



LEGAL AUTOMATION

An introduction

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INTRODUCTION TO AUTOMATION

Over the past few decades, automation software has drastically transformed entire industries. Now the legal sector is at a turning point with organisations set to embrace change, technology and automation for the better.

Legal automation is a broad term that can be loosely defined as the use of tools and technology to enable legal teams to streamline, automate, measure and manage tasks and activities that are common to the legal function.

It uses software to achieve the end goals of process improvement, scalability, re-usability and enhanced client experience, but it is rarely as simple as ‘plug and play’.

Like fintech, legaltech and legal automation exist within a highly specialised field of knowledge. While many business improvement processes can work across a range of industries, the defining aspect of legal automation is legal expertise.

In our transformation work within the Lander & Rogers iHub, co-designing solutions with subject matter experts comes before decisions about technology platforms.

Who is legal automation for?

Whether for in-house counsel, or across law firms, legal automation is a way of thinking that should involve everyone. It may begin with a senior lawyer who understands that the patterns involved in their everyday transactional work follow a logic that can be articulated via software, or a paralegal with an epiphany on how to automate a tedious task.

Process improvement consultants may then step in to collaborate with the idea generator to map out the solution in a more formal way.

The rise of ‘citizen developers’

The establishment of no-code software platforms has democratised the definition of the software developer.

Those with a general understanding of coding patterns and best practices will always have a head start, but increasingly the tools for legal automation are accessible to all.

This guide has been prepared to assist those considering investing in legal automation and provides guidance and tips on when and how to automate.



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WHEN TO AUTOMATE

For businesses starting out on their legal automation journey, it can be hard to know where to begin. In our experience it's often best to put aside thoughts of particular tools or technologies and instead ask some basic questions about current processes.

You may be considering legal automation solutions with a particular pain-point in mind. Or, you may be coming from the opposite angle, where you know improvements in productivity could be made, but you aren't sure where to look first.

In either case, these are the most common areas ripe for automation.

Time saving: let your experts be experts

It's common amongst in-house legal teams to have processes involving time-consuming steps that cannot be delegated to administrative staff. This can cause frustration amongst senior employees or in-house solicitors who feel they "spend half their day doing busywork".

By automating processes, your team can focus their time on the more meaningful and rewarding aspects of their role.

When looking to identify processes suitable for automation, one typical scenario to look for is an extended email chain where a subject matter expert is liaising with an assistant over the contents of a document or email.

Another way of identifying automation opportunities is to look for a task that once required specialist knowledge to complete but has become so routine, and the legal landscape so well established, that the process owner now feels they understand all likely issues that might arise. This knowledge could now reside in an automated checklist that a junior could complete, with a system in place that sends a notification for review, if certain criteria are triggered.

Time saving: repeatable tasks

Completing an audit of internal or external forms will help you to understand the most frequently executed tasks in your organisation. Underlying these tasks are often processes that are completed multiple times daily. In these situations, applying automation to reduce repeatable tasks can lead to significant time savings.

Are there processes within your team that require emails to confirm approval, and then someone on the other end uses that approval to manually execute the next step in the process? These situations are ripe for simple automatic approval workflows, perhaps even utilising software already available within your organisation.

Bringing processes in-house

External providers can add considerable value by bridging skill gaps and adding a depth of expertise to your team that may ordinarily be unobtainable. However, it can be costly and long-term dependence on external providers can result in considerable risk to business continuity.

One way to reduce reliance on external providers is to use a document automation platform with a simple, logical interface that can be easily maintained by internal subject matter experts. The benefits can be substantial, including the ability to internally update documents as a result of changes to laws or internal processes. Instead of outsourcing the code updates to external developers, these changes can be easily managed in-house.



Preparing for an increase in volume

If your team has recently won a new contract that will result in a significant increase in work for your business, a capacity analysis will likely ensue.

Although the team may be well positioned to absorb the additional workload, the increased administration associated with the project should not be overlooked.

Now is the time to examine all the processes this work entails, and evaluate which processes would benefit from automation and where you can save time.

