

"So what will it be today? The rack? Whip? Technology?"



TECH START FOR LAWYERS

A note from Indranee Rajah S.C., Senior Minister of State for Law

That Dinosaur Thing

Yeah, yeah, you've heard this many times before. Technology is the way of the future. It'll change the practice of law. Technology will replace lawyers. Lawyers will go the way of dinosaurs.

Fairly or unfairly, lawyers all round the world have a reputation for being Luddites when it comes to tech. This wounds you. You're not anti-technology. It's just that you've got a lot on your plate. There are client meetings and court hearings. Deadlines are due. Accounts have to be balanced. Payments must be made. Office administration has to be dealt with. And there just seems to be so much stuff to this technology business — people are going on about artificial intelligence, data analytics, online dispute resolution platforms, legal apps. Where do you even start?



You don't want to rush into something you haven't had time to analyse and understand. Even if you know the category of product you want, there are so many options out there, you need to figure out what's what. But there just isn't time to sit down and make sense of everything. Worse, the vendors don't even communicate in English – it's all incomprehensible tech jargon.

This isn't even taking into account the cost. All this technology costs money. Most law firms can't build systems from scratch. The kind of investment needed for that is prohibitive, not to mention the fact that most firms wouldn't have the expertise to do it. But buying off-the-shelf isn't cheap either.

So yes, you get it. Technology is important (though deep down you are sceptical that it's all cracked up to be, and you don't for one moment believe it can ever replace the human lawyer.)

But you need to weigh the cost and figure it all out before you do anything. You'll get around to dealing with it. Sometime. Maybe.

If you feel this way, then you are pretty much in the same company as many law practices.

Singapore Law Practices and Technology

A consultancy study was commissioned by the Law Society of Singapore with the support of the Ministry of Law to study the technology and capability needs of small and medium Singapore law practices. Six focus groups involving 35 lawyers and interviews with 58 small and medium SLPs were conducted.

The study found that only 9% of the small and medium Singapore law practices interviewed used technology-enabled productivity tools. That means a staggering 91% did not!



The main reason for this dismal situation is the perceived high cost of adoption. Other reasons include the Singapore law practices' lack of awareness as well as lack of urgency to improve their practices.

This is a great pity because it means that our small-and medium-sized law firms are missing out on the benefits of technology.

Remember the days when we used to have to cut out amendments to statutes and paste the paper strips onto the statute books? (Millennials think this is urban legend but those of us who were there know better!) It was tedious and time-consuming. When statutes went online, three things happened - first, you could get the latest statutory provision instantly. No more time lag in manually checking the gazettes. Second, the time spent on cutting and pasting could be used for more productive things. Third, we didn't need to lug the statutes around anymore. They could be accessed anytime, anywhere.

That's an example of what technology, when properly designed and used, can do - it makes practice easier, faster and more convenient.

LegalTech - What it is, Where it's at and Where it's going

Technology has moved on exponentially since statutes went online. It's becoming more focused and specialised for industry needs. You've heard of FinTech. More and more you will now hear of LegalTech. What is it? Essentially, LegalTech is any technology related to legal work and processes. Some of it is already on the market. Some of it is still being developed. But they all have the potential to do the following:

- save time and costs for you and your clients;
- increase productivity (so that you get better returns on each dollar spent);
- improve access to clients (and vice versa);
- improve work quality; and
- grow your business.

Here are a few examples.

- Tech for better office administration and organisation: Document management systems (DMS) help law practices organise, store, search for and retrieve digital documents. Law firms which have invested in DMS have experienced time and productivity gains. Also, no more unsightly boxes of documents cluttering up the office (provided you observe a viable paperless policy and don't allow any backsliding!). Saves space and storage cost. Saves time in retrieving documents.
- *Tech for marketing*: Consumers these days Google to search for services and solutions. Having an online presence is therefore critical for lawyers to communicate to their potential clients what services they offer, their accolades and how they can be contacted. Some online find-a-lawyer platforms, e.g. Asia Law Network, help law firms establish their online presence and match them with the right individuals and businesses who require their services.
- Tech for more productive interaction with clients: A good example is Vanilla Law, an interactive web-based platform created by Singapore law firm, MG/Chambers. MG/Chambers developed their own online contract template which, when used together with this platform, allows their clients to insert relevant information to prepare the first draft of legal documents. The law firm reviews this and focuses on issues requiring legal advice and drafting amendments. The

end product is still cleared by qualified lawyers but this technology-enabled process cuts down the need for multiple or long meetings to take instructions. This saves time and costs for firm and clients.

• *Tech for reviewing voluminous documents*: There is software which is making much shorter work of discovery and due diligence exercises. You will no longer need armies of associates and paralegals to dig into mountains of dusty files in search of relevant documents.



