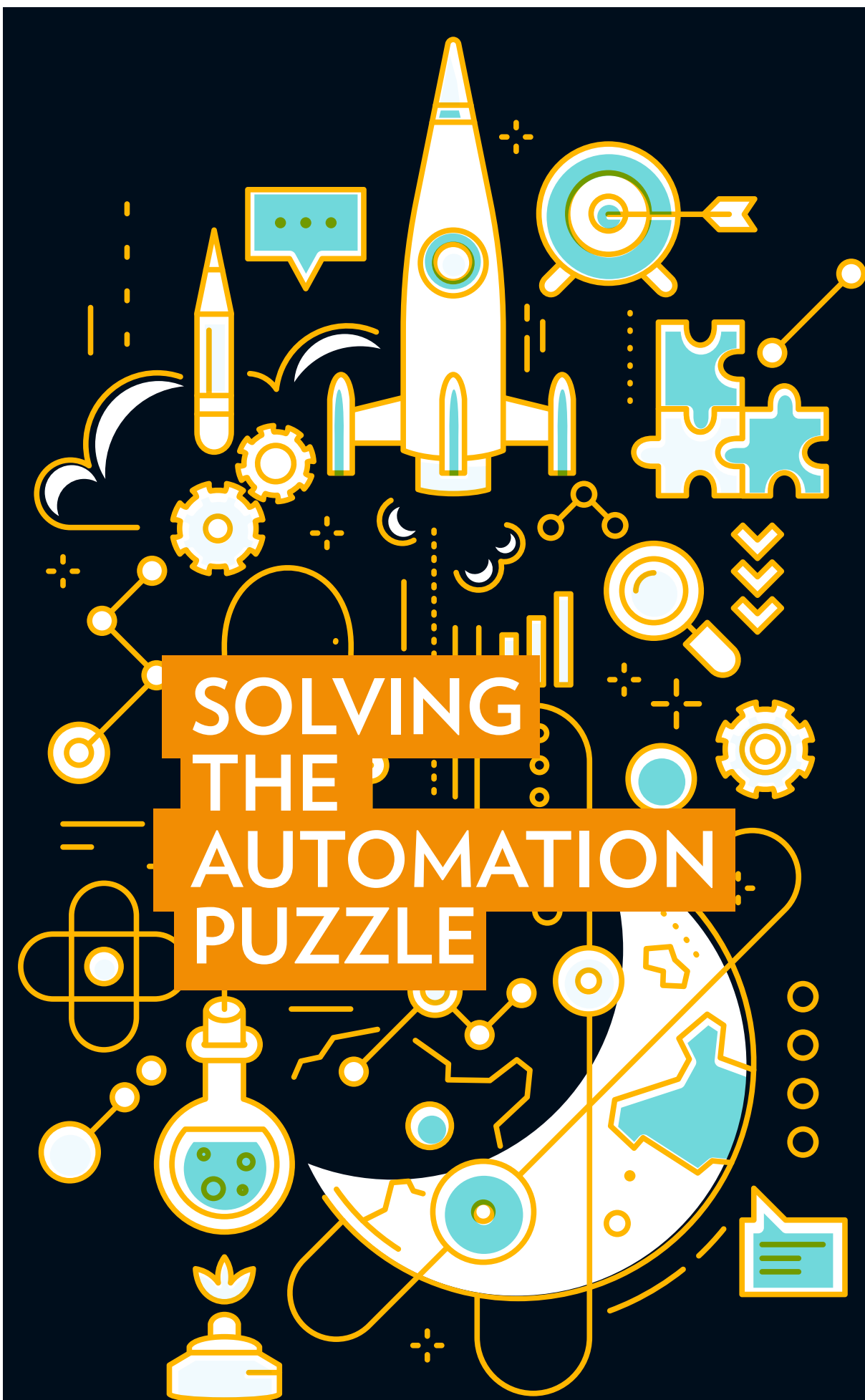


# Briefing

**AUTO NATION?**  
Leaders in the UK's top firms know their businesses could get great benefits from automation, but partners and fee earners have yet to see the light



## SOLVING THE AUTOMATION PUZZLE

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## Solving the automation puzzle

**05** Chris Jeffery, legal markets director at **Thomson Reuters**, urges business services leaders to step forward to get partners in the automation mindset

**07** **Briefing research** – analysis of our survey of how top-tier UK law firms are using document automation and drafting, and why management leaders say automation leads to a more profitable and productive future in legal business

Report sponsored by Thomson Reuters Contract Express and Drafting Assistant. Find out more about document automation and drafting solutions at [legal-solutions.co.uk](https://legal-solutions.co.uk)

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## OUR VIEW

# The price of bad process

Law firm leaders must see that profitability plus productivity equals competitive edge – and convince partners of that too, says Rupert Collins-White



**W**hen we started talking about this research with Thomson Reuters, I was interested to see where automation is most used in law firms. That's not the most interesting thing in the world to many, but it's dead useful for us journalists to know. I thought the rest of the data would be useful, but straightforward – it's hard to get people to do it, lawyers are scared of it, yadda yadda.

But what came out of this research that really matters, in my opinion, is more fundamental. Do law firm leaders, especially over on the fee earning/partner side of things, understand the connection between doing document/information production better than it's been done in the past, and gaining a competitive advantage over their peers? It seems like the answer is 'not really', and that's a perspective that's got to be changed.

A significant majority of the respondents to our survey (carried out in April/May 2016) told us that less than half of the document creation in their firms is "influenced" by automation technologies. Some might say that this simply represents a perceived 'fact' that some work types don't benefit from it, while some do.

But we also found out that far too much automation software is, in fact, shelfware. There's far too much underuse of technology designed specifically to deliver efficiency – which is crazy, when you think about it. Law

firms could be more efficient just by fully using the kit they've already bought. It must drive IT directors to tears. It should also be driving the FD to tears, because it represents an ongoing loss – of efficiency and profitability.

