

onecom

Looking at Law:

# Closing the gap between technology and the client through AI







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A large proportion of law firms are digitalising internally, but not when liaising with clients. This report looks at the disconnect between consumers' digital demands and the pace of adoption within the legal sector, and how AI is set to change the way we communicate forever.

**#THEFUTUREOFLEGAL**



## Closing the innovation gap

As consumers' digital demands grow, so does the need for law firms to embrace digital transformation and consider how artificial intelligence (AI) could enhance their operations and improve customer service.

Onecom's research into the use of digital technology in the UK legal sector has revealed that **7 out of 10 consumers would choose a 'lawbot'** – a customer facing, automated online system – to handle their legal affairs over a human lawyer because it's cheaper, faster, and simpler.

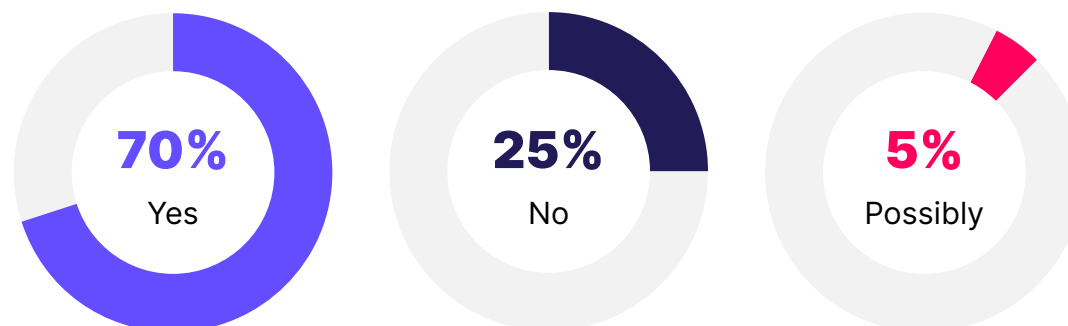
**19% said it's more convenient and more than half (56%) are even prepared to pay more for such a service if it means a faster resolution.**

The digital revolution is here, and with AI becoming an active part of a business' customer service strategy, what were just predictions for the future are increasingly being put into action. A perfect example of this is Five9's **Intelligent Virtual Agent (IVA)** technology, which uses AI technology to understand what clients want and how to provide it quickly without human intervention. This delivers a conversational experience for automated interactions. It also lowers service costs by handling interactions typically managed by live agents.

Clients are increasingly looking to self-service options to find quick and easy solutions to their problems. Firms that provide these contact options are positioning themselves for success, while those that don't are likely to struggle with client satisfaction.

### POLL:

Would you use a lawbot if it meant quicker, more accurate service?





## Let's do the time warp... again?



*Consumers want more control over their legal affairs with, sometimes, little or no human intervention, and with the speed, efficiency, and security that multiple channel webbased communications offers.*

**Martin Flick, CEO, Onecom**

**From a law firm perspective, Onecom found that over half (66%) of UK firms worry that failure to keep up with digital advances will affect productivity, billable time, and client response rates, with SMEs (61%) slightly less concerned than larger law firms (71%). Half of all law firms (49%) also worry about falling behind the competition.**

There were more flexible workers last year than ever before and more than 50% of workers now work outside their main office at least two and a half days a week. For highly regulated industries such as legal, the argument for flexible working is somewhat in dispute.

This is in part due to culture; however, the real issue appears to be the highly sensitive data these companies have access to, and the concerns over device security.

Onecom discovered that only **28% of firms surveyed were actively using Instant Messaging for collaboration**. It's easy to see why flexible working isn't commonplace – the tools simply aren't there. The positive news is, **46% of firms surveyed have embraced cloud file sharing, albeit only 20% using cloud-based file sharing services to collaborate with clients.**



## The demand for digital is strong

The research showcased that consumers are keen to embrace online court services. **Insurance claims (46%), financial disputes (23%), and tax appeals (23%)** were the three legal services that consumers most wanted to be digitalised according to Onecom's findings.

**19% would also like access to a purely online, automated residential property, and conveyancing legal service with no intervention from a human lawyer, whilst 14% would happily use a 'lawbot' to make a divorce application. 11% are even happy to use an online automated system to make an unfair dismissal claim against their ex-employer.**

The legal industry has a lot of potential to benefit from the use of AI, 'law firms that are embracing this technology are working more productively and spending less time on monotonous tasks' according to a 2019 article by Law Technology Today, taking a look at the digitised law firm.

