

# Rebooting the world of legal services



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## REBOOTING THE WORLD OF LEGAL SERVICES

### Co-Keynote Presentation

The world of legal services is on the threshold of major change. There is a growing interest in Alternative Business Structures, removing some of the obstacles that may have prevented the more efficient delivery of legal services. This could see legal and non-legal services being provided by entities that look nothing like a traditional law firm, and might even be owned by non-lawyers. Technology will also drive advances and major changes in the delivery of legal services. We are at a relatively early stage of this development, both because the technology is just ramping up for the legal services market, and because lawyers and firms have been relatively slow to adopt new practices. With a new generation of lawyers arriving and a new wave of innovation kicking in, now is the time to reboot law firms with intelligent technology. Dan Pinnington will highlight examples of entities that are providing legal and other services in new and interesting ways. Dan Katz will give an overview of new and emerging technologies that drive and enable these changes. The legal services entities of the future will look nothing like the law firms of today. This session will open your eyes to the many possibilities and potential that new types of legal service entities and legal technologies present.



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Do we need to reboot the legal profession?

Why reboot law?

A2J



- Business, individual, institutional and employer clients

Why do we need to reboot law?

A2J

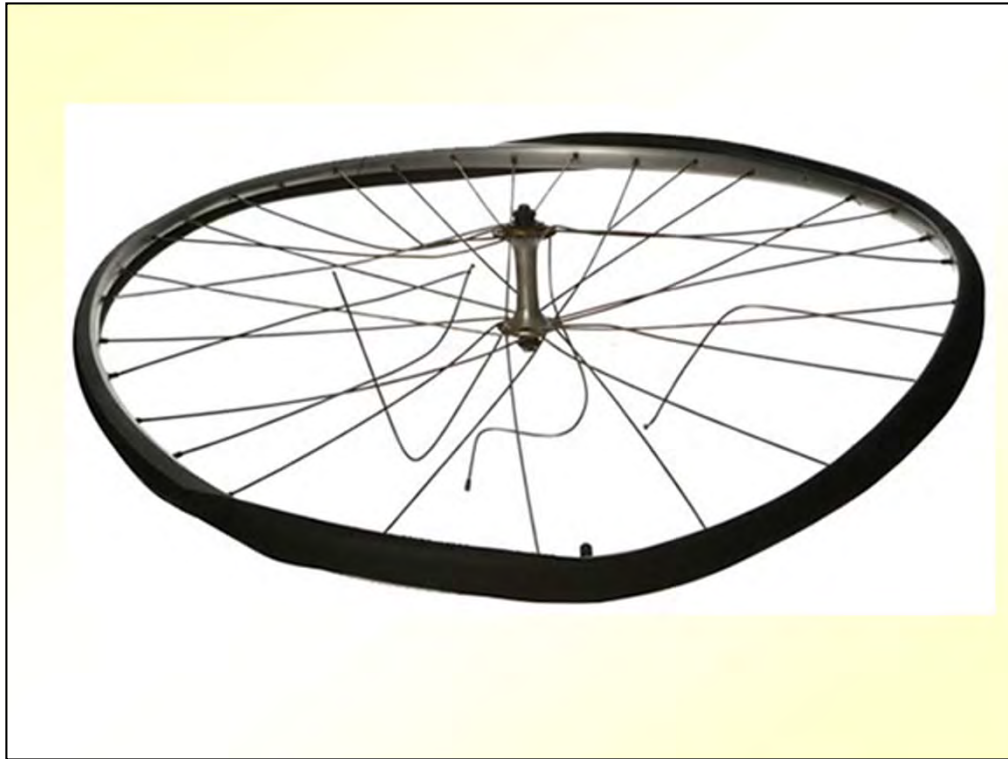
The legal needs of loads of people are not being met

## Currie Report, 2007, U.S. Justice Department

What action was taken when faced with a justiciable problem:

- Only 11.7% sought advice from lawyer
- 88.3% went elsewhere
  - 44% dealt with it themselves;
  - 22.1% obtained non-legal help
  - 22.2% did nothing





This is not about reinventing the wheel

The wheel is broken

Traditional model of lawyers doing work for hourly fees won't and can't meet all needs



We need to go beyond thinking outside the box

We need to throw the box out and come up with new ways to provide legal services to those that need legal help

Legal services entities of the future and the services they offer will be very different from a traditional law firm

## Our goals today:

Give you new perspectives on:

- entities providing legal and other services in innovative ways
- new and emerging technologies that enable these changes



....

Some of what we say will hopefully provide you with some ideas for our invent something sessions tomorrow

## “30 ABSs in 30 Minutes”



Lets jump right in

I'm up first

For next 30 minutes or so will give you a presentation I call....

Fast paced review of a variety of firms that are providing legal and other services in ways most law firms are not

Mostly UK, some Oz

Important lesson – different ecosystems....

history and culture,

regulatory structure,

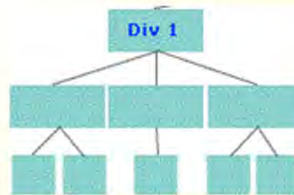
insurance requirements

Not an excuse to keep the status qui



# What is an Alternative Business Structure?

- An entity that:
  - Provides legal and non-legal services
  - Lawyer/non-lawyer ownership
  - Lawyer/non-lawyer management and control



Lets make sure we are on the same page.

What is ABS?

