

Legal Tech Day

Stockholm 2017

"A more sweeping transformation may be on the horizon.
And it may look a lot like Axiom Law."

The New York Times

axiom

A new era of legal services

Axiom is the global leading alternative legal services provider. With over 2,000+ employees across three continents, we provide talent and technology to help legal departments adapt to a demanding new era.

#1

Innovation in technology –
Financial Times

50%+

Of the F100 are
Axiom clients

#17

Global locations

The Narrative

1. The Legal Tech Landscape – State of Play
2. What's in the Way? The Path to a Digital World
3. Use Cases
4. Practical Implications for GCs

Legal Industry - State of Play

**\$727
billion**

2019 Global Legal
Services Market

**\$488
billion**

Corporate Legal Spend

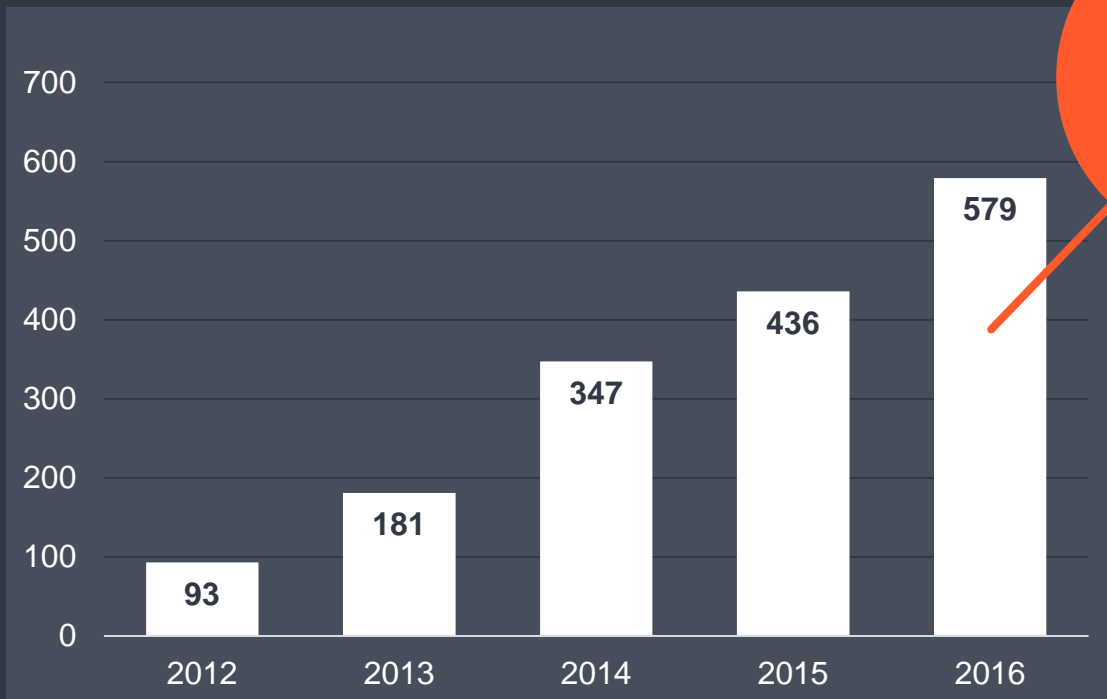
**\$5
billion**

Estimated Global Legal
Tech Spend

(Or, Less than 1% of total
Corporate Legal Spend)

Interest in legal tech is growing ...

Legal Tech New Patents Filed Globally



**500%
Growth**

Technology is the fastest growing issue of “extreme” importance to CLOs ... but today, only 59% rank as “extremely” or “very important”

Source: ACC Chief Legal Officers 2017 Survey

Source: Thompson Reuters, 2017

Legal Tech - State of Play

Investment in legal tech is on the rise, but adoption as reflected in actual spend remains more slowly paced ... and focused on “run the business” applications

		USD \$M	USD \$M		USD \$M	
	Corporate Legal Software	2015	2019 Est.	CAGR	Total Market	2015 Penetration
Greatest Absolute Spend	e-Billing	202	235	4%	524	39%
	Matter management	195	279	9%	611	32%
Largest Addressable Market	Contracts management	187	346	17%	769	24%
	Governance & compliance	147	270	16%	825	18%
	IP management	140	194	8%	768	18%
	Legal hold	129	158	5%	465	28%
Strongest Growth	Document management	127	183	10%	437	29%
	Legal project management	102	198	18%	649	16%
	Knowledge management	99	259	27%	657	15%
	Legal analytics	73	145	19%	488	15%
	Collaboration tools	61	92	11%	366	18%

