovery provides a useful catch-up of who is buying or investing in what.

Links to articles on technology-assisted review and on court acceptance of technology <https://maas-bong.io/2InPiiH>

As it says on the tin, Chris Dale here provides us with some recent resources that cover the use of TAR, the reasons offered for not adopting it and signs of court acceptance of it. All useful background material.

Reimagining eDiscovery with one community and one platform <https://maas-bong.io/2xShDto>

Given that it is the acknowledged eDiscovery document review market leader, I thought it would be useful to include in this month's digest a recap (and/or full 1.5 hour video) of Andrew Sieja's keynote speech from this year's Relativity Fest in Chicago. Andrew is founder and CEO of Relativity so his viewpoint is always interesting. Plus he's rather a lively fella!

Blurred lines: Luminance launches eDiscovery tool <https://maas-bong.io/2zQSbps>

It's always good to welcome a new kid on the block, in this instance Luminance Discovery. Luminance have been active in the due diligence document review space since 2015 but this month branched out into the eDiscovery document review field.

US court commends parties for “clear and cogent” framing of eDiscovery scope disputes <https://maas-bong.io/2zQsTYv>

In contrast to the cock- and cover-ups above, this article shows how opposing parties can save costs and judicial ire by being mature in their management of the eDiscovery process and any anticipated issues along the way. Perhaps this is what those proposing the new eDisclosure regime in England and Wales envisage?

US court denies party's request to produce in native format instead of TIFF <https://maas-bong.io/2zSd2sD>

In this rather bizarre case the parties had agreed to produce documents in TIFF because it made the management of them, in terms of bundling and witness direction, simpler. One party discovered (subsequently or otherwise) that converting native documents to TIFF was unduly burdensome and caused them to miss production deadlines. The judge denied their application to produce their documents in native format instead. No reference was made to the evidential value of producing documents, with metadata, in their native form.

Nigel Murray moves to the cloud <https://maas-bong.io/2C0nboJ>

I cannot let this digest go by without mentioning the untimely, but not unexpected, death of Nigel from cancer. Rest in peace, my friend.

Let's trash "data dump" litigation plays <https://maas-bong.io/2BYaE4W>

I want here to highlight the thoughts of US Magistrate Judge John Facciola (long active on the eD conference circuit). There is no such thing as a "smoking gun" and we need to move away from the mind-set that every document needs to be manually reviewed before it can be deemed responsive and produced. The days of data dumps should be far behind us. Amen!

US court denies plaintiff's request for sanctions for defendant's failure to preserve surveillance video <https://maas-bong.io/2NwM1hY>

In yet another useful report from Doug Austin at CloudNine, a US judge declines to draw an adverse inference of spoliation because she is reasonably satisfied that there was no intent to delete (in this case CCTV footage) when that footage was over-written in the normal course of business.

The most popular providers? An eDiscovery aggregation from 14 ALM surveys <https://maas-bong.io/2Ns0hsk>

An interesting analysis, again by Rob Robinson of ComplexDiscovery, of the results of 14 "Best of" surveys in the realm of eDiscovery service provision across a range of ALM magazines in the US, from November 2017 to September 2018.

Five questions to ask your eDiscovery vendor about CAL <https://maas-bong.io/2Ns304R>


Concerned that your eDiscovery consultant isn't up to speed on all the latest document review technology, such as continuous active learning (CAL) and TAR 2.0? John Tredennick of Catalyst suggests some questions to help you probe and obtain either relief or an alternative.

US court plays referee in search term dispute between parties <https://maas-bong.io/2yeltw5>


Again, we see here the extraordinary situation (to me, anyway, from the UK) of an American Magistrate Judge, apparently without a Special Master in sight, adjudicating as to exactly what search terms the parties should use, absent their agreement, and the exact Boolean logic to apply in those searches. Whether you think this is excessive judicial meddling or not, I would love to see that level of expert guidance in our courts.

US Judge Pauley reminds lawyers of their duty to verify client representations <https://maas-bong.io/2yDH2qs>

In this case, a lawyer who relied on client-provided hard copy versions of digital photographs without checking the metadata of the originals to confirm the veracity of the facts declared to him by his client narrowly escaped being personally sanctioned by the judge for fraudulent conduct. Ralph Losey (for it was he reporting) strongly advises looking every "gift horse in the mouth". Remember, there are no "smoking guns" so, if you think you've found one, check it minutely to confirm it's real before relying on it.




The smart way to send




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Checking that every email is addressed to the right person and contains the right attachment pays when it comes to avoiding data breaches and fines.



Metadata Cleaning




Recipient Checking



Attachment Checking

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Work smart

Aggressive litigation is counter-productive: Judge refuses defendant's application to strike out witness statements (with a comment, or two, along the way)
<https://maas-bong.io/2yCT5E8>

Yes, this is a case from the English courts! Gordon Exall reports on a judge who would not tolerate counter-productive conduct that flew in the face of the overriding objective of proportionality in the Civil Procedure Rules. The judge, Mr Justice Fraser, had very little time for the warring parties: "It appears to me that extremely aggressive litigation tactics are being used in these proceedings. This simply must stop."

US judge recommends sanctions for defendant under FRCP 37(e)(1) <https://maas-bong.io/2yGvtyM>

In this case the defendant completely "bollixed" its litigation hold and "and it has done so to a staggering degree and at every turn". The judge ruled that the plaintiff's discovery sanctions be granted.

New social media sleuth on the scene: eDiscovery company touts AI tech <https://maas-bong.io/2yJUEAv>

Hanzo has launched Hanzo Investigator, software designed to trawl custodians' social media accounts. To quote directly from the press release (sorry): "From rapid identification of the profiles, Hanzo's native format captures of dynamic web content like social media, are forensically sound and deliver the highest quality evidence available."

Moving beyond outbound productions: Using TAR 2.0 for knowledge generation and protection
<https://maas-bong.io/2yrHMzA>

Legal technology giant John Tredennick of Catalyst (again) here suggests other uses for advanced technology within the discovery process. I am an advocate for using these technologies and skills in different sectors (such as investigative journalism), but starting on other elements of the same process is a good enough start. Whilst at Huron Legal, for instance, I persuaded the client that applying to the incoming production the same analytics we applied to our out-going production could throw up some quick kills. It did: everything but a smoking gun. As to privilege review (mentioned by John), just have look at iManage RAVN's Robot for LLP from a couple of years ago: <https://maas-bong.io/2yoBoJt>.

► Quote/Unquote

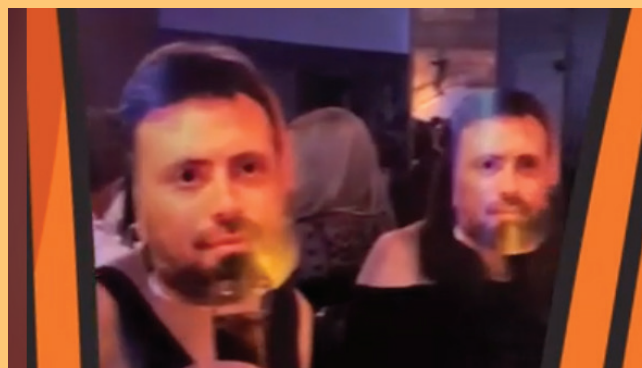
"We believe that in the next few years, 80% of audit tasks could be automated."

