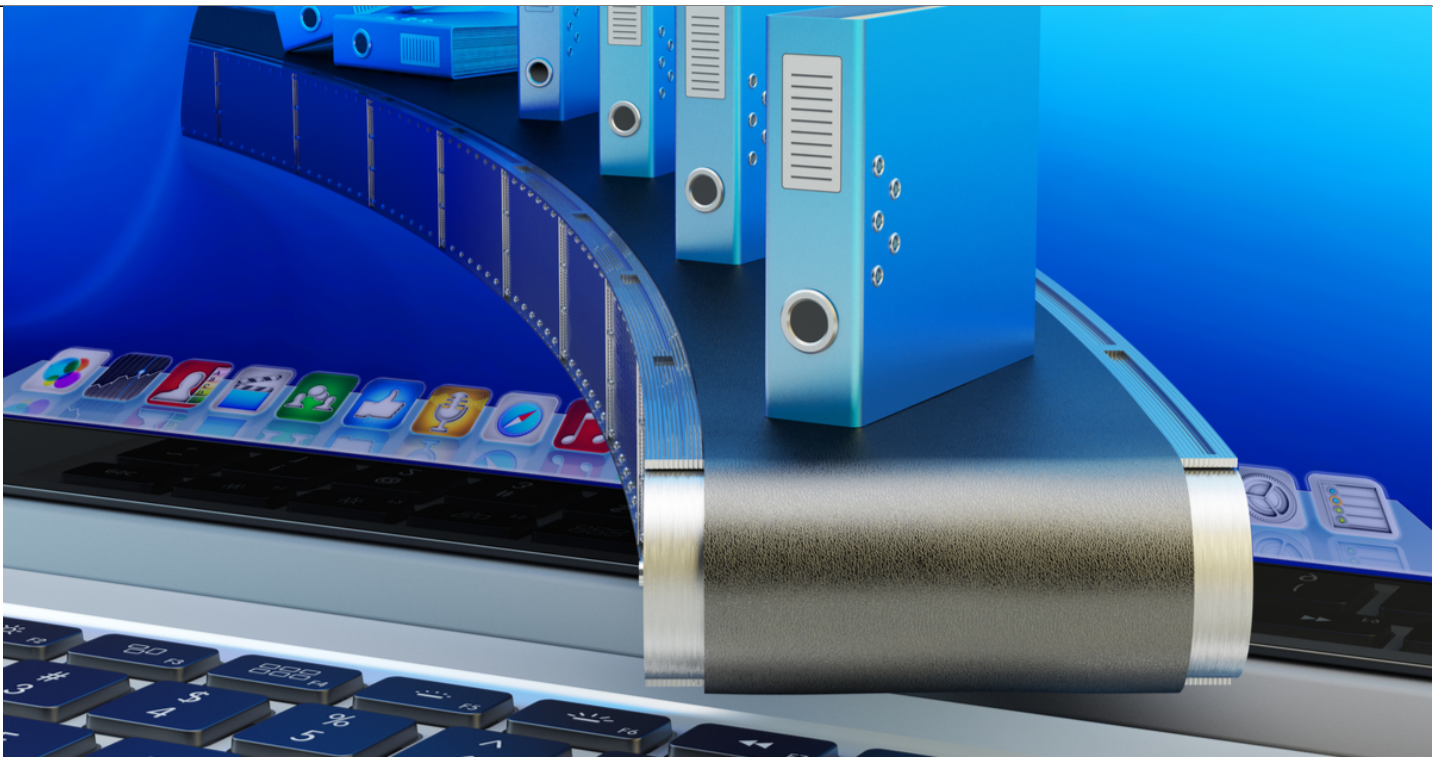




Legal Tech: The Productization of the Legal Department

Law Department Management

Technology, Privacy, and eCommerce



Henry Ford famously remarked that the moving assembly line allowed work to be taken to workers rather than the worker moving to and around the vehicle. The invention led to a bevy of beneficial changes in manufacturing facilities across the globe.

Legal services could never be mass-produced like automobiles. But in productizing a legal service, you combine the legal experience and expertise of lawyers with the enhanced speed, accuracy, and scalability of automation.