But there are some that are doing some innovating things...

Want to highlight them for you

## It started in New South Wales

- Full incorporation of law practices since 2000
- No restrictions on ownership or services offered
- Public listing of law firms since 2007



- Entity regulation implemented
- Client interests, rule of law and administration of justice subordinate to firm/lawyers interests
- Professional liability insurance mandatory for ABSs

Note: The sky hasn't fallen in Australia

## Then they came to England

- 2004 Clementi Report
- 2007 *Legal Services Act*
- First ABS licences awarded March 2012
- Approximately 450 ABSs now and 300 in the works
  - Almost 10,000 traditional law firms



Another important thing to keep in mind:

While we look similar and do many things the same way, we live in very different legal ecosystems and there are sometimes major differences in different countries

e.g. In the England, major overhaul of regulation of legal services, a legal aid crisis, mandatory malpractice coverage, and an insurance crisis

Very early days for ABS...

And note: majority are small firms that took in spouse or long-term non-lawyer staff person for income sharing purposes

## Logic behind ABSs

- Belief that new structural options will:
  - Encourage/drive innovation and competition
  - Make more types of financing available
  - Permit greater investments in technology
  - Allow scaling of systems, technology, management, etc.
  - Holistic service delivery
  - Ability to reward long-standing employees



General feeling: Unhappiness that legal profession regulatory structure and requirements were blocking innovation and change

## Practical issues raised by ABSs

- Client legal interests vs. business/owner interests
- Conflicts of interest arising from related non-legal service offerings
- Solicitor-client privilege
- Regulation of non-lawyers
  - Entity regulation
- Malpractice coverage/financial assurance



Some very interesting questions and issues



New  
models

Some examples of new and interesting service models



“Grocery store” or “TESCO” law

Coop has 5000 locations and is owned by 6 million customers

Groceries, pharmacy items, hardware, banking, funerals...

If you need it, they likely sell it down the street and around the corner

Now includes legal services

Very quickly into top 100 firms by number of lawyers

Growth slowed by parent’s financial struggles

One to watch, won’t be going away





4 storefronts

More work than can handle

Feeding work to panel members

Someone walked in off street with £100,000 commercial matter

Would you take such a matter to a storefront?

The world is changing





“Franchise model”

This model has serious potential in many areas of law (and even in nonABS world)

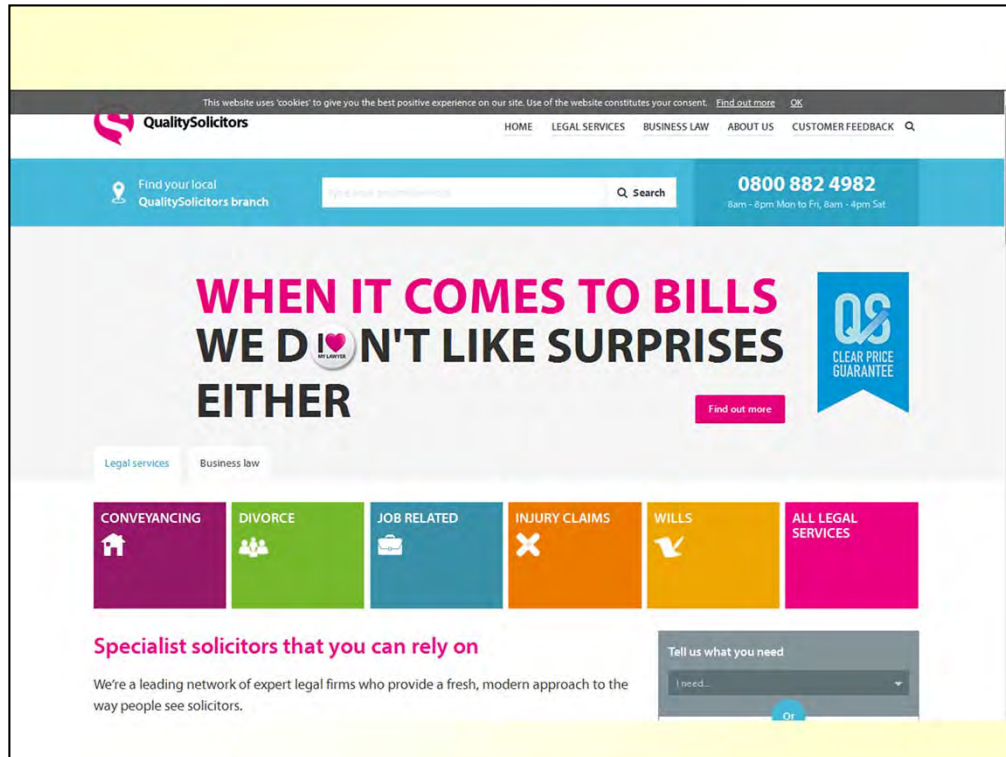
More than 200 firms under this brand

High (main) street firms in many smaller communities

QS provides support for management, finances, technology, marketing and branding etc.

Doing very well

There is consumer side and corporate side - websites look like...