EY's CIO Harry Gaskell, interviewed in our brand new Accountancy Tech Report. Click [here](#) to download it.

► Mo Ajaz tribute in absentia

We can't do justice to the video on LinkedIn but when National Grid's legal operations head Mo Ajaz couldn't make the Law Society Excellence Awards his team all donned Mo masks. "I couldn't be there in person but this is what the National Grid contingent did as a 'tribute'," said Ajaz.

The award for excellence in-house went to the Post Office legal team.



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► What's Hot & What's Not: Wins & Deals

UK & EMEA UK top 100 firm **Royds Withy King** has chosen **Zylpha's** digital document bundling for **Visualfiles** across its practice, including family law, personal injury and litigation teams. Also included are **Adobe Sign**, the widely acclaimed electronic signature solution and a renewed licence for Zylpha's MoJ (Ministry of Justice) EL/PL and RTA Portal Integration. **David Eagle**, Head of Client Solutions commented: "We are looking forward to the very real impact that this technology can make across our business".

Allen & Overy has agreed to license and roll out **Avvoka's** contract lifecycle platform across its global network, in a massive win for the 2016-founded start-up - a win that is being credited in large part to Avvoka's involvement in A&O's tech innovation space, Fuse. Avvoka was founded by former lawyers **David Howorth** and **Eliot Benzecrit**. Speaking about licensing the technology, **Shruti Ajitsaria**, head of Fuse, said: "Fuse's primary purpose is to allow our lawyers to engage meaningfully with new technologies. Our decision to license Avvoka's technology is driven by A&O lawyer demand". In turn, Howorth said: "In a competitive legal tech space, being able to work with the experts at A&O has given us a distinct advantage. A&O has fully embraced our product and allowed us to ensure our product appeals to those who would benefit most from it".

Scottish law firm **Gillespie Macandrew** has decided to go to the **iManage** cloud, supported by two of the company's security applications: **Security Policy Manager** and **Threat Manager**. This follows recent iManage cloud wins at other Scottish law firms **Macroberts**, **Stronachs** and **Harper Macleod**.

Newly formed legal technology data strategist firm **Focis** has selected **Converge TS** to provide a fully managed Infrastructure as a Service platform to host their clients' data. Established by two experienced consultants, **Paul Ryan** and **Adele Summers**, Focis aims to support law firms in getting on top of their unstructured data, creating a digital strategy and helping firms to connect data and processes to third party providers to improve services to clients. The platform provided by Converge TS is designed to give Focis the flexibility to configure their environment to their own specification, allocating resources based on the needs of their clients, whilst also maintaining a high level of security to meet firms' compliance requirements.

National law firm **DMH Stallard** is upgrading their existing document management system to a combination of **iManage Work** and **Aderant**. **Phoenix Business Solutions** is managing the firm's migration from their existing system.

After a review of the market, **Wilson's Solicitors**, a top 200 UK law firm with offices in Salisbury and London, has implemented **Hubshare** from **Nikec Solutions** as its file sharing and collaboration platform. Wilson's found Hubshare's usability and tight integration with iManage, and other legal applications, put it head and shoulders above other offerings. **Al Patch**, Wilson's IT Director, commented, "Simply put, Hubshare was the right option for us. Having a solution that integrates with legal applications is paramount to our strategy and knowing the Hubshare platform is focused heavily on the legal market gives us peace of mind for future developments".

In a big win for **Juro**, travel search comparison site and app **Skyscanner** will deploy its contract management solution globally following a proof of concept completed in August. Skyscanner has 80 million monthly users and was purchased by China's largest travel firm, **Ctrip**, in a deal worth £1.4bn in 2016. Juro is an end-to-end contract management platform, offering contract creation, negotiation, e-signing and analytics tools, saving businesses up to 96% of time spent on contracts.

UK top 50 law firm **Mishcon de Reya** is to work with **Kira Systems** to develop machine-learning models for real estate transactions. As part of Mishcon's commitment to innovation the firm is adopting a range of technologies to automate certain tasks and processes. The real estate group in particular has been at the forefront of this work, developing tools to automate interactions with the Land Registry and HMRC, creating data feeds and visualisation tools for clients and working with a number of new property technologies through its MDR LAB. **Nick Kirby**, managing associate and real estate technology specialist at Mishcon de Reya, said: "We are dedicated to using technology to do our work faster and better, to provide more value to clients, to deliver new technology-driven services and to drive change in our firm."

Norfolk-based law firm **Clapham & Collinge Solicitors** has selected **Proclaim Practice Management** from **Eclipse Legal Systems** to provide its fee earners with a centralised and consistent approach to matter management and an integrated financial platform to facilitate billing. To effectively manage increasing volumes of incoming enquiries, the firm has also taken Eclipse's **New Business Enquiries** toolset to enable Clapham & Collinge's Client Relations team to manage leads, strengthen the client on-boarding process and complement the overall client experience. **Jamie Pearson**, IT Manager, comments: "Our selection of the Proclaim Practice Management System to replace an incumbent solution will be key to driving the business forward and enhancing the client experience."

Top 25 UK law firm **DAC Beachcroft** has selected the **3E Enterprise Business Management Solution** from **Thomson Reuters Elite**. "Our selection of 3E is a key component in the development of our new practice management system," said **David Pollitt**, the firm's managing partner. "The efficient delivery of high quality data through a system that has the capacity to support an even larger network positions us well for the next

stage of our growth." The firm is also deploying **3E Data Insights** and **Xcelerate Budgeting and Forecasting**, as well as partner solution **Cosine Matter Planning**.

London firm **Hamblins LLP**, recently nominated as Medium Law Firm of the Year in the Law Society Excellence Awards, has gone with **Linetime Liberate** for practice management, CRM and business intelligence across all its departments. **Jamie Smith**, head of IT at Hamblins, commented: "We are excited to be implementing Liberate. It will transform our business model, drive efficiencies, assist our risk management and provide quality management information, both for the firm and for our clients."

Jackson Boyd, one of Scotland's leading litigation law firms specialising in personal injury, employment law and dispute resolution, has also selected **Linetime Liberate** as its new integrated platform to support all aspects of client service delivery. **Alan Macdonald**, Managing Partner at Jackson Boyd, says: "We carried out an extensive review of the practice and case management support systems which we considered could enhance the service we offer to our clients. Having in excess of 70 client-facing members of staff, it was of great importance that the system we chose would improve the user experience for our team, which would in turn result in them delivering an improved service to our clients. We were very impressed with Linetime, their knowledge of our firm, and ultimately with the Liberate system."

