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| SPEAKER1 | 00:00 | I want to ask you a question , if you don't mind that I am just to record our voices while we're talking , just to make sure that I don't lose any information . But if it's a problem for you , I can type down |
| SPEAKER2 | 00:12 | whatever we talk about someone . |
| SPEAKER1 | 00:14 | OK , OK , OK . I just give you an overview of the project I'm working on . Basically , I'm a management student and interested in entrepreneurialism stuff . And since I'm from Italy , it seems that in Italy , the legal aspect is a kind of monolithic and a little slow and evolving . And it's like legal practices are in some in one way or another linked to to interpret the real ventures . I wanted to try to understand that the potential impact that the emergence of the new legal tech technologies may have directly or indirectly on the entrepreneurial ventures . So I'm not deep diving within the legal practice , but on the effectiveness of this emergence may have on the entrepreneur ship in business activities in general . I don't know whether it's clear . And so , yeah , I would ask you , what are the main services that now legal tech is offering and the main issues that it is currently addressing ? |
| SPEAKER2 | 01:24 | Yeah , I mean , this quite yeah . There's quite a lot to unpack in services. My my backgrounds , most of currently working on a law firm . Before that , I was working for Lawtech UK . Just may have heard about Jennifer . Yeah , but my main role in that was running the Small Tech Accelerator program , so that was working directly with the startups to scale up and helping them grow their ventures. OK . So in terms of sort of the biggest sort of legal tech law tech trend that's out there at the moment, I think it's important to sort of understand the market went on doing that. So you've got your feet , you see the main sort of space. We see little technical tech going B2B. So entrepreneurs coming into the space and targeting law firms with tech , which makes sense because that's where most of the money is. But in doing that , you're trying to satisfy a very risk averse, not very tech enabled group of people who traditionally are not, you know, pro progression in tech . So you find a lot of contract lifecycle management tools, hundreds out there now. Yeah , that's the main sort of anything to do with contract automation , contract drafting , contract collaboration. Those , that's the main places you're seeing new and evolving tech for the so many of them now, and a lot of them do a lot of the same things . I thought General Counsel's in-house counsels from companies tell me that they actually don't want to adopt CLMs because there so many of them out there now that they just can't tell the difference between them . And that's the main focus there. Obviously , there are then other tech solutions around the building and it's, you know, practice management and time recording, then these other things . But the these these technologies are just helping the law firms do what they're already doing slightly more efficiently without actually asking if the activity that they're replacing is actually the best process . Hmm . A lot of clients don't like billables, yeah , that's the six minute intervals . And you know, a lot of people would just rather have a fixed fee. Yeah , no. None of these tech solutions are challenging that they're just making it slightly easier for law firms to carry out that activity. So I think that's the B to B side. They're not there are there are new emerging technologies coming out to be more disruptive, say if you look at the smart legal contract space . So adding contracts into machine readable self-executing contracts on the blockchain, for example. there are more technologies coming out doing that, whether they are standalone platforms to draft contracts in or that plugins for word that look directly. So this one that is called “hunit” page , you know, that's the word plugin. Yeah , I'm sorry . Speaking of the lawyers are already using for putting a different spin on it . So you got this smart legal contract space. And then you've got these , you know , little friends , and this is a thing when you look at innovative tech , right , you're either , you know , pushing forward a new process or you find a hole , a new hole entirely . So there was one tech called LexVerify . And if I've seen very similar things and the idea is protecting protecting people in the corporate environment from sending emails which are too risky. And so I say , you were a lawyer working on a transaction. You're about to send an email and you're about to break competition law. I see in the words that you're saying that I will look at your email and it'll hold. You say you may want to rephrase that because you're actually about breaches of legislation and regulation. That's the more disruptive , innovative side of law tech . If the B to be space , be to be . |
| SPEAKER1 | 05:53 | Do you think that this new disruptive technologies are going to be used mostly by big firms beside law firms? OK , but the big players are also they are they're they're going to be affordable or even useful for small medium enterprises . |
