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| SPEAKER1 | 01:43 | So which are the now the main aspects in which legal tech is establishing basically the most impactful services that are currently provided ? |
| SPEAKER2 | 02:23 | Mm hmm . Yeah . Just to clarify , I worked in Luminance back in time with luminance was in nascent start up, but I left luminance in 2019 . So since then, I've been working in big law firms, so my perspective sort of now a little bit more into, you know, customer area . But but of course , I have some kind of understanding of the startups world as well in terms of the most impactful services for for legal industry . I think so far it's been document automation, just because I think it's wider adopted. other tech tools or other types of technology . Very often they are more an exploratory field. it's I think it's the easiest one. It started long before the A.I., for example . So some firms are they have a decade or more of document automation experience. And so it seems like most established. I wouldn't say it's the one that really dramatically change his business model. And let me be honest, there have been no legal tech that was able to change the business model so far. But let's say it's something that lawyers like lawyers trust importantly, and it's something that is used quite a lot in law firms . |
| SPEAKER1 | 04:05 | OK . Um , sorry to interrupt you one second . Um , I , I attach myself to your , uh , through your statement . Um , this document automation . Um , I think it's a it's like a services that it is internalized by the legal firm . But then how does the legal firm utilize this tool of document automation with its clients? Like , I'm thinking mostly about a B2B relationship so that the legal firm or another business? How? How is it applied with the clients ? |
| SPEAKER2 | 04:40 | Yeah, I mean, it can be done even by the clients so that I I could see many legal departments, if their big enough, they can automate, most frequently using legal tech providers to do that. But basically, we're speaking about . Standard documents that are , let's say , 80 percent similar across the lines , or even if there is a big client with a repeating of workflow of similar documents , then these documents can be automated just to save time. Or producing first drafts. |
| SPEAKER1 | 05:23 | So basically , these documents may be just to understand whether I got the concept . It's a way in which the client, let's say, it was a way in which the clients can improve collaboration in all their partners of the ecosystems network collaboration in the in the sense of contractual collaboration. So bad contracts that it has to be repeated, maybe with partners or other stakeholders , are automated in order to save time . Is that a possible interpretation? |
| SPEAKER2 | 05:57 | Yeah , it's mostly like a time saver . I wouldn't say it relates to collaboration because there is a different the whole branch of collaboration tools, which also has been quite popular, increasing in popularity . So it's mostly saving time on drafting repeating documents. And to be honest, I really think to some extent that will be , and that's my personal feeling will be phased out with the advent of smarter tools like A.I. based where you can actually ask the tool to provide you the first draft based on sort of the precedent base that has been fed into it because currently document automation is very a questionnaire-rule based process. |
| SPEAKER1 | 06:48 | So I see , |
| SPEAKER2 | 06:50 | but it's been impactful and it's been well adopted , but I think that will kind of approach to producing a legal document or change significantly in the coming years also because we have now generative AI, I know just better tools, but there will be that shift in my view , which will take some time . |
| SPEAKER1 | 07:11 | But OK , so you think it's not ready yet ? Isn't this kind of tools exploiting also blockchain technology ? Maybe ? |
| SPEAKER2 | 07:20 | Not really . No , no . It's a really simple , straightforward document automation. The leader in the market is Contract Express, which is Thomson Reuters technology, and there is nothing fancy, nothing like blockchain in it . Okay , so no , not really . So it's a blockchain . I think I've never worked with blockchain or smart contracts myself , but my assumption is it's more like related to the entire sort of lifecycle of the document of the contract. Well , here the output this traditional . It's just it's just basically a word document. It just produced faster . |
| SPEAKER1 | 08:04 | I see . Thank you . You mentioned collaboration as well because I'm trying to think in a way of business collaboration when you mentioned collaboration . It was a collaboration within the functions of the company or also when the company has to face all their partners or cope with them . Uh , I don't know . |