London firm **Howard Kennedy LLP** has deployed **iManage RAVN Insight** to find and access the firm's disparate knowledge resources. Comments **Robin Hall**, Head of Knowledge Management, "We didn't have a coordinated approach to knowledge management and know-how generation within the firm. Our knowledge was scattered around in bits and pieces and it was challenging to identify the right people with the right knowledge. iManage RAVN Insight has made it seamless, quick and easy to find the know-how within our organisation, saving us valuable time." **Nick Thomson**, General Manager at iManage RAVN, added: "Smart firms like Howard Kennedy are looking for new ways to leverage firm expertise for competitive advantage."







NORTH AMERICA **Western Digital** has selected **Anaqua Inc**, a leading provider of intellectual property management software and services, to deliver comprehensive management of its trademark portfolio. WD, one of the world's largest data technology providers, implemented Anaqua's software so that the company could combine its own trademark management with that of various subsidiaries and trademark owners. The project comprised migrating data from three different legacy IP management systems into Anaqua's unified platform. "We are delighted to welcome Western Digital to our growing list of tech manufacturers," said Anaqua CEO **Bob Romeo**. "It is very gratifying to see such a renowned leader in the data storage sector demonstrating their confidence that Anaqua's software is the best solution for their trademark management."

In another win this month, Atlanta-headquartered **FisherBroyles LLP**, the world's first and largest distributed law firm partnership, has also selected **Anaqua Inc** to streamline management of their global intellectual property portfolio. FisherBroyles' entire organisation works remotely so the new platform will also help unify their dispersed employees, enhance communications and enable its lawyers to bring the most advanced IP portfolio services to its clients throughout the country more quickly and efficiently. **T.J. DoVale**, Managing Partner of the firm's Intellectual Property Practice Group said, "The software is so intuitive that we don't even have to train our people how to use it. They can go in there, find what they want and get things done quickly." FisherBroyles uses the system to manage patents, trademarks and oppositions. The system helps the firm keep up with patent and trademark renewals, meet deadlines and build client reports.

Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP, a Washington DC-based high-stakes litigation law firm that represents Fortune 500 clients, financial institutions, and technology companies, has selected **Casepoint** to provide a comprehensive cloud-based solution for their eDiscovery and data management needs. While Robbins Russell has worked with Casepoint for eight years, along with several other

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eDiscovery providers, the firm made the decision to replace its patchwork of eDiscovery vendors and internal tools with a single, integrated solution to drive greater efficiency and ease of use. "For almost a decade, Casepoint's technical and project management teams have been helping us find creative solutions to unique and complex eDiscovery data issues," said **Dana Wesley Sarti**, Litigation Support Coordinator. "In moving our firm's litigation support department to the cloud, this was the obvious choice."

iManage is adopting the **Sysero** document automation solution to streamline global client on-boarding and delivery of its consulting and implementation services. "With the tremendous growth of our Cloud offerings, iManage needed to streamline the implementation process for all of our customers," said **James Priz**, Head of Professional Services, iManage. "With Sysero, our internal consultants are able to share our latest and best practice methodologies with our customers and partners to ensure everyone has the most up-to-date information they need to design and deploy the most effective solution." **Phil Ayton**, CEO Sysero, added: "We're seeing more and more law firms adopt automation technology to help guide their clients through legal processes, and it's exciting that a company that's so embedded in the legal profession is implementing the

same approach to help their clients."

Following an IP prosecution assessment last year, **Seed IP Law Group** has adopted part of **Aurora North Software's** suite of IP prosecution management software **PracticeLink: TSDRLink** and **PAIRLink**. The applications automate the process of monitoring the United States Patent and trademark Office (USPTO) web site for new documents, downloading multiple files, reviewing and profiling the documents, uploading them to the correct client and matter folders in the firm's document management system and sending notifications to appropriate staff so that they are reviewed in a timely manner. "Manually downloading patent and trademark documents from the USPTO can be time-consuming for IP law practices and significantly delay response times, hampering their ability to compete effectively in a rapidly changing business environment," said **Chris Kave**, CEO, Aurora North Software. "Forward-thinking firms like Seed IP are reducing their reliance on paper documents and using technology to streamline operations so they can provide clients with more timely updates, improve productivity and significantly reduce the risk of human error."

Boston-based law firm **Nutter** today announced that they will offer **RelativityOne**, the SaaS version of Relativity's leading eDiscovery platform, to better serve

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their clients. The new SaaS product allows the mid-size law firm to leverage RelativityOne's platform in the most cost-effective way possible. By utilising the full Relativity Analytics toolkit, which includes a new Active Learning feature, Nutter's lawyers will be able to review documents faster, saving valuable time and money for their clients. "Adoption of RelativityOne across our business will enable us to handle client data files of all shapes and sizes, because of the added flexibility that the SaaS product offers," said **Donald J. Kondub**, executive director at Nutter. "This cloud-based flexibility also gives us the ability to conduct complex eDiscovery matters whenever and wherever we need it - free from the infrastructure hassles of an on-premises application."

Canadian law firm **Osler, Hoskin & Harcourt LLP** has successfully completed rollout of **OnePlace's** client lifecycle management solution to its 800 users. Osler deployed the system in a phased approach that started with core contact and company data management and now leverages the full breadth of OnePlace's functionality. **Colleen Moorehead**, Chief Client Officer at Osler, commented: "OnePlace gives us a 360-degree view of the organisations with which we work, their interactions with the firm and the issues and opportunities faced by their businesses and industries. This allows us to share, align and coordinate client relationship activities among partners and ensure we serve our clients' more holistically."

APAC **Colin Biggers & Paisley**, an Australian law firm focused on delivering a full range of legal services to the insurance, construction, property and business services sectors in Australia and abroad, has selected **iManage Work 10** for its work product management platform. "Our existing system simply was not meeting our business needs," said **Sam Sofianos**, Chief Information Officer. "As we started looking at the document and email landscape it became very clear that iManage was above everyone else due to its strong market presence and breadth of products. iManage delivers access to our content anywhere, anytime, while providing an exceptional user experience with smart search." The practice was also looking to enhance its document security and will move its 500 users to iManage Cloud as well as add iManage security and governance applications. "It just made sense to allow iManage to handle our cloud platform," added Sofianos, "Moving to iManage Cloud, we get a deep set of application and operational security features and constant 24/7 security monitoring. Adding **iManage Threat Manager** and **Security Policy Manager** gives us another layer of security, protecting our sensitive information from today's security threats while supporting ethical walls and client audits."

Malaysian law firm **Naqiz & Partners** has adopted **Luminance Diligence's** artificial intelligence technology to assist with their M&A due diligence. "Using Luminance, we are able to significantly reduce the time spent manually reviewing contracts, assigning work and monitoring progress," said **Khairul Ismail**, Managing

Partner. "We anticipate that the technology will give our lawyers more time to spend on the analytical thinking that our clients value so highly, helping us to retain our position as a market leader in the Malaysian legal market."

