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02:08

So I've got Nick with me. And it's good in the legal team and I, I'm Jonathan, I head up the team in the UK and Northern Europe. Yeah. Nice to meet you. Nice to meet you. Thank you for your availability. Of course. That's problem problem. Well, I don't want to waste your time. So I just started by providing you with an overview of what I'm doing. And I'm a management student. And here visiting from Italy here at Bass business school in London. Basically, I'm trying to develop a research project for my final

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dissertation to try to assess how the technological development in the legal segments. So basically, the advancements of low tech, in general, may influence how businesses that are not strictly legal businesses

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may influence how these businesses operate or raise financing. So a lot of different aspects. Because it's a, it's a thing that has not been analysed yet. So I'm collecting various interviews. And absolutely no worries if you don't have knowledge in certain specific aspects, because I'm collecting a lot of different

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perspectives. And so I just then put the puzzles together myself, so that that's our concern, I suppose more than anything is that I'm not sure how much because I suppose we're sort of not not not not not tech Neanderthals, but certainly, you know, exposure to legal tech is, is probably limited, really, but we'll see how you go. Question. Yeah, no worries. And before we start, if you don't mind, I would like to record our voices, just to be sure that I don't lose any information. And of course, the interview is gonna be totally anonymous, no name is gonna appear. So if it's okay with you, but you're not going to use the video in some kind of it's just just for the purposes of, you know, reminding us reminding yourself, what what use what we said is exactly, exactly. Just just for that.

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So I would start the first question, the first question would be,

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if you have knowledge about which legal tech tool that now is maybe present in in the market that had or is having the biggest impact. Now talking about legal operations or legal procedure? So it's an open question.

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Well, I suppose the thing is with the legal tools is that they kind of, they fall into different categories, and that the usefulness depends on what you're obviously clearly what you're trying to achieve. So we will have a sort of contract with we have a contract management tool, and that allows us to locate contracts to file emails and put it against each matter. And that's been going on for years really, I mean, the very astute with it.

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You know, we've having those particular contract management tools, our particular tool is iManage. And, you know, it's, it's useful for that management side, we then have other tools, say, Bryter, the Bryter tool, which go into more of a kind of assistance with taking you through a contractual journey or a process. So for example, if we are putting together a confidentiality agreement, it tries to automate some of that process. So therefore, it would say it would ask in a way that the layperson can input the required information in order to produce the document at the end of that process. So that brighter br yti probably heard of it, but it's the we've developed a confidentiality agreement element to it, where the lay user can input the parties can input the term of the agreement. Okay. And the rest of it would be fairly standardized. Okay. That would be but there are other applications are brighter that you could say any process. Yeah, multiple choice options, complete that produce your document at the end of that fair, yeah. And Bryter used to provide advice. So it asks a series of questions and provide a block, generic paragraph of advice. It's, as Jonathan said, I'm sure you know, writer but it's, it's almost you create a sort of a flow diagram of coding. In the sense the journey of the customer in inverted commas through different gateways, depending on whether they say yes or no, or whether they say, oh, it's English, it's German is whatever it will take into a different pathway.

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Kanban boards as the other one. Yeah. So, your basic tools on sort of MS teams, but it's more of a developed Kanban task management, I'd say, tool, but then that that can feed information across to iManage. And then the sophistication of it could also be to track time as to how much time is being spent against certain matters a bit of time recording, which in House lawyers hate, I know that private practice, they have to have to go down that route. But in House lawyers hate that. It feels like someone's watching over you in terms of your time allocation. But that's another element to it. And I suppose, yeah, one of the things that you just got to throw out is AI as well, we don't use AI tools.

But you know, people have started to use AI to “draft me a confidentiality agreement”, “draft me a licence agreement that includes X Y, Zed”. Yeah, I know it's being used. It's not something that we do, because you might come onto it in terms of questions as to the future. But at the moment, it's not something that I think is robust enough for us to say, Well, where does this come from? And is this best practice as well? I see understand, perfect. I like to linger a little bit on the iManage and Brighter, focusing on the aspect of collaboration. Can you please elaborate on which are the parties, for example, give me some examples, which are the parties involved. When use like brighter, for example, these two different in house, legal teams of two companies, or your company with smaller suppliers. And I don't know, these are currently tools that are purely in house. So, there's no external input.