Growing Spend on the Alternatives: an \$8.4B Market

but .. despite rapid growth, is less than 2% of Total Corporate Legal Spend

	Accounting and Audit Firms	Captive LPOs	LPOs, e-discovery, and Doc Review	Managed Legal Services	Legal Talent In-sourcing
Description	High-volume, process-oriented work that's complementary to accounting-audit work.	Wholly owned captive operations, often located in lower-cost regions, focused on high-volume process work.	Outsourced legal work under the direction of inhouse or law firms; generally matter- or project-based work.	All or part of a legal function (e.g., contracting). Typically engaged for ongoing work within scope, proactively managed.	Providers of lawyers on an episodic basis. Can range from lower-complexity work to highly skilled and experienced specialists.
Key players	<ul style="list-style-type: none"> • Deloitte • EY • PWC • KPMG 	<ul style="list-style-type: none"> • WilmerHale • Clifford Chance • Eversheds Orrick • Allen & Overy • Reed Smith 	<ul style="list-style-type: none"> • Thomson Reuters • DTI • Mindcrest • QuisLex • Integreon • Consilio • Ldiscovery 	<ul style="list-style-type: none"> • Thomson Reuters • Axiom • Riverview Law • Elevate 	<ul style="list-style-type: none"> • Axiom • Special Counsel • Update Legal • LOD
Revenue (Est.)	\$900M	\$150M	\$6,200M	\$250M	\$900M

Source: "Alternative Legal Services Providers: Understanding the Growth and Benefits of These New Legal Providers, Georgetown Law Center for the Study of the Legal Profession, with Thompson Reuters Legal Executive Institute, January 2017 (summarized) . Includes spend by law firms on alternative providers.

A Multitude of Legal Tech Frameworks



*Generally organized by function

A Multitude of Legal Tech Frameworks

No shortage of legal tech blogs, country-level tech association-developed and analyst market maps

LEGALTECH IN GERMANY

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Technology based and standardized legal advice products

FLIGHT

AirHelp, compensation2go, euclaim, FairPlane, Flightright, Flug-Einleitung.de, WIRKAUFEN-REISENDEUTSCHLAND

TRAVEL

123recht.net, ANWALT.DE, anwalt24.de, ESCHERHILFT, fag-erben-anwalt.de, FragRobin

CAR

ANSWER

FINANCE

aboardarm, KUNDENSCHUTZ.ORG, volders

CONTRACTS

CETONIS, ClaimRight, DASRECHT.DE, jurato, PERCONEX, MINEKO, rightmart

LEGAL PROCESS OUTSOURCING (LPO)

axiom, Digitorney, edicted.

Xenion

legaltech.be

Legal Education & HR
 lexGO, lexalert, LegalNews.be

Practice Management
 DLex, SECIB, knowliah, Wolters Kluwer | Kleos, CICERO LawPack, flexsoft, LEGADEX, TOGA ADVOCATENSFTWARE

Legal Research
 Wolters Kluwer | Jura, Iarcier group | strada lex, lex.be, IP Curia.eu, pythagoria, darts-ip

Online Legal Service
 lex4u, LAWBOX, legal, LeBonBail, DEJURISTEN, ONLINE LAWYERS

Consultancy Law Firm
 know to grow legal, frahanblondé

Publishing
 KNOPS PUBLISHING, Wolters Kluwer | Libreo, Iarcier group | bruyant

Automation
 DELAYED, CANCELLED, OVERBOOKED, CLAIM IT

The Legal Tech Market Map

Legal Tech Software
 PREMONITION™, Research, asetext, RAVEL, v|lex, IGHTS

Lawyer Search
 lawbooth, LEXOO, Notarization Tools, Notarize

Online Legal Services
 axiom, legalzoom, ROCKETLAWYER, LEGALRAASTA, upcounsel, legal matters.com, legistify, vakilsearch

