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## VQ Forum 2018 on the future of legal service

This issue of VQ Newsletter is dedicated to the ninth VQ Forum, held on 17 October 2018 in Stockholm. The event was completely sold out with 200 law firm managers, general counsels and other legal market professionals attending for discussions on the changing legal market and the future of legal service.



This year's main theme was *Ushering in the Future of Practice of Law with a Client Centric Approach*. During the day, the speakers explored the impact of the technological advances and how legal advisers must adapt to and understand the clients' new digital reality to provide the best advice.

A man with grey hair, wearing a dark suit jacket over a light blue shirt and a lanyard with a badge, is smiling and engaged in conversation with a woman. The woman is seen from the back, wearing a red and white horizontally striped shirt and carrying a black shoulder bag. They are standing at a small table covered with a white cloth, which holds a small vase with pink flowers and a white cup. In the background, other people are visible, and a yellow wall with the word 'MOR...' is partially seen.


## MITT I JURIDIKEN

Publicerad: 17 oktober 2018.



Ann Björk och Patricia Shaughnessy



- Spännande diskussioner på fullsatt VQ Forum - InfoTorg Juridik (in Swedish)
  - "This is the most exciting time ever to be in legal tech" - legaltech.se
  - KM in a cashless society: Observations from Legal Scandinavia - knowledge et al
- 
- Ann Björk och Patricia Shaughnessy
- Spännande diskussioner på fullsatt VQ Forum i Stockholm

## Summary of the sessions

VQ founder **Ann Björk** and moderator **Patricia Shaughnessy**, Associate Professor at Stockholm University, opened the forum with an introduction to the main theme of the day, which Johan Eriksson continued in the first session on digital transformation via a radical customer focus.



**Johan Eriksson** works as Head of Specialists at Google where he leads all specialists in digitalization, from automation to analysis and UX. He is also the author of books and multiple white papers on digital transformation, and is passionate about inspiring people and organizations to increase their ambitions so we all can build a better world faster.



This passion sure manifested itself in the inspiring and thought-provoking presentation, where Johan Eriksson explained the importance of constantly learning new things, to take action – it is *not* about the thought! – and to stop taking digital alibis.

In a rapidly changing world, the only long-term sustainable strategy and competitive advantage is to learn things faster than the world changes around you and translate that learning into relevant innovation. He exemplified with the NDA review test carried out by [LawGeex](#), where the AI achieved an accuracy level of 94 %, compared to an average accuracy level of 85 % across the human lawyers. But the notable thing here is that the AI always scored 94 %, whereas the average of the human lawyers was based on a spread between 67 % to 94 % accuracy, as well as the huge time difference to reach the result. It took the AI solution 26 seconds to review all NDAs, compared to 92 minutes for the human lawyers.

Johan Eriksson pointed out however, that it is not about buying the newest or most advanced technology, the real differentiator is to get a “black belt” in using

existing applications and to be obsessive about walking in the footsteps of your clients to experience yourself every week as they do. A key take away was also the need to understand that the digitalization alternative will always be the worst alternative in the beginning, and that there are no shortcuts. It is not a problem that can be solved by ticking the box or hiring a chief digital officer.

Johan Eriksson urged us all to stop taking digital alibis - digitalization and innovation is everyone's business, not something to delegate.

*“Action eats everything for breakfast!  
It is not the thought that counts!”*



He also gave us all two very practical tips: (1) Set aside 5 hours every week to actively learn new things, and (2) automate what can be automated to enable innovation by applying a strict 2X habit – all tasks that are made twice should be automated.



**Eva de Falck**, Chief Legal Officer (Group level) at Swedbank, continued to share her experience on how to operate as legal advisers in the banking industry where you must combine increased regulations with technical innovations and digital transformation.

She especially focused on how lawyers' work is affected by the digital transformation and highlighted a number of challenges for lawyers in the new landscape, such as *inter alia* being able to articulate a clear risk appetite. In her experience there is now a distinct difference in risk appetite between in-house and external counsel, with external advisers still giving more in content and less in practical guidelines than she as a client would like to. The memos saying on the one hand this and on the other hand that are of no use for the business. Instead she would like clear opinions using language adapted to the receiver.

Eva de Falck also stressed the need for gender equality and diversity, as well as



a new take on leadership going forward. Until now, promotion to management roles has dominantly been based upon legal expertise skills, rather than leadership capabilities and interests in leading and lifting others people.

**Magnus Westerdahl**, Senior Principal Sales at Deltek, then welcomed the delegates to the coffee break by explaining how comprehensive practice management tools can support a law firm's digital transformation and stay ahead of the competition by helping to manage practice, save time and maximize profits.



In the second block of the day, focus was on legal advice in a digital context. **Orsolya Görgényi**, Partner at Szecskay Attorneys at Law, Budapest, pointed out that - although ethical and professional rules differentiate lawyers from other businesses - normal rules of business apply to law firms.