• Tech for better research and analysis: Data analytics can pick up patterns and insights from huge volumes of material, which is not possible through traditional research methods or would take far too long to do. There are analytics-based software applications that can trawl millions of pages of unstructured litigation documents each day to give insights about judges, opposing counsel and disputants. Lawyers use these insights to develop better legal strategies. Shorter research time also allows you to turn around advice faster and take on more work without compromising quality. In fact, when done properly, quality should improve.

i,ROBOT Lawyer

There is also the more futuristic Artificial Intelligence (AI). We aren't quite in the world of i,ROBOT yet, but AI needs to be on your radar because it has already entered the legal industry and it is really is just a matter of time before commercial use of it becomes widespread. Here are some examples of what's happening at the moment:

• Contract Intelligence: This is JPMorgan Chase & Co.'s in-house machine learning programme, which is said to take only seconds to interpret commercial-loan agreements. This used to take lawyers and loan officers 360,000 hours each year. It is apparently less prone to errors and never asks for a vacation! (Read more about Contract Intelligence on <u>Bloomberg</u>*)

^{*} www.bloomberg.com/news/articles/2017-02-28/jpmorgan-marshals-an-army-of-developers-to-automate-high-finance

• ROSS: Touted as "the world's first artificially intelligent attorney", ROSS is a platform built on IBM's Watson computer. According to Business Insider Singapore: "ROSS uses the supercomputing power of IBM Watson to comb through huge batches of data, and over time, learns how to best serve its users". ROSS learns as it goes along, so it gets smarter every day. It is programmed to respond in natural language. ROSS made the news in 2016 when it was "hired" as an attorney by New York law firm Baker & Hostetler for its bankruptcy practice. Other law firms have since followed suit. (ROSS is probably the only legal associate in full time employment with multiple employers simultaneously without being hauled up for conflict of interest!) (Watch a YouTube video on ROSS here[†])

• **DoNotPay**: DoNotPay is a free online robot lawyer which helps drivers in London, New York and Seattle appeal against their parking fines. The brainchild of Joshua Browder, a 20 year Stanford student who did extensive field research on parking areas in the three cities, it asks the driver various questions e.g. where the ticket was issued and what happened. Based on the answers, it churns out a draft appeal letter. Apparently it has a 60% success rate and has helped overturn more than 200,000 parking tickets. (Read more about DoNotPay on npr.org*)

AI brings into sharp focus the uncomfortable aspects of technology — disruption and displacement. Think about it — software like DoNotPay can easily be adapted to address other offences. (Browder has already adapted it to make asylum appeals for refugees.) When that happens, people won't need lawyers for the simpler representations or mitigation pleas which make up a good part of lawyers' bread and butter work today. Associates' billable hours will be slashed by data analytics and document review software. As LegalTech becomes more prevalent, disruption will ripple (or in some cases rip) across many functions currently done by lawyers.

We'll Always have Lawyers - but Mind the Gap¹

I don't believe that technology will replace lawyers. Humans neither think nor act in algorithms. Law is about people. Lawyering is about understanding not only the law but the human condition – combining intellectual capability, instinct and intuition with justice, compassion and the rule of law. So long as there is human society there will always be a role for the human lawyer.

However, technology will change the way lawyers work. It will change clients' expectations and demands of you. It will also change what the client is willing to pay for.

What technology can and should do is free lawyers up from mundane, repetitive, labour-intensive tasks and allow you to focus on higher value and complex things like legal strategy, cross-examination, or deal structuring. That's where the value is and that's what clients are prepared to pay for.

[†] www.youtube.com/watch?v=ZF0J_Q0AK0E&feature=youtu.be

^{*} www.npr.org/2017/01/16/510096767/robot-lawyer-makes-the-case-against-parking-tickets

¹ With apologies to Rick in Casablanca and Transport for London

Technology will propel differentiation between legal practices. It will make a difference in turnaround time, in the type, range and quality of services you can deliver and your ability to get work and recruit. Over time, the gap between lawyers who adopt technology and those who don't will widen. The latter will fall behind and lose out.

Adapt, Adopt, Adjust

This then is the evolving LegalTech landscape. The benefits are tangible and real. At the same time there will be disruption and displacement – but that is cause for concern only if you are not prepared to adapt, adopt and adjust. Technology is to be harnessed, not feared – or ignored.

The case for technology adoption is clear. Singapore law practices must leverage technology to stay competitive and grow.

Some firms have made sizeable investments in technology to position themselves ahead of the impending disruption and to seize the opportunities that technological advancements afford.

However it is still a challenge for the majority of law firms, especially small and medium sized ones, for the reasons cited above.

So where and how to start, and what about the cost?

'Tech Start for Law'

If that's what you're wondering, then here's the good news.

MinLaw, the Law Society and SPRING Singapore recently launched the 'Tech Start for Law' scheme.

This is to help Singapore law practices kick-start technology adoption by defraying part of the cost.

Under this scheme, Singapore law practices can receive support of up to 70% of the first-year cost of using three types of technology solutions:

- Practice management system: CoreMatter, Lexis Affinity or Clio;
- Online legal research tool: INTELLLEX; and
- Online marketing tool: Asia Law Network. (see Annex A for more information on these solutions)

SPRING has allocated up to \$2.8m to 'Tech Start for Law'. This will be sufficient to support up to 380 units of the technology solutions.²

Singapore law practices can also use the **Productivity** and **Innovation Credit** (PIC) benefits to cover any remaining cost.

