

TECHNOLOGY ADVANCES HAVE DRAMATICALLY CHANGED THE LEGAL SECTOR IN RECENT YEARS.

- **HOW DO YOU THINK SOLICITORS CAN FURTHER ADAPT TO ACCOMMODATE THESE ADVANCES?**
- **WILL THERE STILL BE A PLACE FOR SOLICITORS IN 20 YEARS?**

Technological Advances

Since 2000, the number of Internet users has grown from approximately 300 million to almost 3 billion¹ and has brought with it extraordinary possibilities, including business opportunities, connectivity and instant sharing of information. The effect is clearly apparent as online sales in the US outstripped those in traditional brick and mortar stores for the first time last year². The exponential and unrelenting increase in the use of smart phones, tablets, social media, instant messaging, apps and instant downloads is further evidence that the majority of the developed world, in business and behind closed doors, is utterly reliant on technology. Facebook, Google, Amazon, Twitter and Ebay are the powerhouses of the last decade. This is not news. This is not shocking. This is simply the inevitable meeting of man and machine which will perpetuate until the limits of technology, whatever they may be, are reached.

Old Dogs, New Tricks

Solicitors, often considered reluctant to consent to such 'meeting', can be 'set in their ways' and are consequently portrayed as stuffy and old fashioned. And before any of the offended aforementioned hurl their collection of gleaming leather All England Law Reports in outrage, it is abundantly clear that in the face of wholesale culls in the legal profession, solicitors must adhere that maxim, 'adapt or die'. Where previously solicitors were reliant on letters and meetings with clients, they must now embrace video conferencing, emailing and electronic execution of documents. Such changes have led to the profession becoming more efficient, accessible and ultimately, cheaper. The instantaneous nature of communication means clients' expectations have concurrently skyrocketed. It is no longer acceptable to return a client's call after a day or two; equipped with a trusty blackberry, solicitors are now expected to be constantly contactable, whether in the office or on holiday in Cornwall. Solicitors' work is no longer shrouded in mystery and clients are far more commercially savvy. Providing legal advice in itself is no longer enough as clients have higher expectations and demand a more complete service. The nature of the solicitor-client relationship has shifted so that clients are firmly in control. Their demands are the true drivers of change in the legal industry and they dictate the standard and terms on which legal services are provided.

The Three Threats

So, where is the need for solicitors to adapt? Whenever faced with an issue; a landlord not returning a deposit; your neighbour making too much noise; being faced with harassment at work; most will do one thing: "Google it" ('Bing it' still hasn't taken off). Whilst this approach is more often than not applied by individuals satisfying their own general curiosities (rather than commercial problems), the message is clear. Whenever a layperson doesn't know what to do, they go online to find the answer. The first step the overwhelming majority of people will take is not to call their lawyer (if they even have one), but to use the free resource available. Yahoo! Answers and similar forums provide a wealth of information from people in similar situations who can provide guidance, knowledge and information for those in need of counsel. When all is said and done, solicitors are communicators who access information, interpret that information and provide tailored advice based on that information. Solicitors do not manufacture goods or have any inherently special skills over and above that of a similar professional. Solicitors could therefore be viewed as mere middlemen who interpret and relay the relevant law when instructed. As the internet provides the majority of resources a solicitor would use to research and provide advice, a layperson could similarly interpret the information and act upon it without the need to instruct a solicitor, perhaps saving considerable costs in the process. This

¹ "History and Growth of the Internet from 1995 till Today"

< <http://www.internetworldstats.com/emarketing.htm>>

² "New top choice for shoppers: Online overtakes brick and mortar"

< <http://www.cnn.com/id/101205503>>

tendency, when combined with a continual drive amongst businesses to cut costs, is one of the biggest challenges facing the legal profession.

Secondly, consider a scenario where a commercial solicitor is instructed by a business client to draft a contract. Ordinarily a commercial solicitor will ask various questions about the client's business, determine what they are trying to achieve, and provide options regarding the strength or fairness of a clause and the document as a whole. The same (or very similar) clauses often form the basis of these documents and a solicitor will tailor the document according to the responses the client provides. Repeating this process for each client is inefficient and could soon represent an outmoded method of drafting documents. For many contracts this process could be performed by a computer program which asks the same questions and provides drop down menus whereby clients can select their answers. This practice has already been adopted by some websites which offer services for solicitors³ and is an example of the potential for commoditised legal services. In the commercial scenario, non-legal guidance notes would be built into the program to inform clients about the relevant clause and its potential impact. Once all questions have been asked and answered, the program would generate the document based on the client's responses. This user-friendly system generates a tailored document and cuts out a huge proportion of a solicitor's time which they would otherwise spend drafting the document after extended discussions with the client. This bundling of legal services could represent the first step of many towards a service akin to consumer banking. It's incredibly unusual to attend a bank to transfer monies when it can readily be transferred online or through a phone based app. Similarly, if legal services can be provided by a program with the same efficiency and security as a personal service, such commoditisation may become standard practice and solicitors would not otherwise be able to compete.