Business services leaders in law firms know this is the case – nearly three-quarters said that they think document automation positively affects profitability and productivity in their firms. Drafting automation scored pretty high for productivity and profitability benefits as well, and drafting is by anyone's standards a fairly dry deal. Clients also, you'd think, see the benefits of a more automated legal industry.

So perhaps the 'big deal' of this research is, in fact, straightforward in the end after all – firms that can do a lot more automation will make more profit, and will deliver more consistent products, more efficiently. You don't have to be a rocket scientist to work out how that would give any business an edge over its competition.

I think the results tell a story of an industry that has so much automation yet to implement, and a great deal of potential efficiency to find.

If you can place your firm at the front of the pack that chases a more automated way of working, there's every likelihood that it will be better off and more competitive. Now you just have to tell that story to fee earners ... ▴

**Firms that can do a lot more automation will make more profit, and will deliver more consistent products, more efficiently. You don't have to be a rocket scientist to work out how that would give any business an edge over its competition.**

## INDUSTRY VIEW

# Clear benefits, clear leaders

Chris Jeffery, legal markets director for Thomson Reuters, says firms that are failing to use automation fully will fall behind their peers



**D**rafting is a part of the lawyer's job that has a direct and profound impact on their service to clients, and the performance and profitability of the firm. It's often a core part of the product delivered to clients. However, most lawyers feel they're under too much pressure to even check that work properly. Worse, this new research shows that more than a third of law firms do no reporting on this essential part of service delivery whatsoever.

The drafting process is being reimaged and revitalised by the adoption of automation. Through this research, we wanted to understand the state of the drafting process and to what extent technology and automation is underpinning this process within the UK legal industry. How are firms changing? What is driving them to change, and what are the barriers that still hold them back? Are some practice areas further ahead than others? Where firms have adopted automated drafting solutions, are they being fully utilised?

The results in this **Briefing** research report lay bare some interesting contradictions regarding attitudes to automation.

For example, while most firms surveyed already use some kind of document automation/drafting solutions, just 2% say all those tools are used fully across the firm. But in spite of this underuse, participants overwhelmingly felt that document automation positively affected profitability and productivity.

Talking the talk and walking the walk seem to be very different when it comes to adopting innovative automation tools.

As with so much transformation in the legal sector, it's clearly clients who are driving change. Firms that aren't looking to review the way they deliver legal services are in danger of missing out, with clients not afraid to bring their post-recession power to bear. If automation can lead to an increase in efficiency, and this is recognised by those who have implemented it, why is there still hesitancy from some firms? The demand for better, more efficient service should be all the motivation that hesitant firms need to explore new solutions – or implement their existing tools fully.

This research also explores the barriers to full adoption that law firm leaders encounter when trying to transform processes. It's clear that there needs to be leadership from the top. And firms as a whole must buy into the need for change, and the plan for making it happen, rather than just implementing solutions in the hope that they have the desired impact. Firm leaders need to think carefully as to where they focus efforts – is there any reinvention of the wheel occurring? Are concepts such as continual process improvement being applied to key business practices?

We would like to thank all interviewees for their generous participation, and we hope that this insight provides food for thought for those hoping to make a change in their law firm. ▴

**Talking the talk and walking the walk seem to be very different when it comes to adopting innovative automation tools.**

## CONTACT

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## ANALYSIS

# Solving the automation puzzle

Business services leaders in top-tier firms are convinced that more document and drafting automation would give their businesses a bottom line bump and a shot in the arm for productivity. So why is it so hard to sell those benefits to partners? Kayli Olson digs into the data

**A**utomation is a difficult word for law firms. Fee earners fear that more automation will deny them their *raison d'être* – to craft brilliant documents. Business services people, meanwhile, know that more automation is going to be vital in driving down the cost of delivery for legal services, increasing margin, creating consistency, and improving risk management. But automation needs vision. If automation is bought thoughtlessly, it won't be used properly or at all – nullifying almost every potential benefit.

Our research into how law firms are using document and drafting automation, conducted for Thomson Reuters, has helped us to identify the main challenges the UK's top law firms have in making their workflows more automated, efficient and, in the end, consistent and profitable.