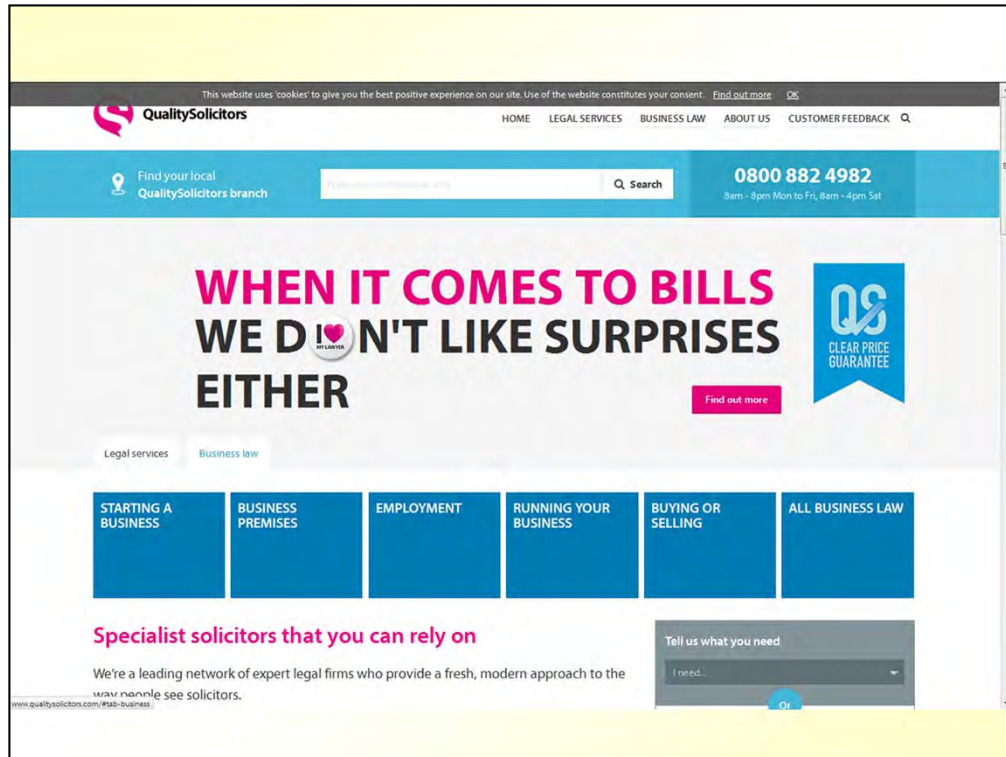


Easy to navigate

Online retailing – click on the product you need

Addresses biggest concern – fees – right on home page

Flat fees for many things!!!



Corporate side of things

Fewer bright colours

Online retailing again: A few clicks gets you what you want

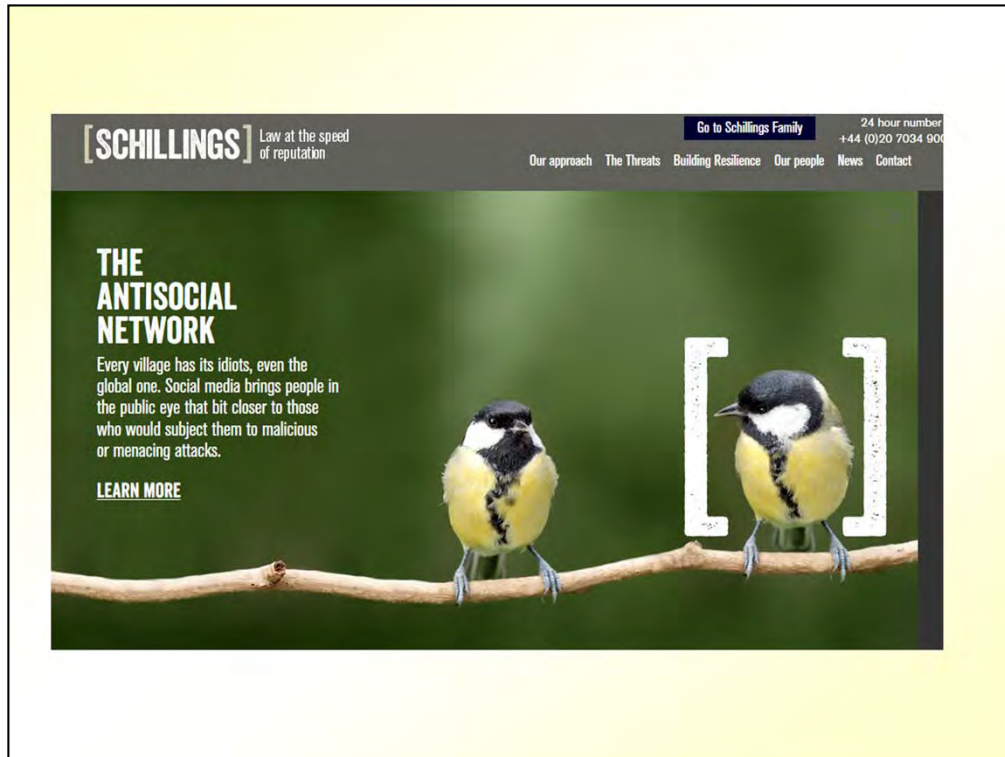


From Australia

- Mainly PI....
  - Massive market consolidation – 3 big firms
- Perhaps hitting market saturation?
- Also....LinkedToLaw making \$ from referrals
- Also...
- Slater & Gordon Health Projects and Research Fund
  - to improve the lives of people who have suffered serious work based injury or illness
  - (this is the area of law the firms mainly deals with)
- Provides grants to research bodies, health and rehabilitation organisations and other not-for-profit groups



Some interesting example of providing legal and non-legal services



Was boutique media law firm: libel, slander, privacy etc.