| SPEAKER2 | 08:29 | It's external collaboration mostly, because as the volume of documents volume of data grows, it's very hard to collaborate with your clients and with third parties via emails . Yeah . And so , of course, law firms and their clients, they're looking for more effective ways to communicate in real time. And this is where different collaboration tools platforms come into play. And basically, they provide like the single source of truth, sort of like a portal where the party can upload the document or the law firm can upload the latest version of the document. You can see at what stage each document is maybe the stage of transaction, and even you can send the documents for signature interact, track the collection of signatures or things like this. Or it might be even collaboration also in terms of , you know , progress of the work and , you know , this sort of billing information so the client can see , OK , yeah , I've been build already like eighteen percent of my budget , but the work has been done only for 70 percent before where someone expected it , you know ? |
| SPEAKER1 | 09:53 | Yeah , kind of additional work . Yeah , kind of like project management tools about open to external viewers, basically as well . So not |
| SPEAKER2 | 10:01 | exactly . Yeah , yeah . Yeah , because clients demand transparency, they don't want to discover and skyrocketing bills in the end. Yeah , and this is also one of the ways to provide just more transparency . |
| SPEAKER1 | 10:16 | OK . And here we were talking . You were talking about , um , a legal firm may be the case that it's not a legal firm per se, but it's like the legal function of a firm that vertically integrated these kind of legal tech tools are to call, but to communicate with other stakeholders . |
| SPEAKER2 | 10:37 | Yeah , yeah , you might use them internally, of course . If I can imagine if you have a long chain of stakeholders involved in some sort of producing a document or transaction just within the law firm , that might be the case that it is used internally. |
| SPEAKER1 | 10:58 | OK , so but yeah , this OK , the best benefits, um , that we can summarize are like , uh , OK , collaboration, transparency as well . You mentioned if I'm not wrong . And also also timesaving in this case or , um , it's just optional . It's not . It's not relevant . |
| SPEAKER2 | 11:20 | Yeah , it's time saving . And I would say it's less about times , even less about time saving , though it saves time for administration of all this . But it's also like reducing the margin for human error, because imagine you have to send 50 documents for signature . It's very easy to confuse the party or find what a while with these platforms might be much easier to track. Yeah . By the way, also for document automation. Consistency and accuracy is also like big benefit as well . OK , thank you. Only time saving. |
| SPEAKER1 | 12:02 | Thank you. Nice . I think we can move on like , um , what are the current trends in the sense that future trends ? Sorry . In a sense , that how the industry of legal tech may evolve and the hurdles that it may face and at which stage are we at the evolution of the of the sector? I clarify, elaborating on this like , um , this question is mainly to understand and this is basically European that I'm asking . It's what I'm interested in. Whether , like big companies, um may have the incentive to completely internalize a such a legal tech, um , solutions or not , not just big companies, companies in general, having the incentive to internalize such solutions or still relying on the outsourcing of of companies that provide just legal tech solutions. I don't know whether I was clear . |
| SPEAKER2 | 12:58 | Yeah , no , I got your point . I think that they [companies] will rely on providers of legal tech solutions just because these providers are , by their nature , they aren't experts , especially if we talk about good investment-heavy things like AI-based, Often it's not possible for a firm to internalize this because it just requires a lot of data, but what they can do, they can , of course , subscribe to use the algorithms and models that use API to plug into it, potentially, like many firms, can do with Harvey AI. But most likely , I think they will be relying on external legal tech. OK . |
| SPEAKER1 | 13:51 | Just to be clear . Really big . Sorry , just there . When I talk about fairness , I don't talk about the law firms , but firms that are not legal . |
| SPEAKER2 | 14:00 | Yeah , OK , I got it to you . But I think that still legal tech providers will be the main source of technology also because , well , while the law firms , they care about competitive advantage and like quality to be ahead of , you know , Firm X , and we hope to have something we can show to our client that we are ahead of the curve. Whereas for legal departments of normal firms. It doesn't matter if they are ahead of some curve with the legal tech , they just want to have their job done. Hmm . Right . And if it's almost case , it's more effective to use the legal tech provided they will do it and they don't care if the competitor used the same legal tech provider because this is not where they compete. See my point? I see . |