Another threat to traditional 'offline' law firms comes in the form of companies such as Lawyers Online and Axiom, who are both exhibiting non-traditional styles of legal advice. Lawyers Online enables users to pose questions, provides responses to questions within approximately 60 minutes and gives clear guidance on its fixed fees for a range of services on its homepage⁴. Axiom, in contrast, provides a unique service which is centred on providing an efficient service for clients by 'insourcing' (think 'seconding') and delivering start-to-finish advice on larger projects, led by a team of experienced legal professionals. Axiom itself is not a law firm, and does not in any way establish a solicitor-client relationship with its clients. It therefore circumvents much of the time and cost of regulatory requirements to which law firms are accustomed and must adhere. It saves substantially on overheads, licences and regulatory fees and is able to allocate that time and money toward providing a better service for clients. These three threats, by-products of advances in technology, represent the challenges the majority of solicitors face.

Technology Brings Work

Although technology has brought forth threats which challenge the provision of traditional legal services, it has equally delivered new work streams for solicitors. For example, given the increased use of technology globally and the enormous amount of data generated daily, there is a need for greater regulation and scrutiny in the online world. Despite the obligations which the Data Protection Act 1998 imposes on data controllers and processors, there has been a raft of data blunders since its conception. Ebay was the latest giant to report a massive data loss and with it followed a public relations nightmare as the personal information of up to 145 million people was 'hacked'⁵. Such blunders, and the ensuing claims, provide solicitors with opportunities to advise on emerging areas of law driven by developments in technology. Solicitors can similarly provide advice on online (distance) selling regulations⁶, cyber risk and harassment and abuse online, all of which have become more prevalent recently.

Further, technology goliaths Samsung and Apple have battled over intellectual property rights for years. This reflects the position that technology is the source of such vast revenues that it will inevitably continue to be the subject of intense litigation and debate. Solicitors already have key roles

³ <http://uk.practicallaw.com/>

⁴ <http://www.lawersonline.co.uk/>

⁵ "eBay faces investigations over data breach"

<http://www.bbc.co.uk/news/technology-27539799>

⁶ Consumer Contracts (Information, Cancellation and Additional Charges) Regulations

advising clients on the regulation of existing technology but will undoubtedly have more important roles where new technology is developed and new precedents are established in the next 20 years.

Adapting

In order to adapt to these advances and resist the perils on their doorstep, solicitors should first acknowledge that some have already acclimatised to their new technological surroundings and are realising new work streams and efficiencies that will drive long term growth. They must recognise that the Internet is the best free marketing resource available and dispense with their fear of the unknown. This, for some, involves a systemic overriding of the mind-set that business can only be won with coffees, drinks and golf. It means embracing the challenge of winning work via unconventional methods and expanding business development horizons. It means becoming fluid and flexible rather than rigid and reliant on word of mouth and reputation. It means LinkedIn. It means Twitter. It means blogs, online latch keys and profiles. Again, solicitors are inherently communicators and advisors, and as such they should exploit all the benefits the Internet offers. If solicitors are specialists in an area, they should make it known and become experts in marketing their unique selling points as part of their business development. Despite these technologically-focused urgings, this is the only the beginning of a long process and work is still largely won via 'traditional' means. In time, social media and online presence will play a larger part, and when the next generation inherit the decision making responsibility, we are likely to see technology underpinning a higher proportion of new instructions.

Technology is eagerly embraced by other sectors because, among other things, it lowers costs. If a machine can do the work of a person, businesses make savings on salaries, benefits, pensions and training costs. The threats discussed all lower the cost of providing legal services. As already mentioned, clients are in the driving seat and are no longer content with solicitors' quoted hourly rates, are better informed about the value of work they are receiving and are willing to turn elsewhere for a more reasonable price. In order to satisfy clients and increase their competitiveness, solicitors should take advantage of technological efficiencies and economies of scale to drive down their costs. This means truly capitalising on the benefits of globalisation by outsourcing work and committing to using virtual data rooms, extranet services, video-conferencing and remote working. Firms could also cease their inane contribution to the decimation of forests by devoting themselves to electronic storage of documents to further lower their operating costs. However, not all firms will be able to match these rising expectations and those that do not have the size or ability to invest in technology will fall behind and struggle to meet clients' expectations.

The Future

Although commoditised legal services may be provided by a company devoid of solicitors, they would still play a key role in writing the program itself by providing the relevant knowledge and including guidance on potential liabilities. Although the threat is very real because it obviates the need to instruct a solicitor and saves the client significant costs, it has its limits because, once generated, solicitors will be required to review and fine tune documents to ensure there is nothing awry.

Solicitors may be a weaker force in 20 years due to the aforementioned alternative business models and non-solicitors providing legal advice but they will still exist because they offer vast experience and can provide insights (and professional indemnity insurance) that 'Googling' cannot. Although auto-generating documents may become prevalent and there may be a surge in companies which do not hold themselves out to be solicitors, there remains a faith and confidence in practised solicitors and a trust in the higher standards to which they are held. Further, notwithstanding the cost benefits, people want to talk to a living person and develop personal connections because it makes them feel heard and valued. This value, not driven by cost, will ensure solicitors prevail.