Qualifying Criteria

The applicant entity should be a Singapore law practice that satisfies the threshold requirements set out in Rule 3 of the Legal Profession (Law Practice Entities) Rules 2015. In addition, the firm should fulfil the local SME criteria:

- At least 30% local shareholding
- Registered and operating in Singapore
- Group annual sales turnover ≤ S\$100m or group employment of ≤200 employees

The remaining cost incurred may be included as part of the qualifying expenditure under the qualifying activity "Acquisition and Leasing of PIC IT and Automation Equipment" for the purposes of the 400% tax deductions/allowances or 40% cash payout (subject to the prevailing terms and conditions of the PIC scheme).

² For example if a law firm subscribes to one practice management system, one online legal research tool and one online marketing tool, the law firm is considered to have taken up three units of technology solutions. Each law firm can have up to five user subscriptions per unit of technology solution. This means that for the vast majority of the Singapore law practices, it can potentially benefit the whole firm, as 717 out of the 874 Singapore law practices have five or fewer lawyers.

I would encourage Singapore law practices to avail themselves of this scheme. These tech solutions were selected on the basis of usefulness to practice. Think of them as "technology tasters". Go on and take a byte!



This is a limited time opportunity to sign up, as:

- the programme will only be open from 1 March 2017 to 28 February 2018;
- the PIC scheme runs only until Year of Assessment (YA) 2018

So do sign up now. 'Tech Start for Law' is administered by the Law Society. Those who are interested should contact the Law Society at lpi@lawsoc.org.sg.

Time to Get Going

Singapore is one of the most IT connected countries in the world. Our lawyers must be part of this. Time to lose the Luddite label. Among the global legal community, we want Singapore lawyers to be at the forefront of the future economy.

A journey of a thousand miles starts with a single step. Let's take this first step of our digital journey together.

Indranee Rajah S.C., Senior Minister of State for Law
16 May 2017

INTELLLEX (read more about INTELLLEX on The Straits Times**)

INTELLLEX is an online work space for lawyers. It seeks to let lawyers effectively harness untapped sources of knowledge through its two main products – STACKS and SOURCE. STACKS is a knowledge management system for lawyers to organize, retrieve and share their information. STACKS helps a lawyer build a personal knowledge library and allows a law firm to consolidate its intellectual capital. SOURCE is an A.I. powered search engine which allows lawyers to access a composite database of cases, commentaries and regulatory materials across jurisdictions on one platform. Using SOURCE and STACKS, lawyers can sharpen their work processes to make better use of their time and deliver better value to clients.

www.intellex.com

ASIA LAW NETWORK

Asia Law Network's core mission is **access to justice**. Founded in 2014, they work to help law firms establish their online presence using **easy-to-use technology** and to match them with the right individuals and businesses who require their services. Law firms and lawyers can publicise their services to potential clients who can easily find and get in touch with the right legal help. In doing so, AsiaLawNetwork reduces much of **the difficulty** in researching for and getting in touch with legal help that many individuals and businesses now face. AsiaLawNetwork.com already has a database of over 2,500 lawyers which **includes 24% of lawyers in Singapore** (and more in the region) with plans to increase its coverage and improve its solutions even further. www.asialawnetwork.com

COREMATTER

As a winner of the 2014 Microsoft Worldwide Finalist Award for Cloud Excellence, CoreMatter is a complete web-based Legal Accounting and Practice Management Solution. It allows users to access their clients' matters anywhere, anytime, including from their mobile devices. Billing is easy and seamless, captured into a full accounting system which is catered for legal-centric accounting practices. It has a world-class user-interface that provides for an excellent user experience, as compared to many common accounting software for the law firms today. It is easy to use, utilises the digital matter-centric workspace concept and is very affordable for small and medium law firms.

www.corematter.biz

CLIO

Clio is an easy-to-use and powerful cloud-based law practice management software which offers all lawyers need to run a law practice from client intake to invoice, with powerful features to manage cases, clients, documents, bills, appointments, time-tracking, reporting, and accounting. Users are able to operate quickly and efficiently as everything is accessible in one software. Clio also integrates with accounting software like Xero to streamline users' billing and accounting processes. Aside from the Web application, Clio's mobile app enables lawyers to access information from their portable devices, and the Clio Connect application enables lawyers to offer a secure portal to share documents, tasks and events with their clients. Clio is suitable even for the less tech savvy.

www.clio.com

^{**} www.straitstimes.com/singapore/cutting-tedious-legal-research-with-intelligent-search-engine

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www.lexisnexis.com.sg/en-sg/products/lexis-practical-guidance.page

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- Streamline administrative processes across the whole firm. Automate administrative tasks to improve efficiency.
- Improve efficiency of legal processes using workflow. Integrate client, contact and matter information into a single system.
- Set up each step in the workflow templates to prompt staff to enter fees or cause a fee entry to be generated automatically as each task is completed. This ensures all costs and revenues are captured and accounted for.
- Improve responsiveness using Affinity portal to keep in touch with clients and matters even when you are mobile. Record time and fees and easily find key client contact and matter details while on the move.

www.lexisnexis.com.sg/en-sg/products/lexis-affinity.page