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| SPEAKER1 | 00:10 | There we go . Hello . Hi , nice to meet you . |
| SPEAKER2 | 00:15 | Sorry about that . Well , it was a little traumatic . |
| SPEAKER1 | 00:17 | Yes , thank you . Thank you for your availability , by the way . I hope you're well and OK . |
| SPEAKER2 | 00:23 | How are you ? |
| SPEAKER1 | 00:25 | Good . Good . Thank you . I don't want to waste your time , so I'm going to be quick . |
| SPEAKER2 | 00:29 | Yeah , no worries . |
| SPEAKER1 | 00:30 | Thank you . I would ask you a thing to start . Do you mind if I record our voices ? Just not sure . OK , thank you . OK . I just explained to you , what is the project I'm working on ? I'm a I'm a management student and I'm developing a research project that is trying to assess how the development , the development of legal tech , low tech in general , to be precise , may impact businesses that are not strictly legal businesses . So it's kind of an indirect effect . And now I'm trying to like Map for the different solutions and and services that are more impactful in the market right now . So I would start with asking if you can provide me an overview of which are the same as a first question the the most important services that now we we can find in the low tech landscape right now ? |
| SPEAKER2 | 01:24 | Well , let me let me answer your question . Just before we do so , I make sure I give you answers framed in the right way . Are we looking at now or are we looking at where the direction of travel is taking us now ? |
| SPEAKER1 | 01:35 | I would say that we now , but I'm more interested in the direction of the travel here where we look . |
| SPEAKER2 | 01:41 | Because look , I mean , I'll give you more broadly and this may not help , but let's see . You'll find this is often the way I approach things . You'll ask me a question . I'm like a politician . I'll give you every other answer before I get right to it . But ultimately , we're on the precipice of being able to fundamentally disrupt the way that legal services are delivered . Therefore , people are going to benefit from legal technology as it starts to come into play is literally every single person . No matter whether you think you're engaged with legal or not , you're going to be able to access legal services or get legal advice or have things created for you in a way that wasn't done before. So if we look immediately at kind of things like contract automation. I mean , that then starts to become something that over time becomes pretty much self service . You don't need to have a lawyer involved , necessarily in putting together some of the more straight forward contracts for you , particularly if we start to use AI. I mean , there also needs to be huge changes to the regulatory framework around legal in terms of who can provide legal advice. But we already know, we know that lawyers are being able to start with technology to help them to generate the documentation that they then need to give to the client . At some point, you can imagine that being a world where the lawyers, the lawyers no longer involved in that process and people can absolutely self-serve. You know , we still need a lawyer to be involved. A guy needs to review and see the finished product , particularly when it comes to dock automation and creation of contracts through the use of AI. Someone still needs to sign off on it from a legal perspective , but it will give people access to those things in a different way . Likewise, touching on the AI piece, people can start to ask questions, start to find out what legal options they have available to them if they have a problem. So thinking about the access to justice space where we already have a wealth of information on the internet , not all of it absolutely inaccurate from a legal perspective , but we can start to pull on that to give people some answers to their legal questions . If we direct that towards a verified legal advice dataset, then we're able to provide people with much more information and much more valid information in terms of helping them be able to solve their legal problems . There's other things in terms of being able to just access legal services . You know , no longer all you have to trawl through the internet internet to find find firms , and not all firms have even got web pages that , I mean , you know , you won't even have to walk down the high street trying to find a lawyer to help . There's already services out there that will put you in touch with lawyers, or at least allow you to even pitch your problem for lawyers to solve. So you can put it almost in a marketplace. |
| SPEAKER1 | 04:39 | Yeah , sorry if there's |
| SPEAKER2 | 04:40 | a few things . There's a few things . |
| SPEAKER1 | 04:43 | Does it apply to small businesses as well ? |
