



Finding the NORTH STAR

Perhaps a little later than most business sectors, law firms are undertaking their own journey into the digital space. This is driving law firms to introduce new leadership roles. **David Cowan** analyses the acronyms



he world of technology is filled with acronyms, right down to the alphabet soup of job titles: CDO, CIO, CAO, CTO, CDAO, CSO, CISO – and the list goes on. These are all titles that overlap or duplicate what is essentially a key role in any business today: leading technology transformation and disruption.

Back in 2014, with bold enthusiasm, the international consultancy firm Gartner estimated that 90% of all large organisations would have a chief data officer (CDO) by 2019. However, a more recent New Vantage survey revealed that, while a majority of firms report having appointed a CDO, it is still only 55.9% – significantly short of Gartner's prediction. The early driver has been regulation and governance concerns around data, but this is changing.

“Today's data and analytics leaders are becoming impactful change agents who are spearheading data-driven transformation,” says Valerie Logan, research director at Gartner.

Mirror in the bathroom

Arguably a little later to the party than most business sectors, law firms are mirroring this change and undertaking

their own journey into the digital space. The same dynamics are driving law firms to introduce new leadership roles, though not necessarily using the CDO designation – and they come from diverse backgrounds.

In the US, for instance, a trawl through AmLaw 100 law firm websites reveals that just seven have official CTOs. When US employment and labour law giant Littler hired Text IQ's general counsel, he became the firm's first CDAO. Dentons hired their

first-ever global CIO in 2017, a former assistant secretary of commerce under President Obama. In London, DLA Piper's former CIO joined DWF in the newly created role of CIO. His predecessor had the title of CTO and joined Freeths as its first-ever CTO.

Eileen Burns, head of legal technology at Arthur Cox, asks: “CIOs, CDOs – what's in a title? Question is, what is the work? What is the service we need to deliver?”

In the past, the lead technology role tended to comprise a mixture of a complaints department (“The server's down again!”) and a policing function (“Change your password!”) – but times have changed. Nicholas Eustace (IT director at Eversheds Sutherland) says: “We've created a bridge between IT and the client, changing the language

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AT A GLANCE

- It is increasingly important for law firms to embrace a range of disciplines and functions as the profession restructures how services are delivered
- Irish firms are focusing on technology to deliver to clients through collaborative approaches. This is changing the way firms operate
- There is much speculation about commoditisation of the legal industry, but there are good reasons why lawyers will always be needed. What may be happening, though, is a lawyer evolution, raising them to new levels of service, with the labour-intensive tasks taken out of the equation



PICTURE: SHUTTERSTOCK



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Q FOCAL POINT

TRANSFORMERS

There is much speculation about commoditisation of the legal industry, but there are good reasons why lawyers will always be needed. What may be happening, though, is a lawyer evolution, raising them to new levels of service, with the labour-intensive tasks taken out of the equation.

Certainly, we will see more client cases like JPMorgan Chase, which reduced some 360,000 billable hours (at an average of \$200 an hour), resulting in \$72 million of legal fees evaporating.

Legal-process outsourcing firms like Axiom and Riverview Law are providing alternate legal services to clients with different models, but there are limits to commoditisation.

Most Irish firms are not in that business, and they don't need to be. There are ample opportunities to use technology, such as predictive analytics, to identify new business opportunities, be more effective in bringing new clients on board, leverage data use within the firm, cross-sell and upsell existing clients, and reduce their

own operational costs.

Creating better metrics, enhancing partner profitability, matching lawyers to client need, and using 'gig' lawyers or other consultants and more creative fee structures can all be advanced by effective use of legal technology and innovation.

Julian Yarr (A&L Goodbody) explains:

"Law firms present themselves to the market, and we need to understand the service we deliver, ensure we provide sophisticated legal advice and strategy, which is secondary to managing efficiency. And when we speak to the client, we ask: 'What do you want to achieve?'"

"Any process that is consistent, repetitive and cost sensitive will work for certain types of business, but not for us. That's not our kind of business."

Yarr adds: "You can't just pursue costs. There are those who will offer cheaper, faster services as commodity suppliers, but there is still a difference between smart people with machines, and average people with machines."

from technical language to asking: 'Is this possible – what is the potential here?' We can give a positive answer in language clients want to hear."

He elaborates: "There is a lot more analysis done in today's law firm. Firms are more process driven. There is more project management, more tools. This mirrors the client business."

The test

This created a paradigm change since, traditionally, law firms have been cautious, risk-averse and conservative. Julian Yarr

(managing partner at A&L Goodbody) quips: "The challenge is that law firms have been led by leaders using the same operating models for the last 2,000 years!"

The traditional structures have divided the legal world into partners and associates, lawyers and non-lawyers. Yarr adds: "The term 'non-lawyer' is banned here. We are hiring in people from 'non-traditional backgrounds'."

It is increasingly important for law firms to embrace a range of disciplines, functions and titles as the profession restructures how services are delivered. This is happening

in Ireland, and law firms are innovating leadership and client delivery within their firms through a collaborative approach.

Declan Black (managing partner at Mason Hayes & Curran) leads the firm's steering group, formed to look at addressing client needs and finding ways to innovate meeting those needs. He explains that the group is tasked "to look at what lies two-and-half to three years down the road – and identify opportunities".