Transformed itself into a multi-disciplinary ABS

Specialising legal reputation defence

Also offers related services: IT security , Data breach, digital forensics,

Represented Lance Armstrong



**BATES WELLS & BRAITHWAITE LONDON LLP**

Long established firm focused on work for Charities

First City firm to become ABS

As ABS also now offers accounting and other financial advice, including “social investing”

Also has strong Corporate Social Responsibility focus

- pro bono work in clinics
- many lawyers work as trustees in charities



BPiF Trade association for printers

Offers all the things a typical trade association would offer its members

(health, safety, environmental and quality issues, support on marketing, sales and finance")

Now offering members legal services

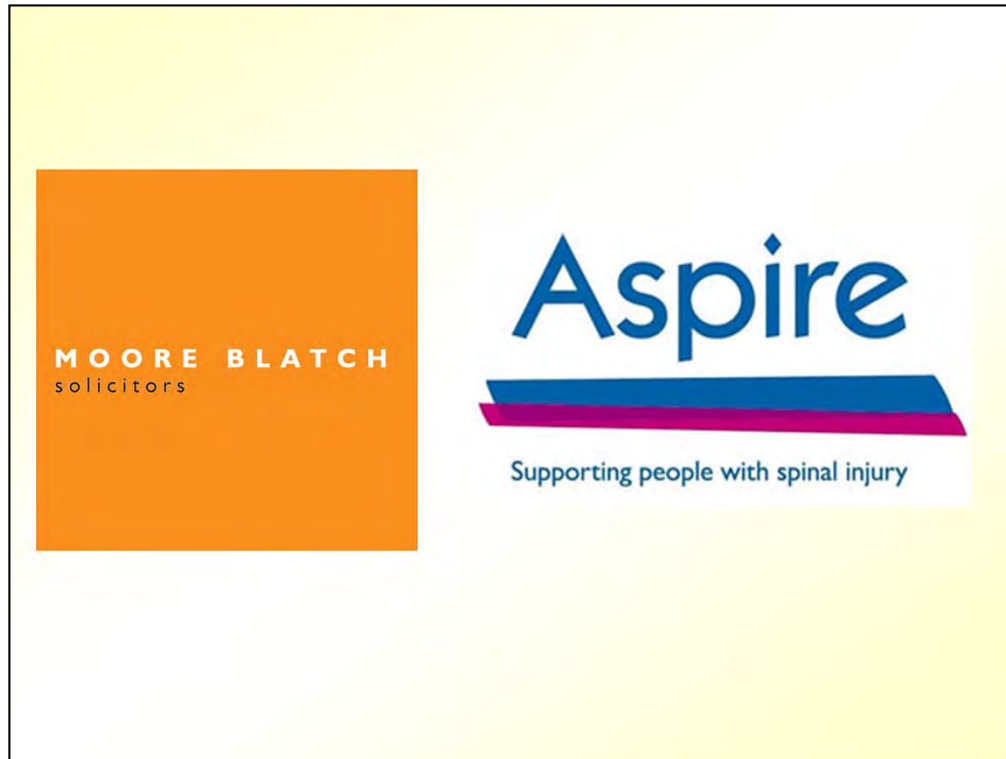
And recently just started also offering general practice work to non-members





## Partnering with others

Some interesting examples of working with other entities....



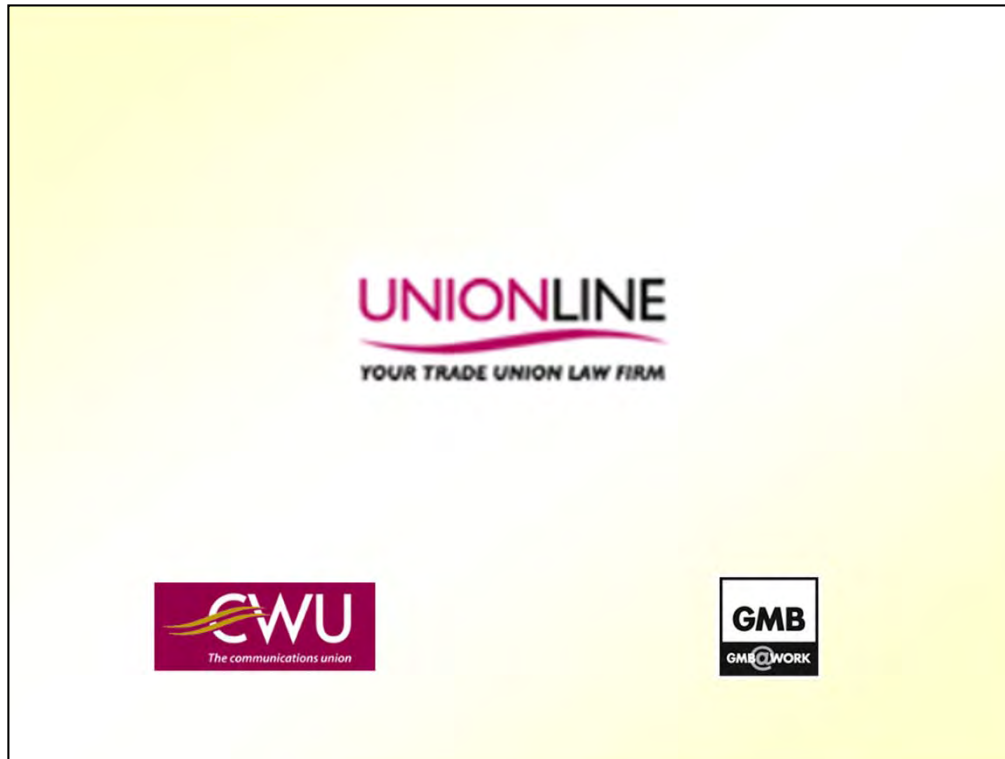
- Moore Blatch specializes in catastrophic injury litigation, in particular spinal cords injuries
- Has teamed up with Aspire, a national spinal injury charity
- First ABS to do this kind of thing
- By Working with charity they are offering extra support to people with spinal cord injuries.
- Operating profits be shared equally between the two organizations



