

THE NORDIC GENERAL COUNSEL REPORT ON DIGITALIZATION



INTRODUCTION

As the CEO of an alternative innovator on the corporate legal market, I get to talk to many General Counsels about the development of the in-house legal role.

We are at the brink of the fourth industrial revolution. Many believe digitalization and artificial intelligence will support us all in getting the job done. Tedious, time-consuming, repetitive tasks will be no more, instead we will be able to focus our time on creative, strategic work - and as a consequence see the rise of a new meaningful economy, where we work with what contributes most value.

However there seem to be a polarization on the in-house market between the early adopters and the “legal-laggards”. On this notion we at LegalWorks and our partners at Laissa Oy thought it would be interesting to get some statistics on how far the in-house legal market has gotten along. What are the real drivers for digitalization and what are the hurdles?

Our report is based on a survey taken exclusively by 60 General Counsels in Denmark, Finland and Sweden. The survey was followed up with in-depth interviews with some of the participants. Here we have lifted out part of the survey for further discussion. We were also lucky to get some of the thought-leaders in the field write articles and contribute with their take on digitalization and the legal function.

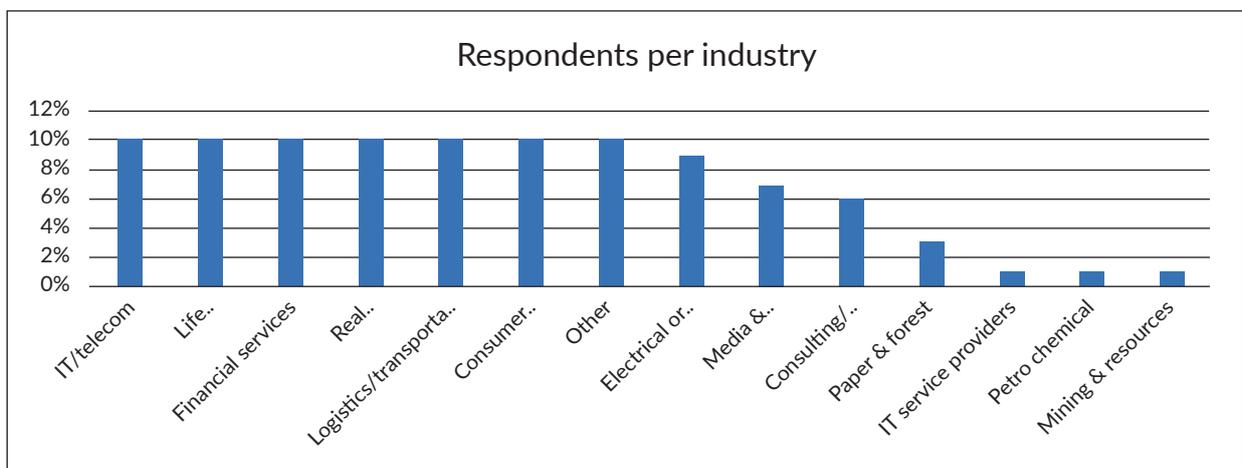
Thank you all participants and contributors for your valuable time and expertise in the production of this report.

Anna Lensmar-Friedman CEO, LegalWorks Nordic AB

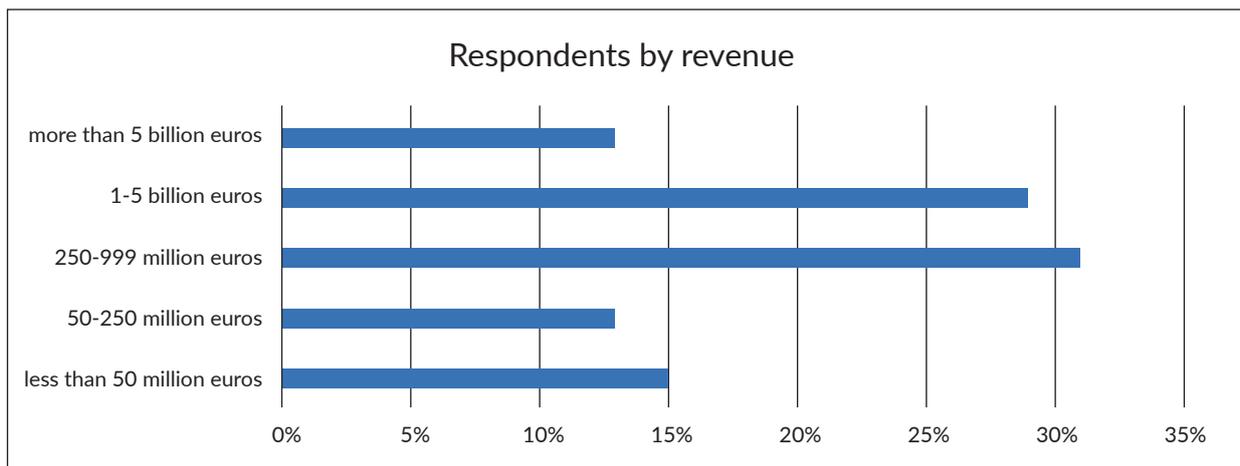
I told you so!

Hindsight is easy. When the dust has settled and the smoke has cleared It is easy to analyze events and what really took place in a certain phase. Living through it all is different. Even though you have a distinct feeling things are changing and changing fast, it's hard to get the complete picture.