She highlighted the three most important factors for law firms to focus on to be on board the winning boat in the race for the future: (1) Strategy, (2) Technology and (3) Soft skills.



Just like any other businesses, law firms need a strategy. The positioning is one of the most important part of a strategy; what is unique with your law firm? What

is your position on the market? Where do you want to be?

Once you have a clear strategy, you can align your technology to be used to achieve the strategy. As regards technology tools, they can be divided into three waves. In the first wave of legal tools development, focus is on efficiency.



In [Clio's 2017 Legal Trends Report](#), it's shown that, in average, only 2.3 hours of a lawyer's working day is spent on billable work. The rest of the day is spent on administration or new client chasing activities.

With the right tool the billable part of the workday could be increased significantly. The second wave of technology focuses on digitalization and document automation, and the third wave is about big data and AI. But Orsolya Görgényi's advice was to learn to walk before you run, start with the basic efficiency tools and document automation and the analysis of your own data, before jumping on the AI and big data trend.

The third part of success is to focus on your soft skills, to invest in training, legal project management, communication and sales, i.e. your human talents.

A panel, moderated by **Dr. Christian Sandström**, Associate Professor at Chalmers and the Ratio Institute, and with panelists **Eva de Falck**, **Håkan Broman**, former General Counsel and Executive Vice President of the NCC Group, **Orsolya Görgényi** and **Zarina Virsholm**, Partner and Co-founder of Sharp Recruitment, then discussed how to best provide legal advice in the new digital world.



Even though there is a lot of hype around legal tech and digitalization, there is still a difficulty for legal advisers to understand the new digital world in order to be able to provide accurate legal advice. There are many reasons for this, such as cognitive limitations – when digitalizing a function you do not change the basis for it (the “book in a box”-example, where books are made into PDF:s, not into interactive resources) and there is a need for a new digital competence to be able to support new innovative business ideas with new kinds of legal solutions. There is a need for a new skill set with a deep understanding of both technology and law together with an innovative approach to support new business models.



As a recruiter, Zarina Virsholm could see a change though, in that employers are now also looking more for emotional intelligence. Remote working, which comes with digitalization, also requires new kind of leadership skills.

Still, the panel agreed, there is no sense of real urgency. Orsolya Görgényi urged everyone to start focusing on the low hanging fruits, as there is still a long way to go when it comes to tech adaptation and efficient use of available tools.

**John Raunio**, Country Manager, CSI Helsinki, welcomed the delegates to the lunch break by explaining how tools like CSI Lawyer can support legal professionals to meet the new demands and gave an overview on the company's development from last year.



After lunch, focus was on creating truly valuable solutions as part of the legal offering. **Andrew Arruda**, Chief Executive Officer and Co-Founder of the artificial intelligence company ROSS Intelligence, started his inspirational talk with an overview of legal AI fundamentals from Deep Blue beating Garry Kasparov to the newest use, i.e. what every legal professional should know about AI.



First and foremost, Andrew Arruda pointed out that AI is *not* a robot shooting laser, coming to take our jobs, which still seems to be the perception amongst some. AI is software, data and algorithms.

It's machine learning, speech recognition, visual recognition and natural language processing. It's not even new. AI has been around since the 1950s, when for example Alan Turing developed his test of a machine's ability to exhibit intelligent behavior equivalent to, or indistinguishable from, that of a human. The reason that it has taken off lately, is that we now have the amount of compute power necessary to make it happen on a wider scale.

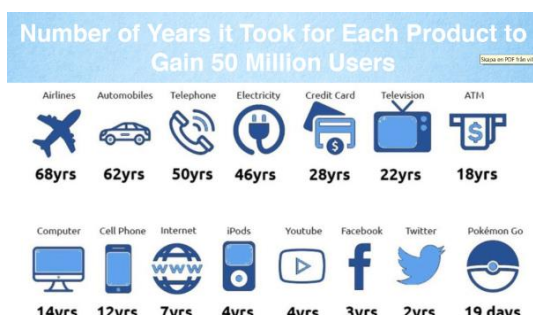


As Andrew Arruda pointed out, just like with other new technology that is considered cool and disruptive, we will soon start to take it for granted. Already today, AI is used widely for things that we do not even think about but that make our everyday life easier.



Like for example how Amazon uses AI to predict purchase behaviors and starts the delivery even before an actual purchase has been made, how AI is used for financial trading, in agriculture, for interpreting skin marks to predict or diagnose skin cancer and even by L'Oreal for customers to take a photo of themselves and "try on" new make up before purchasing it.

The use of AI and other support tools will be necessary to meet the client demands. [The 2018 Georgetown Report on the State of the Legal Market](#) shows that billable hours available are decreasing as well as the collectable part of the hours billed.



The speed of things should not be underestimated. On the slide to the left, Andrew Arruda pointed out how long time it took for each product to gain 50 Million users. For Pokemon Go it was no longer a question of years or months, but days.