► Movers & Shakers

UK & EMEA **Neota Logic** has relocated its head of marketing role to London and appointed **Rebecca Tear** (formerly Hawkes) from Apperio as global marketing manager in the latest senior hire for the growing New York-headquartered company. Tear, who had been with Apperio for a year after joining from iManage RAVN in October 2017, will be responsible for promoting all of Neota's products across the UK, North America and the APAC region. She will help promote work that Neota is doing that has previously gone under the radar, including its education partnerships with a number of universities and charities. Tear told Legal IT Insider: "The AI market is the most exciting space in the legal world with so many new companies. Neota Logic has a great brand - there is so much more they can do with it."

David Griffin has joined **BT** as Head of Legal Governance Systems and Change, reporting to **Chris Fowler**, who in July this year took up the role of BT's General Counsel for Technology and Transformation. Fowler, who focussed on technology and transformation long before he was given that title officially, has charged Griffin with forming a clear internal tech strategy and vision for the progressive in-house team. Griffin, who was previously domain architect at Deutsche Bank, told Legal IT Insider: "My remit is to look at what we already have in place and then really see what strategy we need as an organisation, looking at things holistically."

NORTH AMERICA As more fully reported on Page 14, **Litera Microsystems'** vice president of client development **Joy Heath Rush** has been selected as interim CEO by The International Legal Technology Association (ILTA) after a formal search to replace former CEO Dan Liutikas saw the board review over 100 applications. After more than three decades serving in a variety of technology roles at global 20 firm Sidley Austin, Rush joined Litera Microsystems in 2014. However, it is her ILTA experience dating back to 1996 - including serving on the board of directors and as board president from 2007 to 2009 - that will please volunteers, who called out loudly for a CEO who is part of the ILTA community and understands its core values. Poignantly, Rush credits her ILTA experience for much of her professional success: "My career would not be where it is today without ILTA. I would not be the leader I am without my ILTA volunteer experiences, and I would not be the person I am without my ILTA relationships," said Heath Rush. "Although I am saddened to leave the dynamic team at Litera Microsystems, I couldn't be more excited about the opportunity to serve ILTA in this leadership role."

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In a major hire for **Neota Logic**, former Thomson Reuters Elite president and later Thomson Reuter's global head of customer experience, **Kim Massana**, has joined as president and chief executive officer for the Americas, based in the company's New York City office. Prior to TR, Massana was CEO at Innovative Interfaces, which provides ERP software for library management. He joins as Neota builds out from its private practice client base. Co-founder **John Lord**, CEO & Chairman of Neota Logic Group globally, said: "Kim joins our business at an exciting time as we expand from law firms into corporate legal departments and other advisory businesses." Neota has found success within firms such as Clifford Chance and Allen & Overy but is also now finding favour among in-house legal teams faced with large volumes of repetitive demands from the businesses they serve.

International litigation support and eDiscovery service provider, **Sandline Discovery**, has announced the addition of two industry veterans and thought leaders: **Mimi Singh** as general counsel and director of

consulting and **Terry Lundy** as director of client solutions to support client growth and complex case consulting. Singh's experience spans 10 years as eDiscovery counsel for the two Am Law 200 firms Dechert LLP and Pepper Hamilton, where she managed complex eDiscovery matters. In her role as both general counsel and director of consulting, Singh will head up a new consulting practice at the company, where she is responsible for advising attorneys and case teams on the use of analytics and artificial intelligence, discovery workflow, review and strategy. Lundy is a 20-year eDiscovery veteran. He has worked in legal technology and litigation support at several law firms, including five years at McKenna Long & Aldridge LLP (now Dentons). In his role as director of client solutions, Lundy will oversee Sandline's client solutions team of project managers and analysts and continue to consult with attorneys and case teams on complex eDiscovery matters.

Wilson Legal Solutions, a provider of software and services that help professional services organisations improve business performance, today announced that **Patrice Kennard** has joined the company as a senior risk consultant. Based in Asheville, North Carolina, Kennard joins Wilson's assessment and advisory services team to help law firms and legal departments optimise new business intake processes and reduce conflicts of interest. "Patrice brings with her a tremendous amount of in-house experience implementing and enhancing risk and practice management solutions. Her understanding of best practices and industry standards will help firms enforce compliant business processes for the client/matter/people lifecycle, including intake, conflicts, records, case management and on-boarding," says **Russ Haskin**, Wilson's director of business of law consulting.

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► SAVE THE DATE – The 4th Annual Legal Leaders IT Forum – GlenLegal 2019

The Legal IT Insider team are excited to announce the dates of The 4th Annual Legal Leaders IT Forum – GlenLegal 2019. Chaired by Mike Rebeiro, head of digital and innovation at Macfarlanes and Rick Howell, CIO at Perkins Coie. The conference will be held on Sunday 3rd to Tuesday 5th March 2019, once again hosted in the fabulous surroundings of the Gleneagles Hotel in Scotland.

The conference programme is based on the feedback of delegates and the invaluable input of experts from across the legal IT industry and outside. The conference programme will offer a blend of keynote presentations, panel discussions and interactive workshops, with the focus being very much on “shared experiences” and ensuring every delegate benefits from the wealth of knowledge in the room.

We would like to invite leaders in technology and innovation from law firms to attend GlenLegal 2019 free of charge. If you wish to register to attend this event please RSVP below or contact registrations@liti.co.uk. Please note the event is for IT leaders only and that places are limited.

If you are a technology provider and you are interested in joining us at GlenLegal 2019, please contact the sponsorship team at Legal IT Insider on sales@liti.co.uk



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ACCOUNTANCY TECH REPORT

October 2018



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► How the other half do tech

What law can learn from accountancy about harnessing technology to remain relevant in a fast-changing world

There is much that binds the sister professional services industries of accountancy and law. Both are fundamentally knowledge-based, client-centric and steeped in tradition. Ownership is concentrated in the hands of a small number of senior, practicing individuals. The engrained business model is based on billable hours.

Both law and accountancy have also been subjected to an unprecedented barrage of new technology over the past decade, as the advent of everything from cloud to big data and automated analytics to AI, has created the opportunity – the necessity – for organisations to reposition themselves as indispensable strategic partners.

But here the similarities end. As an industry, the accountancy sector embraced the deluge of digital advancement from the outset, in full recognition of the role that it would play in revolutionising the demands on their business. It has taken the legal industry far longer to wake up to the critical implications of inertia.

“Digital disruption is far more pronounced in accountancy than law,” says Stuart Walters, currently CIO at BDO, but whose previous employers include Taylor Wessing, Olswang and Eversheds. “There is a greater acceptance of change and innovation amongst accountancy firms. It is a cultural issue, not just an IT issue.”

But the threat of losing market share, not to another law firm, but to accountancy firms leveraging their technological prowess, is forcing the legal industry into the arms race.

“Accountancy firms are all over technology, driven by the need to compete with their peers,” says Paul Domnick, former CIO of Freshfields and president of Litera Microsystems. “For the legal industry it’s about fending off a threat from outside.”