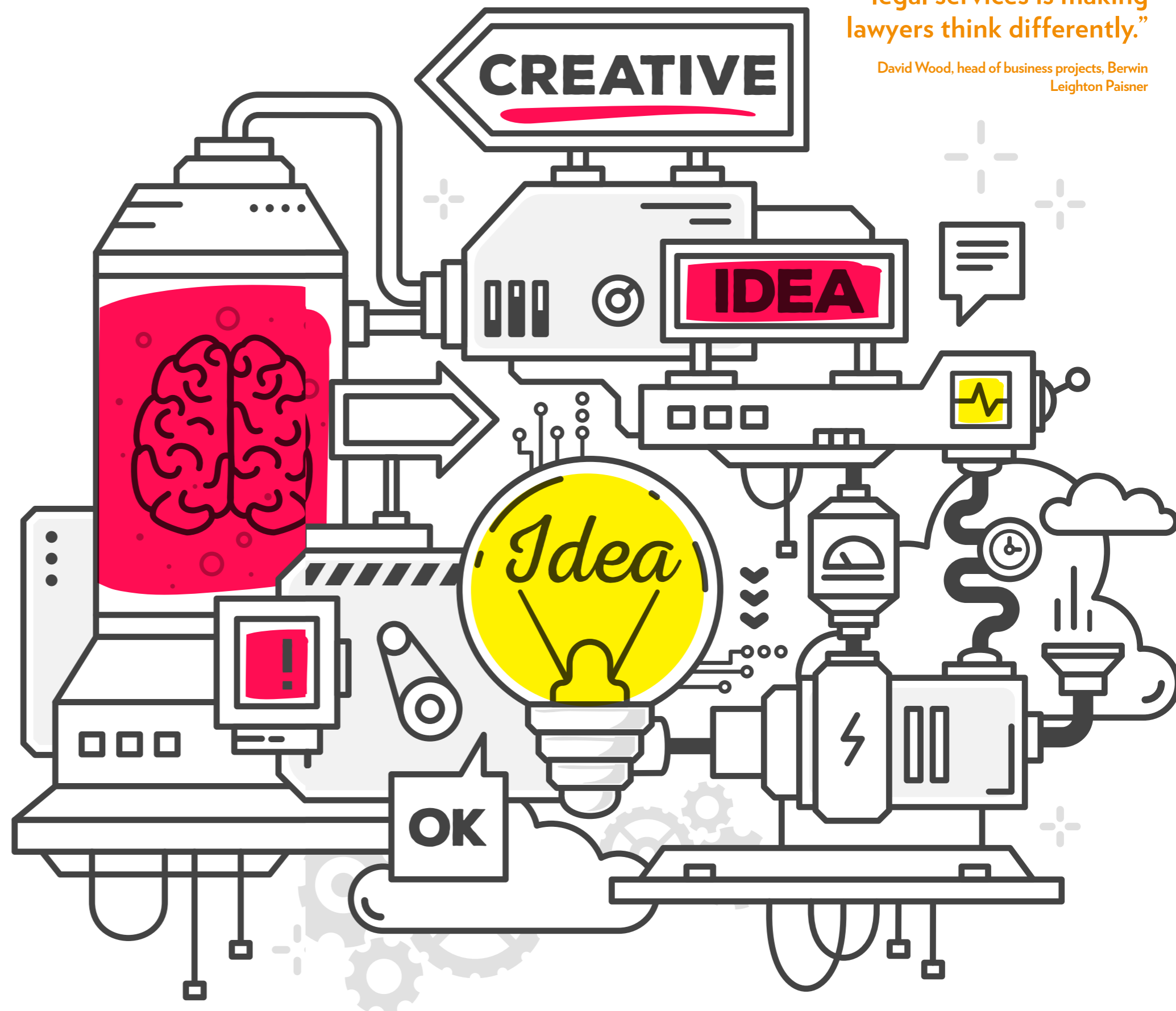
## The problems

Those in business services who understand the importance of efficiency in document automation are cracking their backs over fee earners and partners not embracing the need. There is a clear disconnect between IT, which buys automation and drafting services, business services wanting to adopt the systems, and the fee-earning side not using it. Even though 77% of respondents said that they use automation/drafting solutions only 2% said that they use their solutions fully. Over half reported using most of their solutions, just some of the time.

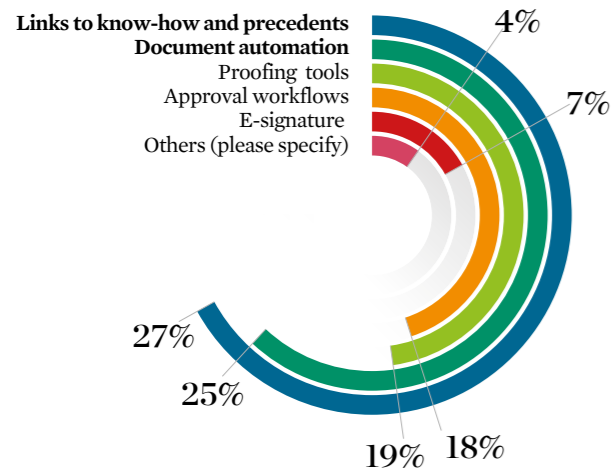
Law firms, we know, aren't great at fully using technology. But the reality is worse than that – three quarters of those polled said that,

“The continuing pressure from clients for cheaper, faster, and better legal services is making lawyers think differently.”

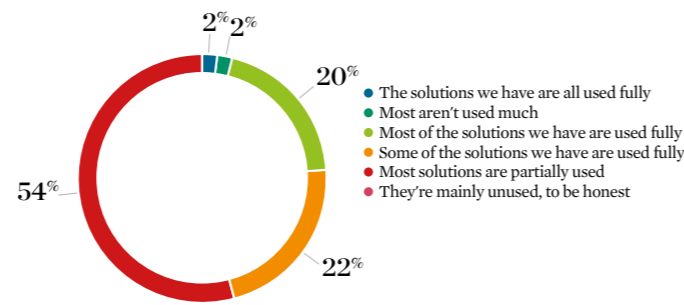
David Wood, head of business projects, Berwin Leighton Paisner



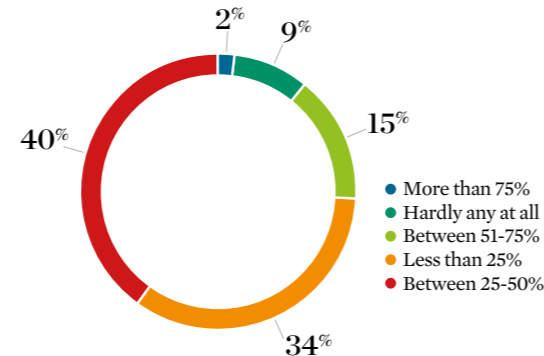
What kind of document automation or drafting tools does your firm use?



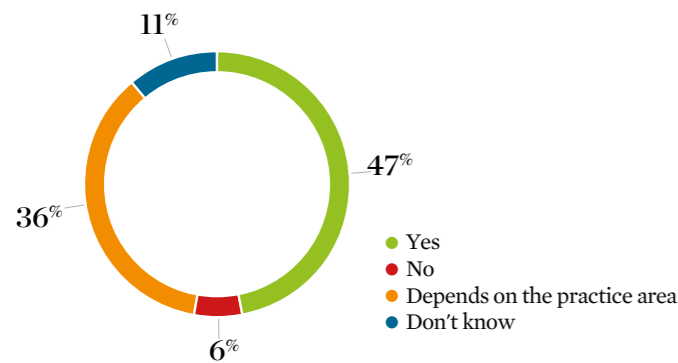
How well used are these tools?



Across your whole firm, how much of the document creation process, from inception to finish of drafting, is influenced by automation technologies?



Do you think clients would value more automation in your firm?



across their firm, less than half of all document creation, from start to drafting completion, is influenced by automation technologies.

