



**CENTRE
FOR LEGAL
INNOVATION**
THE COLLEGE OF LAW

2017 ROUNDTABLES KEY TAKEAWAYS

**INNOVATION
(WHATEVER
THAT
MEANS!)
AND ITS
IMPACT
ON LEGAL
PRACTICE**

Innovation (whatever that means!) and Its Impact on Legal Practice

Having technology is not the same as being

innovative – focus on mindset and culture. There has been a stream of proclamations without much information about innovation and disruption of the legal market. The practical how to and where to are now emerging around the world, with clear examples from new law firms and new ways of practising in traditional law firms.

Technology is an enabler of innovative outcomes; buying a lot of technology does not automatically make a firm innovative. Similarly, having an Innovation Officer or Innovation Committee does not make a firm innovative. Innovation is about leveraging new ways of doing things or doing new things that add value for clients. In order to achieve that, everyone in the firm/organisation needs to be always thinking about how to improve things, have the opportunity for their ideas to be heard and implemented.

For most law firms, this will require new skills in leading/managing and being comfortable with ongoing change, a flattening of the more traditional hierarchical governance/management structures, the celebration of diversity, a strong emphasis on inclusion, encouraging creativity and curiosity, employing management agility, championing collaboration, adopting new ways of working, engaging new people to work with, engaging with people differently and creating new spaces to work in – all in all, a change in mindset and culture.

A new market has emerged for legal services/products and it's driving innovation in legal

practice. Those firms that watch the market, identify trends, encourage new ideas and proactively focus on continuous improvement for the benefit of their clients, will be the firms that continue to prosper. Innovation needs to be a high priority for law firms and legal departments. Innovation can evolve from something big like a hackathon or something small like a pilot program or a discrete process or system that expands – the important thing here is to...start.

There unmet legal needs in society and these, coupled with a lot of opportunity, can be better addressed than in the past through the advances in technology and AI with a strong focus clients and innovation. People want their lives to be easier. They want solutions to their problems that are delivered faster and in a more efficient way. They need price/cost certainty.

Competitors in the market place, like alternative service providers (ASPs), are doing the same things differently, faster, and cheaper and driving firms to innovate. In-house counsel are responding to corporate demands from their internal stakeholders to deliver advice faster and cheaper – they are employing lawyers to do the work outside counsel used to do, using ASPs and consequently demanding changes in the way outside counsel deliver services/products as well as shaping when, how, why and what legal work is being briefed out.

Lawyers have not been seen as great innovators.

This may be the product of law being built on precedent or waiting for something or someone to take the lead that others follow. Lawyers are also trained to be risk adverse, minimise liabilities and if they do not, that there are significant adverse consequences attached to failure. However, innovation requires a willingness to experiment, understanding not everything will succeed and with failure (a good thing), learning, new and different successful approaches will be uncovered. The change in mindset from traditional legal practice to practice built around experimentation, is therefore difficult for many lawyers.

The billable hour and regulation is holding back creativity.

The law firm focus on the billable hour and using it as the main measure to compensate, reward and promote lawyers is limiting creativity that would otherwise ignite and support change. Lawyers are not selling time any more, they are selling value. Lawyers are also not selling knowledge, they are selling experience. The shift in thinking here is that lawyers must understand how to price their value, and deliver on it.

The way in which legal practices and lawyers are regulated in many jurisdictions is limiting the ability to develop and operate firms through different business structures, run in a different way to provide different services/products. For example, in a number of jurisdictions, multi-disciplinary practice is not permitted. This limits opportunities to create career paths and advancement to ownership for other legal professionals in a legal marketplace where these professionals are increasingly an integral part of legal service/product creation/delivery and law firm profitability.

Lawyers can be innovators. Having noted all of this, lawyers can and have been innovative. Many of the new law firms have been created by lawyers but, notably, often those who think differently and did not want to work within the traditional law firm framework and/or those more recently qualified lawyers who have started their own, different law firms from scratch. These lawyers have built their law firms with client needs and expectations at the core, deliver services/products through a tech-enabled platform, make use of tech tools/AI, use data in their decision making for the firm and with clients, have a multi-disciplinary workforce, work collaboratively, offer more flexible work arrangements and welcome all ideas, wherever they come from within or outside the firm. A mindset shift, trust and humility are the foundation stones of these innovative legal practices.

The most important skills required of law firm/legal departments leaders today are

business skills, curiosity, ability to think outside the box, LegalTech awareness, positive solution focus, champion of change and change management, champion of diversity, lead the cultural change, ability to work with people and management teams well, advocate for innovation and its reward and recognition, fast decision making, ethical, influencer, relationship building, great lawyer, reflective, agile management, empathy, project management, product management, thought leadership, and an entrepreneurial mindset.

The top capabilities for law school graduates

entering the legal workforce in 2022 will be intellect, empathy, adaptability, resilience, holistic outlook, curiosity, creative, tech savvy, EQ, open mindedness, growth mindset, business acumen, communication, listening, agility, humbleness, ethics, client centric, business development, people person, compassionate, project management, collaboration and team work.



THE CENTRE FOR LEGAL INNOVATION AT THE COLLEGE OF LAW

Created by The College of Law in 2016, to act as an innovation-focused think tank, The Centre for Legal Innovation (CLI) provides a platform for thought leadership, practical research, solutions to challenges and opportunities for collaboration in the legal profession. Our focus is to support legal professionals as they navigate the disruption and new technologies transforming the legal industry.

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