| SPEAKER2 | 04:45 | Totally, totally. Absolutely . And you know, there's no better example of that than some of the startups who are already I mean , startups don't have massive funds at all , but as they get started , they're absolutely leveraging some of the services and tools that are right there to help them pull together simple things like some of the shadow work, the shadow documentation they need to pull together, and a lot of that is already available through different services. Well , writing another piece that's both the general consumer can access that so that there isn't a part . If anybody needs to sign a contract or seek legal advice , you're going to benefit from technology coming into play . You will either be able to procure these services without the need to talking , need to talk to a lawyer . You may get these services far cheaper than you would before because technology has intervened and been able to bring that solution to you faster. Will you be able to self-serve ? Will you be able to access legal services in a quicker way? You still get still get that lawyer to be involved, but can cost efficiency ? |
| SPEAKER1 | 05:48 | I understand . Could you give me like a couple of examples of like providers of these kind of marketplaces or services ? If you if you have , |
| SPEAKER2 | 05:56 | they're all coming to the fore . I mean , that's a lot like the minimum initial took over the U.S. in terms of the like slow , I think legal Zoom was one that was starting to do things lawyer advisor in the U.K. I mean , they were Australia based and they based over in the U.K. they built a product in the and in Australia , that was very much one of those asked if I can find a link to it . If I sent a link through Zoom , will you be able to say , Yeah , yeah , basically send it to a |
| SPEAKER1 | 06:23 | company that's perfect . |
| SPEAKER2 | 06:26 | Um , let's see if I can find a link to an example of one that was over in the US . |
| SPEAKER1 | 06:33 | OK , so they are mostly in the US right now |
| SPEAKER2 | 06:36 | or Australia , but they are , they are coming over here and more and more . |
| SPEAKER1 | 06:41 | Yeah , I'm particularly interested in the topic because Italy , I'm from Italy . In Italy , the regulation , the legal stuff is really like monolithic . It's , uh , it's a burden for for our economy . So yeah , I think there's plenty of room in there . |
| SPEAKER2 | 06:56 | And I think that's where we'll start to see more of those opportunities coming through , where you have got communities that have got a very clear need and are willing to step outside the way that they normally do think . |
| SPEAKER1 | 07:09 | Yeah , I understand I have a question for you . Um , speaking to SMEs , for example . Um , do you think that if you have an example , there are welcome , there may be tools or even these are the same tools when in which way , uh , this kind of evolution . They help different players , different customers , easier to collaborate . So and I'm talking about collaboration , obviously contractor one . So and every |
| SPEAKER2 | 07:33 | talking therefore about you talking about the legal side of things the technology people hate . |
| SPEAKER1 | 07:38 | Hey , now I'm talking mostly about relationships that do different kinds of relationship . One , there is a technological relationship like , for example , startups or SMEs . There are they are developing something new . So maybe there is an issue of data sharing or an issue of trust or a normal partnership that can be our supply kind of a partnership that needs , of course , a contractual enforcement and arrangements and think about these two kind of relationships , for example . |
| SPEAKER2 | 08:07 | Yeah , I think so . And the question was , is there enough of it or what was the question around the collaboration ? |
| SPEAKER1 | 08:14 | The question was if there aren't tools or if you foresee that there may be some tools in the future that might help with these kind of relationships starting from the legal tech standpoint loads at some point . |
| SPEAKER2 | 08:26 | Yeah , definitely . I mean , look , already some of the stuff that come through the likes of Lee , Gattex and other people like them doing working on contract drafting , that's collaboration . And that is improving the way in which we work . People no longer have to rely on emails and sending documents backwards and forwards to get stuff done . You know , these tools collaboration at the heart of what they're doing , but also take a step back from that . I think for us to be able to get to the right place from a technology perspective , we need to collaborate on the problem to then identify the right solution . So we need to be working with these legal tech startups to help them develop and grow the products that they're working on and evolve the problems that they are trying to solve . And we also , as users of legal services , need to work with our suppliers to be clear around where they can actually provide help to us . They already , you know , law firms are all thinking about what technology they can bring to the table to do things better . They want to use it to advance themselves and see them and differentiate the different , taking themselves from their competitors and have a competitive advantage by throwing this stuff at us . It doesn't help me as HSBC to have five different law firms coming with five different solutions that solve one problem . I'd rather five law firms came together with one solution to solve my one problem that I could then use five times if that makes sense . And therefore we need to come together as a community to one get stuff done to be able to do a piece . Three , be able to do more cost effectively because there's more people in there . We're sharing the cost and also we're therefore sharing the risk . |