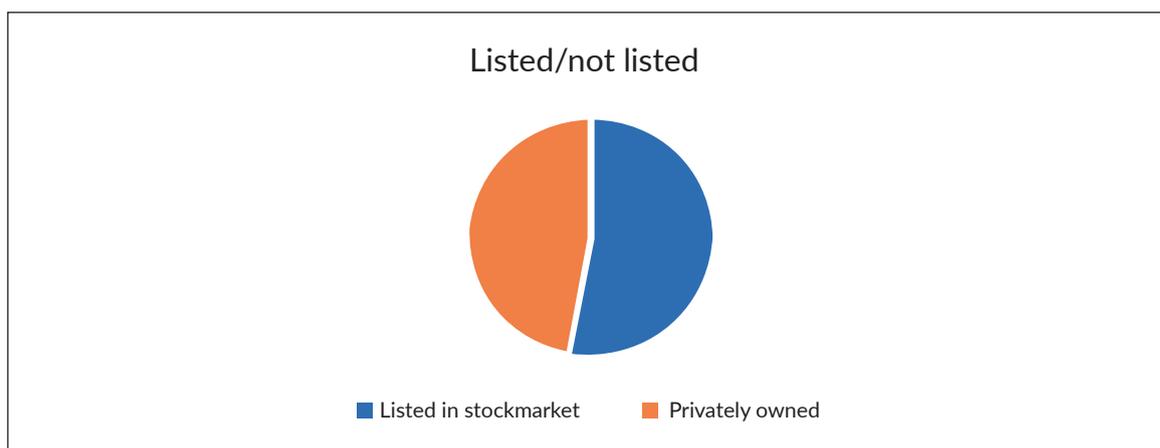
When reviewing the response from 60 GCs from across industries, (see below) and talking to a handful of them, it's a polarized field that leaves room for some interpretation.



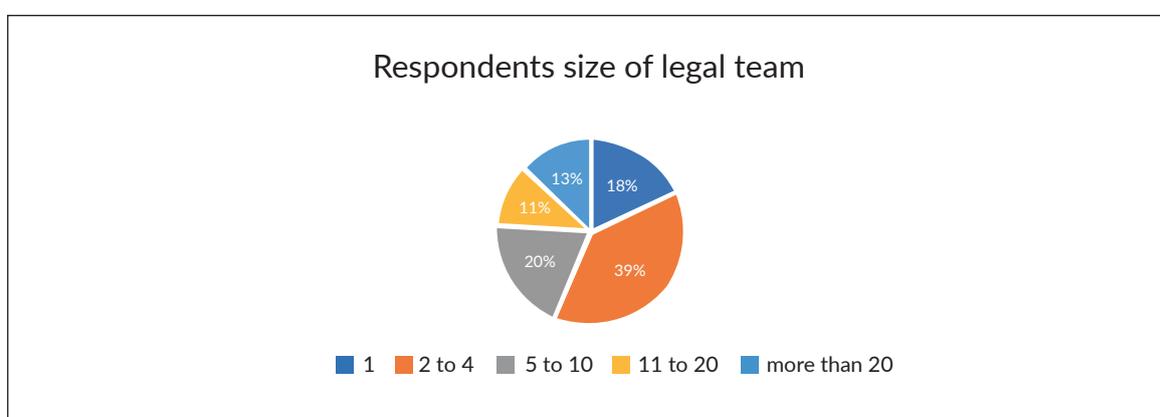
Some of the polarization may be due to that the size of the companies varies (see below).



Another factor that could influence the view on regulatory demand is whether the companies are listed or not, among our respondents we have close to half from listed and half from unlisted companies, (see below).



Further, it is possible that the size of the legal department influences the perception of the maturity of legal tech, our respondents are from single lawyers to large teams, (see below).



However we have found that the main dividers (and roughly subscribed to by 50% each by the respondents, evenly spread across industry and size) are basically along the following two perceptions:

Legal is too complex and too important to be automated and rationalized. (Scenario 1)

Or

The automation and rationalization of the in-house function is still about to happen and will hit the legal landscape like a hurricane (Scenario 2).

The future is anyone's guess, but you can always learn from history. In the following I we will compare the findings in the survey with some other transformational phases that have fundamentally changed other industries.

That said we do recognize the difficulties in singling out the legal function per se from the various industries the company's they serve belong to. Some of the polarization we find in the study may be due to that.

Platform economies challenge lawyers

Merja Karhapää, CLO, Sanoma Corporation

Platform economies challenge many legal paradigms – and consequently the whole legal profession. First I would like to describe how platform economy differs from a traditional value chain based pipeline industry where most lawyers have got their experience from. In the end of this article I list the many areas of law that are undergoing a transformation and put judgement skills of lawyers to the test.

From value chains to platforms

Technological development enabled digital transformation. With the possibility to scale services globally, it was no longer necessary to own the infrastructure. Data utilization enabled the creation of something new, or at least it made it possible to increase the value of products and services. Platforms play a key role in this digital transformation.

The playing field of platform economies

The “value creation network” of platform economies comprises owners, service providers, producers and consumers. The platforms’ owners manage the platforms and own the IPRs. Service providers are the platforms’ customer-facing representatives, for example a mobile phone. Producers are responsible for the supply. A good example of this is an app on a mobile phone. Consumers who use the service form the fourth group.

How does a platform economy differ from the traditional “production pipe”?

Businesses based on value chains differ from a platform economy at least in terms of management, resource optimization and value creation. Management differs because the competitive advantage in a value chain-based business is built on control over more or less unique and valuable resources (either physical, such as factories or mines, or immaterial, such as patents). In a platform economy, there is no need to control resources, unlike when earnings are based on value chains. Resources are not controlled but “orchestrated”. In a platform economy, “production” is carried out outside the platform (not in a production pipe). Naturally, the competitive advantage is still also based on resources that are difficult to copy, but the resources of a platform economy are different from traditional ones: the community and the resources provided by its members (cars, apartments, information). In other words, the competitive advantage is based on a network and the ability to orchestrate it. This has a direct effect on corporate culture.