Compare this against that fact that nearly three-quarters said they think document automation positively affects profitability and productivity in firms. Why, if leaders in business services recognise the benefits of document automation and drafting, are so few firms fully using automation tools?

The answers are many, and range from communication and implementation failures to a failure to understand the value of automation. Our respondents seemed decided that automation can deliver a better quality of

service for clients and better document workflows and production – but obviously many in positions of power inside firms remain unconvinced.

**Getting off the ground**

Why aren't firms doing more to fully use the automation systems they already have?

Automation is taking place across all practice areas in law firms, but to paraphrase William Gibson, its use is not evenly distributed. Perhaps through vanity or fear of being de-skilled or redundancy, it has been difficult to get the fee-earning side of legal business to engage with it.

“It's extremely difficult to get the best value out of any project

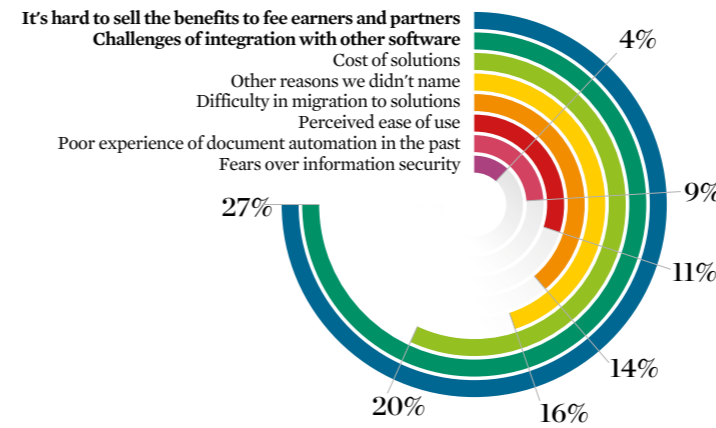
if you don't get fee earner and partner engagement,” explains Jeff Wright, head of transformation at TLT.

“Get the engagement right at the start, establish clear roles and responsibilities to make it easier for fee earners to understand what it is that we're asking of them, and engage in a way that delivers best value for the business.”

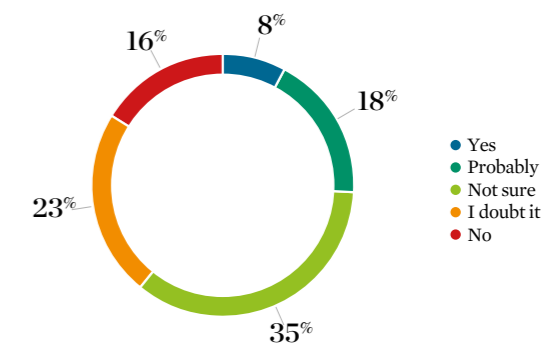
It's even worse than just a lack of full use – firms could be doing a lot more in terms of automation of document production, but there's a lack of appetite to really transform that process.

The top reasons respondents said their firm wasn't doing more automation was that “it's

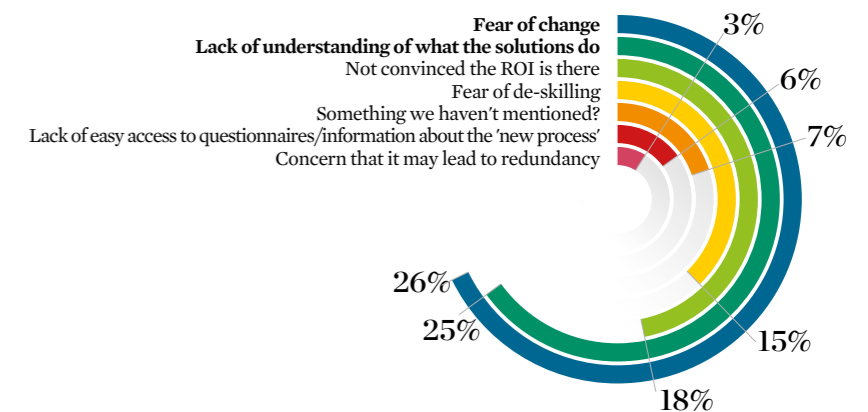
What's stopping your firm from doing more automation? (Respondents could pick more than one answer)



Do lawyers in your business feel like, or tell you that, they wouldn't feel in control if document generation or drafting was more automated?



What do you think the key challenges are in getting fee earner/ partner buy in for more automation? (Respondents could pick more than one answer)



**“If you get the engagement right, you can help them understand what needs to be done and what is required of them.”**

Jeff Wright, head of transformation, TLT

hard to sell the benefits to fee earners and partners” and there are perceived “challenges of integration with other software.”

What's happening is that firms can't move forward due to lack of buy-in from partners or, if they do finally buy these systems, they aren't being integrated effectively and start to collect dust – becoming the dreaded shelfware.

The grand challenge ahead for those in business services, who see the benefit in more automation across their firms, is that partners, who must be

convinced of the need for change and for more automation, are uninvested in the tools that will deliver it. Business services doesn't have the executive power in many law firms to change the way they work proactively.

However, times are changing – the platform on which firms stand is heating up, and the support functions in big firms are increasingly professionalising and powerful. But firms still need to buy into the need for change and the best way to start this would be from the top down.

**A sticky situation**

Automation solutions need to be viable, easy to implement, and highly deliverable, and are best if

they can be used unaided by technical specialists. They also need championing.

For change in technology to be recognised, there needs to be someone central – usually high-ranking – to influence the perceived importance of the system being implemented and making sure the project is seen through.

It's in the nature of lawyers to question – therefore, they are

**71%**

of respondents said their level of automation positively affects profitability/productivity in their firm



often untrusting of new ideas or situations. David Wood, head of business projects at Berwin Leighton Paisner, says that because he is both a qualified solicitor and an IT specialist, he can establish understanding and trust quicker and therefore engage with the legal departments within BLP to introduce new systems and solutions that add value to the business and its clients.