“It is only a matter of time,” adds Stuart Barr, chief strategy officer at HighQ. “The Big Four are potentially going to cause a lot of disruption for the legal industry by using technology in ever smarter ways.”

Cultural differences

So why have two industries, with ostensibly so much in common, reacted with such pronounced difference to one of the greatest transformative forces to come their way this side of the industrial revolution?

As Walters says, it is to a large extent cultural.

“As a general rule, accountants have grown up with technology and use it every day,” agrees Dean Sappy, president and co-founder of DocsCorp, a company which provides document management technology to both accountants and lawyers. “The legal sector tends

to be more focused on the written word. Tech can be seen as an annoyance.”

Sappy cites his company’s pdf docs app as an example of the legal sector being more resistant to innovation. “We have found accountants are happy to look at different ways in which they might use the product, while lawyers say, ‘that is the way we have always done things and we don’t want to change’.”

GDPR is another big focus for DocsCorp, which provides technology to make sure documents are available and searchable to respond to client requests. “The accountants have embraced this because it enables them to offer a better service. The lawyers are doing it because they have been told they have to.”

The dominance of PwC, KPMG, EY and Deloitte is also key. The top 100 legal and accountancy firms represent comparable combined revenues, but somewhere around 80 per cent of those revenues, for the accountancy sector, are wrapped up in the Big Four.

The sheer scale and firepower these behemoths possess has allowed them to embrace technology in a way that leaves even the biggest and most forward-thinking law firms trailing. This in turn has set the scene for mid-tier accountancy firms that have had little choice but to follow suit.

“Digital disruption is far more pronounced in accountancy than law. There is a greater acceptance of change and innovation amongst accountancy firms. It is a cultural issue, not just an IT issue.”

Stuart Walters, CIO at BDO

Furthermore, any recent growth for the accountancy sector has been largely organic – and tech led. By contrast the legal industry has been highly acquisitive over the last ten years and some of the sector’s fastest growing firms find themselves in an ongoing state of integration. For the CIO this means the challenge of assimilating disparate legacy systems – a headache side-stepped by the majority of their accountancy peers who are free to focus on long-term strategy.

“For the past few years, my priority has been the harmonisation and modernisation of our tech environment,” explains Hogan Lovells global CIO Ash Banerjee, citing replacing infrastructure in data centres, standardising PCs and creating uniform global finance systems as recent areas of focus. “We have grown through a combination of firms over the years and the systems we have inherited from those firms were suited to smaller, local partnerships. Our focus is creating technology fit for a global firm of our scale.”

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What core products or services do you provide for accountants and lawyers?

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What do you consider to be the core benefits of your products for the accountancy and legal sectors?

We try and help businesses be more efficient and effective today so that they can be more successful in the future. In doing this we aim to provide the tools to create a more agile working environment. Part of being efficient and effective is to be able to provide

the full power of the desktop when mobile. That isn't fully achievable yet. It may be in the future. But we aim to ensure users can be as effective as possible whenever and wherever they choose to work and that clients can get better and faster information.

What sets you apart from your competitors?

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A partnership approach

There is also a palpable difference in the two sectors' approach to the partnership. "The people who run accountancy firms take the view that they are building a business," Sappy says. "They are looking to grow commercially over the long-term and they see technology as a way to drive revenue. Legal firms are still very much run as old-fashioned partnerships."

As a consequence, accountancy firm CIOs tend to be given significant autonomy and encouraged to implement long-term digital strategies. Legal CIOs, meanwhile, may sometimes have their hands tied by the short-term economics of the partnership and the disparate specialisms it represents.

"Legal firms tend to be more focused on how they will increase profits in a given year," says Sappy, adding that he sees no difference in the underlying ambition of the CIOs themselves, but rather in the decision-making structures and the incentivisation of those who have the final say.

Some question the seniority and decision-making ability of those in key tech positions within law firms. "Decision making around technology takes place at the highest level at EY," says UK CIO Harry Gaskell. "I report to the chairman. My impression is in law it often takes place a few levels down so that hampers the ability to make long-term choices."

Walters believes it varies firm by firm. "Some law firms really do have a CIO, for others they are more like IT Directors in practice," he says. "The difference is a CIO is engaged with clients – and is responsible for moving the business forward. With law firms it is sometimes just lip service."

The question of governance around technology is one that many law firms are clearly addressing. At Hogan Lovells, Banerjee has set up an IT steering committee with two partners from each practice to aid prioritisation. "This is a new initiative and it was a challenge to implement," he says. "It is not what the firm was used to but we are determined to be more corporate."

The role of the finance director within the firm is another important differentiator. Within accountancy firms the FD will be usually be involved in decision making around technology from the get go, according to Colin McArdle, account director at Tikit and formerly of LexisNexis. "As accountants themselves and with a clear focus on the bottom line, they will be asking questions like, 'Why do we need all these disparate systems?' By contrast legal FDs only tend to get involved very late in the day."

The nature of client interaction also plays a role. Accountancy firms tend to have ongoing engagement, with constant communication between tech savvy accountants and their tech savvy clients. By contrast lawyers who, as a generalisation, may be naturally more tech ambivalent, are often drafted in to deal with a specific issue.

"The services we provide tend to feel more like a business partnership than law," says BDO's Walters. "Accountants are seen to understand clients' businesses and the pressures they are under. Law always seems like a grudge purchase, a third party you have to go to. Lawyers are so expensive you don't want to spend too much time with them, whereas accountancy firms are more embedded with clients."

The more 'ad hoc' nature of the work can sometimes make the legal sector reactive. "Technology is viewed as a way to solve a specific problem," says Sappy, "rather than a cohesive, long-term strategy."

McArdle adds: "We see lawyers invest in a piece of technology for due diligence on a specific tranche of contracts, for example, and then it's a case of 'we've bought it now, what shall we do with it?'"

Of course, the nature of the work also has significant implications. The accountancy firms are not just looking at using technology to improve internal systems, they are delivering tech direct to the client. It is tangible - something the client can see.

"We feed data analytic tools directly into the business processes of our clients," explains Walters.

Indeed, the speed at which clients are adopting technology is one of the most significant factors in the accountancy firms' approach to innovation: they cannot be left behind. Critically the business community and revenue services that they primarily interact with are highly tech orientated.

Until recently that has been less relevant in the legal environment where technology is more likely to be used behind the scenes, the finished product - or end document - remaining broadly unaffected. Instead, the legal industry's tech ambitions can sometimes be frustrated by the speed at which courts are digitising.

Standing out from the crowd

The concept of technology as a differentiator is far more accepted in the accountancy space than is the case amongst law firms.

"I would say technology is critical to the running of our firm and investment in technology is considered important," says Banerjee. "But is it a differentiator? I would say there are some areas where it can be but it is

more a case of productivity and efficiency.”