He says: "A collaborative approach is best – working collaboratively with product developers and working collaboratively with clients," but the test is "what is the utility for our clients? What are they trying to do?"

Black uses the analogy of high-end restaurants and hotels: "We must meet our client needs and exceed them. The trick is to anticipate their next requirements before they do."

Yarr explains: "A&L Goodbody has been, I would say, an early adopter. And, like others, we thrashed around, made mistakes – but 24 months ago, we had a complete rethink and made significant investment in resources in an organised way, and we now see the fruits of it."

Tom Connor (innovation manager at Matheson) says that the emergence of legal technology around 2013 and 2014 was "the innovation trigger". He notes: "Formalisation of an innovation function doesn't surprise – it's important to do that, but the question begs itself, where does that responsibility fall? We've adopted the approach – not the title." He adds: "Our partners are very engaged. It is part of the DNA now to implement innovation. Everyone should be innovative – it is a shared responsibility."

Moving on

The digital transformation at Arthur Cox has occurred in the same time frame as other firms but, in their case, it was helped by an office move. Partner Rob Corbet says: "It gave us the opportunity to think [about] the future and undertake IT delivery with some bold steps. It also created a deadline."

Eileen Burns, an Accenture veteran, was brought into Arthur Cox in the newly created role of 'head of legal tech' at partner level. She comments: "It was a big investment to the firm to create the role at partner level."

THE CHALLENGE IS THAT LAW FIRMS HAVE BEEN LED BY LEADERS USING THE SAME OPERATING MODELS FOR THE LAST 2,000 YEARS



TECHNOLOGY REDUCES COMPETITIVE ADVANTAGE. THE GAP IS CLOSED, BUT IT IS NOT JUST ABOUT ADOPTING TECHNOLOGY – IT IS ABOUT GETTING THE RIGHT PEOPLE

Her task is “to look at the evolving parts of the business, think about the future role of the lawyer, and embed this into the day-to-day”.

The team has “diverse skill-sets, which would have been unusual in a law firm five years ago. They are technologists, with different kinds of thinking, working with lawyers, with clients – and this is when the magic happens.”

Charles Carroll (partner at A&L Goodbody) explains: “Technology reduces competitive advantage. The gap is closed, but it is not just about adopting technology – it is about getting the right people. I do the tech piece, but there is a lot of crossover.”

Joe O’Sullivan (chief technology officer at A&L) concurs: “It’s not a magic box. The client is at the heart, and we bring in people with non-traditional and lawyer backgrounds. We have people doing the role of CIO and head of knowledge. We have the parts, but we are going about it in a different way that works best – not creating silos, but bringing people together to deliver a service to the client.”

Black hole sun

Eileen Burns says that, in one sense, “tech is the easy bit”. While there are many complexities and challenges involved in the technology, she states that the key is “to address the questions of what business problems I am trying to solve. What is my ‘North Star’? How do I monitor this?”

She says that the cost, which has been a barrier to entry for law firms in the past, has gone down significantly, making investment more feasible. “Clients are demanding solutions, and this is fuelling investment.”

Have law firms lagged behind? Burns comments that she prefers to explain the timing as “later in law than in other sectors”.

Nicholas Eustace (Eversheds Sutherland) suggests that, “historically, we’ve been behind the curve in Ireland, sitting and



PICTURE: SHUTTERSTOCK

watching the UK, seeing what they’re doing and then leaping in as long as it’s successful. We’re now leading the way. We don’t wait – we try and get ahead of the curve.”

As the technology moves on, what comes into focus is the human element, creating a changing communication landscape. Gerard Ryan (partner at Eversheds Sutherland and chair of the firm’s IT steering committee) says that while “there is overload of information and over reliance on emails”, it brings the benefit of “consistency of language and style”.

He adds that technology has also brought more empowerment: “There is a self-serve approach now. Things that used to be done for us, we now do ourselves through iPhones and apps.”

However, Eustace warns that self-serve and ease of access bring their own risks, and that the technology-policing function remains. He notes: “The risk of cyberattack, of hacks, is increasing – and the biggest risk is the people risk. People want convenience. They get frustrated by processes. But there have to be checks and balances in the system.”


The handling of escrow funds is a good example of this trade-off problem, he suggests: “There are gaps in the system,

but some manual processes are still needed, especially in handling funds. Our agenda is to enhance protection, but remove processes.”

Take it to the top

Irish law firms are focused on technology to deliver to clients through collaborative approaches. This is changing the way firms operate. Tom Connor says: “Matheson was established in 1825. It has a tradition of excellence, and facilitating digital transformation is replicating that same level of excellence in the digital arena to deliver new value to clients. Traditional excellence becomes a new digital excellence.”

This excellence, Julian Yarr notes, is “not about information or volumes – it’s about the quality of the data. The clients want to know what the data is; how to use it; what are the risks and opportunities?”

Law firms, he says, are selling information, knowledge and experience as a package. Law firms in Ireland are confident in their approach to innovation and in their response to perceived threats to the industry – and that is primarily for one reason, articulated by Declan Black: “Lawyers may charge time, but they sell judgement” – and that tradition stretches back centuries. 



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