Specialty is fertility law and surrogacy

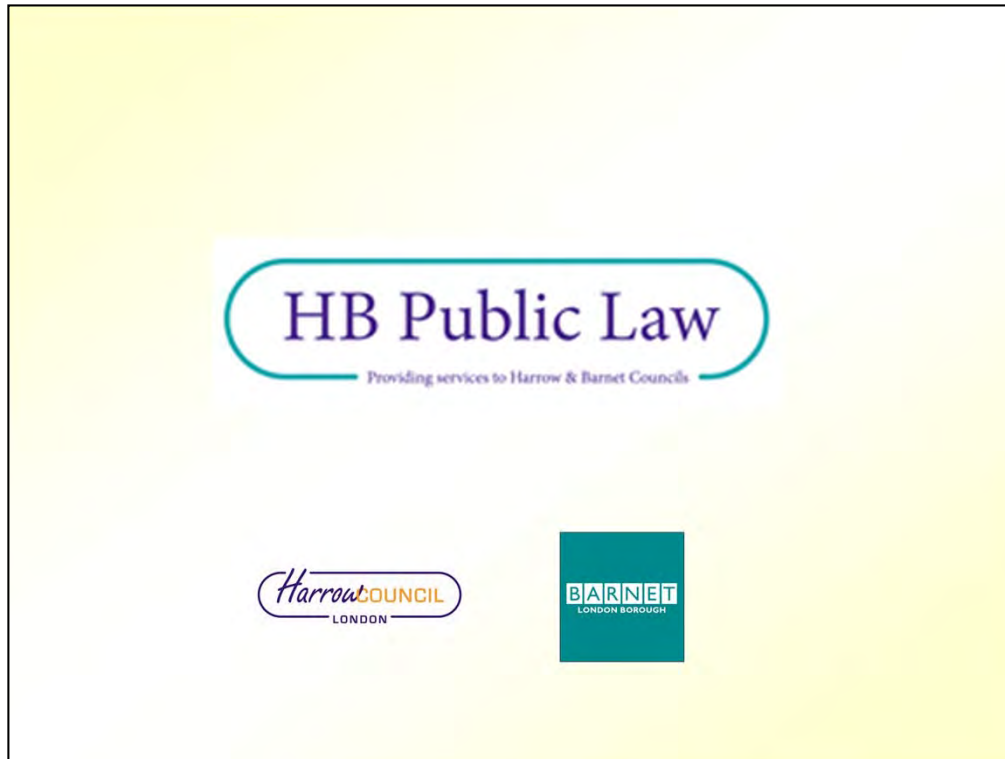
Also related legal issues: adoption, family disputes, wills

Created BB, a NFP org that provides info about surrogacy and egg donation to members of the public



Two large unions - almost a million members

Formed UnionLine ABS to provide legal services to union members



HB Public Law is really interesting

- set up by the London boroughs of Harrow and Barnet
  - what we would call municipalities
- They Merged their legal teams.
  - Provide necessary work to the two boroughs
  - As well as provide training for staff at both councils.
- They offer legal services in all major areas of local government law



Brief detour down under....

SL is two sister firms owned by Salvation army

Salvos Legal does commercial and property transactional work on paid basis

skilled and respected lawyers,

do large transactions for institutional clients

All fees (net of expenses) are used to fund the operations of our 'legal aid' sister firm, Salvos Legal Humanitarian,

Full service free law firm for the disadvantaged and marginalised in NSW and Queensland.

Handled over 13,500 cases (as at 10 August 2015) for free for people in need, without any State funding.



Some examples of big non-legal entities getting into law...



The big accounting operations are dipping toes into the legal arena

At least one said “We’re not looking to create an independent, all-service law firm; we’re looking to wrap legal services around the things that KPMG already does.”

But think about it - A one-stop shop for accounting and legal advice!

This is significant market advantage – both services from one entity = cheaper + faster

For this reason I think a fairly safe bet that they will be offering more legal services at some point in the future





DLG biggest motor vehicle insurer in UK

8 million policy holders

Wants to give insureds faster and cheaper access to legal services

An advertisement for AA Law Solicitors. The background is a solid light yellow. In the center, there is a white rectangular box containing text and an image. The text inside the box reads: "Need help with a specific claim?" in blue, followed by "We are a forward thinking and modern Law firm." in grey, and "AA Law Solicitors" in large blue letters. Below the firm name is a small blue button with the text "Request a Callback". To the right of the text is a photograph of a man in a light blue shirt and dark tie, sitting at a desk with a computer monitor and papers, looking stressed with his hand on his forehead. Below the white box, centered, is the AA logo, which consists of the letters "AA" in black on a yellow square background.