| SPEAKER2 | 06:10 | Yeah , it's difficult because it's say you take you take small law firms or small bit. small firms in the UK are not very paperless. And they have a tiny turnover of necessary capital to invest in the sort of tech. So that's a little bit of a barrier when you go that small. On the other side, the large firms are so risk averse that they don't, you know , they don't necessarily want to invest in the tech either, because even though they can see that at the end, they can see the potential and realize the benefits, they don't necessarily want to take that risk because maybe it's bringing in A.I. or it's exposing data. Data is a massive thing when it comes to legal tech adoption, because whose data is it the law firms data or is it the client data? Do they have to get permission from every single client that this new piece of technology can access that data and use it to develop this A.I.? Because then , you know , if a firm comes in, if a tech comes in and they've got access to a large data set because they have a new client or they're working with a law firm to develop the new AI use case that law firms aren't going to take on. Yeah , they're using data which doesn't necessarily belong to the law firm. So then that's data protection issues there as well. Yes . |
| SPEAKER1 | 07:47 | Do you think that legal tech solutions that you were just mentioning may also address this problem of data like ownership management with respect to regulation? Or is this is a thing that is going to be addressed by another technology, another service provider? |
| SPEAKER2 | 08:03 | Potentially . I think part of it comes from risk aversity and part of it comes practicality . So there is a company out called “regulation”. Lawtech UK did what they call a multi-party data sharing concept with this company. And yeah , it's slightly too technical for me. But the idea was that they developed an algorithm and that algorithm would then go to various firms who had made available some data. It would take the learnings away from that data and then it would bring it back, drop and level up and provide a data set of learnings for a company to use there to develop their AI. So the idea was the firms would never have to part with that data because the algorithm would come into the their local data, take away the learnings, use of federated learning generally covered it all up. That's one solution, you know, because it's one way of making sure that those little facts have breached anything because they haven't shared any data that showed any personal data and that those learnings can't be reversed, engineered to find out where it came from in the first place . |
| SPEAKER1 | 09:26 |  |
| SPEAKER2 | 09:29 |  |
| SPEAKER1 | 09:29 | as this solution like going to be plugged in by a legal tech provider, or it's completely a different thing that there used to be applied . |
| SPEAKER2 | 09:42 | It could be either it could be legal tech providers , too . I mean , this is more stepping into the realm of actually developing the legal tech rather than actually setting the legal tech. Because if you've got a piece of legal tech and you need to look for data, better scenario, it's abuse cases and you need that data . How do you get that data , how do you share it? If it's law firms aren’t willing to share data or unable to share data, then you're going to have barriers to innovation because it becomes a lot more difficult. And that's probably partly the reason why we're seeing very , very slow innovation in this space. But this is just the B2B side . What I think is more interesting is actually the B2C side . So what we're what we're seeing now is a trend of these legal services marketplace. Yeah . So I think the marketplaces that consumers or small or medium sized enterprises can go to if they need some legal services and they can plug in their problem, all you need help with . E.g., I need help with an NDA or whatever . Yes . And then they get a list of lawyers that they can contact or that can provide them support through that system . OK , so that's one one area we've seen as sort of a trend of 2022 , too , is the emergence of legal services marketplaces for consumers . |
| SPEAKER1 | 11:14 | OK , it's like basically they're decreasing the search costs for a let's stick to small enterprises. |
| SPEAKER2 | 11:22 | Yeah , because you know , if you're a small business , you don't have to go to a big law firm to have very minimal amount of work done. You can go with one of these services and you can get a fixed fee quotation by a freelance lawyer who's just operating through that service. And it's quick and easy , and you said there's money you don't have to put a phone on retainer. You don’t have to pay extortionate fees for some partners, that is all trainees work. It's all very quick , simple , simple transactions. |
| SPEAKER1 | 11:49 | Do you think that beside the this is interesting Thank you. Besides the like immediate availability of the service on the marketplace , there is also a kind of a network effect creation in these marketplaces for the small businesses or not yet? |
| SPEAKER2 | 12:06 | Well, in terms of the small businesses connecting with one another or connecting with other lawyers or both , both . I don't . I think it's too early. I think it's too early to say because a lot of these services are quite niche in the market , you know , we're talking only some of last year's last six months . So it would be difficult to say if there has been a network effect as of yet. |
| SPEAKER1 | 12:31 | And we don't know . And but do you think this possibility can be like foreseen or something that is negligible? |