| SPEAKER1 | 14:51 | Yeah , yeah , yeah . It's not the core business of the company . |
| SPEAKER2 | 14:55 | Exactly . Yeah . They just want to save money and get the legal work done as quickly as possible and I mean without and reduce the risks. And that's it . If legal tech provider can help them with this fine , they will just rely on it . |
| SPEAKER1 | 15:09 | Good point . Thank you . And what about future? Uh , you know , innovations or something that you mentioned, for example, previously A.I. for document automation is not ready yet . Are there other stuff that are on the edge there coming in your opinion? |
| SPEAKER2 | 15:28 | Um , well , I've read actually recently there was a very interesting study of, I think, at Goldman Sachs about how this spoke about A.I. , but we can see that in general will affect different professions. And in terms of legal , they found that 40 or 50 percent of legal tasks can be automated in one way or another where , say , automated . We are also referring to using AI to draft to summarize the documents. And this is actually the second highest proportion of tasks after administrative, administrative tasks, administrative types of work. So I think one way or another, many legal tasks will be. Performed by, you know , by some technology assisted with assisted, maybe validated with validated by humans. So I think that's kind of the future. But because the problem is , you know , the legal output should be accurate and reliable. So in any case , there will be element of human validation involved. So but I would say that a lot of the initial basic tasks like first draft summarizing legal documents may be doing some basic legal research that will be performed using technology and then they will be validated by experts. And then they will , for example , go to other stakeholders like business stakeholders, outside legal departments or, I mean, to the clients of law firms. So that will be well, like these two layers, at least. Like I know no initial task , the grunt work validation and then it will go out. Which which is how the work is done now , but it's just done by , I know paralegals , junior associates , I see , et etc. . So , um yeah , I think it will come once, sort of . I will be a more reliable well when lawyers as , as , you know , guilt and industry will vet and say , OK , I'm kind of comfortable is not worse than what my paralegal can produce my three year . And yes , I think the issue of trust issue shift accuracy is still there, but I think they will they will come at some point . I see very, very sooner than we believe . |
| SPEAKER1 | 18:18 | Yeah , exactly . Perfect . Thank you . And which categories of companies besides the legal ones, of course, can benefit the most from legal tech innovation ? And which services are at the center of this of these benefits? And just to clarify, when I talk about , um , the benefits, I imagine two possible situations situations in which the legal tech provider, uh , directly , um , interfaces with the business. So it's more or less similar to what we said previously or indirectly, like the legal tech provider interfaces and partner with legal firm proper legal firm. And then the legal firm has a particular kind of clients that are benefited by indirectly by the fact that the legal firm has implemented the legal tech tools. |
| SPEAKER2 | 19:22 | Mm , yeah . I think that . So you're thinking about sort of the end consumer of a business like that consumes legal services , right ? Yeah , I think , yeah , OK . Well , I think. Maybe we should look at the sort of legal heavy businesses which have produced a lot of sort of homogeneous legal work, like the first thing that comes to my mind is like insurance companies. Maybe that deal with a lot of claims that require the initial assessment or the firms that deal with mass claims. Yeah . |
| SPEAKER1 | 20:09 | Or do you think like that also highly regulated industries like maybe energy or food that to some extent or digital companies may have a huge amount of data to process? |
| SPEAKER2 | 20:24 | Yeah . Digital companies to process personal data like to comply with the GDPR regulation of regulation . It depends because it depends on the complexity because sometimes in heavily regulated industry , you need to almost like , analyze every deal. I don't know how to look at it, whether it's for sending any sort of rules or regulations that might actually also involve technology. But you know , it's a little bit more complex work. Something that is really more repetitive has a stable set of initial. Parameters that you can set up , like how a deal , for example, with its data requests and requests of data subjects for a deal with insurance claims, how we deal with , I know consumer consumer claims because the product is know not functional , something like that might be. But definitely , firms will try to reduce legal spend on that. |