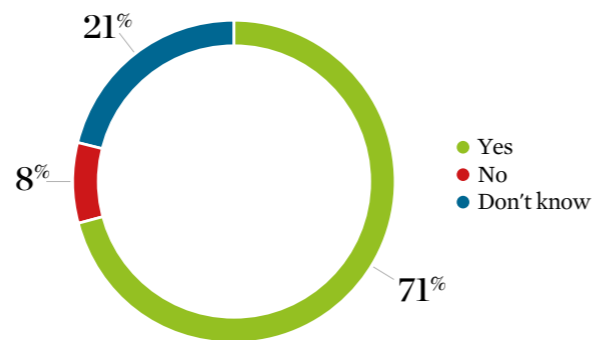
“The solutions we are looking at to help in these areas tend to gain interest and build momentum more quickly. We still have some people who doubt technology can help in their area, and this may be fair enough, but assuming the solution is aligned to client needs and the firm’s strategic objectives, it’s getting easier to start positive conversations. If I can go into a meeting with lawyers and say ‘I’ve got a solution that can add value, can we look at how it might deliver this to your team and your clients?’, we can get off to a strong start.”

Is automation really what clients want? Our survey found that 47% of respondents said clients would value more automation in their firm, and another 36% said they might, depending on the practice area. But in the end the client doesn’t need to know that document or drafting tools are in play – what they want is well-made, consistent and accurate legal documents, made efficiently. It’s the job of the firm to take the needs of the client and translate them across the workplace.

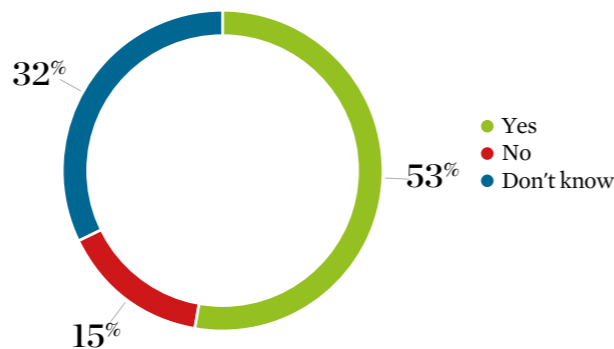
Wood says: “The continuing pressure from clients for cheaper, faster, and better legal services is making lawyers think



Do you think the level of **document** automation in your firm positively affects profitability/productivity?



Do you think the level of **drafting** automation (such as proofreading tools) in your firm positively affects profitability/productivity?



differently. They can’t just ignore client needs and simply do what they have always done. They are now increasingly open-minded to transforming how they work and how we mix people, systems and processes to deliver excellent client service.”

Wright at TLT expands on this: “Areas such as mortgage enforcement and lender sales are mature in the use of automation technologies, so are easier to work with because fee earners know what to expect and provide. In other areas of [our] business it’s a bit more of a challenge, because they are less used to working on automation projects and so they don’t yet know what’s expected of them,

or trust that the output they get will be fit for purpose.

“There will always be a proportion of people who need more education and assistance. They need to be brought on the journey if you want to be successful. If you get the engagement right, you can help them understand what needs to be done and what is required of them. There is no easy way to success. It’s finding the right individual or team to make it work and build trust.”

**Are clients your secret weapon?**

Law firms are heavily reliant on and reactive to the needs of their clients as catalysts for change.

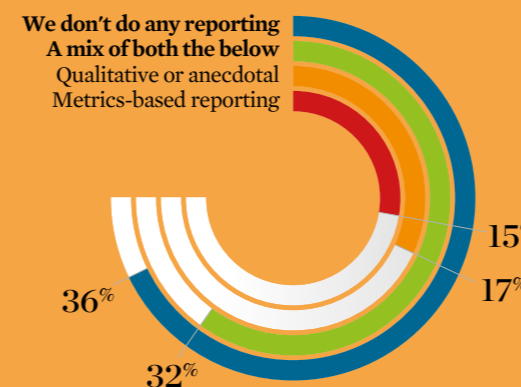
# What gets measured gets done

It’s one thing to hop on the automation bandwagon, it’s another to be able to steer it yourself. The power is in the report. Reporting on how fee earners are using automation and drafting tools is often regarded as a pain, as it takes a lot of analysis and time to produce. But reporting is a crucial compilation of data which can help move the firm forward.

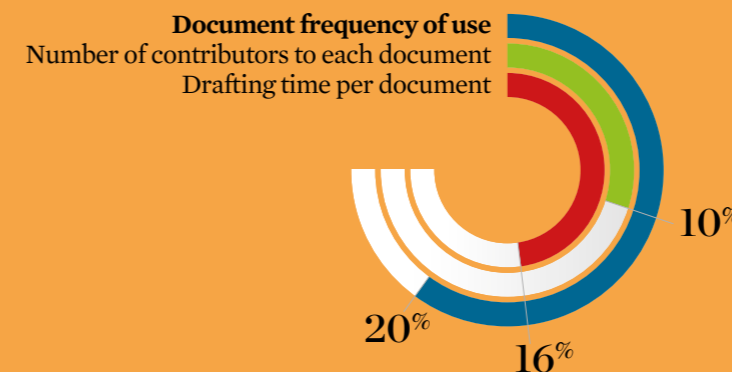
Stuart Whittle, IS and operations director at Weightmans, says: “It’s in the volume of files that are done where you have to manage by exception. We have a lot of metrics that people can use to see where they should direct their attention to ensure we hit our SLAs. The team leaders have monthly one-to-ones, for which they have a report that collates all metrics in a single place to enable team leaders to talk through where the issues are on the things that are important to the clients, not just the things important to us.”

Just over a third (36%) of our survey respondents said that they don’t do any reporting in document and drafting automation in their firm, which is an obvious problem. In a lot of cases a core part of the ‘product’ delivered to a client is a document. For over a third of firms to admit to not doing any reporting on how this product is delivered should be worrying from a management perspective.