Delivery becomes more efficient and affordable. You can sell the same productized service, again and again, bringing much-needed legal assistance to more public and business users. Productization not only expands the ways lawyers offer legal advice but is also a market evolution legal providers must embrace if they are to thrive in the modern digital era.

Your window of opportunity

For some legal services, the window of opportunity to productize may be narrow. Alternative legal service providers have been commoditizing legal services for over a decade. Many services have been productized already, such as tools that enable users to file their taxes, create a legal will, and appeal traffic tickets. Early movers will quickly establish their product as an industry leader.

But, as with all things tech-related, there will always be room to deliver a faster, less expensive, or easier-to-use product. The law firms and legal departments that eagerly embrace productization also gain significant upsides.

That's because the motivating question is: Why would buyers continue to pay lawyers thousands of

dollars to manage their legal needs when a digital tool can handle them just as effectively and is also immediately available to give them results faster and cheaper?

The many upsides of legal productization

In an increasingly competitive landscape, a legal product can become a differentiator for a law firm. As its creator, the product positions the law firm as the industry leader for that particular service. Those who delay may find themselves in a never-ending game of catch-up.

Products are generally easier to market and sell than services. Buyers get a concrete concept of the services they'll receive, which eliminates some hesitations to purchase. Self-service legal tools can become a significant source of marketing leads. You can offer a self-service tool as a loss leader.

Once new clients use or purchase your product, they may be more likely to turn to your firm for additional legal services. Corporate buyers, in particular, appreciate the predictable costs of products.

Legal products can even generate significant revenue on their own to become a source of ongoing passive income. Many products require maintenance to ensure they stay up to date. But generally, once a product is built, the bulk of the work is complete. It can be sold an unlimited number of times to continue generating revenue month after month.

In the in-house realm, lawyers who help develop a product for employees to use lay the tracks that the tool must follow, essentially safeguarding the company's interests by preventing users from veering off into uncharted territory. The product serves as the vehicle to carry in-house counsel's legal guidance directly to employees. The legal team becomes an even more effective business enabler.

Options for productizing legal services

Yes, you have to be careful in your approach to productization. Not every legal service should or can be productized. Standardization is essential. There can be little variation in the possible approaches to arriving at a specific end goal.

Those who use legal products expect predictable outcomes that meet a high standard of reliability. For example, all documents will be reviewed and produced with high precision and recall rates. Taxes will be filed with no errors and maximum refund amounts. They'll generate a sales contract that contains all the required provisions to protect the company and all the relevant details to optimize the current sale.

Like any business opportunity, it is essential to plan accordingly and consult industry experts. But risks are both minimal and manageable, especially compared to the many benefits. There are several ways to develop legal products, including:

Hire developers or rely on your existing IT team to build products.

A law firm's technology subsidiary recently created a legal product that automates employment policy updates. It had previously developed privacy products that automate GDPR and CCPA compliance and documentation.

It's doubtful that many of the firm's lawyers will miss the manual labor. Now their time is better spent on higher-value work.

Partner with legal tech providers to build legal products.

Another law firm is partnering with a contract automation provider to bring digital negotiation and clause-level functionalities to its corporate clients, who then establish business relationships in a more transparent environment.

Many legal departments also partner with vendors to set up automated contract creation workflows. Business users fill out a form with information the tool uses to generate the appropriate contract for their specific needs automatically.

Embrace customer-focused productization opportunities

The agile, technology-enabled law firm or legal department is most poised to deal with modern challenges and take advantage of new opportunities. Embrace productization to aid in your legal services delivery.

Consider investing in productization in top practice areas, especially areas experiencing growing demand such as privacy, cybersecurity, and global trade. A strong focus on client service and legal expertise will direct you to develop the right products.

Productization allows you to deliver customer-focused legal services at scale and cost-effectively to make a more significant impact in the world and on your bottom line.

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Mack is also an award-winning (such as the prestigious ACC 2018 Top 10 30-Somethings and ABA 2022 Women of Legal Tech) general counsel, operations professional, startup advisor, public speaker, adjunct professor, and entrepreneur. She co-founded SunLaw, an organization dedicated to preparing women in-house attorneys to become general counsels and legal leaders, and WISE to help female law firm partners become rainmakers.

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