Interpreting data and reducing risk

Establishing an AI based data analytics regime is a valuable insurance strategy for your business. This can be as simple as regularly analysing contracts for any language that flags as an outlier in comparison to the usual language used in your legal documents. A process can be set up to allow extra review of an agreement that appears to fall outside your BAU work.

Structuring data for reuse

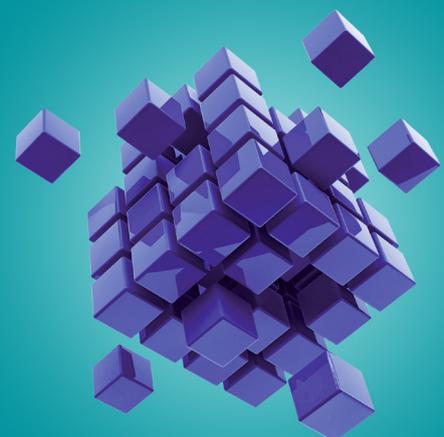
An additional benefit to these automation possibilities lies in the ability to reuse the data in strategic, time-saving or error preventing ways.

For example, automating a single contract generation process may alert you to similar clauses used in other types of legal documents. Or the implementation of a process workflow may also highlight repetition of data entry in disparate ways.

Taking a holistic view of legal automation in your organisation can multiply the efficiencies gained.

*Gartner predicts that
33% of corporate
legal departments will
have a dedicated legal
technology expert to
support the increasing
automation of core in-
house workflows, by
2023.*

Gartner, 2019



TYPES OF LEGAL AUTOMATION

Though the capabilities of both legal automation software, and the creative and innovative ways legal process improvement experts utilise these tools are ever expanding, most use cases fall under well-defined categories.



Document automation

Document automation uses software to digitise and automate the document lifecycle from creation to storage. Applications collect data from the user, typically via web forms or chatbots, and generate documents using conditional logic to include or exclude content.



Contract execution and eSignatures

Simple contract execution and progression based on secure eSignature processing is likely the most mature technology in the legal automation ecosphere. Other software may build upon this technology to further automate processes.



Document review

Often used for technology-assisted due diligence, analytical software examines documents using natural language processing to quickly identify similarities or differences. Clauses or flagged terms are often extracted for further review.



Capturing and analysing data

This is a broad term, but it's referring specifically to using analytical software to gain greater transparency into the legal work a company conducts.

For example, capturing and quantifying outcomes from insurance claims can assist in predicting future outcomes. Analysing time spent per claim can generate financial insights on internal pricing models.



Internal workflow triage and approvals

Triage and workflow approval automation can eliminate long email chains and work duplication. Software can filter tasks to only notify relevant people, and automated approval mechanisms can trigger further processes. Tracking tasks and quickly identifying bottlenecks reduces the risk of delays.



Third-party risk management

Currently an area prone to fragmentation amongst internal departments, third-party risk management (TPRM) can involve legal, finance, procurement and IT to ensure correct due diligence and monitoring of privacy, IP, and other risks involved with outsourcing work to external vendors.



Automating administrative tasks

Software can be used to streamline everyday tasks, such as monitoring email chains for attachments and using rule-based systems to file these attachments into a relevant folder in a document management system.

Legal automation workflows provide a cohesive framework in which to manage TPRM and provide greater oversight of similar risk scenarios, such as monitoring suppliers to ensure anti-modern slavery regulatory compliance.





Legal bots and other client experiences

Legal bots are a type of legal automation software that often focuses on obtaining data from outside an organisation.

Using similar technology to the virtual agents that are now ubiquitous across the web, legal bots offer much more sophisticated decision-driven interactions than, say, a chat bot that only cares to know if you are trying to reach technical support or the billing department.

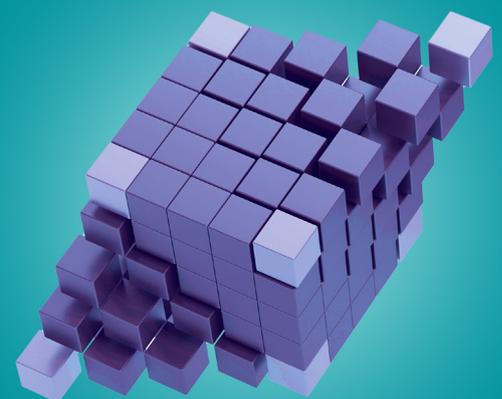
For example a legal bot may be developed to automate a car parking contract, or generate a simple employment contract for an external consultant.