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As such, I mean, the iManage is simply at the moment just simply the legal resource. I don't think other departments use iManage. But it's, yeah, there was always a sort of, well, who's responsible for a document who's responsible for the storage of that document. And it shouldn't necessarily be the legal department. But now we've got a tool that means that those things are easily accessible for from us. If a client does come and says, Have you got a contract? Then we can look on the system. brighter, I suppose that goes beyond just the legal department and into potential use and application by clients. internal clients. Yeah. So but again, it's internal clients. So we haven't asked our external clients to complete anything through that. The only tool that we do for that is the classic DocuSign

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where again, it's a licence, and you can send the link to the client and they can sign it. So it's a very primitive, very kind of basic. Yeah. Do you think you foresee the possibility of a tool that, like involved with the external parties as well, in the development of contract relationships or any kind of legal relationship?

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Yeah, I mean, it's something that we I've seen.

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And, yeah,

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I know that they're out there. I mean, there was a big a few years ago, with Astor, they would ask their suppliers. So, this is coming from their procurement department, they would ask their suppliers to basically complete their standard contracts, and you'd go to the tool that allows you to add in all of that, but ultimately, it was a very standardised process. And that's how it would work is, is something that this is not up for negotiation, you are simply sticking in your delivery times your quantities, you're

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very standardized. And we are predominantly at Bosch, a manufacturer who then either sells or distributes our products. And so, you know, sometimes it'll be on our standard terms, sometimes it'll be, you know, a negotiation negotiated process. And that's where I don't think that there is so much

automatization because automatization, As Nick said, he attends to start with a flow diagram where you can ask a question, it's either yes or no, and it will take you through, depending on the algorithm. Yeah. Would you agree? I mean, that's No, I know, I totally agree. I think in negotiation, I think I always have a fear as well in these in the in the negotiations of version control. In relation to legal negotiations, if you have a too complex tool, you don't necessarily know who's made, what changes and when

I know that can even in the tools that exists now in Microsoft, for example, that can be can be difficult to track.

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we're very obviously our job is to minimise risk, and we're very risk averse. So we would know the version that goes across to the other side. And then to know the version that comes back, etc. I don't see how, as Jonathan said, Bryter would work without also giving away your commercial positions. Because if you give people options on what clauses in there, they'll obviously go for the one that's most beneficial to them, depending on their position. So I'm not quite sure how that would work. At this point, I guess you could have a tool that sits behind it, that gives us the options and gives us a database of the state of the of the clauses. But I don't see how it would work with a third party. Okay, so, okay, this is a perfect, thank you. So, I think we can draw like a distinction between, like, enhance,

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I'd say, efficiency or when it comes to standardise the type of contracts with external parties, whereas the negotiation space, since it is more customized, tailored to the similar operations is more difficult to be improved. Efficiency wise, but you mentioned like the exchange of the document during the deal.

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You think that there may be a way to increase maybe you mentioned a little bit the transparency so that it's beneficial for both parties entering the deal. So basically, the collaboration between the company striking the deal is, is easier in the future stronger, because maybe the risk is, is lower, because the deal was elaborated with more transparency. I'm just wondering whether there's there's this possibility.

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No, I suppose the the if you're talking about exchanging contracts with the others with whoever is on the other side, a customer or supplier, whatever, they're related to the other party.

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You know,

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it's still a very traditional approach, you know, that when it comes to a negotiation, a party would have their standard terms or conditions that would go across the other side who would mark that up and change it if there was scope to do so that would then get sent back to the party and then that be this exchange until ultimately, you concluded it and then sign the contract or that there'd be a meeting and you negotiate it but that just follows a very standardised approach. Is there any scope in

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you know, potentially, alive in terms of Speeding up a process to see where the contract is. And we're who was sitting with and yeah, I don't know, I questioned the value of that. And whether you want that level of transparency, there's a whole load of other commercial factors that go into.

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Yeah, how proactive you wish to be? Yeah. I think from a from a technology point of view, you obviously have all the track changes in the compare parisons, you can run within Word. That's how we monitor who's changed what,

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what, how everybody monitors who's changed what, back from the days when it was posted, and it was done in red and green pen, etc.

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So, I don't Yeah, as I say, I live documents make me nervous, maybe nervous. To be perfectly honest. On the other day, I worked on a Google someone sent me a Google document. And I can actually see the marking it up on the screen, as I was also there as well. And it almost it was a bit of a, it ended up with a bit of a fast because they type something and I'd see what they put in, I type something back. And it was whoever could type the fastest,

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the quickest. And I've got two sort of left fingers. And I'm not really that fast. And so

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I don't want necessarily the legal race to turn into who can take the quickest.