**Need help with a specific claim?**

We are a forward thinking and modern Law firm.

**AA Law Solicitors**

[Request a Callback](#)



UK automobile association

AA Law Solicitors

provides GP advice to members



BOBBY DHANJAL LEGAL SERVICES



Bobby Dhanjal Wealth Management

*"Because wealth is **more** than money"*

Very large and established wealth management operation  
Now offering legal services to clients



DAS is global legal expense insurance operation

While not on the radar North America

LEI is huge in some countries in Europe  
and elsewhere in the world

DAS offerings:

Personal: PI, wills, employment, etc.

Business: corporate, contracts etc.

Policies cover a variety of common legal expenses, on flat fee basis or up to specified caps

DAS investor Warren Buffet

# BT Law Ltd



British Telecom

Has many vehicles on the road...and handles many motor claims for itself....

Now BTLaw ABS is does motor claims work for others

BT outsourcing work to Axiom – (one of world's largest legal outsourcers)

# **Stobart** *Barristers*



One of largest trucking operations in the UK

Offers a service that enables consumers to cut out solicitors and go straight to barristers.



LN is a publisher we all know and likely buy content from  
They have formed an ABS called Cordery Legal Compliance  
It offers “compliance services and advice”, including....

- Bribery & Corruption
- Crisis Management
- Cyber Security
- Data Protection & Privacy
- e-commerce
- Product Liability & Recall
- Internal Investigations
- Chemicals Regulatory
- Brand, Retail and Fashion
- Healthcare
- Sanctions



Legal is large part of many of these, but there are other service offerings mixed in



Do ABSs ever fail?



Yes

There is no magic

ABS finances work the same way....



- In August 2014, proclaimed itself the largest personal injury law firm in the UK and the “largest public company law firm globally”
- Cash flow has been a consistent issue for investors,
- Appears practice of accounting for the expected revenue from cases in advance of actually receiving the cash (just like law firms do!!)



Publicly listed company purchased real estate conveyancing operation  
Tried to change model of conveyancing - Online conveyancing  
Didn't fly  
Sold back for 1 pound



Founded Bert Black, gambling billionaire

Was targeting private client work and aimed automate everything

Didn't work

Reformed and now aiming to be top 30 commercial firm



## Finding a niche

It seems that finding a niche is a common theme  
Some more examples...

The logo for WINNsolicitors is centered within a light yellow rectangular frame. It consists of a dark purple horizontal rectangle containing the text "WINNsolicitors" in a white, bold, sans-serif font. The word "WINN" is in all caps, while "solicitors" is in title case.

**WINNsolicitors**

Extremely successful –

Founder took home £20 million just 3 years after started

Has now sold it

Automated and presented online accident benefits work,  
100 lawyers, 400 other staff, mostly IT people



Anyone had flight delayed or lost suitcase?

Very specialized ABS that handles Flight delay and holiday claims

Promises callback within 30 minutes

Automated intake and workflows

Allows to handle small value claims on profitable basis

Annual revenue £28 million



Group of landlords felt that their legal fees were too expensive  
and that their lawyers always took too long.  
and nobody seemed to be aware just how important acting quickly  
was  
Firm started when one of the landlords met an expert in landlord/tenant issues.  
Now and ABS that serves landlords  
Became an ABS as credentials for competing with copycats





All sorts of services for 14500 members  
Tend to be wealthier land owners ...

And now including legal, but also ....see next slide

- 
- Home & Contents Insurance
  - Commercial Insurance
  - Thatch Insurance
  - Colic Surgery Costs Insurance
  - Trailer Insurance
  - Travel Insurance
  - Commercial Finance
  - Foreign Exchange
  - Pensions
  - Equity Release
  - Tax Allowances
  - Mortgage Services
  - Will Writing
  - Trust Estate Planning
  - Unit Trusts, ISAs  
PEPs
  - Offshore Investment
  - Retirement Planning
  - Wealth Management

How many of your law firms offer these kinds of services?



Next up:

An ABS that services wealthy Russians - Red Square London,

Based in Pall Mall,

Provides just about any kind of assistance oligarchs and their families would need

See servicers on next slide



Traditional legal services .....real estate, conveyancing. notary services, and family support, immigration visas

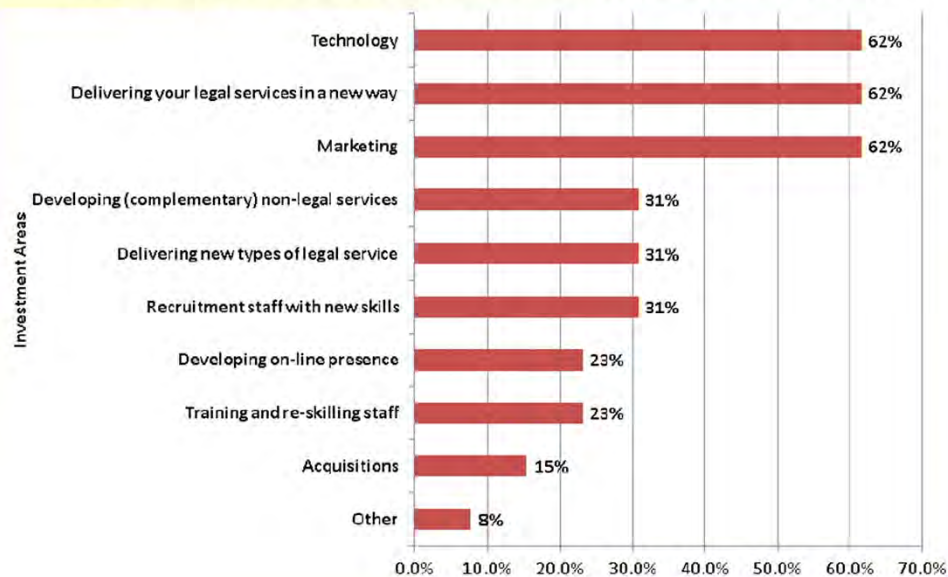
Also “life style management”...

