

Technology and innovation in legal services

A West Midlands discussion event

20 September 2021

The Legal Services Board hosted a virtual event in West Midlands to explore technology and innovation in legal services. Thank you to those who attended and shared their thoughts and experiences.

Below we set out some of the comments that were made by those who attended. These will help increase our understanding of the context of barriers and opportunities presented by legal technology, and will feed into our ongoing work.

Access to innovation and technology

Points raised by participants included:

- There are noticeable barriers for smaller firms to invest resources into new technologies and ways of working, however overtime technology is becoming cheaper and more accessible.
- The recent report from the SRA on [Technology and innovation in legal services](#) highlighted the difference between 'Big Law' and 'People' Law in terms of how technology is used. Real consideration needs to be given on how to support smaller and medium-size firms in accessing technological tools, with some commenting that even free trials require volunteers and detract from the time available for paid work.
- Some participants felt that technological tools are designed for efficiency and effectiveness, and for larger commercial law firms, and that this detracts from a focus on the end user of legal services.
- It was felt that technology providers and platforms have a responsibility to price technology so its accessible and, so that small firms will not be priced out and left behind.

Balance

Points raised by participants included:

- Innovation in itself is a powerful tool and should be considered in and of itself, and separate to technology and technological innovation.
- Some attendees felt that there was benefit in widening our work to include 'enabling services' rather than just technology and innovation.
- The starting point for assessing the role of technology and innovation in legal services needs to be the consumer, and considering what is the value to them, and not solely the upfront development or investment costs for providers.
- Regulators have an important role in providing assurance to providers in the short-term, and in assessing future risks and opportunities. Regulators are not focused on requiring providers to use technology or to put barriers in place to its adoption. Regulators are well

placed to take a forward looking view on how technology can support practitioners to meet the needs of consumers.

- Technology and innovation can offer different benefits to different parts of the legal sector, and this often depends on the nature of the consumer/provider relationship.
- There was a sense that strong and effective leadership is important to the increasing use of technology and innovation, and that it was important for legal providers to have the time to consider and test change. The billable hour business model can often act as a disincentive for providers and minimises the time that they have to test new ideas or practices.
- There was a general recognition that the pace, and scale, of technological change is slower in legal services, and that this largely related to the fact that people have less interactions with the legal sector compared to others (like banking or healthcare).

Working together

Points raised by participants included:

- There was broad agreement that the profession itself have an important role in providing leadership on technology and innovation, and that representative bodies can help to remove some of the fear that often exists. Early adopters of technological tools often report benefits, and showcasing these experiences can help to increase confidence.
- This could include highlighting and alleviating the fears around risks, sharing stories of positive adoption and impact, and being clear about what we mean when we talk about new technologies.
- Partnering and collaborating is essential and can help to promote the message that technology is here and we need to understand it.

Assessment and evaluation

Points raised by participants included:

- There was a discussion about the importance of trials and empirical data to support decision-making, and to help evaluate technological tools and whether they were meeting the needs of professionals, and the public. Trialling technological tools in this way can help to increase access.
- There was a sense that the risk of a tool not working, or a fear of things going wrong, created an environment of hesitancy. Some participants felt that a quality assurance scheme would increase confidence and help support the adoption of technology products and tools into a wider range of firms. However it was acknowledged that this could limit access for some innovators, and that this would create a regulatory burden. Some participants suggested that representative bodies were better placed to explore the merits of a quality assurance scheme for legal services products.
- There was a real sense that technology changes are not limited to the legal sector and that the legal sector can learn from other regulated sectors, such as the health sector and financial services.
- Some participants felt that the business benefits of technological tools can be unclear, and that trials and empirical evidence was important in helping quantify these benefits and identifying the risks.