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I see. I see. Okay, so let's move on a little bit. Now.

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I'd like to ask you an important opinion,

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visualising the legal requirements, the most important legal requirements that newborn businesses have startups or small businesses, so two different categories, new businesses or SMEs.

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How do you think that the development, the evolution of the legal tech may have these businesses directly or indirectly to overcome the hurdles that they face in the early stages, stages of their development, or that they face for the fact that they are small businesses from a legal standpoint?

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We can also start from the needs from the hurdles, legal needs that they have, and then we can try to draw some conclusions of how legal tech may help them, for example.

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Well, I mean, should I kick it? I mean, we we've worked with a few startups. And in my past life, I worked for a firm that, that it was in Cambridge. And so there were a lot of startups spin out from university, those kinds of things. I think one of the features that you'd have with them is that in those initial stages, everybody is the last thing that they're concerned about are legals.

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That bad the feature of a startup, but its ideas its entrepreneurialism, it's, it's Can we get some finance, can we get some funding? They're not worried about what their constitutional documents say what their shareholders agreements, say, what the, you know, have they got the right licencing agreements, if it's intellectual property, they don't concern themselves with the legal elements. And quite often, they run into difficulty because they haven't concern themselves. They get into the shareholder disputes early on, because they were promised,

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you know, sweat equity, or whatever it might be. And they said, Oh, no, we didn't offer that it was because you were supposed to actually contribute something else. So

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if you are talking about a package, or making legal documents at an early stage, more accessible to start apps at an affordable rate that probably went away from…this is the big thing for me is law firms, probably having to move from their standard model of which they charge. Everything was always done on an hourly rate. You know, because that is how we law firms charge. It's easy to account for its hourly rate.

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Or as a Bosch, I remember our power tools, training, that they will put on the screen to the new starters in the power tools division, a drill, and they sell everyone agrees this is what we sell. And everyone agrees Yes, this nice shiny new drill. And then the next slide flips over. You've probably heard this and what you've got is a hole in the wall. And that's the disconnect between actually what that what we think the customer wants and what the customer actually needs. The customer needs a hole in the wall, your startup needs to protect itself to the to the level that it's not going to have these disputes that are going to kind of swamp them. It's gonna have it's aware in live to these issues. And I think there is scope in the market to do that at a more of an affordable, accessible way to startup companies.

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Okay, probably sort of.

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That's my entrepreneurial kind of vision to start my own company to do.

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That they even even it could be akin to a brighter thing where it just completes it all, sort of almost for them a series? Well, I wouldn't be here, we have to be a lot of questions, to be honest. But

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I think just just to build on that as well, and things that I've sort of come across

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it, having that at the initial stage will make it easier when a startup is sold, or, or acquired. Because there's often the thing well, actually, no, none of these documents actually exist, or we have 30 pages of the 40 pages of the articles, or things like that, if you have this central hub, then later day, you can just draw on all this information very, very easily. ”relationships built with this particular customer, we've got a good kind of Yeah, but have you got a contract with them? No, no, I've never never got a contract with AC. So it's basics. It's things like that, that I think startups can fail. Yeah. Or can suffer as a result of not having these things which are relatively straightforward to put in place. These are, this is precisely one of the aspects

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I was looking for. Thank you.

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I'm trying to reason this, for example of how how a startup can be benefited by adoption of these kinds of self serve legal tools, or by relying on law firms that provide low rates for the services affordable for startups. Because I'm thinking about like the how this could ease the ability of the startup to raise financing?

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Maybe I don't know, it makes the due diligence process easier. When an investor wants to kick in, do you agree recently on the for sure, for sure. It just becomes cleaner. Yeah, that you know,

that a company that is looking for financing, Yeah, that due diligence process, if it is fairly, if the data room is thought about at the point of the incorporation of that company? Yeah, yeah, that process becomes a lot easier for an investor to come in and put money into the business. They know where there's no Gremlins, they can see that these things are taken care of. And that becomes a smoother, more efficient process. Do you? Sorry.

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Yeah. So if the investors are aware of this portal, or wherever it is, as well, and they know it, and they know where everything is, then yeah, that'd be fantastic. And they wouldn't make it everyone's very easy.

Will you think it applies also, not in the case of an investor where in the case of a big company like Bosch, for example, that wants to start a collaboration, a long term relationship with a small company or not?