| SPEAKER1 | 10:04 | Perfect . Sounds good . It has an answer . Thank you . And what about another theme that is popping up over the past interviews ? Is the link now mostly talking about small firms , the link with the financial network ? So , for example , Sydney Eagles example come to my mind , basically . How do you see ? We're still talking about the future that this kind of services may help and how companies to raise funds basically to manage the relationship with the financial support network that is behind the economic development . |
| SPEAKER2 | 10:42 | Look , I think this has to happen, and this is where we need the industry starting to come together so that we are building. We're connecting in the right way . I mean , I used to work at Barclays and was part of Barclays Eagle Up , so we had the incubator for tech startups that were coming through . We are only just starting to bridge the gap between technology and finance and thinking about whether we could start to step in and fund some of the startups that were coming through our ranks. I mean , also look at the model that Barclays Rise has in place. So that was very much focused on fintechs and they they were able to create the right environment and network that were able to bring all the people together . That could really make things back to work , which includes the funding on the other side of it . |
| SPEAKER1 | 11:33 | Mm-Hmm . Yeah , I see . Um , do you think that there may be a kind of a disintermediation like that, startups that needs to raise funding, they do not rely to an incubator or to other. |
| SPEAKER2 | 11:49 | oh , they can totally do on their own . And there's plenty , you know , that can go out there and do it on their own . They they will use the incubator networks to be able to meet the right people if they aren't able to find them themselves to be able to get that investment. You know , I've seen others that have gone and worked with law firms . But I mean , if you look at the have you have you come across views over A. . |
| SPEAKER1 | 12:11 | Library has a code sorry , |
| SPEAKER2 | 12:13 | fuse fuse , which is the incubator and they really have created and they have got no new law takes that have gone through there . But they've also invested in . And similarly , with Mischke at MDR Lab , they also invest in some of the technologies that are coming through . |
| SPEAKER1 | 12:34 | Okay , thank you . These are the suggestion I'm going to deep dive in them . OK , that's perfect . OK . What about where we're going really fast , I'm happy . Thank you . No good . What about be the aspect of Regulation? So a little a little bit more about red tech? Yeah. Now I'm asking you like a kind of an overview of what is happening. What are the main tools and how these tools are maybe applied to small businesses , if needed , for example , digital ones , because now maybe I'm wrong . I think reg-tech is more developed for big institutions like banks that have a lot of data at all to handle . |
| SPEAKER2 | 13:18 | Yeah , it is more developed , but there is more problem with it in that . One of the challenges is that accessing data, particularly if you want to do analysis against and deploy algorithms against data sets to be able to inform you as to whether you are regulatory compliant or whatever it may be. I think you're right in terms of its more advanced. But there are more challenges to deploying it because if those equally-debate data regulatory requirements and data privacy issues just make it a little bit more challenging to be able to fully deploy what we need to at the pace we would want to to be able to innovate effectively. These things will all have benefits , but of course , the start ups always will focus on where they think the biggest spend opportunity is , which is with the bank , which is those where they really feel the pain. The smaller companies will struggle to onboard / won't take a risk on somebody new to on board them and be able to effectively use it and pay for them . Hmm . Yeah . But that will comes down to the pricing model for the startups, which can vary across their size of organization . Hmm . |
| SPEAKER1 | 14:31 | OK , that's fine . Uh , so if we if we were to wrap up like a summary of the biggest benefit that the law tech emergence is having on small businesses, particularly , how would you rank them? Like I said , for four bullet points, for example, five bullet points . |
| SPEAKER2 | 14:54 | So look , if you guys are going to help to drive efficiency, |
| SPEAKER1 | 14:57 | OK , |