| SPEAKER1 | 21:41 | And here you . What do you have in mind ? You have in mind the direct relationships with the legal tech provider straight with the firm and the focal firm , or indirectly so the legal the provider and partners within the law firm that then works with the legal department of , uh , of the third firm . What do you have in mind ? Both cases. |
| SPEAKER2 | 22:04 | I think it's both cases . It really depends because if the firm has already stable relationships with a law firm , they might want sort of these services to pass from law firm just to add additional layer of security. Like , for example , some firms , they outsource all their litigation, including mass claims to law firms. They don't deal with this. But then because they increasingly , um , you know , have increasingly shrinking budgets they can also switch to working directly with providers . |
| SPEAKER1 | 22:39 | OK , so there might there may be some cases , like a kind of a disintermediation of the law firm. |
| SPEAKER2 | 22:45 | Yeah , yeah . Yeah , yeah , exactly . Yeah , I think that happens a lot , especially if law firms , they are not really kind of adopting efficient practices that might happen , that the company , the corporation just decides to. |
| SPEAKER1 | 23:01 | Yeah . And do you |
| SPEAKER2 | 23:03 | do it in-house , you |
| SPEAKER1 | 23:04 | do you think that are particular industries or companies that may be more willing to do to do so, this kind of disintermediation to , um , improve their their regulatory compliance or um or their staff , maybe in document drafting with their partners and so on? |
| SPEAKER2 | 23:23 | Yeah . Well , from my experience , I think , well , banks tend to do a lot of work themselves . The financial industry or digital companies , they actually handle a lot of work themselves , especially the bigger ones . A consumer . Well , it depends really like consumer companies , maybe , yes . |
| SPEAKER1 | 23:53 | Hmm . OK . |
| SPEAKER2 | 23:55 | So while I think more traditional industries , some big firms , they still tend to go to law firms, for example , especially because law firms have a lot of sort of continuous expertise in fields like energy or mining or . And so they are maybe a little bit more conservative. While the firms that are more innovative , they do kind of tend to. So do you talk directly to legal tech, specifically financial industry I think it's much less reliant on law firms in that respect. |
| SPEAKER1 | 24:33 | OK . OK , so do you think that maybe SMEs or startups may be more subject to this idea of disintermediation or um . It really depends . |
| SPEAKER2 | 24:48 | Oh , I mean , yeah , the main problem with SMEs is actually , I think the lack of resources, as I said , sometimes well , to deliver the really good services, you need a lot of data or a lot of investment. And I can imagine they might partner with like big corporate clients, for example, I know that many private equity funds, they look into investing in legal tech directly . Or maybe some I've heard . I don't know . I can't see the samples, but the where some partnerships between financial institutions , for example , and legal tech startups directly . Of course , digital companies also partner directly . So I think it's if we're looking to sort of symbiotic relationships rather than just you are my provider , I'm your client and kind of care . So how you build your product , just give me what you want . OK . |
| SPEAKER1 | 25:47 | And and yeah , I want to stop a second on this concept of symbiotic relationship because I like it a lot . Um , how do you think ? No , no . Who are the who are the other stakeholders , maybe , uh , that may be impacted by this kind of a symbiotic relationship? So , uh , there is a , let's say , a center , a central company, a central actor which is bigger , which you decide to entertain a symbiotic relationship or to start a similar relationship with the legal tech firm. And how do you think that this can impact the network of the , uh , central big player or the legal tech firm as well? So because I'm looking more at the secondary level impact . I don't know whether I'm a I'm correct , whether I'm yeah , I'm unclear . |
| SPEAKER2 | 26:38 | So well . Well, ultimately, these relationships mean that the corporation let's go with a corporate client, whatever wants the startup to be profitable, so they want it to to grow . They want to create sort of, you know, the ecosystem that will bring a return on investment . So there might be some other investors , for example . I can see the might be , I don't know , maybe like some incubators, you know, for legal tech startups as well. So yeah, because I could see sort of value in this seems symbiotic relationships because of course, legal tech start up has ideas, has technical possibilities. Developers , probably while the corporation or the big firm has resources , both financial and maybe data resources, and they have knowledge of the business , importantly the business they want to , you know , to get into , they want to deliver legal services of a specific type . And so this corporate client , they know exactly how the work is done , so they can provide the startup with sort of blueprints , which is very , very important because the service should actually provide what the client want. So so this having these blueprints of the business processes and of the legal . Processes is very important. |