Do your firm offer life style management?



People, the world of legal services is a changing...

## How has new investment been used?



Note where ABSs use new investment

Top 3: technology, new delivery ways, marketing

And next 3...

Clear the that new and emerging technologies are creating new ways to do legal work and provide legal services – Dan K is going to highlight some of them...”

## New and emerging technologies



See Dan Katz's presentation



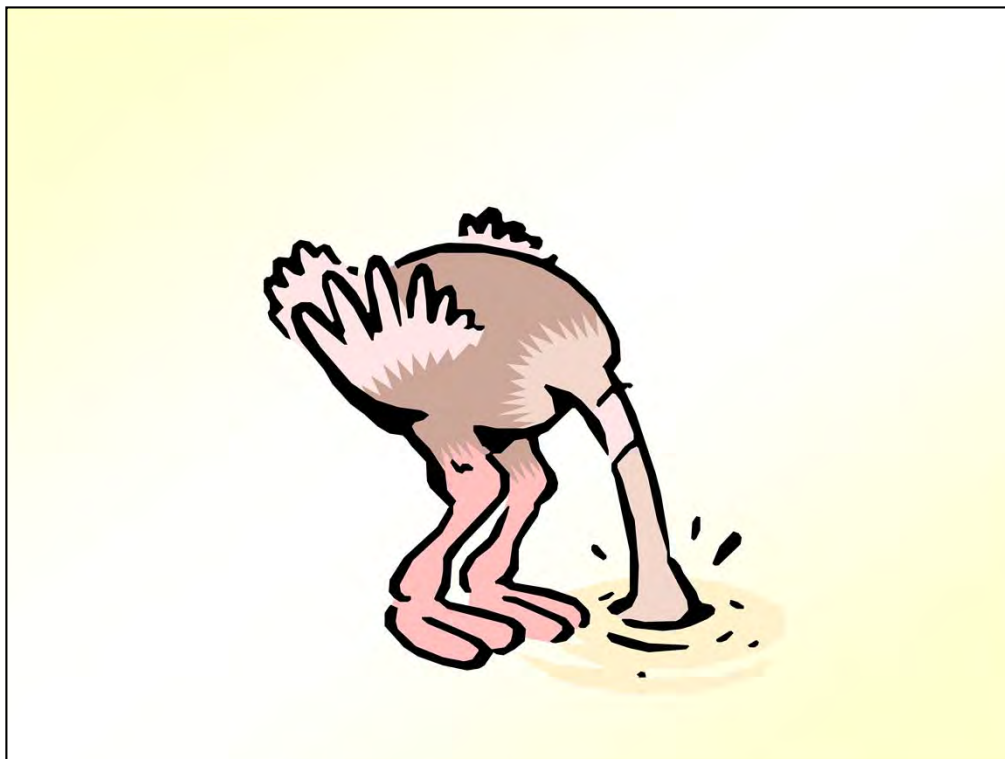
Closing thoughts...





The castle walls are crumbling

Lawyers can't maintain a monopoly on legal services



This is not about what lawyers want  
It is about serving the needs of those that need help with legal problems