By contrast Dylan Jones, director of information technology at Moore Stephens says: “Technology is hugely important as a differentiator for us. It is right up there with our staff. Law firms tend to look to one another and won’t move unless someone else does. That has led to them being heavily reliant on legacy systems.”

“Accountants use technology to differentiate to a far greater degree,” adds Sappy. “The legal industry tends to be a lot less adventurous and virtually every law firm is using broadly the same solutions. They are less willing to do something different. In fact, they feel far more comfortable following where others have already led.”

There is no doubt that the legal sector’s approach to technology as a differentiator is changing – with law firms increasingly turning to capabilities such as smart contract review to stand out from the crowd. But the perception of law as an insular industry is hard to shake.

This has been particularly evident in the profession’s approach to recruitment. Accountancy firms will routinely look to alternative corporate environments for inspiration while law has historically stuck to its own.

“In our tech teams, we don’t focus on sector. We look at experiences and exposure to different environments,” says Jones. “We want people who can bring different ideas regarding how to deliver services.”

“I joined the legal industry from insurance ten years ago. That was very unusual then,” says Domnick. “To be fair, now the best law firms are looking further afield and we have seen some very interesting hires.”

Barr believes the new roles being borrowed from accountancy and consultancy are more noteworthy than the hires themselves.

“We are seeing new roles become commonplace, such as legal engineers, a position that blends tech skills and legal knowledge, and more recently product managers, who bring a new skillset to develop and manage legal products and services,” he says. “We are also seeing more knowledge managers and pricing specialists, for example, as well as heads of innovation to drive adoption of disruptive or emerging technology. This could be genuinely transformative.”

Time is money

The impact of technology on the deeply entrenched billable hours business model has been critical for both the legal and accountancy professions. Technology is designed to create efficiencies but when you’re charging by the amount of time spent, that means charging less money.

Neither industry has completely resolved this issue but there is a sense that accountancy is more accepting that change must come.

“We have talked about it a lot over the past 12 months because investment in technology is a big expense,” says Nick Frost, audit technology lead partner

at KPMG. “How we monetise that with clients is the issue. Both accountants and lawyers are still primarily using the traditional billable hours system but some shift towards fixed costs with a less incremental cost of time is inevitable.”

“We are definitely seeing more fixed price work and value-add work in the accountancy space rather than simply ‘how much can we bill?’” says Walters. “Fixed price creates demands for efficiency and value proposition for clients and that is what our digital transformation is premised on.”

Gareth Thomas, sales director at iManage, believes that the accountancy sector is better at fixed pricing because it is more able and willing to price by unit. “The bigger law firms are using some fixed pricing, but law firms generally are still tending to say ‘it will take as long as it takes,’” he says.

Law firms also tend to put less emphasis on measuring ROI on the technology they employ. Putting a number on tech investment can be tough for both sectors, due to the intrinsically intangible output of professional services firms, but attempting to do so can strengthen strategic direction.

Head in the clouds

So what technologies are accountancy firms employing and how do they differ from the legal industry?

There is inevitably a lot of cross over. “Both sectors are using similar technologies around document management, content management and practice management,” says McCardle. “But accountants are more willing to look at transformative technologies to safeguard their position.”

Few technologies have been as transformative as Cloud over recent years. Accountancy firms are almost completely accepting of cloud solutions as their first port of call, McCardle says. “It takes away the headaches of keeping legacy systems up and running and frees up time and headspace for the really big things.”

“Cloud should have had a huge impact on both sectors. It means time and energy can be focused on delivering value,” adds Walters. “But there is still an aversion to cloud in the legal sector because of perceived security issues. The legal industry is definitely lagging behind.”

In fact, responding to cyber threat is a huge issue for both sectors. “It is the area they most have in common,” says Sappy, whose portfolio includes a product to ensure documents don’t get sent to the wrong person. “Both see risk and realise new technology can help although it still takes legal firms longer to get there.”

Mobility, hand in hand with cloud, meanwhile, is an absolute priority for the accountancy sector. Indeed, Grant Thornton has made it a cornerstone of its technology strategy, according to IT Director Greg Swift.

“We took the decision several years ago that we were a mobile business where we wanted our people



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What do you consider to be the core benefits of your products or services for those sectors? What challenges do you help them to overcome?

Pitch creation in many large professional organisations is full of inefficiency. Templates are often designed by inhouse design teams and then converted to Word by inefficient means. These templates, when used in the pitch process within Word, cannot be easily

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Q&A with David Lumsden, CEO

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out with clients and not sitting at desks,” he explains. “That meant we needed a tech landscape that supports that. We went to laptops for everyone and to Microsoft Office 365 and Skype for Business. Our goal has been mobility.”

But it has been the way in which accountancy firms have embraced automated analytics and artificial intelligence that has the potential to most radically disrupt. The questions being asked around AI in accountancy are, how fast and where first, not if. AI is being rolled out across all highly automatable areas such as tax, due diligence and above all audit. (See box out). “Wherever you have complex, time-consuming jobs that are repeatable, there is a place for AI,” explains Gaskell.

“Law firms have a tendency to rush towards whatever technology is the latest buzzword rather than think about how they will use that technology to solve a problem”

Stuart Barr, chief strategy officer at HighQ

“Process automation and natural language processing, be that chat bots or for reading documents, is having a huge impact for law and accountancy,” adds Walters. “It is driving efficiency and a focus on client service.”

Indeed, the legal industry has certainly ramped up its focus on AI over the past 18 months, particularly for analysing large data sets, according to Sappy, who cites the recent example of a firm using AI to search all the wills of high net worth individuals with assets over a certain level. The firm then used that information to proactively generate business. “It’s a big change,” Sappy says. “But it is only happening at a handful of firms.”

Hogan Lovells has recently settled on a new discovery platform that it will be rolling out globally, as well as an AI-based contract review tool.

“There are great tools out there for legal research but, more than that, they can give an indication of the likelihood of litigation success, for example, based on historical judgements”, says Banerjee. “Yes, the accountants are further ahead than us. They are operating on a different scale. The Big Four have so much money and resource.”

It is a mark of how seriously the legal industry is taking emerging technology, however, that we are increasingly seeing firms forming partnerships, creating incubators or even investing directly in start-ups. Again, this has been common practice in accountancy for many years.

Hatched by Moore Stephens is a two-year programme designed to support start-ups through their rapid growth phase, for example. Deloitte, meanwhile, has a £25m Innovation Investment Scheme which

primarily allows employees to run their own start-ups full time while drawing on legal, risk, brand, marketing and technology support. The scheme also makes external investments.

“The Big Four have been investing in technology for years,” says Barr. “They have huge technology and consulting teams themselves. They understand technology and change deeply. We are definitely seeing more activity now in the legal sector though, with multiple firms setting up incubators and innovation labs such as Allen & Overy’s Fuse or Nextlaw Labs from Dentons.”

The risk is that law firms are leapfrogging the basics by hurtling headfirst into emerging technologies.