| SPEAKER2 | 14:58 | they'll be able to do things faster . One bullet point ? OK . Two Cost efficiency and cost effectiveness so will reduce their overall spend , particularly when it comes to legal . OK . It will increase that control and then risk management and somewhat linked to that is it will give them greater visibility because if we have digitized a lot of the legal contracts that they are putting in place or legal things that they're working on , then they can at the touch of a button , identify where their risks sit. And if, for example, there's a regulatory or a legal change within a jurisdiction because everything has become digitized , they don't have to pay for a massive operation to come in and review all their documentation to find out what they need to change. They can push a button with all that digitized data . They can then really quickly identify whether they need to make changes to their standard contracts or whatever it is , or if as a result of an investigation , that means that they need to change the way that they work, they can do it far quicker . |
| SPEAKER1 | 16:06 | I understand you may have given me a suggestion with this visibility. Can this be this visibility be translated into also external transparency? Would that mean , for example, there's an investor, private equity investor or whatever that is going to maybe entrust this company and invest in the company ? Yeah . Do you think that this visibility thing that I think you need from an internal standpoint , but looking at it from an external standpoint , |
| SPEAKER2 | 16:35 | hopefully due diligence becomes much easier . |
| SPEAKER1 | 16:37 | OK . This is a good insight . Europe , you're the first one giving me this kind of insight in the |
| SPEAKER2 | 16:43 | bank to get something different . Yeah , but that's not a whole piece of you think no matter what , no matter what the tech is , that's being used and what is being useful behind that is data . You're capturing data that is currently on a paper document that might have been scanned somewhere or else is sent in somebody's filing cabinet . And as we put back in place , we are digitizing everything which gives us a whole set of information at our fingertips , which we never had access to before , and that have massive ramifications in terms of how far we can take. Due diligence is just one part. |
| SPEAKER1 | 17:16 | Yeah , yeah . See , um , did you work at RegulAItion by any chance in the past ? |
| SPEAKER2 | 17:21 | I did . I did , indeed . The company starts up . |
| SPEAKER1 | 17:25 | I'm a little bit curious. What was the like the business model , that proposition of the company ? |
| SPEAKER2 | 17:31 | So what they were doing is at that point they were saying before , and the regulation stuff is that it's very hard to get access to data. What they have created is a way of being able to to. Algorithms, two data sets and then just return the insights without any personal or private information being shared, so you maintain integrity and security around your data, but are still able to learn from it. So it overcomes that problem of having to deal with data requirements, data regulation. |
| SPEAKER1 | 18:00 | So this is both like a facilitator in an innovation context to |
| SPEAKER2 | 18:06 | kind of , yeah , yeah . |
| SPEAKER1 | 18:07 | OK . Understand . In order to mitigate the risk of compliance , it can be |
| SPEAKER2 | 18:11 | deployed on anything . I mean , it isn't even thinking about the amount of medical data that there is out there. But of course , that's all personal information. But if we could deploy , then I say we're investigating cancer and we wanted to find data statistics around everybody that had had cancer in the world and wouldn't be able to do that right now because of the data protection elements and personal records being stored. But if we were able to deploy the algorithm, then search the data and take the insights, we can make significant changes in the way that we advance from a medical practice. That's just one example . |
| SPEAKER1 | 18:46 | Hmm . Yes . Yeah . Quite interesting . |
| SPEAKER2 | 18:48 | What regulation doesn't ? |
| SPEAKER1 | 18:50 | Yeah . Thank you . Thank you . Very , very interesting . I think we are done incredibly fast and |
| SPEAKER2 | 18:56 | I think it's all quick . |
| SPEAKER1 | 18:57 | Yeah , no , it's better . My myself and my thesis supervisor is really great deal , so I'm used to it . |
| SPEAKER2 | 19:03 | Good . Anyway , you definitely kept up . |
| SPEAKER1 | 19:05 | Yeah . And do you know by any chance someone else ? So that is that has expertise in the low tech field that might be willing to be interviewed as you kindly , I |
| SPEAKER2 | 19:16 | confess and feel as I have spoken to anybody within the law firms . |
| SPEAKER1 | 19:22 | Not yet . In Italy , yes , but not here , actually . Okay . Okay . |
| SPEAKER2 | 19:27 | Um , so let me have a think . I mean , what I'll always do is just ask them first call , check that they're comfortable , fast . So let me feel as if you tell you what . If you could just do me . I've probably got one from before , but if you send it to my HSBC email address , just kind of intro email that I had the first time round just around what you're doing and what you wanted to talk about , and that can forward that out a couple of people and see if they're interested . |
| SPEAKER1 | 19:48 | Yeah , OK . So I sounded like an overview email . Yeah , on the on the research project , basically . OK , yeah . Yeah , thank you very much . You've been really kind . |
| SPEAKER2 | 19:57 | An absolute pleasure . Good luck with |
| SPEAKER1 | 19:59 | everything . Thank you . All right . |
| SPEAKER2 | 20:01 | Take a break . |