| SPEAKER2 | 12:42 | I think so . I think I think it depends on how much collaboration is done in that platform . If you know , if people on the platform have the ability to see if it's more like a forum , for example , where you can see who's having what legal issues and you can discuss this with other people or one lawyer prefers you to another lawyer who's also on the platform because they don't have that specialty, for example. That is a nuance and there is definitely this potential, if that's what you're asking. Yeah , yeah , yeah , yeah . Yeah , 100 percent . There's also companies which , you know , these legal services marketplace is actually one trend in the B2C that we've seen . OK , let's say, you know, companies that are providing services that people will need one once or twice in their lifetime . So whether it's really quick wills, for example, you know , yeah , there's companies out there that I know you can go online . You can have a will made in 15 minutes really cheap . You don't need to go to a solicitor or anything, fantastic. There are companies out there helping with divorce, employment, tribunals and buying your first home and that entire process of buying anyway. So , you know , when you're looking at these sort of everyday services that normal consumers use , that's a really exciting emergence of new technology . But the problem is because these things you only use once or twice, twice in your lifetime. Yeah , how many times do you buy a house ? How many times to your rights? Well , you I want to say it makes it very difficult to invest it because this little repeat business , not with regard to network effects. You know, I think two percent of I think it's two percent of venture capital funding is going to go to B2C. |
| SPEAKER1 | 14:25 | Two percent . |
| SPEAKER2 | 14:26 | Two percent . OK . The rest of it goes to B2B . Yeah , something like that. |
| SPEAKER1 | 14:32 | I see . I think , yeah , I think because as you said this because of the the revenue stream that are forecasted from the kind of service |
| SPEAKER2 | 14:39 | in the future . You know , venture scale . Yeah. You know , and that can be a barrier to adoption. If you're an entrepreneur and you're going to come into this space , you kind of look , where are you? Where are you going to go unless you got a preconceived idea? Where are you going away or you're an investor? What are you going to look at? The companies are making monthly money from. Law firms all yeah. Someone who only gets business from one person once or twice and relies on a network effect and referrals unless you know that well , which is one that they will providers in the UK , such as Hey , Sally Biello, fairwill? Yeah , I think that the UK's biggest will provide it , but they just have to go to raise the capital . Second , the UK's biggest provider in the making that much revenue , how come they're going to have to do the raise ? You know , what it does doesn't quite , you know , there are of many different reasons why , but you even have to ask the question why , if you're the biggest provider in that marketplace. And another interesting trend we've seen is that we found that you obviously got a lot of lawyers who are disgruntled with the system and they decide , actually , I found a hole in the market , and I guess I'm going to go get a piece of tech to resolve that. But then also you get non-lawyer founders who sometimes actually are better because they bring a different mindset to the industry so they can be a little bit more visionary. And you find these are the non-lawyer founders or academics coming in , and they're really trying to push the boundaries because I guess they're not as risk averse or aware as much of the fight that they're going to have to get their products out there it's an . It's an interesting distinction between the two . |
| SPEAKER1 | 16:37 | Yeah , I see . I see . I see . OK , very interesting. We want a little bit . Yes , for privacy . You mentioned like control like this lifecycle management tools and other different tools, supposing that there is a big company that is adopting such a legal tech tool. What do you think ? Let's stick to the example, for example , of a contract lifecycle management and what you think the benefits may be for the network of the companies with a network of partners , suppliers , everything that revolves around that . The companies are not just not just the automation thing within |
| SPEAKER2 | 17:23 | the company , you know , obviously the partners that have a stake in the business , right? So it's in their best interest of the business to be done as quickly as possible . So you have a piece of tech that's coming in and it's making processes quicker, easier, more cost effective . You can do more work, faster pace . You can build more clients more money. That's good for the firm, right ? So that's good for partners . Yeah, I think that that's the genuine value proposition that you get, you know, and that will then sort of trickle down into various different places. So to the clients that are going to get a better experience , they're going to get quicker, more affordable legal services, you know , and that gets client satisfaction will then go well. If you've got happy clients and you've got better testimonials, they're more likely to recommend . Can't see all the clients come and use your phone . It's good from that perspective , but then you've got the other way as well . You could use CLM for supplier relationships like you mentioned. So if you if you're leasing a building where you've got carriage catering or whatever it is, if you're using sealant and that aspect and you're going to have better relationships with your suppliers as well , because the process of collaboration and putting in place agreements between you and your suppliers is more seamless . So you |
| SPEAKER1 | 18:44 | think it increases transparency as well or is just |
| SPEAKER2 | 18:47 | a percent , because if you're collaborating on a document, you know, and it's really clear where you've taken something away, you've added something you want to find something, there’s no hiding right for you. Gone are the days where a lawyer will drop something out the mark it out.They'll send it off to someone, and then the other party may miss something. And then the other lawyer just keeps it in that. For example, you know , you can see when you're using a CLM or contract negotiation tools or whatever it is , you can see everything. This change is so clearly marked up . You know , it's very , very difficult to make . It naturally increases transparency. |