“Law firms have a tendency to rush towards whatever technology is the latest buzzword rather than think about how they will use that technology to solve a problem,” says Barr. “AI, blockchain - they would be better off focusing on simple process improvement, communication, collaboration, the low hanging fruit. These incremental changes can have more impact than a big bang.”

A brave new world

What is clear is that the technology that exists today, and that which is just around the corner, is set to fundamentally disrupt the accountancy sector.

“Within five to ten years emerging technologies such as AI and blockchain, which is currently in the hype phase, will have a huge impact,” says Jones. “These technologies may actually undermine lots of the services we have traditionally provided.”

But accountancy firms are proactively working, hiring and investing to reshape their organisations and services to reflect the new order, creating whole new business lines using technology.

“Yes, technology will remove some of the more mundane areas of the job, but it will also allow us to move into areas we could never access before, such as auditing morale,” says Frost. “Morale is very closely correlated to performance. Just imagine if we could tell a board that not only have we scored their culture, using AI to review every email, text and tweet, we have also scored morale, compliance with their code of practice and ethics. The opportunities are every bit as big as the challenges.”

In particular, technology is enabling accountancy firms to take on ever meatier chunks of legal work themselves, as they bolster their inhouse legal practices (See box out.) It is now up to incumbent law firms to respond with equal creativity, innovation and willingness to embrace change.

The legal industry has made great strides in recent months and years, updating legacy systems and exploring emerging technologies. But there is still a lot it can learn from its sister professional service when it comes to harnessing technology to remain relevant and avoid losing market share.




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► The Big Four and law

Legal services have long been a draw for the major accountancy and consultancy firms. As far back as the 1990s, Arthur Andersen, KPMG, PwC, Deloitte and EY all made high profile moves into law with major acquisitions and hiring sprees. Their ambitions were thwarted, however, with the collapse of Enron in 2001 and the subsequent implementation of the Sarbanes Oxley Act in the US, restricting the sale of additional services.

In the wake of the financial crisis, however, the Big Four accountancy firms have renewed their efforts as technology continues to erode margins in their core practices and as audit work is peeled away by EU rotation rules. Their position has been supported by the UK Legal Services Act deregulation package – or Tesco Law.

The legal services divisions within accountancy firms are not necessarily light years ahead of law firms when it comes to specific technology, but they do have access to the investment and innovation of multibillion pound behemoths.

Lawyers at KPMG, for example, are expected to go round the firm and “have a go on the toys” of other divisions. Meanwhile, PwC Legal is harnessing data science and analytics capabilities from around the multi disciplinary business with specialist lawyers working alongside AI and data analytics experts, financial analysts and forensic technologists in order to take a big data approach to solving clients’ problems, according to Juan Crossby, head of legal services at the firm.

“For example, we have a contract digitisation service that helps clients to retrieve thousands of existing contracts and to identify key provisions and trends to update the next generation of contracts,” he says. “This helps clients to prepare for GDPR or for potential law changes that could come as a result of different outcomes of the Brexit negotiations. Thousands of new versions of contracts can then be prepared in under a minute which would have taken many hours manually in the past.”

“The legal divisions of the Big Four are able to take advantage of existing technologies elsewhere within the business,” says Colin McArdle of Tikit. “Law firms have to start from scratch which is a lot harder.”

“Legal divisions at the Big Four are not necessarily much further along than law firms,” adds Paul Domnick of Litera Microsystems. “They are focusing primarily on their core divisions, but it is easier to transfer than invent from scratch. It’s a race.”

► Q&A: View from the Big Four

Harry Gaskell, UK CIO at EY, gives his take on the role of technology in the accountancy sector.

To what extent is technology a differentiator for your business?

Right now, technology is only a slight differentiator. Most clients don’t choose between the Big Four on the basis of their technology. In a few years it will be an enormous differentiator. There is huge change to come.

And that is simply because of what technology will be able to do. Just to give you one example from our tax department, where we are using AI to calculate capital allowance. If you are building a stadium or a big office building, different bits of that build are going to be liable for different tax and clients come to us asking how much they can expect to get back from HMRC. In the past a tax specialist would spend a couple of days going through an excel spreadsheet line by line. Now AI can do it by itself in three seconds.

How do you decide where to direct your efforts when it comes to technologies such as this?

You have to prioritise. AI can’t do everything. There are some questions it can’t answer. You have to pick the ones it can. You are looking for complex, time-consuming jobs that are repeatable. Audit is a prime example. We believe in the next few years, 80 per cent of audit tasks could be automated. Tax is another one. You are taking structured financial information and setting it against publicly available tax codes. It’s repeatable. Due diligence in our corporate finance division would be a further example. When someone is looking to buy a company they give you access to the data room and ask you for insight – what does the data tell you? That is highly automatable. Some things are less so, such as consulting. If you ask 100 CEOs what is keeping them awake at night you will get 100 different answers.

How does decision-making around technology work within your organisation?

It takes place at the highest level. I report to the chairman. My understanding is that in the legal industry it often happens a few levels down which can mean the CIOs hands end up being tied.

What is your approach to hiring around technology?

We are hiring people these days with completely different skills. In our tax department we are hiring people with AI skills. We are hiring smart data scientists, AI coders, people with blockchain experience, experience in software robotics. That recruitment is still not on the scale of our graduate intake, where you are talking around 1,000 a year. But we are well in the hundreds.

What is the biggest challenge you face when it comes to delivering on your vision?

The toughest thing – and I think this is true for both accountancy and law – is that we have been operating the same business model for hundreds of years. We hire smart people and then use those people to win clients. Now we are changing the model to smart people and smart technology. That involves getting our own people to think differently about how they service clients. It also means getting the clients to think differently. For example, if a client gives us work now they will ask how many people it will require for how long and at what rate. That produces the cost. But with AI doing the legwork, you can't charge by the hour for that. Transitioning to a fixed price isn't straightforward.

To what extent are accountancy firms, and particularly the Big Four, harnessing technology within their legal divisions, to compete with the incumbents?

The traditional law market is ripe for disruption and that is what we are doing. We have a great brand – albeit not as a law firm – and by hiring good lawyers and through our use of technology, we have a great practice. Incumbents are always slow to change and that is the case here.

To what extent do you believe the current noise around technology and professional services is hype and to what extent will it be genuinely transformative?

There is an old saying in technology that impact is always over-estimated in the short-term and under-estimated in the long-term and I think that is right here. There are those that say accounting will be unrecognisable in two to three years. I think they are wrong. But in ten to 20 years they could well be right. At EY, we believe we will be doing what we currently do now with fewer people. But we will also be moving into new areas with our technology. One example would be cultural audits. Another, of course, is law.

► Technology in practice

A look at how two different accountancy firms are updating technology in their business

Grant Thornton

Grant Thornton looks at technology in three ways. Digital optimisation - making the most of what it has; digital enablement - how to make what it does easier; and digital propositions - how can it evolve its tech capabilities to enable it to offer more and better products and services to its clients.