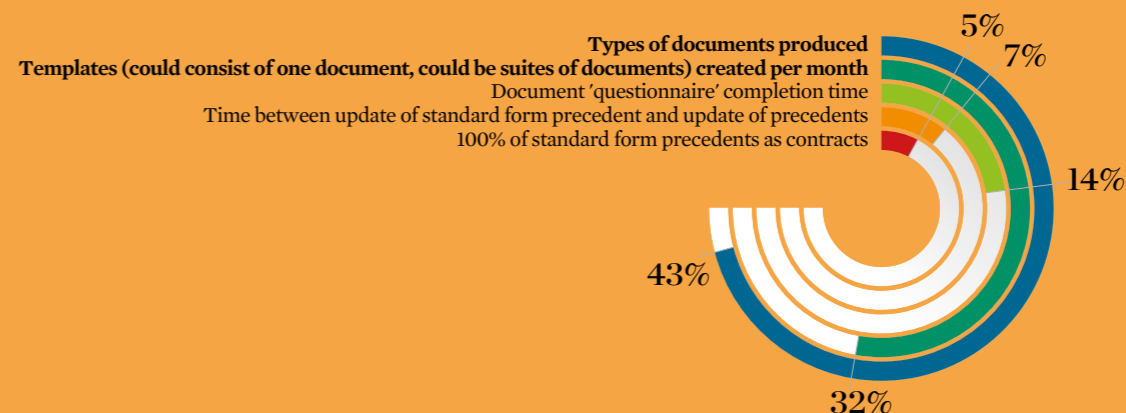
What kind of reporting is done on document drafting times and frequency of use in your firm?



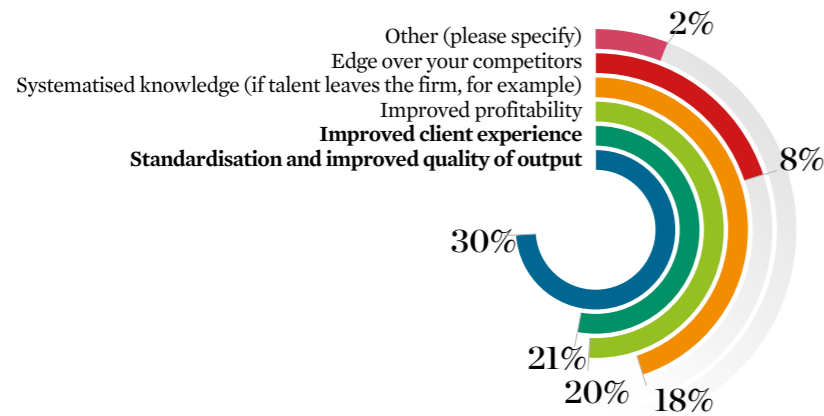
What does your drafting reporting include? (Respondents could pick more than one answer)



What does your firm report on in terms of document automation? (Respondents could pick more than one answer)



What benefits do you think your firm gets out of using tools? (Respondents could pick more than one answer)



Failure to understand client needs or expectations means a failure to create opportunities for the firm which can create a competitive advantage.

For some work areas, if a client can find the same work for less money, they will. That's a pretty direct driver for change. But outside of purely price-driven work, the client may not be pushing firms hard enough to change how they work – which is counter-productive for them and their partner firms.

Anything that helps firms to stand out among competitors is a 'good thing'. With automation/drafting services being so clearly beneficial to profitability and productivity, what's lacking is a convincing argument for partners that automation is also a competitive multiplier. Only 8% of respondents named one of the benefits of these tools as

getting an "edge over your competitors."

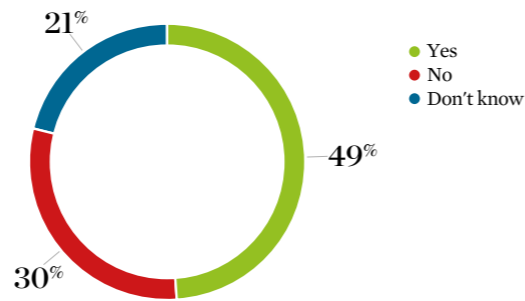
Competitiveness isn't just about appealing to new clients, but also about making sure existing clients feel sure that their services are being handled with top-grade care and efficiency.

If firms depend on client 'push' to change, and change is what they need, then clients may be the legal industry's great unused competitive driver.

What's more, if both firms and clients would benefit from more automated work, the argument for more automation seems sound. And there is a lot of room at the front of the pack.

When asked specifically about how their firm compares to competitors in terms of level of automation, less than a third of respondents rated their firm as better than or significantly better

Do you think your firm's precedent bank is a competitive advantage?

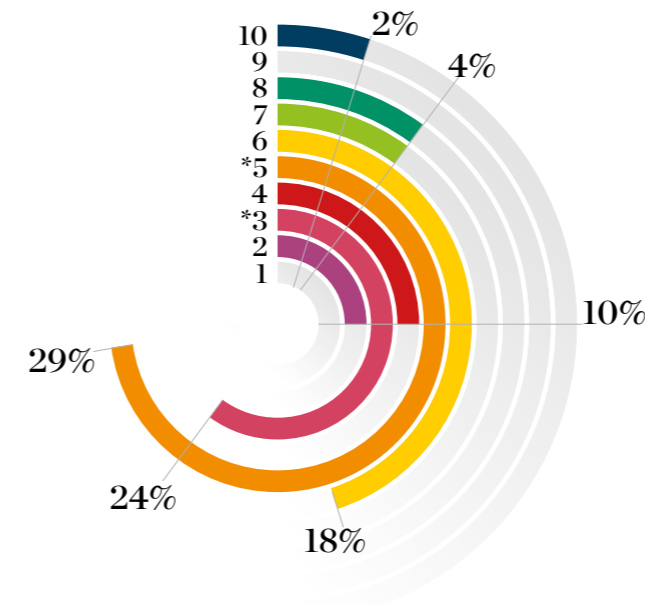


than their competition. The other two-thirds are chasing this lead.

There's a similar distance inside firms themselves. When asked to rate their firm's overall level of automation against the most automated practice area in their firm (10 being highest) the majority of respondents ranked their firm at the midpoint or below, with 72% ranking their firms between two and five – showing a low level of automation across top-tier firms in the UK. Only 28% ranked their firm's level across the firm at six or higher.