| SPEAKER1 | 19:27 | OK , that's perfect . What about the in the marketplace , the legal services marketplace ? Do you think there are a particular kind of small businesses that may be more interested in accessing those kind of of marketplaces for legal services? Or I don't I'm just thinking maybe digital digital companies , digital startups that are that have more data to use ? Yes , the reason , I think . |
| SPEAKER2 | 19:59 | It's great for any any small and medium sized business that has a legal need that can't be satisfied by one of these marketplaces, then I think it's a great alternative to traditional law. I think it's going to appeal to anyone in particular is going to shift people who have , you know, no capital or less capital, just as much about , you know , if you're a startup , for example , and you just got some funding , you know , 10 percent of your funding to just be taken away on legal fees and costs . You know , if you can go to one of these marketplaces where you can get good , solid legal advice for a fraction of the price , and that's definitely going to be appealing to people and also consumers as well everyday consumers who may have a legal challenge that they need . You know , the problem is we find with a lot of consumers that just aren't aware of their rights . And yeah , we ought to say that at LawTech UK the last piece of work I did was on barriers to, I was about promoting entrepreneurship in the access to justice or B2C space . And one of the things we found and that's now live on LawUK website that might be of use . Yeah , absolutely . And one of the things we found is that people just didn't , you know , most people don't even know they have a legal challenge. So it's one thing to understand that that's another thing that's already so they can go and use the service to then remedy it . Right ? |
| SPEAKER1 | 21:16 | Yeah . OK . Can I find that article on UK Law UK website ? |
| SPEAKER2 | 21:22 | Yeah , I mean , I'll find a queen , I hope . But I think |
| SPEAKER1 | 21:25 | because maybe if maybe for |
| SPEAKER2 | 21:28 | that , folks , I can sort of see lines up if your your research indicates . |
| SPEAKER1 | 21:44 | OK , here it is . Perfect . And do you think also that there are there may be tools that help startups or small companies to access financial capital in some way? To streamline that service is to , like , increase the transparency between the providers of of financing like venture capital or private equity. With these startups like , you know , like legal tech acting like an intermediary between these kind of relationships . |
| SPEAKER2 | 22:23 | Only one I can think of that may fall into . This is a company called seed legals. |
| SPEAKER1 | 22:27 | Yeah , and I know them . |
| SPEAKER2 | 22:28 | Yeah , yeah , that's the only one I can think of. I'm not aware of anything else. |
| SPEAKER1 | 22:33 | But why do you think there's just them right now providing this kind of service ? |
| SPEAKER2 | 22:41 | You know , |
| SPEAKER1 | 22:43 | because it's it looks kind of efficient. |
| SPEAKER2 | 22:47 | And the yeah , the only thing I can think of is perhaps it is just a it's it's an early market and their first mover and other people, they get to move into that space to realize the potential of it. I mean , you know , when we speak to investors , a lot of them don't even know what little tech is . You know what we have in the past , you know , so I guess it's one thing to provide those services to them all tax . But then this is not the thing that you need to actually have investors on board and you need to get out of that half that value proposition , right ? Say the only thing I can think of is that perhaps it's just that it's it's an early market, quite niche space as well. You know , there aren't many true law techs out there . It's still a very nice market . You know , I know people . And so Richard Susskind and this last term estimates that there were like three to four thousand thought techs out there. I think that also is how you you want to have the definition , you know , because you talk about little tech , you can exclude tech. You can include prospects . You know , they say law tech is in. This provides huge reports and it's just a bit of this low tech or legal Turkish or low tech is in the east of the banner . It's the overall town . And then within that you have legal tech, you have prop tech, you have reg tech expense of why do you want to go, but you still want it. You just have a little tech that doesn't fit into rectangle prop tech or anything like that. It is . That's a small market . |
| SPEAKER1 | 24:16 | And , you know , do you think they are? They are. They're not . They don't fit properly into the definition of law tech . |
| SPEAKER2 | 24:26 | I wouldn't I wouldn't necessarily cos , as I said , all tech . I think what I'm saying is is that their assets asset market might be quite small . I know they do other things as well that , yeah , yeah , that's what's your question . I think it's just that . I think it's an emerging market , and that's probably why we're seeing if they're already out there. But we're anywhere close because they are fascinated that I see . |
| SPEAKER1 | 24:58 | I see . OK . Another question that pops up in my mind now is , do you think that firms that have their own legal department are going to go toward the outsourcing of legal tech solutions or vertical integration of those kind of solutions ? |
| SPEAKER2 | 25:19 | When you say firms that are only able to violence, do you mean that companies, people have corporate corporates ? |
| SPEAKER1 | 25:23 | Yeah , yeah . Companies that are big enough to to manage their legal needs internally |