When it comes to optimisation, Grant Thornton took the decision several years ago that it was a mobile

business and wanted its people to be out with clients, not sitting at desks. The firm therefore needed a tech landscape that supported that. It moved to laptops for everyone including PAs. There are no longer any wired connections. As part of this transition, Grant Thornton moved to Microsoft Office 365 and Skype for business which gave the firm mobility and took out the cost of legacy telephony systems.

APIs – or application programme interfaces – have also been key. It's about a single source of truth and trying to eliminate off-system spreadsheets and communications. In addition, the firm has been spending money on increasingly complex systems to protect client data and staff from cyberattack.

Enablement is another big area of focus. It's about how the firm can do what it already does quicker and better. It is about to sign with a robotics processing automation partner for internal use but also to offer clients.

In terms of propositions – Grant Thornton has a senior leadership team which heads up digital innovation, with data scientists to help. Examples of projects include Supply Chain Insights and CFO Insights.

Smith & Williamson

Smith & Williamson is in the midst of a multi-year programme to transform its IT infrastructure to remove any reliance on legacy systems. Its priority is to deliver a “future fit” tech landscape that enables strategic ambitions.

Over the past year Smith & Williamson has moved all its people onto a modern cloud-based infrastructure, enabling them to serve clients irrespective of where they are working. That has involved the provision of new end-user devices and migration to a new data system.

In parallel, Smith & Williamson is introducing a new practice management system, which will provide a modern interface to support its professional services business. This will significantly reduce workloads through enhanced client onboarding, assignment management and reporting. By reducing the amount of time its people spend on admin it aims to increase the time they spend adding value to client relationships.

Smith & Williamson is in the process of replacing its legacy client relationship management system with a new client-based solution. This will enable it to provide the business with enhanced marketing and business development capabilities and support more personalised communications and greater visibility around client and prospect relationships.

► AI & Audit

Vast quantities of data, repeatable and automatable tasks, combined with slim margins, mean accountancy firms have ploughed technology investment into audit more than anywhere. Add in a tough regulator which has dished out some eye-watering fines as a result of high profile failures of the profession over recent years, and EU law changes stipulating that companies must put their audit to tender at least every ten years and rotate at least every 20 years, and the pressures to differentiate audit propositions through the use of technology have reached new highs.

Every major accountancy firm is either operating a smart audit platform or has one in the design phase. Firms are using AI, including natural language processing, pervasively to extract information out of vast document estates including information from non-traditional sources such as social media, radio and TV. Furthermore, they are leveraging collaborative technologies, building digital pipes from clients' processes into the audit, minimising the requirement for off system communication.

Many tasks that would previously have taken an individual hours of trawling through spreadsheets, or scaling ladders, pen and paper in hand, checking inventory in a warehouse can now be done in the blink of an eye and with far greater accuracy. In particular, automatable analytics mean auditors can capture an entire data set rather than the historical, sample-based approach.

"It's like putting a bucket in the River Thames and saying there are no fish in there," explains Nick Frost, audit technology lead partner at KPMG. "Now we can cast the net over the whole river and tell you exactly how many fish there are, as well as their type, size and age."

Technology has also enabled the audit process to become more rounded.

"In the past we have had algorithms that look at different risks within the business by both size and likelihood. That's two dimensional," says Frost. "Now we look at multiple dimensions – we show the velocities of risk, risk contagion, we can give the full picture."

Indeed, rather than accepting a degree of obsolescence, accountancy firms are using technology to shift the emphasis of audit from low value historical analysis to provide high-value predictive judgements.

Auditors are able to predict events, explain when and why they might occur using simulation modelling and prescribe the most effective path to maximise opportunities – thereby in fact increasing their relevance.

"We have a really good predictive analytic tool suite," says Frost. "If a FTSE CFO values an asset at £100, we can go back to him and say the actual value is £94.50 and, by the way, we are 84 per cent certain of that. The discussion becomes a lot more tangible than

it was before when we might have said 'the value is £95 because my mate says so and he's been doing this a long time.'"

Furthermore, auditors are not just using technology to audit the numbers. According to Frost, accountancy firms are increasingly using AI to assess the culture of an organisation. "We have seen some really high-profile companies around the world come undone and it isn't the consequence of an individual, it is a cultural flaw," he explains.

And the use of technology in audit isn't restricted to analytics and AI. Experimentation with drones, to assess progress on major construction projects, for example, is ongoing.

Blockchain, meanwhile, could well have a significant impact, and many accountancy firms are investing heavily in experimenting in this area. It is theoretically possible that blockchain could take the focus of audit away from historical transactions entirely. Rather than waiting till year-end to see the impact of an entity's transaction of financial statements, auditing could occur as the smart contracts are created, before transactions have even taken place. Fraud or error could be stopped before it occurs. Audit could become genuinely real time.

Most of these developments remain highly experimental. Practical applications are still a way off and security concerns remain high. But the best audit businesses are alive to the threats and opportunities that new technology brings.

► PitchPerfect

There is an important area of technology where the accountancy firms are not always leading the field, according to the CEO and founder of proposal generation business Enable Business Solutions Liam Flanagan. Enable works with business development and marketing teams in professional services firms to provide them with the tools to simply create compelling pitch material and Flanagan believes this is an area that has often been largely ignored by CIOs and IT Directors, because the sponsorship typically comes from CMOs.

"These business development, design and marketing teams are primarily Apple-based, as are the website developers they work with," he explains. "On the other side of the fence, with the transactional work, it all tends to be Microsoft. Five to ten years ago, the IT Director might have handed out more Apple PCs or bought more Indesign licences to go around to make that part of the job easier without making meaningful change. It just wasn't high enough on their list of priorities and often something not really understood."

In the legal industry this is starting to change, according to Flanagan. There is a growing respect for the need for seamlessly integrated technology around

content to support integrated business development and marketing functions. "But accountancy firms from my experience of talking them are definitely not ahead of the legal industry when it comes to this," he says.

Apart from major pitches to new contacts, audit rotation rules are only increasing the importance of exceptional pitching for this mainstay of the accountancy firms' service offering and yet many are not investing as much time or resource into this area of their business as they are with business applications, finance and HR systems or CRM, for example. "This leaves the field open for other innovative firms to come in with fresh technology, creating brilliant pitches and steal the client away."

► Who We Are!

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► How Did We Do?

The Legal IT Insider team would like to thank our Accountancy Tech Report distribution partners Tikit & DocsCorp, who have kindly agreed to distribute this report to their accountancy customers on behalf of Legal IT Insider.

This is our inaugural report on the accountancy sector, which is now firmly under our microscope thanks to its ever-increasing relevance to the legal sector. Given that it is new territory for our editorial team, we would particularly welcome any suggestions or guidance on further editorial themes, topics and technologies that you feel would merit more analysis.

Please can you contact Jeremy.hill@liti.co.uk if you would like to discuss this further or call him on +44(0)7973 483131.

We would love to hear your feedback on the above report, its relevance and whether you enjoyed reading it!

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