## Inside law firms, who is digitally transforming?

Onecom found that a large proportion of UK law firms are embracing technology internally, **with 69% using IM and chat to communicate with each other, significantly improving efficiency and billable time.**

On the flip side, very few of these firms are extending the use of this technology externally to enhance the client experience and add value to their services. When the efficiencies are this tangible, the question to be asked is why are law firms so slow to adopt collaborative technology to improve the client experience?



**Traditionally  
risk adverse**



**Using legacy  
infrastructure**



**Resistant to  
change**



**Cost remains  
a concern**



**Lack of time for  
user education**



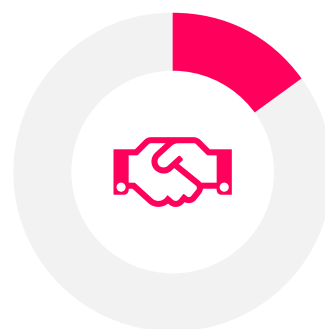
## Why resist when the reward could be this good?



*More than a quarter (27%) are concerned about contravening GDPR, and 40% fear disclosure failings and regulations around custodian driven data collection.*

**Martin Flick, CEO, Onecom**

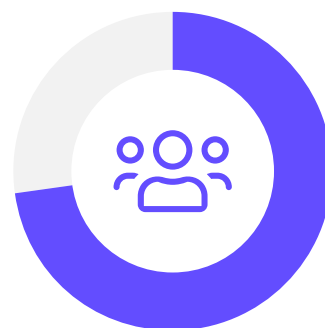
Onecom's study found that the benefits of installing the latest digital communication systems, from web conferencing to cloud file sharing systems, have been significant for the law firms surveyed.



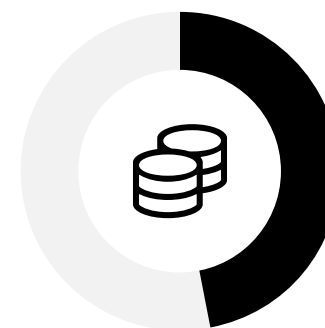
**15%** claim it improves talent retention



**34%** have increased their billable time



Nearly **73%** have seen improvements in people efficiency, productivity, and business agility...



leading to a majority **(47%)** boosting their bottom line by between £20,000 and £200,000 a year



## Security and disclosure fears holding firms back

Whilst the business and bottom-line benefits are evident, **more than 1 in 3 (39%) UK law firms worry about data breaches and cyber-attacks when using online automated systems and web-based communications** – likely holding many back from digitally transforming their client facing services.



## Digitalisation has proven benefits including:



Greater  
agility



Greater  
profitability



Greater  
productivity

Implementation of collaborative cloud technology can improve efficiency and security, for both the client and the firm. By becoming paperless and utilizing the advanced and encrypted private cloud services available, firms ensure that client information is safely and securely stored.



*As we look to the future, on our journey to the fourth industrial revolution, these services will be the norm, so it's important for law firms to get on board now and digitally engage with their staff and their clients, and in the way that they want, need and expect.*

**Martin Flick, CEO, Onecom**





## Onecom's client Kennedys embraces digitalisation

Kennedys also further bolstered its innovation capabilities in 2018 with the opening of 'Kennedys Kognitive Computing', focused on **"technologies such as rapid prototyping, application development, text analytics, machine learning, and blockchain, [in order to] accelerate the development of our award-winning innovations and the strategic desire to reduce legal spend for clients."**



*The majority of our workforce are mobile and therefore require agile services that connect them securely and at speed. We've also embraced the latest technology innovations to future proof our business and ensure better client customer service and retention.*

**Martin Flick, CEO, Onecom**

**Kennedys is a global law firm with over 50 offices, associations, and co-operations worldwide with particular expertise in litigation and dispute resolution. With over 1,900 people worldwide across 37 offices in the UK and Europe, Middle East, Asia Pacific, and the Americas, Kennedys has some of the most respected legal minds in their fields.**

The firm acts for insurers, reinsurers, Lloyd's Syndicates, public bodies, and corporates.

