

## Strengthening the Core

By Marc Lauritsen

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Lawyers are an endangered species. Many are unemployed or underemployed. Most are feeling downward pressure on fees. Competition is sharp. Clients are demanding price concessions. We may be in for a sustained period of fee deflation. How can you survive and prosper? I suggest that technologies aimed at the core of practice are among the most important measures you can take.

### Time isn't what it used to be

If you are like most lawyers, your time is worth less. At least as measured by the willingness of clients to pay.

For many the amount of well paying work is shrinking. The legal profession is being squeezed. Both by alternative providers, such as [legal process outsourcers](#), [Rocket Lawyer](#), and [Legal Zoom](#), and by lawyers with lower overhead methods, such as [virtual offices](#). Prices drop when substitutes emerge with more efficient means of production. Online bidding and lawyer rating sites will accelerate the trend.

Alternatives to time-based billing are gaining ground, as lawyers realize they can make more *per* hour by not charging *by* the hour. But alarmingly, some lawyering work, regardless of how efficient it may be, is becoming worth less in the minds of consumers. In addition to fee *deflation*, we may be facing a fundamental *devaluation* of attorney effort. That goes beyond what may be just a temporary lawyer surplus due to a dip in aggregate demand. Legal work – *done as most lawyers have been doing it* – is losing appeal.

Some new entrants disparage traditional lawyer/client service models. Some in the bar are inclined to push back by alleging ethical violations or the unauthorized practice of law. A better strategy is to emphasize our distinctive values and to outperform the competition by delivering compelling benefits at reasonable prices.

### The buzz

Tough economic times have shown consumers how willing lawyers can be to discount prices. And they've shown law firms that associates will work for merely generous salaries. As a collective shudder ripples through our market, deflation is a self-fulfilling phenomenon. Pricing opaqueness is long gone.

There are also more law-related startups now than any time since the dot-com boom, many run by lawyer-entrepreneurs determined to disrupt the status quo. Smart capital is seizing opportunities to exploit weaknesses in the mainstream delivery system. That exacerbates the crisis for some, while providing salvation for others. Expect the dual hump in the lawyer income distribution curve to intensify.

Legal trade publications and the blogosphere are again abuzz with a sense of unfolding transformation in global legal services. Here I'd just like to offer a few 'up and down' recommendations regarding legal technology.

## Brush up

First, brush up on how your part of the law business might be disrupted. Consider especially (1) what portion of your work can be accomplished cost-effectively with software systems, and (2) what portion of that portion presently is being so accomplished. The former is always growing, as technologies emerge, existing ones get cheaper, and people gain comfort and proficiency. The latter is mostly a matter of good management and strategic insight. Take an honest look at your 'latent systemization potential' – how much more effective you could be by deploying better systems. If that potential is high, you're not only missing opportunities, you're vulnerable to displacement.

## Break down

There are no standard units of legal work, as there are for physical work (e.g., ergs and joules). But it is possible to decompose things lawyers do into more elementary pieces, and to discover parts that are amenable to delegation and systemization. Even large, complex matters contain fungible components.

You can classify what lawyers distinctively do in terms of three 'A's – analysis, advice, and advocacy. If something doesn't fit well in one of those categories (such as factual investigation, information retrieval, or form filling), there's a good chance someone or some thing other than a lawyer can do it more cost effectively. Of course, some lawyers earn huge fees delivering another 'A' – access to scarce information, private networks, and levers of public policy – but others can do that as well or better.

Similarly, you can classify most of the things lawyers *produce* in terms of three 'D's – decisions, documents, and deals (broadly understood as settled legal arrangements – such as agreements, institutions, legislation, and judgments.) Each of these kinds of artifacts can be produced more effectively with knowledge-based technology.

## Tool up

Lawyers are surrounded by technology these days, but much of it can be found in almost any office setting. Specialized tools that assist at the core of law practice offer more strategic advantage. Working on that part of your tool kit can pay major dividends.

There are lots of 'substantive' legal technologies. One of my favorites is document assembly, which is both dramatically useful and dramatically underused. The industry is well established. In addition to established vendors like [ContractExpress](#), [Exari](#), [HotDocs](#), [Pathagoras](#), and [Rapidocs](#), dynamic new players continue to enter the market, such as [Brightleaf](#), [WordFusion](#), and [XpressDox](#). There are also fascinating new approaches, like those of Kingsley Martin at [Kiiac](#) and Jim Hazard at [CommonAccord](#).

Artificial intelligence is experiencing a resurgence, in part due to IBM's [Watson](#), which can beat human contestants at Jeopardy. Its Deep Question Answering technology is being applied to medicine, law, and other fields. In the legal world, [Neota Logic](#) is fielding its own kind of expert applications, and the latest [international conference on artificial intelligence and law](#) was recently held in Pittsburgh.

As the process outsourcers and document preparers are showing us, advanced tools can help people with important legal work even when there are no lawyers at the controls. It's better, though, to have a trained legal professional in the loop. On a level playing field, lawyers are best suited to provide legal services by dint of their training, experience, and ethical regulations. Those with optimal tools, billing practices, and marketing techniques can thrive even in an era of general fee deflation.

### **Push down**

The good news is that much core legal work *can* be done more effectively, by delegating parts to less specialized personnel, and to our increasingly intelligent machines. That includes putting systems directly in clients' hands for self-help and co-production.

However the legal marketplace may evolve, strategic advantage will flow from getting substantive work done as effectively as possible. Too little attention is yet being paid to the specialized systems that can skyrocket effectiveness. We need to stop using IT just at the periphery of lawyer activity.

Tools that resonate with the core structures of legal knowledge work perform best in the hands of lawyers who are reflective about its systemization. The future will belong to those who can choreograph optimal distributions of work across teams of humans and non-biological assistants.

### **Step up**

Imagine a rising generation of tech savvy practitioners, aggressively wielding intelligent tools. Do you want to be among them, or watching from the sidelines?

Seek to discover how much more effectively your work *can* be done, because soon someone *will* be doing it that way. If much of what you do can just as easily be done by those who are not professionally trained, or even by machine, you're living on borrowed time. Take some of that time to better equip yourself. Legal knowledge technology is not a silver bullet. But it's an essential weapon. Step up and get with the program.

### **ABOUT THE AUTHOR**

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