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I, again, I think its ease of doing business. You got to make it easy for Bosch to come in and say, Well, this is this is limited due diligence required here because they have everything that we need to see. In terms of going forward. Now. We've just spoken about legal clearly it goes into the other areas, as well as finance and tax. And what happens is, is that I think the tool cannot be limited to just, you know, because if they're actually contracting in different jurisdictions, and they got permanent establishment issues, it could be an issue. So, I think you've got to combine all three. Yeah.

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Yeah. Tax, legal, finance. Yeah.

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Usually they they're overlapping. Yeah.

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Okay. Sounds good.

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Now

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okay, fantastic. If

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if we talk about the aspect of regulation, for example,

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like regulatory compliance.

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Can we make a differentiation between the legal needs the regulatory needs that big companies now now I'm excluding the financial sector because core banks have their own their own regulations? What are the biggest that you know,

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difficulties from a regulatory standpoint that businesses have that are not specific of the sector?

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Like, no energy as own regulation, then there are there may be other sectors like pharma, pharmaceutical with other regulation, you know, any regulatory hurdle that are not specific of the sector that all, either small businesses or big, big businesses must have.

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It's hard. Well, it's hard to look at it in isolation and not the sector, because there are so many sector specific elements that you would have, you know, whether it's pharmaceutical, whether it's food, whether it's even sort of consumer goods, but if they're electric, or if they've got some kind of back testing, regulations and requirements,

but you're talking about generally, when it comes to regulation for corporate effort for businesses in the UK, I think that is one of the features of UK businesses. I know, I don't know, whether you're looking at cross jurisdictional is that it's actually very easy to start and to run a business and the regulatory requirements are generally less than they are, say, in Italy, for example, I mean,

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you know, we found out yesterday that there's a specific,

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you know, if you're, if you're dispensing telephone services, then you need to be approved and have approval in order to provide a basically a call centre out of Italy. We haven't got those kind of regulatory requirements in the UK. So it's kind of relatively easy to do business, clearly, you're gonna have the laws and the regulations,

things like the GDPR. And data protection regulations feature so much more now, since the Data Protection Act in 2018. You'll have exports and sanctions and who you're exporting to, and those kinds of regulations that businesses need to be very mindful of these days as well in current climate.

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And there are all sorts that you can check in there, but from a actually approvals and getting regulation. Aside from the specific sector points, I think we're actually very easy to do business within the UK.

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Okay. Okay. So, so you would say that the regulatory aspect is not the general one? Of course not the secretary one is not hurdle in the UK. And, okay, this is good. What about?

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What about the compliance? No, no, sorry, the complaint management, for example, when you have, you know, too deep into manager a case or a complaints or claims for our customer or our suppliers?

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Do you think that legal tools, maybe applicable legal tech tools may be applicable in that kind of aspect?

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We, yeah, well, we have been looking at all. It works, it works with brighter, and it will, it will produce a series of parameters in relation to the value of a client. So, it will assist in relation to making offers or not accepting offers throughout the process?

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I think that's in its infancy. And to be honest, I'm not sure that with a tool like that the effectiveness of a tool like that is obviously massively dependent on the person who is inputting it anyway. So, whether it adds much value above and beyond the value that that person can, can add without the tool. It is up for debate, in my opinion.

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Again, it's about the retrieval of documents. Really, I think you had I think you have you do have tools that help pick out emails, I believe, and things like that and topics to do with disputes. Yeah, sort of e-discovery that kind of those kinds of cool, but you're talking more complaint management, either in terms of general customer complaints or litigation?

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Both I don't have the question wasn't specific if there is a distinction, please. specified? Yeah, I think firstly, you got customer complaints and someone will call in and say, you know, my lawnmower has broken or my boiler doesn't work and those kinds of things and you've got those customer complaint handling and in a way that doesn't touch legal, you know,

One point at which they haven't got a satisfactory outcome, and then legal step in and if it does hit the legal desk, then, you know, we would need to do our own risk analysis against that. And that's very hard to do with a tool, I can't see how that at the moment with what's out there, you can assess the problem, if you automate that kind of side of things is that whilst one claim for a broken lawnmower, maybe say it's too low value, let's just pay out a sub or replace that lawnmower. If that was your general approach, it wouldn't be long until everybody's lawn mower will be re been replaced, and you'd have a flood of claims, and

