AI revolution


Samuel Zeller/Unsplash

> Forward-thinking firms, no matter what size, will already be considering this as an opportunity

ply cost-reductions. It also needs to add value to the legal process. Mr DeConti says AI can streamline legal work, which reduces cost. But the more interesting potential is for AI to be used to derive insights from contracts and other legal documents that can be applied to the business. "These insights can save money or generate revenues that dwarf the savings represented by reducing legal costs," he says.

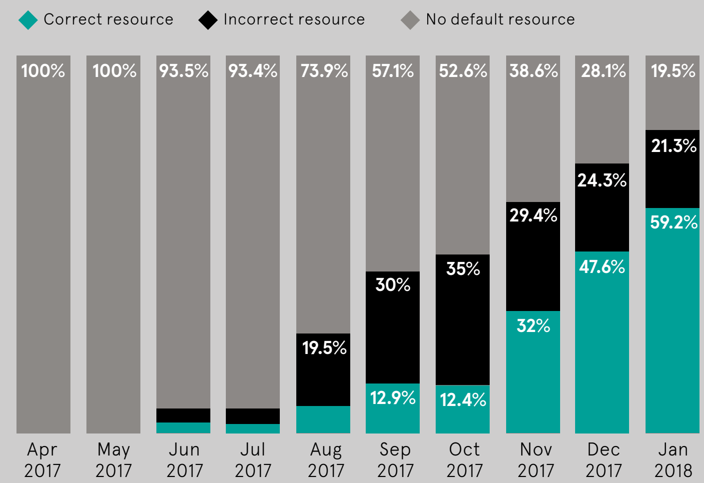
A substantial proportion of law firms' work will be automated, taking away a proportion of revenues. An AI can churn through hundreds of leases during the acquisition of a shopping centre, for example, and quickly find any relevant clauses that matter to a client. It would take a team of lawyers days to sort through the leases manually and extract the important information or to analyse documents to see if they need to be disclosed during litigation.

If law firms are simply charging by the hour – some even charge by six-minute units – they stand to lose significant revenues from the AI revolution. Nick West, chief technology officer at Mishcon de Reya, says: "The value in litigation, what you pay for, is the litigation strategy, understanding how we are going to win this case that is a matter of really mastering the facts of the case and understanding what is going on, and moving the chess pieces accordingly."

The law firms that are ready for the shift will be the ones with a culture of innovation. That includes finding new ways to charge for the value their services add, given that the time-based charging model will be turned upside down by superfast AI technology. ◆

Getting work to the right resource

The results of implementing BigHand Now in a top-50 law firm



Within six months BigHand Now can generate significant return on investment by ensuring work is done by the right person at the right time

1) The data in April and May was the first time this was ever reviewed by the firm, and indicates limited control over who completed what work

2) The data for June and July, during the pilot phase, highlights that work was being sent to the incorrect resource

3) From August to October, the introduction of BigHand Now to all teams means work can now be routed automatically to the best resource

4) Following a full roll-out of BigHand Now, seen in November to January, lower-value work is now being done by the right resource at a lower cost, with no impact on customer service and management have data to improve this further

BigHand client

Uncover your operational blindspot

Depending on who you ask, the era of super profits has either already finished or the end is on the horizon. Either way, the future looks different, says **James Kippenberger**, managing director of commercial product management and UK client delivery at BigHand

Business clients, themselves under financial pressure, are slashing fees and bringing more work in house. New competitors in various guises are nibbling at the edges. There is constant downward price pressure and this is hitting profits across the legal industry.

To protect margins, law firms need to become more cost conscious. While they have always focused on the fee-earners who carry out legal work, they have invariably paid less attention to the activities of support staff. They are now turning the spotlight on staff such as legal PAs and team assistants to make sure they are doing the right work and operating as efficiently as possible.

Progressive law firms understand the incremental gains they can reap by modernising their back-office operations. They are using new tools that help them assign tasks in the most economically efficient way, without damaging client service.

This is only one part of the solution, however. Creating processes that delegate work effectively requires a deep understanding of the workflow and it requires a significant focus on adoption.

A key element of analysing the flow of work is to find ways of making best use of the specialised skills and knowledge among support staff. You don't want expensive legal PAs doing photocopying or archiving when a lower-cost team assistant is perfectly, if not more, capable. Customers will not pay for low-value tasks, so law firms need to spend as little as possible getting them done. The secret is to have a system that allocates the right tasks to the most appropriate back-office staff.

The first step to achieving this is to get an accurate picture of the support skills available and how they are being used. Getting this information is difficult, but critical. It should now be a top priority for law firms of all sizes that want to compete effectively.

> Streamlining business services starts with visibility

Secretarial services managers often manually put together a weekly or monthly spreadsheet for board meetings, roughly outlining the work of support staff. Law firms lack accurate data on support staff effectiveness so this area has been managed blind. Law firms need to gain greater insights into the way support staff operate to help them understand where improvements can be made.

One common mistake is that law firms invest in a variety of workflow solutions. While these offer pockets of success, they tend to be expensive and complex. They often struggle to function ubiquitously across the business. The theory is great, but the practicality is tough.

Having developed considerable experience in observing the workflow processes of law firms over the past decade, BigHand has leveraged this knowledge to create a task-delegation system that allows a law firm to organise, disseminate, track, monitor and report on the firm's entire support staff workload. The system allocates work to the people who are best placed to do it or can do it at the lowest cost.

In contrast to heavyweight workflow solutions used by some big law firms, our software is off the shelf, easy to configure and can be deployed rapidly. Law firms can readily adapt it to how they work and, critically, it is quickly adopted by fee earners. Our consultants go into the firm and install, implement and train staff on how to use the system, but once it is up and running, the firm manages it themselves. It is not onerous for IT and does not require third-party involvement.

For the first time, BigHand Now gives law firms a lens into the operational side of their legal services work. This allows them to make sensible and informed decisions about support ratios, team structures, competencies and office space. It provides a tool to help them proactively transform the way the firm operates. This will be crucial to halting the underlying attrition on profit while still delivering superb customer service.

James Kippenberger will be hosting a webinar to discuss this topic further on Thursday February 15 at 1pm. www.bighand.com/raconteur-report

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