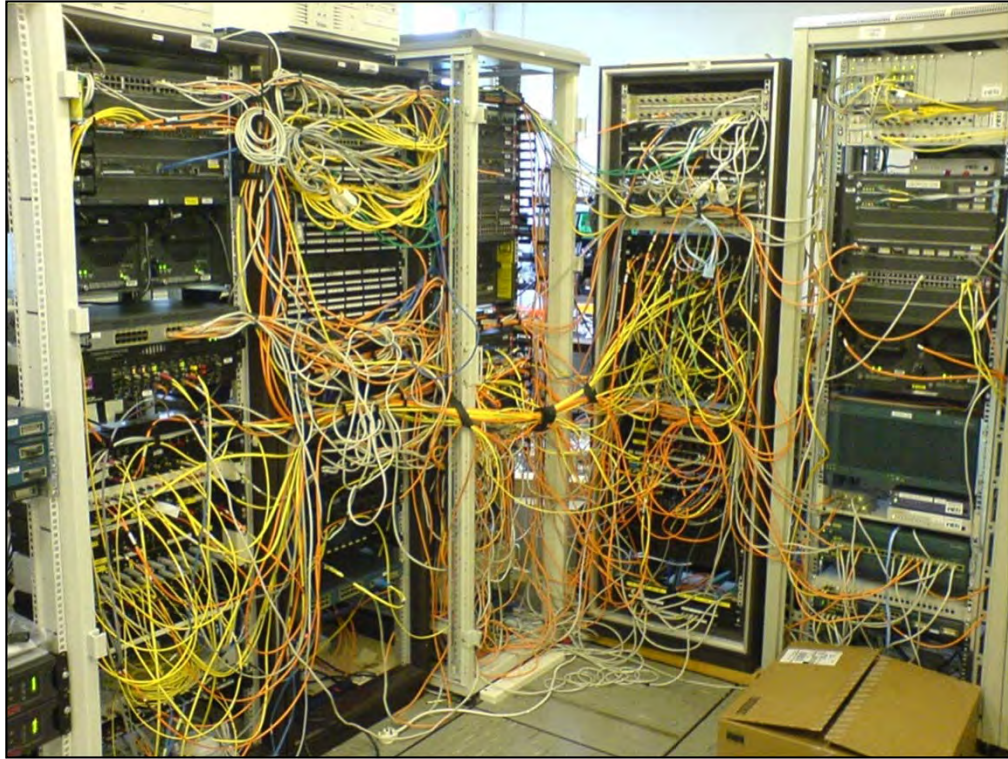


We need to adapt and change  
Or we will become less relevant



The legal services buffet is changing  
Loads of new menu options - some offered by non-lawyers  
Others with the assistance to technology  
Some entirely by technology





And that technology is complicated

Can't do DIY

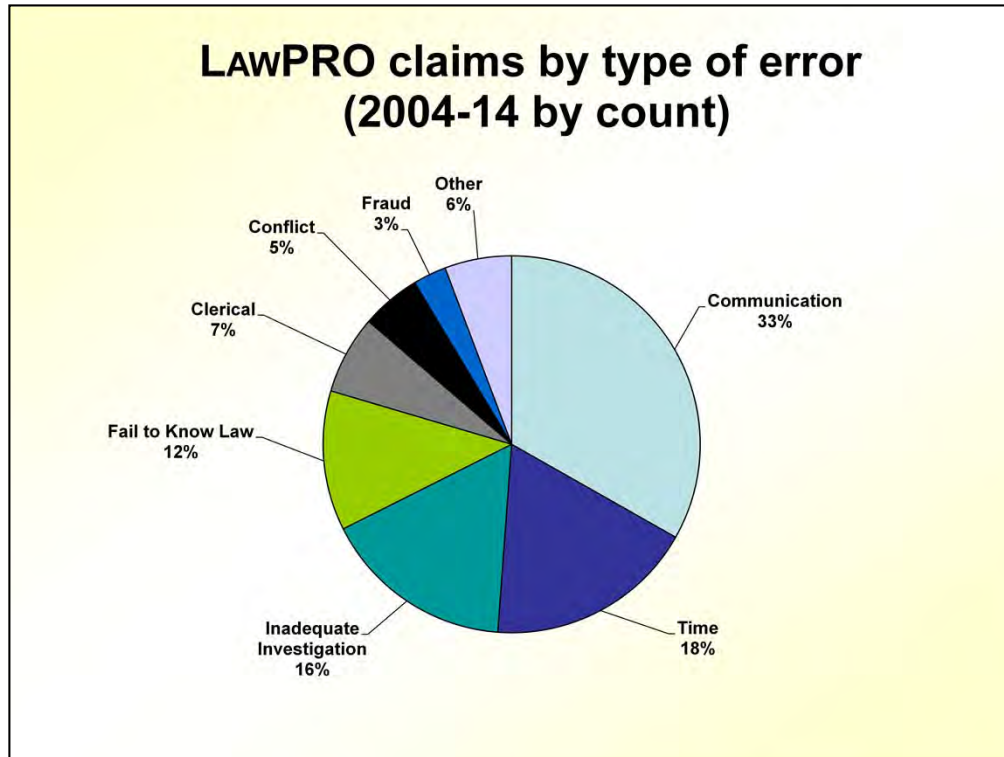
Worlds of small and large firms very different (and are diverging) on the technology front



Exciting and scary

There are opportunities out there... for those that can think differently

Tomorrow we will work to invent something ...



And a closing thought:

It's not so much about the law – it's about the client

LAWPRO malpractice claims over long period

Only 12% involve failure to know or apply the law

1/3 involve lawyer/client communication issues

16% involve the lawyer not understanding what the client really needed/wanted

Serving up the law is only part of the equations - we need to keep this in mind regardless of how we serve clients and the consumers of legal services



## More information

- In your conference folder
  - [LAWPRO's \*Future of Law\* article](#)
  - Dan Katz's articles
- [Canadian Bar Association's \*Futures Report\*](#)
- [Legal Futures Blog](#)
- [Law Society of Upper Canada's ABS Working Group page](#)
- [Nova Scotia Barristers Society strategic planning initiative](#)



- LAWPRO Magazine: The future of law: The challenges and opportunities of practising law in a global village (<http://www.practicepro.ca/LawPROmag/Pinnington-Future-of-Law.pdf>) is good overview of the future of law
- Canadian Bar Association's Futures Report offers detailed look at the future of law.
- Legal Futures Blog (<http://www.legalfutures.co.uk/blog>) is a great way to keep up on what is happening in England
- Law Society of Upper Canada's ABS Working Group page (<http://www.lsuc.on.ca/ABS/>) offers insights into how Ontario is approaching ABS
- Nova Scotia Barristers Society strategic planning initiative (<http://nsbs.org/strategic-planning>) a fascinating rethink of the who, what, where, when, why and how of the regulation of legal services

## Contact Info

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LAWPRO is on LinkedIn

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