A further difference between a platform economy and a production pipe economy is related to the optimization of operation. Instead of optimizing internal resources, in a platform economy it is the interaction that is optimized. Businesses based on value chains aim to optimize product flows in the production pipes: from production to consumers. The objective is to optimize the entire chain from the procurement of raw materials to sales and marketing. As a platform business is based on the enabling of the network-internal interaction, the focus is on network activation instead of process definition. For this reason, the emphasis is on building and maintaining the ecosystem. In addition, roles will get mixed. In a platform economy, consumers can also take the role of a producer, for example, by uploading their own videos to YouTube. This difference has an effect on how operations are made more efficient.

The third difference, when compared to traditional businesses that are based on value chains, is related to value creation. In a platform economy, there has been a shift from customer value to the value of ecosystems. The objective in value chain thinking is to optimize the value created for the customers at the end of each chain throughout the life cycle. However, platforms aim to maximize the total value of an expanding ecosystem. Sometimes this can mean free or underpriced services for certain types of consumers in order to attract the desired consumers. In other words, growth is created and measured by different means.

Information as a commodity

In a platform economy, the exchange of physical or digital goods is based on information. The platform will produce “goods” if the producer finds a consumer. The value creation of even complex platforms can be understood by focusing on this “information commodity”. For example, if one wants to create a dog walking service, the most reasonable way would be to start the creation of a new service by focusing on what information would be needed to connect the dog owner and dog walker. Only after that would the interaction be created and, after that, the platform—not the other way round: platform > interaction > information.

An essential element of interaction is the interface and with that good user experience.

Strategic role of lawyers

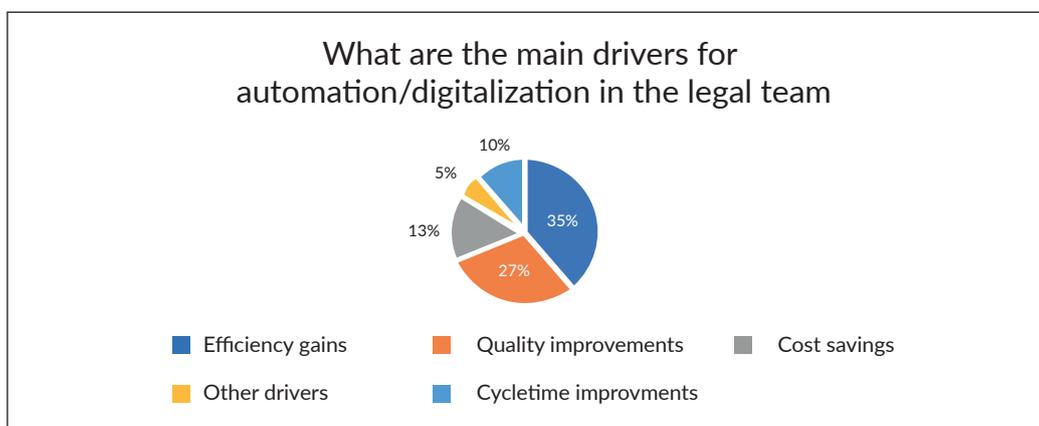
Many new innovations of platform economies are on a collision course with authorities. The biggest challenge is the uncertainty over rules and their application. The line between entrepreneurship and employment is unclear. Taxation is a headache. Consumers can be surprised when they find out that

the consumer protection regulations are not applicable—or such regulations come as a surprise to the platform entrepreneur. The biggest challenge concerns perhaps the utilization of data either from the perspective of data protection or the data-related rights and power—it has been stated that American companies know more about Indian citizens than the state of India does. There are also other questions related to platform economies: the platform operators often dictate the contractual terms and conditions and assume no liability. Costs and responsibilities are left for the local operators to bear. A large part of value creation takes place somewhere other than on the domestic market. This is why it is called a revolution. At the same time platforms offer a lot of benefits: efficient use of resources, less expensive services, price comparison, larger variety of choice, recycling economy etc. It is important understand the challenges in order to find acceptable balance between pros and cons. maximizing benefits and minimizing downsides requires excellent judgement from lawyers but it is also what good strategies are all about. Lawyers have become essential when creating realistic and enforceable business strategies.

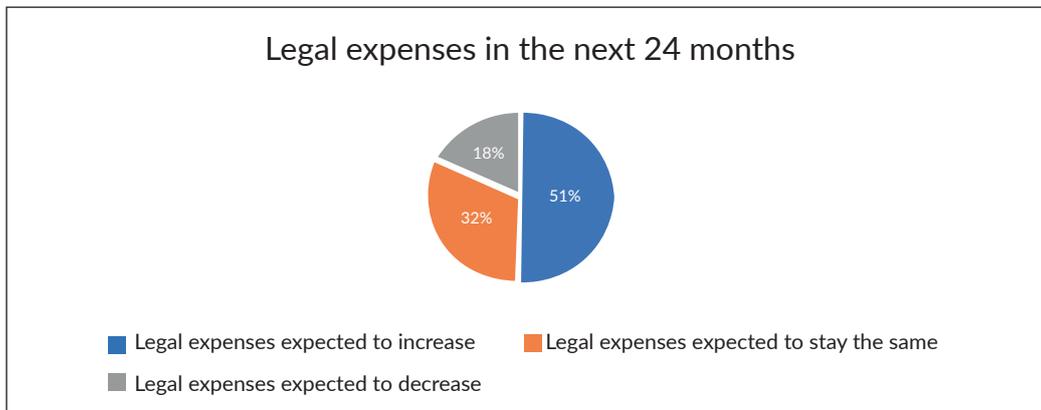
How doing the same thing in new ways changes the game

We asked the respondents “Is automation driven by the in-house legal team?” and a whopping 87% said yes.