Taylor Vinters's IT director, Steve Sumner, says his firm bases automation adoption on client need. "Key functions in business support do have a high level of automation and our client/matter inception process and automated billing are good,

How would you rate your firm overall in terms of its level of automation of document/work production, compared to the most automated practice area/department within it? (10 being the most automated)



strong areas for improving efficiency. We have to take a hard look at which automation technologies add a real, positive value to client delivery, to reducing risk and to bringing operational benefits for our lawyers."

It's a daunting jigsaw puzzle, bringing together elements that create an advantage. It's important to have not only a high-quality end product but also an efficient process in creating that product.

Even something as simple as an e-signature creates efficiency in client service – it removes the need for being present during contract signing. This simple solution is increasing in popularity, because the client receives obvious benefits. There are no complexities of managing multiple parties to find the correct document at the correct

stage for signing and the client doesn't have to walk around finding people to sign – it's simpler, and more stress-free.

Wright at TLT says that they are seeing greater requirement by clients for document automation and e-signatures.

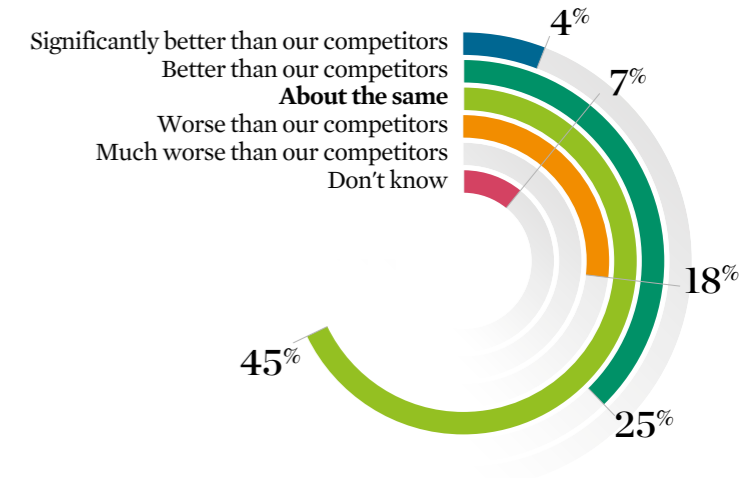
"That's an efficiency clients feel directly because it's easier for them and it can lead to lower fees because the signature processes require less effort. I see that as an extension of the automation/digitalisation piece – it's not getting documents auto-assembled, but it's another efficiency at the end of the document lifecycle."

### Banking on precedents

Automation is also closely linked to firms' precedent banks, because they go together to form efficient document creation.

Perhaps this is the best place

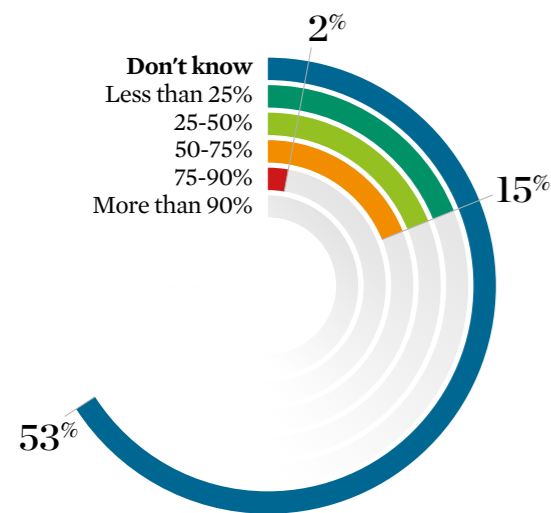
How might you compare your firm, based on that answer, to your competitors?



2/3

of respondents said their precedents are definitely or maybe at risk of being out-of-date

In your opinion, what percentage of problems in contracts occur due to drafting errors rather than genuine legal issues?



for business services leaders to connect automation and competitiveness in the minds of partners.

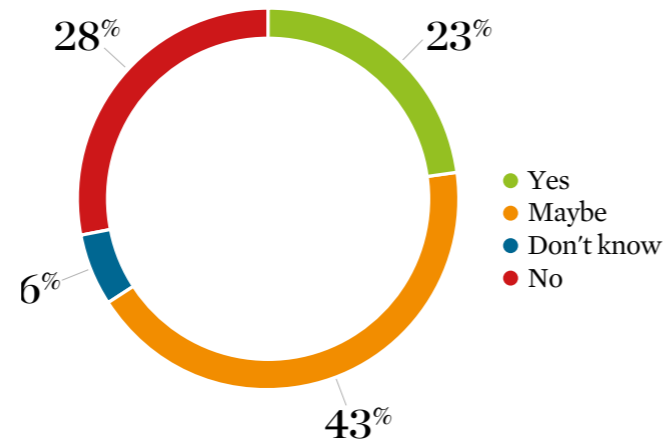
Nearly half of respondents said their firm's precedent bank is a competitive advantage – but it seems their precedents are at risk of being out of date – 23% said there's a risk their firm's bank is out of date, and another 43% said "maybe."

There certainly seems to be a disjunct between the benefit that fee earners see in precedent banks and the potential benefit they see in the systems that can deliver the power of the precedent bank to the page.

"It's an enormous challenge on two levels," says Wright. "One is keeping the generic precedent banks up-to-date. The other, for clients who provide a lot of repeat work, is the client-specific precedent documentation."

Since precedent banks, the contents of which can leverage a firm above others, are so important, wouldn't it make sense to ensure that the information lawyers use to

Do you think there's a risk your precedents (if your firm uses its own bank of them) are out of date?



create documents/contracts is as current and reliable as possible?

How can a firm put so much store in a precedent bank as a competitive advantage, yet at the same time say that it might not be 100% accurate? Perhaps this is the only silver lining in a lack of automation at some firms – they'd only be automating inaccuracy.