| SPEAKER2 | 25:28 | Yeah , my understanding from this group is that they want innovation and they're demanding that from their law firms that they work with . So if you get a lot of companies that will have their own in-house legal departments, those in-house legal departments will be they'll be jack of all trades. So they will they , you know , they have to have a broad GP in itself that has a broad knowledge that lots and lots of different areas of law. So often they'll be working with standalone law firms that have practice groups and specialty in certain areas when it comes to legal tech solutions. I know that they are demanding more from their law firms. Mm hmm . It can be these in-house legal departments . They want to be more innovative . They want to be using tech. They want faster , quicker , more collaborative , transparent legal services. They're driving that when it comes to their engagement with law firms , and they are starting to choose who is using them and kill time. But when you're adopting these platforms, sometimes you know there are some low tech platforms that you can just adopt yourself. But when you're doing collaborative working , you have to have the other party adopting as well . It's a two way street. |
| SPEAKER1 | 26:43 | Hmm . OK . OK , I see . Thank you . But I think last question because we covered basically everything you were , you have been super useful . And if there are types of small businesses in general that may be more exposed or benefit the most from this legal tech emergence , why which kind of legal tech services , which kind of businesses ? Yeah , this is a question . |
| SPEAKER2 | 27:10 | If we're talking small , small and medium sized businesses , yes , I mean , I think there's two types . I think it would be very difficult for me to say this a particular type of small or medium sized business which is exposed to the rise of potentially need for these . I think because I think any , any level there there is , there is there is some tech out there that conservatism. I think the smaller you are , the definitely the more likely you are to want to use tech solutions because you can't afford a firm. So I think naturally, the thinking you got as an organization , if you're on the bigger end of that scale, they're going to be less very susceptible to using things . But I think there's two categories legal services: marketplaces so places that you go when you need legal support but you don't want to pay for firms, and the other one is online dispute resolution, which is a new and emerging area. Hmm. So again, you can find it on that Law Tech UK website that I sent you about in the U.K. , I think it's about 11 billion pounds a year of unmet legal need. for legal dispute resolution. |
| SPEAKER1 | 28:20 | I remember I read that figure . |
| SPEAKER2 | 28:22 | Yeah , yeah , yeah . So you've got all these small and medium sized businesses who are not getting paid on time and , you know , some of which are going bust because they're not getting paid on time. There needs to be this platform that can help them resolve these disputes . Outside of courts, courts are expensive, lawyers are expensive. There massive backlogs at the moment . OK . So and I know there are some people in the market who are now taking up this Little Tech U.K. vision and they're trying to make it a reality. They say Resolve Disputes Online announced today that they've just partnered with someone to try and build something in line with the Little Tech U.K. vision for an online dispute resolution platform that I know that is something that I think will be massive for small and medium sized businesses. But we have this legal services marketplaces . |
| SPEAKER1 | 29:16 | OK , so basically this resolution of disputes online via a platform, the biggest impact the just to to wrap it up a little bit. It's an increase in the sustainability of small businesses like it's helping the businesses to survive related to payables receivables. So that kind of exact figures . OK . This is very interesting to you , Jack . I'm really happy to have this interview as other sides came out , but we're hoping for this . And in just the last super quick thing , that is important if you have by any chance , it will be a great favor , if you could , any contact or a person that you think might be willing to to help , as you just did . For me , it would be fantastic because now I collected the seven eight hours of interviews and I'm trying to narrow down some topics . So so the next round of interview is going to be more , even more specific . Some about the different themes that emerged the so |
| SPEAKER2 | 30:16 | yes , yes . Yeah , so so just generalist , low tech knowledge as guy or just that may have recommended Ted Cruz . Chris Growe HSBC OK , present in the chat . Thank you . You used to be a Barclays who used to run by 50+ little technical at U.S. HSBC in a little tech . In a little second gate runs a little engagement , basically . That's really , really lovely . Really insightful . So thank you . And make 10 you . You can find it through my profile . He would be really good for you . |
| SPEAKER1 | 30:59 | Thank you . Do you think that once I narrow down the two three topics that I want to explore further if I like and send you a message ? If you have a suggestion for people or companies that operate there , for example , if they decide to do deep dive into the marketplace thing , for example , |
| SPEAKER2 | 31:17 | going ahead with the Amazon , you have to send me a message . Whatever it is , if I can give you some guidance , hello . |
| SPEAKER1 | 31:22 | Thank you . Thank you very much . Thank you very much . And it's been a pleasure and have a nice day |
| SPEAKER2 | 31:28 | and you enjoy your weekend . Is just I . |