We also asked the respondents about the drivers for digitalization, and from the answers with one third stating efficiency gains, a quarter stating quality assurance and roughly one in ten stating cost savings as their main driver, it seems clear that the legal teams are well aware of the potential gains enabled by the technology.



However only 18% expect the external legal costs to decrease in the coming years.



Adding in depth interviews, it is clear that a majority of the legal teams are granted the responsibility to manage their own efficiency and technological maturity, with limited directions or interferences from the rest of the organization. (Within 75 % of the respondent’s organizations, legal is treated as a central over-head cost at almost 90% of the teams manages their own sourcing). But will this situation last?

Many times when disruptive technologies gain ground the disruptiveness is centered around new technology making it possible to perform tasks without tools or skill sets that have previously been essential.

For instance, with the introduction of Big Data, numbers would take precedence over actual understanding of causality and function. In a famous example - If you hear a noise in a truck engine and the motor breaks down two days later, you can probably as a skilled mechanic reason that the noise is related to some moving part, maybe the belt, being worn out and that is what caused the break down, therefore you can guess that if you hear the noise again it may cause similar trouble. However, if you have access to a complete data set for all the truck engines of the same type in all the trucks, you can be certain that the truck engine will break down two days later than the noise appears, without even having to understand why.

In a similar way early tools to understand humans speaking were based on rules for how language is built up and applied in predicting which word would come next. Later versions simply suggest the next word based on what most humans would actually say.

Therefore If or when, the big data crunching and any other disruptive technology makes legal predictions and judgement available to a wider group than legally trained professionals, it is unlikely that the legal functions will be left alone to manage their continuous work and legal department improvements.

Boring legal work is a digital business opportunity

John Engholm, General Counsel Serendipity Group and founder of InsiderLog

There's a lot of talk these days about disruption of industries and how AI and robots will make pretty much everyone unemployed by the end of the week. The legal industry has realized that it too is exposed.

This makes a lot of sense if you think about some of the more unexciting tasks of a law firm associate, legal researcher or court clerk. Collecting, searching through, producing and to some extent even analyzing written information is something that a computer can do much more efficiently than any straight A law graduate and legal professionals shouldn't even try to compete with this development.

Instead of worrying about how legal tech will affect the number of billable hours or the "mystique" of the legal profession, all decision makers in our industry should embrace this change and see it for what it is; an opportunity to do less boring work and focus on more strategic, creative and sophisticated tasks. This has been pointed out in more LinkedIn-posts than I can count, but I would like to take it one step further. This is not just an opportunity to do less boring work; it's an opportunity to let technology do a thousand times the boring work you could ever manage on your own - and to make some good money out of it.

“Everything that's boring with your job
should be considered for digitalization”

Think about what makes a task boring. It's often monotonous, repetitive and governed by strict rules without room for creativity. These are also criteria that make a task suitable for algorithms and digital solutions. So why don't you build them!?. If up until now you've been able to bill your client, or collect salary from your employer, for doing something that really should be handled by a computer then why not build a tool that completes that task in a fraction of the time and then sell it to 200 companies with the same need as your client or employer? You might not be able to charge as much for the software as you did for your time, but 200 x half the price is still a lot better than 1 x the full price.

I would argue that everything that's boring with your job should be considered for digitalization. Make a list of the ten most boring tasks that you spend time on. Think about how much it costs to have you handle them, how many persons like you there are on the market and how a software would have to

function to offload at least the bulk of the work. Then ask a developer friend (you should get more of those!) for a rough estimate of building that software and then either pitch it to your boss as a new potential revenue stream or quit your job and start up your own business.

When the new Market Abuse Regulation (MAR) came into effect last year it caused a lot of headache for publicly traded companies, with loads of manual administration and steep fines for even the smallest mistakes. We at the legal department of the Serendipity Group developed our digital tool InsiderLog as a direct response to this, initially to solve our own problem. But we quickly realized that there was a market with the same need as ourselves and in just over half a year more than 120 publicly traded companies have started using InsiderLog to save time and ensure compliance.

So instead of putting our heads down and struggle through this new workload, we built something that not only does the work for us but that has also turned the legal department into a profit center. I'm happy that my boss bought the pitch, because otherwise I really do think that I would have had to quit my job.

From bespoke to commodity

A suitable backdrop to understanding the information we have gathered may be to revisit the predictions of Richard Susskind from his book "The end of lawyers; rethinking legal services", made close to ten years ago.

Susskind believes that the legal profession, like other professions who have been guarded by guild-societies will be demystified and broken down into different components based on the level of complexity and their strategic value. Legal professionals will eventually only do the tasks that are the core of being a trusted adviser.

According to the survey responses almost all respondents place work with external suppliers from time to other, it is however difficult to make any clear conclusions on what type of work is being sent away, apart from M&A and litigation, since this differs a lot between the respondents.

The driving force for change as predicted by Susskind is usage of new technology. I think we can all agree that Susskind's predictions has not yet come true. None the less in establishing whether he is wrong or if we are not there yet - the survey does give some interesting clues. All the respondents use IT in their daily work. However the use of IT tools drops steeply in relation to the complexity and the disruptive power of the technology.

Below is part of the responses to the question “What tools are your team currently using?”