### Simple as sudoku

According to those we spoke to for this report, there is no correct way to approach automation. There are many inconsistencies in the methods used to realise automation in different areas of a firm. But there are many things that operations leaders can and should do to find smoother sailing to adoption. For example:

- Measure, measure, measure – there's no point putting automation tools in the firm without measuring how well or often they're used.
- There's a big gap to be filled by firms that can drive more automation across their complete business.

- Train and meet with people across the firm, from partners to business services, and find a way to get them engaged. People are more likely to comply or at least respond if they are talked to in person.
- Engage them in the services and ensure that they understand what needs to be done, how it needs to be done, and why it needs to be done.
- Get someone in the soft spot where operations and law practice meet to be a champion, or someone who is trusted to act as the spokesperson for change.

As much as almighty partners would like to think they know what is best for a firm, when it comes to automation sometimes they're not seeing the whole puzzle. It's a daunting puzzle, indeed, but given the right leadership it can be of great use. Business services leaders must to fit the pieces together through automation, drafting and reporting, to deliver what clients really need – well-made, consistent, less risky and more efficient document creation. ▴

As much as almighty partners would like to think they know what is best for a firm, when it comes to automation sometimes they're not seeing the whole puzzle. It's a daunting puzzle, indeed, but given the right leadership it can be of great use. Business services leaders must to fit the pieces together through automation, drafting and reporting, to deliver what clients really need – well-made, consistent, less risky and more efficient document creation. ▴

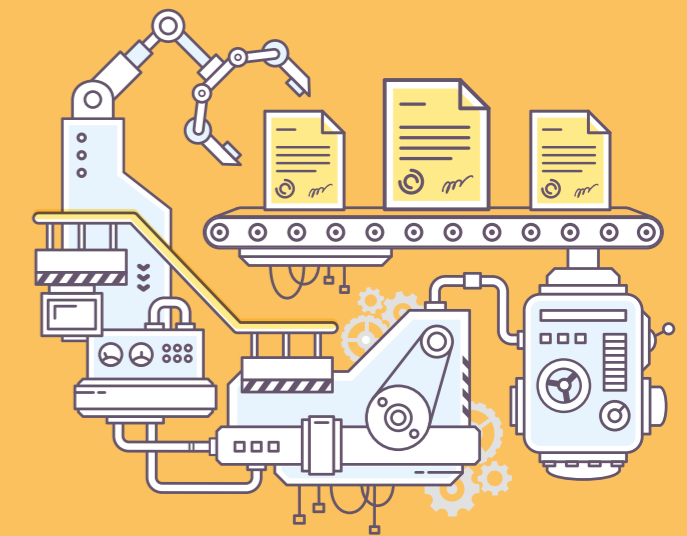
# Stuck in manual?

When it comes to understanding what's holding law firms back from automating more of their workload, the big answers are fairly predictable – getting partner and fee earner buy-in, and making sure the solutions play nicely with the other IT inside the firm. Beyond that, it's cost – also a fairly obvious sticking point.

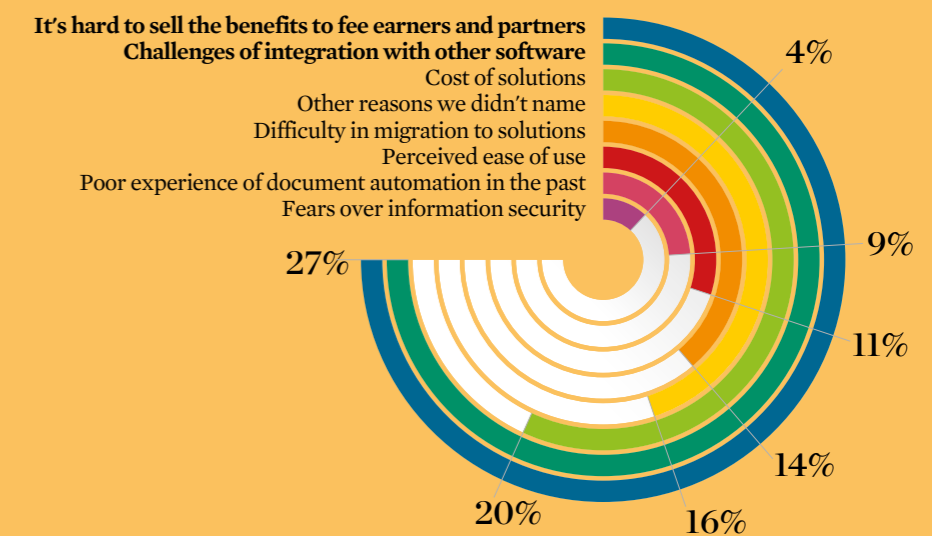
But the fourth highest-placing response to this question in our survey, above migration pains, ease of use, past experience and infosecurity fears, was 'other'. That's unusual – so here are the 'other' reasons your peers name as barriers to a more automated future ...

### Other reasons we didn't name ... You said:

- There are many problems to tackle and a finite amount of resource to tackle them (both **time and money**) [and automation] is part of a long list of project plans
- We have a new push on this, and new technologies. **We need to build this out using good case studies.** [And previously, a lack of automation resource]
- [Lack of] **automation resource**
- [Lack of] automation skill set/expert time in the automation process
- Lack of resources to implement and roll out
- Time
- The inability of automation to completely replace the lawyer role
- Lack of experience in the legal sector** – banking background people tend to deliver the best solutions
- Resistance to change** – "We've always done it like



What's stopping your firm from doing more automation? (Respondents could pick more than one answer)



this and it's worked fine before."

Getting people to unlearn [and adopt] a whole different understanding

**Lack of elegant/integrated offerings.** The market has been dominated in the past by small players, often based on legacy platforms with a lack of investment

**Scale of investment of time and effort** to systematise

Prioritising [automation] over the volume of client opportunities that eat up the same resources

Clients are over-optimistic about the value of business they will provide, so **investing in technology has significant financial risk** if the client is pushing hard for requirements that differ from the norm

Insufficient volume or predictability to warrant the investment of time and IT costs



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