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that that small amount becomes a big amount that we'd have to pay out because that is Bosh is approach to any complaint. So you'd have to be very clear as to how you manage those. And that's why I don't like the automated approach, I'd see everybody and you assess the case on its merits. So that's customer complaints, that sort of low level side of things when it comes to litigation. When you take a case, and you run it through in the UK, obviously, we have disclosure requirements where we have to produce

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evidence and material and documents that are pertinent to the case to the court, whether that be damaging to your case, or potentially damaging it. Okay, so of helping, helping your case. And there are tools that do that we're currently using a company called open text on one particular case, where open text will sift through data, sift through documents, and identify the key words or,

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or key documents that we're looking for. Or even the actual with, with a with an eye to focus on the legal issues that are at hand as well. So they're quite advanced, you know, some sophisticated tools that are currently in play, and then they will produce a report for us the report will then be looked at by the lawyers. And then we might go and ask them again to look at a specific set of data, see if they can find anything about this. But ultimately, that's what these tools do, and they can be quite helpful. Okay. Open tax.

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Yeah, record mind. I think they're called Road record mind or open text. Yeah, those type of companies that do?

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Well, a lot of them are American. So they call it discovery. And obviously, we call it disclosure.

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But broadly the same. Okay. Okay.

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Last question.

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This is

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a lot of interviewees didn't have an answer. But it's like, because I mean, it's a it's a broad question is difficult one, if there are particular types of, of both big companies and small companies. So when I talk about types, I mean, industries, markets,

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services, that may be more impacted by the advancement of the legal tech, directly or indirectly. So it's not necessarily because they deal with the legal tech directly, but maybe the adoption by someone else of the legal tech may impact them.

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So is the question who, who legal? Would legal tech, the advancement of legal a tech would have a greater benefit for a larger company or startup? Is that not? Yeah, I don't know. It's which, which kind of company like, you know, ecommerce, or manufacturers or financial service providers are. So it's like sector specific

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for both big and small companies.

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But also why give me a moment is that its benefit is producing it better and it seems to benefit more people or companies that produce the same thing over and over again - standard,

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standard product, standardised services, standardised document, standardised. So, yeah. If Yeah, if there's a repetition in there, then that would be where I would say it would impact at the most at the moment because I don't think it's quite developed enough to pick up the nuances and the divergence, I think.

Yeah, I think if they have a strong customer base, and as a high dem aren't for their product, they can afford to just have a standardised set of contractual documents or principles. And that's where legal tech works best. So I gave the example very early on in our interview about after, and their procurement contract process. I don't know where they are currently with that. But if you if you could say, well, all of our suppliers, they've got to be on our terms over here, and there's this little negotiation. Okay, then then that could be that is probably Yeah, that's probably the argument, you could make an argument that the larger organisations then could have a bigger benefit, because they have a stronger commercial position. So they are the say, the Amazons of this world can turn around and say, well, are the Microsoft if you don't want it, then

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they just don't contract with us. So perhaps from that perspective,

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okay. Okay. So yeah, so the answer is where there is a standardisation. And, therefore, since bigger companies usually are have more scale economies more bigger customer base, so higher bargaining power, most likely they have the biggest benefits from LegalTech. Okay, and if the, if the question was just about small companies, so which kind of companies

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does the same answer apply? So it's still search for standardisation? Where legal tech may kick in? Or?

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I think I think it does, I think the smaller the company, if if, if they're, if they're dealing with end customers that are consumers, they probably have more chance to get those standardised documents through than if they were dealing with, say, a boss of this world who would then review everything

you say, so I suppose it's who their customer base would be. And in fact, again, if there's a high demand and the broad need for the for what they're selling, then again, I think the contractual process for a small company could get applied the same? Yeah, no, I think it's Yeah, then you probably looking at the product, wouldn't you as well as the as well as who the customer is?

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Yeah, if the everything Jonathan just said if it's, if it's sought after?

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Standard as well, if there are variations you can have with the product, and I think it makes it more difficult. But yeah, okay. So if there if the?

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Yeah.

Okay, so if the dialogue was between two companies instead of a company and a final customer, then if the bargaining power is evenly distributed, It's unlikely that there may be a legal tech tool kicking in, in between the relationship. Am I correct? Yeah.

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So yeah, that's a fair comment. Okay, this, this is perfect, and very interesting. So I think we're done.

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Thank you very much. You're being despite your low expectation on yourself. You're being very helpful. You've been very

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good, well, all the best and good luck with your dissertation or whatever, it comes out and work product. So yeah, wishing you all the best. Thank you very much. Have a nice day. It's been a pleasure. Thank you. Bye bye.