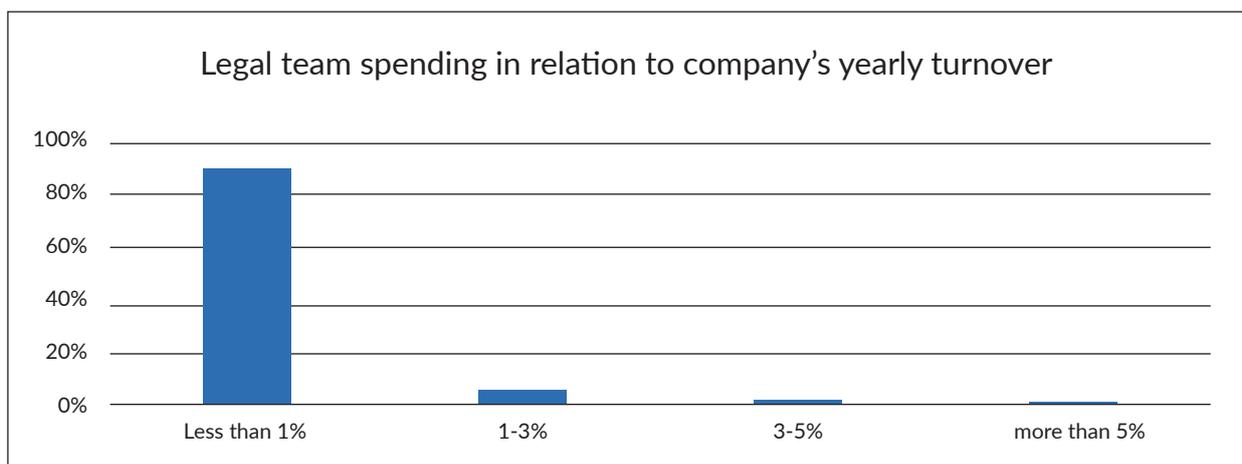
Tool	Number of Resp. using it	0-5	5-10	11-20	21-30	30-40
Team portals and info sharing platforms						
Shared drives to store and share templates						
E-learning platforms and tools						
Electronic archives with alarms and reminders						
Project management tools						
Contract generator tools						
Automated E-discovery tools						
Litigation strategy tools						
AI based tools						

When the legal industry reaches the tipping point where at least half of the respondents are using the tools on the lower half of the list the competence-, method- and efficiency- gap to the half not using them will be substantial.

It's alright now

Or what Kodak, Facit and Nokia teaches us.

As previously pointed out it is difficult to separate the in-house function from the industry in which it operates. None the less numbers indicates that the economy is booming. Most in-house functions seem to be getting the resources they demand, they are planning new hires, they are not expecting expenses cut and they are still responsible for their own sourcing. Legal spending is just a small bump in the overall turnover (90% of the respondents have an operational cost of less than 1,5% of the turnover of the company they serve).



Unfortunately, this gives us little guidance in establishing if we are in scenario 1 or 2. It could be argued that the cost spent on legal is a cheap investment in avoiding the potential risks.

On the other hand it could be argued that not until the economy is weak and the business cycle is turning downwards will there be any real pressure to minimize costs.

According to associate professor Christian Sandström and his work on disruptive technologies; Having lots of resources and enjoying happy days is many times the hurdle for change, what stops recognizing or adopting to change. Those being hit the hardest by the change, are usually the ones who outperformed the competition with the previous technology.

Sandström has looked for common traits in the downfall of once upon a time giants like Kodak, Facit, Polaroid and Nokia. We will below (very simplified) sketch some of the common traits briefly and try to map them against the aggregated result of the survey.

Trait 1 “Ugly duckling”

The new technology is often perceived as inferior when introduced since in many instances the quality of one parameter is lowered to be able to introduce another parameter.

For instance, when the first transistor radio was introduced it had an inferior sound than the electron tube but - it was portable. When the first Iphone was introduced it was inferior to the current Nokia on battery time, in how much wear and tear it could stand. The Iphone needed to upgrade its software weekly etc. while the Nokia didn't need any upgrades. Yet the Iphone had other parameters that meant that the buyers could put up with a lower level on the usual parameters.

In discussions with some of the GCs it is clear that they do not think that automated solutions will be as sophisticated as what can be achieved by a highly skilled lawyer. However the interesting part is how far we are from it being good enough. If an automated solution means that the business side will get 90 % of the contracting right on their own, or if they will get 90% of each contract right will that be enough for the in-house legal department? And even more relevant – will it be enough for the CEO? Who then might be sorely tempted to cut the legal department.

Trait 2 Heavy investments in specialized knowledge is becoming less valuable

Facit once the world leader in making of calculators, had expertise in making more than 30 000 moving cogs and parts. Kodak could mix the chemicals to bring out colors in the pictures better than anyone else, these were hard earned skills that rapidly became useless. In my discussions with some of the GC's it was brought up by a notion that their hard-earned legal method skills, searching for information already been replaced by online search-engines and intuitive on line legal products.

Trait 3 Internal conflicts of interest

In organizations facing the "threat" from new technology, status quo is often maintained since too much is invested in the current model. For instance, incentives and partnership agreements may be designed in a way that staying with the current model yields a higher payoff than adopting change