Litigation Finance
 Mighty, LexShares

IP/Trademark Software and Services
 DECIPHER, 知果果, LEGALVISION, avtal24

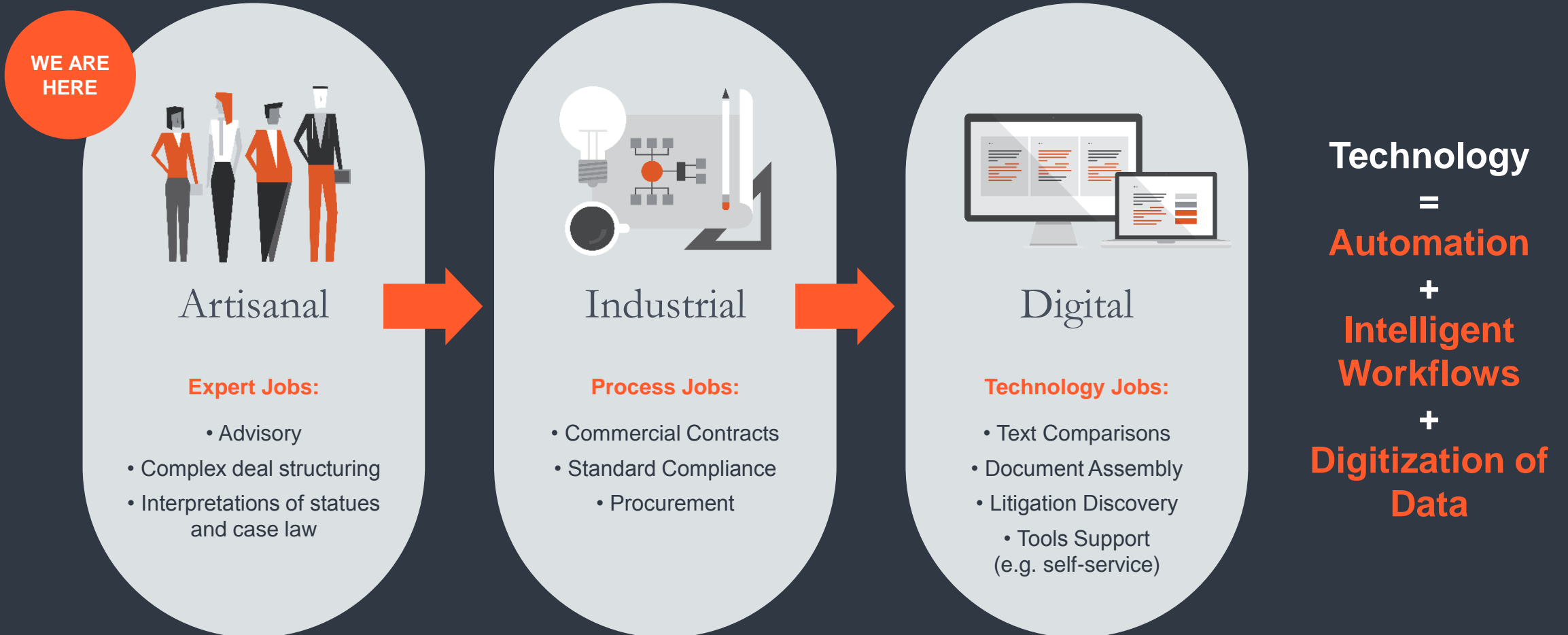
Practice Management Software
 ULT, TURBOPATENT, LAW CANVAS, PRACTICEPANTHER, clairvOlex

Trademarks
 TrademarkNow

Law Management
 LawGeex, lawtrades, Avvo, wevorce, legalBase, LAWPATH

So ... change is clearly afoot.
Is this progress .. or still promise?

Evolution of Legal Competencies



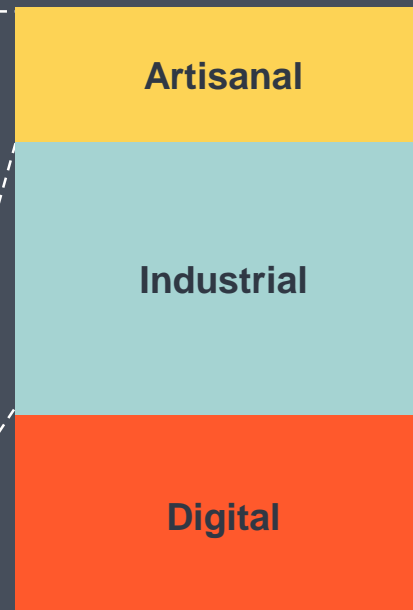
The Rise of GC “Production System” Thinking

Matching the “production system” with the work while fundamentally improving outcomes

Current Mix of Work



Targeted Mix of Work



Future Target Operating Model (TOM):

- Align resourcing models with nature of the work
- Multiple ways to execute (“how”)
- Tech follows, not leads, process industrialization

We get it.
How to start?

Two Parallel Starting Points

1 Build the Vision for the Future State Model

- Recognize that the in-house organization is effectively an artisanal law firm model housed inside a corporation .. *rather than a model designed for what in-house departments actually do*
- Start functionally – the answer will be different across legal work types
- Iterate – it won't happen overnight

2 Identify Near-term Opportunities for Industrialization and Experimentation

- Find the first 3-5 targets and drive the organization to execute – leverage external expertise and partners to fill competency gaps
- Create concrete examples of “art of the possible” – reward the organization for further innovating and ideating
- Create Legal Tech “Labs” for AI, Analytics, Self-service applications, other... unleash the creativity of the organization

From here to there – the Target State Model

1

Strategy & Risk
Management

IN-HOUSE LEADERSHIP

Risk Management Strategy Performance Management Governance

Transformation
Execution
and
Run/Improve

LEGAL OPERATIONS

Program/Project Mgmt. Technology Analytics Resourcing Model Execution

LEGAL SHARED SERVICES

2

Executing legal work:
"the substance of law"

Litigation

Transactional

IP

Other...

Artisanal

Artisanal

Artisanal

Artisanal

Industrial

Industrial

Industrial

Industrial

Digital

Digital

Digital

Digital

And finally, remember the “soft stuff” can be the hardest.

The emotional journey of creating anything great

This is the best idea ever!

This will be fun!!

This is a lot harder than I thought.

This is going to be a lot of work.

Maybe this wasn't such a great idea...

Let's call it a day and say we have learned something...

Ok, but this is still hard.

Hmmm...

Hey!

Wow!

This is one of the accomplishments I am most proud of.

Dark swamp of despair

Source: Various tech blogs, LinkedIn postings

axiom