Kennedys has been working with Olive Communications, enhancing and digitalising its services. Mike Gilpin is Director of IT at Kennedys and responsible for the digital infrastructure of the business. Mike commented, "At Kennedys it has been essential to digitally transform, for our global growing business and for our business customers."

We have seen increased profitability and efficiencies through the implementation of technology at every level and welcome the new ways of client communication as it resolves issues faster, which benefits the clients and the firm."







## Embracing a new wave of innovation

The positive news is law firms are beginning to plan for change. A recent report from Mishcon de Raya featured in The Lawyer encouraged firms to **“spend 20% of your billable hours on innovation”**.

This way of thinking will change the structure of a modern firm forever. In a world where traditional Chief Technology Officer roles are transitioning more to Chief Innovation Officers and working ever more closely in tandem with customer service teams, the pressure placed on firms from clients is likely to increase in intensity in the drive for quicker response times, accuracy of information and speed of resolution.

It appears from this research the majority of UK law firms surveyed have embraced some form of digitisation internally (however basic), recognising outdated technology has an impact on talent retention, but don't yet have a digital transformation strategy in place which has the potential for improved client retention.



## How the pandemic has accelerated digitalisation in law firms

The recent outbreak of COVID-19 across the world has forced many businesses and industries to adopt a remote working environment. Where the legal industry was once apprehensive about embracing a digital-first approach due to security concerns and the application of AI, many firms have now been left with no choice as a result of lockdown.

Law firms are facing unprecedented challenges. Client priorities are changing, and law firms have had to shift to meet their new expectations.

As reported by McKinsey, law firms must now operate on a truly clientfirst basis, serving their needs in the digital space. Law firms have had to accept digital transformation not just for their clients, but for themselves. The Financial Times states that the top 15 law firms (of the FT Top 30) have embraced digital transformation. COVID-19 has been a logistical challenge for everyone, but those firms that are able to input digital processes will suffer far less.

### Embracing the digital revolution

The reality of COVID-19 has forced companies to come to terms with their digital futures far sooner than expected.

The legal industry has so far avoided serious technological disruption, but the pandemic is causing a digital revolution and the introduction of machine learning and artificial intelligence into legal departments is changing everything. Adoption of technology is the future. One legal firm, Roche Legal, has embraced the digital and remote working lifestyle.

These changes affect both staff and clientele, and Roche Legal has implemented a new cloud-based onboarding process for their new starters to help acclimatise them. They use a similar process for clients, capturing their data online. The challenges brought about by lockdown meant that perfecting this online process became a necessity for their business.



## The benefits of the new digital workplace

Law firms are discovering the benefits of using technology to communicate with customers and collaborate with staff while working remotely. In unsure times, the ability to communicate is essential, even if just to reassure your clients you're still there to help them.

Taking processes online means removing paper from the workplace. Securing client data is vitally important, and adopting the cloud means law firms have a safe storage solution while granting them access at all times.

## The future of legal

COVID-19 is having a disruptive effect on industries across the world, but it's also helping to prove that things can be done differently. Digitalisation in law firms helps them remain in constant communication with clients, as well as safeguard their data. Although the legal industry has resisted change in the past, the pandemic is forcing that digitalisation process upon it and helping to shape the future of the industry.

## Interested in learning more?

In a time of widespread digital innovation, we know that businesses like yours are under increasing pressure to improve operational efficiencies, maximise costs, and deliver a simply brilliant customer experience. The aim of our 'art of the possible' sessions is to understand how your business currently operates, your business drivers and strategic vision, and of course where technology could make measurable improvements.

We've worked in partnership with a number of UK and global organisations, across a variety of sectors including professional services, finance, retail, legal and more, and have a track record of implementing award winning technology solutions.

If you would like to learn more about how to achieve award winning technology and deliver simply brilliant client experiences, then please **[book an art of the possible session](#)** with Onecom here.

We hope to speak with you soon.



## About Onecom

Onecom is the UK's leading managed cloud communications provider dedicated to advising other leading mid-market and enterprise businesses on their transformative growth strategies. With pedigree across legal, financial, professional services, construction and private healthcare, Onecom has experience and success in migrating clients to the cloud with an emphasis on transforming business capability and agility by leveraging the power of convergence and technology.

**For more information on how Onecom is continuing to shape the way we live and work, visit [www.onecom.co.uk](http://www.onecom.co.uk).**