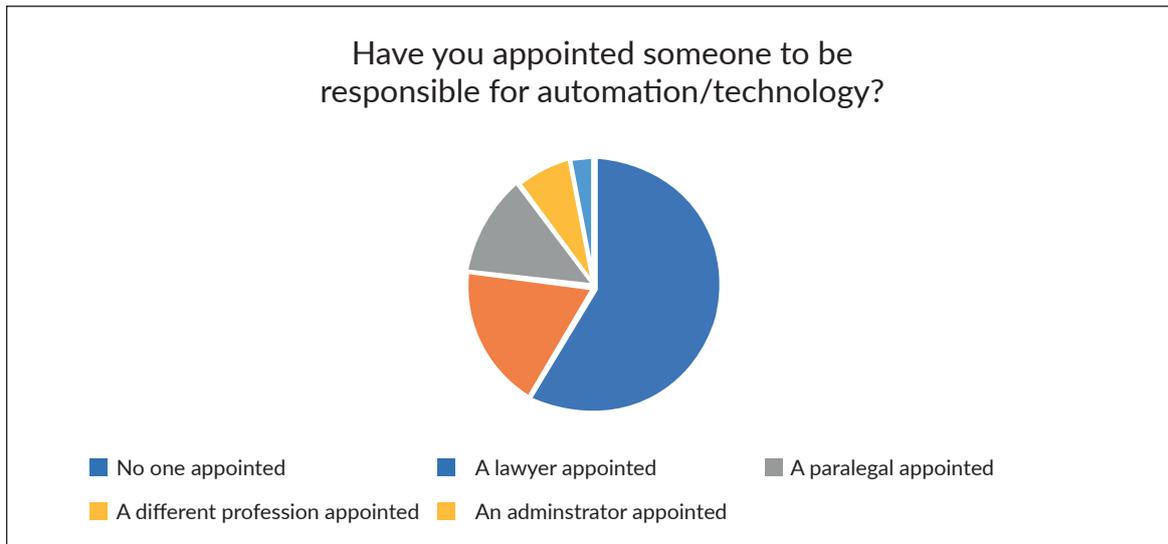
Early adopters and visionaries tend to be penalized for "rocking the boat" and causing commotion. "If it's not broken – don't fix it". The GC's we talked to recognized that moving the legal workload outside of the function to non-lawyers and to automation, may have a negative impact on headcount and consequently on internal clout. It was also discussed that the number of direct reports could affect corporate "banding" etc. for the individual taking that decision. The moral of that story being -what is the most efficient is not always the best office politics.

Trait 4 Expectations and identity

The companies that have failed hardest historically, have many times been the dominant player in their respective market. Change is always a challenge in large organizations, even more so in successful ones.

It was clear from talking to the GC's that the professional identity is for most of them very strong and that many of the in-house legal functions have staked very clear boundaries for their engagements.

Willingness to develop new skills such as programming or automation is overall low in the GC group furthermore 60 % of the GCs have not appointed anyone to be responsible for automation/technology. Among the 40% that have appointed someone to be responsible, more than 75% had appointed a lawyer or a paralegal.

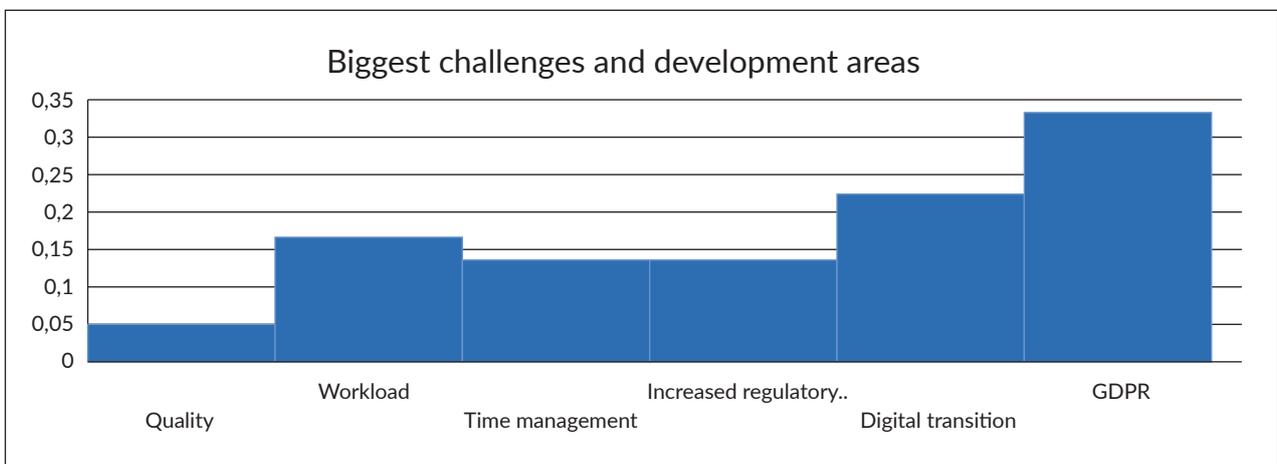


Trait 5 The markets are changing

The simple fact that something has worked in the past may be a temporary barrier to change, however it will not be a permanent protection (when was last time you went shopping for egg-cups or tie-pins). Or in the words of professional boxer Mike Tyson - "Everybody has got a plan until they are hit in the face".

The respondents identified the following areas as being of interest for the future (in order of descending popularity): GDPR, Robotics and AI, pricing models, Increasing regulations. All subjects that are relevant however which ones or if subjects not even on the list will be dominating the list for the next few years is hard to tell. How many of the companies with business in the UK had a Brexit plan in place before the election?

Respondents biggest challenges and development areas in the next few years.



GDPR as the bridgehead?

Many of the respondents see GDPR becoming a larger part of their responsibility. Never the less not a single one of the respondents identified GDPR as part of their company's strategy, or identified it as an area where they thought they could gain advantages compared to the competition.

The overall impression from the responses and interviews is that GDPR will be simply added to the "cost of doing business". This is a circumstance that, in my opinion, supports the scenario that we are just in the beginning of a shift. GDPR will impact most aspects of business and will for most of the time be considered a cost driver more than anything else. History shows, that when a large cost is accumulated by across industries, new actors, who can capitalize on efficiency, will enter the market.

For instance, the transformation in the internal IT functions at many companies may illustrate my point. Not that many years ago it would have been considered a ridiculous prophecy to predict that a vast majority of all companies would have their servers run by outside providers, in remote locations and on similar standardized software. Yet, today the hosting and managed service market is thriving and dominated by large suppliers (IBM, CSC, Tieto, AMS etc.) who can offer better availability and performance at a fraction of the cost of what can be managed in-house. Noteworthy though is that this development has not surpassed the IT function as such to the back shelves of the corporate archives, quite the opposite, most of the IT functions are a natural part of the executive management team.