| SPEAKER1 | 28:25 | Yeah , thank you . And if you have two , three minutes more . |
| SPEAKER2 | 28:30 | Yeah , yeah , of course . |
| SPEAKER1 | 28:31 | Thank you . If we want to narrow down , I just narrow down now just to start ups and SMEs , uh , the benefits of the arrival of legal tech into the legal field . What are the first things that , uh , pop up in your mind ? |
| SPEAKER2 | 28:55 | What do you mean , Typekit types of start ups that benefit the most like based on the type of legal tech the |
| SPEAKER1 | 29:03 | no , no no provides , you know , like starting from the assumption that legal tech is developing ? OK . And there are , yeah , I don't know which one , but there are maybe certain types of startups or SMEs , not necessarily startups , but small firms in general . That may draw from the services that are . There are being proposed by legal tech firms , by legal tech providers . So how these legal tech providers can help these SMEs and startups directly or indirectly through maybe law firms in and sustain their businesses and improve their or their relationships with other other stakeholders with streamlined services within the company ? And just just suggestions to you . |
| SPEAKER2 | 29:53 | Oh , you mean now like legal tech providers who work for SMEs and other start up rather than big firms ? |
| SPEAKER1 | 30:01 | Yeah , with some years . Yeah , yeah , yeah . Or that work with law firms said that , um , in turn , supports SMEs or startups to get this kind of , uh , of dynamic . |
| SPEAKER2 | 30:14 | Um , yeah , well , I don't have too much insight into that because I mean , I've never worked so on legal tech , providing services to dismiss law firms most likely will be out of this look because to afford law firm , you need to have money . You need to be already esame . But I can see that once again drafting legal documents . And in a more effective way , it most likely they will not be bespoke . Maybe there will be just really like a database of documents where they can plug in and get the necessary documents from their or necessary blueprints . For example, they need to follow certain regulations and legal rules . They can just plug in and basically basically , they can outsource their legal work to some sort of legal tech provider and not only tech provider , but legal services provider . I think that that would be quite happy to do that . |
| SPEAKER1 | 31:22 | OK . |
| SPEAKER2 | 31:23 | And it might be a mix of , you know , a mix of specialists and technology most likely rather than pure legal tech, which is another option . |
| SPEAKER1 | 31:33 | Yeah . Yeah , I see . I see . This is this is interesting. So basically , they're the biggest benefit is related to money saving for for startups and SMEs because they don't have the possibility to work with the law firms. So they access services through a legal tech which disintermediated to the law firm . |
| SPEAKER2 | 31:57 | Consequently , yeah , yeah , yeah , it's it's saving money , and it's also , you know , providing more consistency and reducing risks because as far as me , they're very small. They might even not , you know , don't go to any law firm all year and try to search for information themselves . Most likely , they can make a mistake , and that can end up in some fine tuning breaches . |
| SPEAKER1 | 32:26 | Yeah . And do you do you have any example of the type of documents , maybe or , uh , regulation , uh , draft uh , that involved in which the SME is in is involved that encompass the presence of different players and not just the ACEMI itself , like maybe the army needs and different stakeholders , different players to complete that that document . I don't know whether it's just something that I eat , it pops up in my mind that I |
| SPEAKER2 | 33:02 | haven't really dealt a lot with SMES . I can imagine if it's a good growing company . Very often they they , for example , have these investments will exceed investments . And this is where they need to kind of to complete to draft a really complex set of documents . But this is typically dealt by the investors and by law firms working for them , for the investors . |
| SPEAKER1 | 33:30 | I see I sell . So it's not something that usually , um , the small player in this case will say , no , |
| SPEAKER2 | 33:39 | no , no . I think that would be just the standard , you know , run of the mill contracts like maybe confidentiality agreements , some service agreements related to the services , they provide employment agreements like all that stuff . But I haven't really dealt directly with Smith . |
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