The age of the robot lawyer is not yet upon us, but even today, some legal bots offer simple legal guidance, or at least provide access to further resources.

Enhancing your client's experience needn't stop with legal bots though. Consider the ways in which your own interactions with companies have evolved in recent years: dedicated mobile apps might give you instant access to your household spending on utilities, or an automated text message might ask you to confirm whether you will be attending your dental appointment.

Just because your work involves aspects that may involve legal consequences, it does not mean that you shouldn't think about ways to make every interaction or transaction with a client more delightful.

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TIPS FOR SUCCESS

For those starting out on their legal automation journey, consider these tips to help smooth your path. Though remember, the best path to success is experience, so stay agile, keep learning, and keep building.



Pick low-hanging fruit

Start with simple, internal processes first. You may be able to automate an email-based approval workflow using tools that are already available within your organisation. These simple automations build confidence and raise awareness of the potential of automation.



Focus on the problem, not the technology

Map out the process and sketch some simple 'user journeys' (the path someone takes to complete a task). Determine functional requirements, and then select the software to match your needs.



MVP, or done beats perfect

Get your application to the minimal viable product stage, and test early and with real users. User feedback will speed the path to perfection.



Remember the end user

Change can be hard. Remember the ultimate goal is to provide a better user experience that will promote adoption of the new tool.



Early adopters, experts, and champions

Find people in your team eager to be early experimenters, but also seek out those inclined to persevere with technology solutions beyond the initial excitement generated by new 'toys'. It's these people who often develop into the subject experts and internal/external legal automation champions.

Testing with your less technologically-inclined colleagues can help iron out issues before you go live.



Answer the IT questions

Ensure your software meets internal IT parameters, particularly around client privacy and cybersecurity. Be prepared to advocate strongly for innovative software solutions, but also acknowledge that your technology chief has good reason to be risk-averse.



CASE STUDY

ONBOARDING AUTOMATION

The brief

Lander & Rogers was instructed by a client to streamline and automate its onboarding process for independent contractors. The client onboards hundreds of contractors a year and the existing onboarding method was proving time-consuming and inefficient. The client also wanted to instil consistency in the contract terms across multiple states and sites.

The process

Our team of business transformation specialists mapped the workflows and onboarding process from beginning to end. We consulted with key stakeholders to gather and prioritise the client's requirements and delved into their business operations and workflows to identify bottlenecks and pain points. By working closely with the client, we were able to select the appropriate platform and design a solution that would best meet their needs. By quickly prototyping, building and following up in weekly reviews, we designed an app that reflected the client's ideal business process.

The solution

Our team implemented workflow technology from Checkbox to automate the contract onboarding process, reduce manual handling and streamline onboarding. The automation solution allowed us to:

- provide consistency in contract terms across sites through automated contractor agreements
- reduce risk by using an agreed, standardised approach.
- ensure contractors are paid agreed rates and only provide services after agreeing to terms, by incorporating integrated electronic signature technology
- reduce unnecessary queries
- minimise double handling of data by synchronising data across all internal systems, and
- easily track and audit onboarding progress via a live dashboard.

Automating the onboarding system is set to reduce administrative overheads and minimise the time required to onboard new contractors. By providing centralised oversight, the common risks associated with onboarding contractors will also be reduced.



GLOSSARY OF COMMON TERMS

As with any specialist knowledge set, knowing the correct terminology used within the legaltech industry is essential to understanding exactly what a company, product or service is offering.

Algorithm

An algorithm in a computer science context is a well-defined series of steps, or computer instructions, used to perform an unambiguous task. An algorithm might perform a specific calculation, or process data according to a set of predefined rules.

Artificial intelligence

AI systems go beyond simple execution of programmatic instructions and are able to observe external environments and make intelligent decisions based on input received. The boundary between what is considered artificial intelligence and a routine computer-based task is constantly evolving.