In my view this is critical in understanding the role the in-house legal function may play as trusted advisers while separating themselves from the manual time consuming tasks. Indeed, the strive to be a trusted adviser on strategic issues is eminent in the responses and spending time on that is rated as most desirable for more than 95% of the respondents.

Back to the example of GDPR, it is an area of great regulatory importance and yet of limited strategic impact. According to the respondents GDPR is to a very high degree done by subject matter experts and is only by very few considered to be at the core of the value the in-house legal function creates.

Looking at how business process outsourcing (BPO) was introduced in other areas one can easily imagine a similar scenario where companies would gather GDPR experts in a relative low cost location and from there offer the services remote. What has happened in other types of BPO is that the market was flooded with too many providers simply competing on low wages. However over time the providers with the most efficient processes has emerged as winners. If we are at the breaking point of the digital revolution, the work in these types of services can not only be allocated to low cost and made efficient by process and economy of scale but can also be replaced by AI.

If a low value, high cost, task is expected to add a lot to the cost of doing business across many different industries why wouldn't managed services providers move in?

Now what?

Even though the survey indicates that the legal industry is polarized in its view on digitalization, one can conclude that change is upon us. The digitalization wave is building strong – for a surfer a wave means acceleration, for a weak swimmer it means fear of drowning. What will be useful strategies for embracing change?

The Legal mind in the digital world

Jens Näsström, Occupational Psychologist

Head Researcher at the Lawyer Performance Project

The ushering in of the fourth industrial revolution fundamentally has two dimensions, or perhaps rather two poles on a spectrum; the strategic and the tactical. The contours and the undercurrents of the strategic vector have been well profiled in the summary report of the survey of the 60 General Councils in this report. My own research and work is focusing more on the impact of the IT revolution on the everyday work (i.e. the tactical dimension) of lawyers. While lawyers always have been an elite profession when it comes to performance – putting in those long yet highly qualitative hours – the conditions for the work itself has been radically transformed in the last decade. As pressure for performance mounts, it is becoming increasingly important to consider the factors that facilitate lawyering itself. The characteristics of this new working environment can be well described with two acronyms: VUCA and PAID. The concept of VUCA was introduced by the U.S. Army War College and refers to a world that is becoming increasingly Volatile, Uncertain, Complex and Ambiguous. As such, I think it provides a useful view on the features of the fourth industrial revolution and its impact on the legal sector

Volatile = The speed of change is increasing rapidly, which challenges to everyone orientate, adapt, and stay relevant.

Uncertain = For instance, no one to what extent legal work can be “outsourced” to IT and AI which makes it difficult to prepare for the changes ahead.

Complex = These volatile, uncertain changes stem from a complex of interdependent web of factors. IT is not just the most complex technological paradigm shift in history – it also playing out in a global arena open for players anywhere on the planet making the old idea of a regional market obsolete.

Ambiguity = Many of the changes are double edged swords. For instance, e-mail is clearly a very powerful tool but many lawyers find their e-mail inbox to be a pool of quicksand from which it is becoming increasingly difficult to emerge from to be able to do high level contributions that their clients pay them for.

Thus, VUCA captures the features of a world that challenge us to raise our gaze from old maps and to pay attention to what is really happening around us, now. Unfortunately, this is becoming increasingly difficult due to the PAID reality.

P = Pressure

A= Always On

I = Information Overloaded

D = Distracted

This acronym concisely captures the impact of the IT paradigm on our minds: we are always available, work is never further away than your cellphone, and there is a constant influx of information, which leads to a mental fatigue that leaves us with a wandering mind.

While lawyers a few decades ago most likely did not work any less hard than their colleagues of today, their working environment was much more conducive for monotasking (which suits our stone age brains much better) – that is, working on one task at a time. Today, we are constantly disrupted which makes us less effective, prone to making more mistakes, more mentally tired, less focused, less creative, and more frustrated. Interestingly, the changing office landscape often does little to help us stay focus. On the contrary, many works in open offices which make it even more challenging to stay on task without interruption.

But what happens to knowledge workers (and lawyers are knowledge workers per excellence) in the PAID reality? When we are confronted by a fragmented work situation with many inputs we start multitasking. Or to be more specific, we start shifting between tasks with shorter and shorter intervals. But each shift in attention comes at a cognitive cost, because the brain needs to re-orient itself and start all over. Deep work, our ability to focus without distraction on a cognitively demanding task for a substantial amount of time, is becoming increasingly difficult to achieve. This is problematic because lawyers create their best and most valuable contributions in deep work. Instead, many lawyers spend more and more time frantically managing their inbox, answering calls etc. But the PAID reality is not

only changing our working situation; it actually shapes the very foundation for our attention, thoughts, and behaviors – the brain. Modern research shows that brains in adult brains also adapt to the environment and a host of studies show that PAID leads to increased multitasking behavior, which leads to reduced attention span.

So how can we effectively manage this barrage on our minds and attention? We can divide responses into three levels; inner, outer, and organizational. On the organizational level, we can consider how we can set up of the office to support employees in staying focused. For instance, empirical investigations do not support open offices for lawyers, as it increases disruptions and minimizes deep work. In fact, I would suggest that the opposite extreme would be beneficial for many lawyers; "working bunkers." A work bunker is a room that minimizes all distractions. It may have a minimum of decoration and clutter, discourage disruptions from colleagues, and perhaps not even WIFI connectivity. On the organizational level we find the "rules of engagement" at the law office. This may address determined hours when one is minimizing interaction with each other, to allow for deep work. It may also outline expectations of when and how often employees should check their e-mail during non-office hours. According to my research, 59% of Swedish lawyers check their work related e-mails more often than they need, leading to decreased work-life balance, minimized rest and recovery, and increased stress. A guideline might state something like "you are not expected to check your work related email no later than 8 PM during work day evenings and nor more often than once a day during the weekends, urgent matters during non-office hours should always be alerted to using text messages." Another very important activity related to attention in the organization are meetings and the norms related to them. An unfocused meeting with four people is incredibly costly and frustrating for all involved. Arriving on time, putting away cell phones, starting with two quiet meetings, and ending five minutes before the full hour are a few examples of how the quality of the meetings may be improved.