In a following panel, yet again moderated by **Dr. Christian Sandström**, and with panelists **Andrew Arruda**, **Carl Georgsson**, CEO at Familjens Jurist, **Lise Alm**, Head of Business Development at the Arbitration Institute of the Stockholm Chamber of Commerce, and **Jim Runsten**, Chief Executive Officer and Co-Founder of Synch, innovation in the legal world was discussed.

Lise Alm provided a spot on comparison to a training bike in the basement and how the legal industry must rise above the training bike collecting dust – a desired self-image not carried out in practice – into an actual exercise regime. All of the panelists agreed that innovation will likely take the shape of

many small steps, often, rather than one big leap. As Lise Alm also quoted in her [LinkedIn post from VQ Forum](#): “To achieve all those steps, there need to be a collective state of mind of an organization, and of the industry at large, where everyone is continuously looking to find ways to improve processes and products. At the end of the day, what will make the difference on whether the bike in the basement is used or not is whether you manage to create an organizational wide behavioral change, not the number of gears the bike has. Starting with a walk around the block makes that bike all the more likely to be used once it’s bought.”



Carl Georgsson shared some of the ongoing digitalization projects at Familjens Jurist and explained how they have dedicated several roles internally to increase the speed and attention for this kind of business development. They have also launched three clear alternatives for customers to use their expertise: (1) by meetings with a lawyer (2) by drafting the documents with the assistance of a lawyer on the phone or (3) by creating the documentations completely themselves via the new online solution [Familjens Jurist Online](#).

Jim Runsten then added his vision for Synch as “creating the horseless wagon, i.e. a law firm where lawyers necessarily is not doing all the work” and shared his experience from development projects that can be much more challenging

than you would expect. After two standstills, Synch has now finally managed to launch their own AI solution for checking [privacy policies](#).

Andrew Arruda pointed to the fact that there are lots of technology available, and that you shouldn't jump straight into an AI project without first using the already existing tools. As a global legal community, we are still trying to figure all of the new technology out. Take small steps and show wins all the way, was his advice to the audience.

**Magnus Moström**, CEO at LEX247, then welcomed the delegates to the afternoon coffee break, and described the LEX247 enterprise grade practice management system for law firms and explained how it offers a complete solution for legal services, from time capturing to billing.



The final block of the day focused on the client-centric law firm of the future. **Hans Schuurman**, a consultant, interim CFO and Lean Green Belt, specializing in profit and process improvement of law firms, at Law4ce, started off by explain the main things a client want from its law firm, i.e. foremost value, efficiency, predictability, communication, and understanding of the client's business. Simply reducing the hourly costs does not meet all of these wishes and makes the law firm a less good, grumpier, provider.





A law firm is just like a normal company, and should focus on factors such as project management, unbundling, processes, technology and knowledge management, to find business models that benefit both the law firm and the client.

**Paul J Corney**, Managing Partner, knowledge et al, continued with a knowledge management perspective. He started with an introduction of the interesting concept of “Working out loud” as the tendency towards reticence is surprisingly common within legal teams as well, not just between competitors. Sharing and collaboration between colleagues therefore need a convenient platform to do so, and ideally be encouraged or even incentivised to take part. To succeed in a technologically enhanced environment the firm of the future will need to be aware of and optimise its knowledge assets.

As Paul Corney predicts, a knowledge-enabled firm in the future will be good at *inter alia* collaboration, partnerships, learning and feeding back into process, onboarding and exiting, “finding stuff” and curation.



He then led a very appreciated exercise part, where all delegates were asked to write a post card to themselves a year from now, explaining what had happened from now and until then, which gave rise to a lot of interesting discussions about hopes and fears.





Finally, **Annette Magnusson**, Secretary General of the Arbitration Institute of the Stockholm Chamber of Commerce, gave a small teaser for next year's event, by sharing a new innovative way of solving a legal challenge: crowdsourcing. In the global innovation contest Stockholm Treaty Lab, crowdsourcing was used to create new international law to encourage green investments. The pioneering idea behind the Treaty Lab contest was to regard the law as a catalyst for climate change and to use crowdsourcing to bring multidisciplinary professionals together to create a legal framework where investment law and arbitration can be used to encourage foreign investment in green and sustainable technologies and services.



Wrapping the day up, moderator Patricia Shaughnessy, pointed to the importance of taking action and to focus on low hanging fruits, not to get stuck focusing on your strategy. “Action eats everything for breakfast!”

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## Cocktail reception

As a pleasant closure of the day, a cocktail reception with music was held, where the discussions continued in a high-spirited way.



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## Save the date for VQ Forum 2019

We hope to see you again next year for our tenth anniversary, which will be something extra special. Please note the date 17 October 2019 in your calendar and stay tuned for more information early next year.

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## Contact

You are most welcome to contact us should you like to know more about VQ and our services.

Kind regards,  
Ann Björk and Helena Hallgarn

Virtual Intelligence VQ