Blockchain

Blockchains are typically used as distributed ledgers. A 'block' is a record on the ledger that contains a cryptographic "hash" (an algorithmically compressed representation) of the previous block. This forms a chain of blocks, which essentially makes it near impossible to alter a single record in the ledger, as doing so would modify all subsequent blocks in the chain

Cryptography

Building on from traditional encryption techniques, most famously those used during the first and second world wars, cryptography uses mathematical and computational algorithms to prevent publicly accessible data to be readable by 'adversaries'. This secure communication technique is used extensively in electronic commerce, blockchain solutions, digital currency, and computer passwords.

Expert systems

An expert system uses a knowledge base to emulate the decision making ability of a human expert. In the legal realm, a classic example would be systems that examine court judgments to make inferences about the outcome of future cases.

Internet of things (IOT)

A distributed network of devices that are connected to each other over the internet. The concept of any device, (e.g. coffee machines, sprinklers, fridges) or any component of any machine (e.g.. temperature gauge inside an air conditioner) connecting and communicating with any other device.

Legal automation

Legal automation is a blanket term for software based solutions that improve the processes surrounding legal tasks. This may entail streamlining internal workflow procedures, improving productivity via automated document generation, or risk-mitigation strategies involving automated document review.

Legal automation shares many similarities with the wider automation ecosphere, and can often use generic software tools, but a key distinction involves the relatively sophisticated knowledge set that defines the jurisdiction of law, and the particular attributes of the legal professional.

Machine learning

Whilst expert systems rely on a discrete and largely static knowledge base, machine learning attempts to make predictions or decisions using a more fluid data set, known as 'training data'. The learning algorithms can be to various degrees supervised by a human teacher in order to improve the output.



Metadata

Literally, data about the data - it is information about an object or resource which describes characteristics such as content, quality, format, location and contact information.

Minimum viable product

Minimum viable Product (MVP) encourages makers to release early versions of a product with just enough features to enable real world user experience feedback as early as possible. It encourages frequent releases with incremental improvements and a continual feedback loop. One difficulty with MVP is deciding exactly when a product is 'good enough', as releasing too early may sour the conception of the product in the end user.

Natural language processing

Natural language processing (NLP) is a type of AI which aims to interpret, recognize, and understand user request in the form of free language and to respond in the same way.

No-code and low-code

Applications that use drag and drop functionality to create new applications or workflows without the need to use traditional programming languages. Users may need to type small snippets of code for particular functions, and an understanding of traditional logic and control structures is desirable for best outcomes.

Robotic process automation (RPA)

This technology is configured as a layer over your existing systems, including documents, websites, finance systems etc.

At a very basic level, RPA replicates the clicks and logins required to manually run a process and can be used to streamline and automate repetitive processes.

Smart contract

A smart contract uses code to automate and document events and actions according to the terms of the specific contract. A smart contract by itself is not a legal document per se, but rather the technological means by which a contract may be executed. Blockchain technology is a common method by which these contracts are distributed.

Virtual legal assistant

A type of chatbot used for internal triage, answering basic and repetitive questions that can often overload internal legal departments. VLAs can route employees to internal resources, or provide appropriate human contact details for more complicated inquiries.



ABOUT US

Lander & Rogers' iHub is an award-winning, multi-disciplinary team of problem solvers and innovators who create smart solutions to complex challenges. Leverage our experience to create transformative solutions for your business.

Drawing upon our expertise in law, business and technology, we co-design highly customised systems that save clients time, reduce costs and add real value.

Access guidance and support through your entire digital transformation life-cycle:

Process improvement

Leverage techniques and leading technology to transform your organisational processes, enhance productivity and improve utilisation.

Legal automation

Identify solutions that incorporate leading technology and human centered design principles to deliver sophisticated applications.

Technology and system selection

Ensure your organisation invests in the right technologies and systems to support your business objectives and maximise return on investment.

Project management

Engage skilled specialists to execute your end-to-end project management needs to ensure projects are delivered on time, and to budget.

Strategic digital planning

Identify and assess new opportunities and develop a competitive advantage aligned to your business objectives through digital strategic planning.

Contact us

If you would like to discuss the automation potential of your business processes, please contact your Client Relationship Partner, or reach out to the iHub.



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