But most decisive is the inner attention of every lawyer. The productive power in knowledge workers is always the mind, and all qualified activities of the mind are dependent on paying sustained attention to the most important task at hand. That ability is eroded by the PAID reality, and research show that we mentally present and focused 50% of the time. But just how important is the faculty of attention to lawyers' effectiveness? I statistically analyzed 98 U.K. and Australian lawyers to see which (if any) of these factors could be reliably be linked to performance:

Organizational identification

Organizational Loyalty

Job Involvement
Multitasking
Attention/Awareness (Mindfulness)
Job satisfaction
Psychological Flourishing
Preference for team work
Work-life balance
Emotional exhaustion abbreviated
Cynicism abbreviated
Perceived stress scales (4 items)
Intention to quit
Psychological Flourishing

Attention/Awareness (Mindfulness) as a psychological trait, was the only predictor of success.

Earlier this year, I conducted a major study in which I sent out a survey to all active lawyers in Sweden (some 5.000), yielding 1800+ responses. Among many other analyses, I again checked for factors that reliably predicted success. The factors I checked for were:

Quantitative workload
Qualitative workload
Job Satisfaction
Over-commitment
E-mail Stress/Behavior
Leadership
MAAS
Social support
Org. Commitment

Attention/Awareness (Mindfulness) together with Leadership came out on top of the list. To the best of my knowledge, this is the first time correlation between attention/awareness and efficacy among lawyers untrained in mindfulness has been corroborated in this way.

But while the bad news is that the PAID reality rewires our brains towards attention shifting more and more often, the capacity for managing and sustaining our attention is both a skill we can master and a

muscle" we can train to reach new levels of focus. That is, we can both learn strategies that help us manage our attention but also train the very capacity to focus itself. The fusion of performance management in the workplace and mind training is called "corporate mindfulness". It approaches all important activities (email, meetings, prioritization, etc.) of knowledge workers from an attention perspective, and offers strategies, practical tips, as well as powerful training to support employees in the PAID reality.

What then, are the outcomes of lawyers doing corporate mindfulness training? Research in this field is still budding, but I do have some data from a pilot study. It involves a group of UK lawyers that did a ten-week program, one 90-minute session per week (research validated scales were used, and all changes are statistically significant):

Attention/Awareness (Mindfulness) +10,9%

Efficiency +10,8%

Multitasking -11,2% (i.e. a beneficial reduction)

Work-life balance +6,2%

Emotional exhaustion -14,6% (i.e. a beneficial reduction)

Preference for team work +6,8%

These numbers are quite typical of the improvements following corporate mindfulness training.

Thus, the fourth industrial revolution impacts all levels of the legal sector: outer, organizational, and inner.

Resources:

Recommended reading:

One Second Ahead (2015). Rasmus Hougaard

Focus Calm and Effective – A Research Review of the Effects of Corporate Mindfulness (2013). Jens Näsström

Capitalizing on Hidden Potential – A Research Review on the Benefits of Mindfulness in Lawyering (2013).

Recommended video:

Reflections from Herbert Smith Freehills on their experiences of corporate mindfulness

FINAL REMARKS

Change is upon us - that we can conclude. As in-house legal counsels, we are responding to it differently, some are early adaptors, some will be known as the “legal-laggard-squad” as long as the business side accepts it. What are hands on, actions you can take to move into the digitalized era?

How to navigate the seas of digital transformation?

Jorma Vartia, founder Laissa Oy

How do you stay abreast of all the change and navigate yourself and your team through the seas of digital transformation, artificial intelligence and all other things facing us?

The biggest issues are not tools and technologies. You need to understand how they can be applied to your business and operations and make your team and services better and more efficient. The most important issues are having clear direction and goals for your team and its service delivery, persistence and change management. Definition and acceptance of new processes and tools, competence in using them, discipline and commitment to really use them and joint developments and enhancements to keep them updated are crucial.

“You can never cross the ocean until you have the courage to lose sight of the shore.”

Christopher Columbus

The questions you will face are: How to get my lawyers on board? How to reduce the fear and make them see the positive side of this change? How to create a culture of sharing? It won't happen overnight and it is not easy. You need to be persistent and use both carrot and stick, and external support. Resistance to change is natural. With persistence, involvement and positive approach resistance will turn into acceptance of new issues.

Based on our survey roughly half of the respondents had not started to automate any of the legal work, yet. Then again, 42% of the teams had less than 5 lawyers. Size does not matter anymore. Today

cost and effort of introducing new tools and services should not hinder any team to get going. Even small teams can access and should embrace technology and tools to make them more efficient, improve quality and to release time for more strategic tasks.

Do not start from a huge project that will be implemented over the unforeseen time and cost. Start lean, learn, improve and be agile. Test new things and start from the quick wins and the low hanging fruits. I propose three items to get started:

- Store your contracts, information and wisdom in a shared repository where your team can find it and improve the content. Some of the content (e.g. templates and instructions) could be made available to your business partners.
- Automate simple contracts where you can control the first draft and/or content (e.g. NDAs and employment contracts). This is easy and very concrete way to test new tools and learn how to integrate those into your process and services. You can also test these first among the legal team and then only release (some) contracts to business partners. You should also test e-signing with these automated contracts, if you have not done that already.
- Start using e-learning platforms. These are easy to take into use and very cost-efficient way to complement the face-to-face training that you provide.

If you are serious about the change, remember to set your metrics to measure the change.

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