

# Lawtech Adoption Research

## February 2019

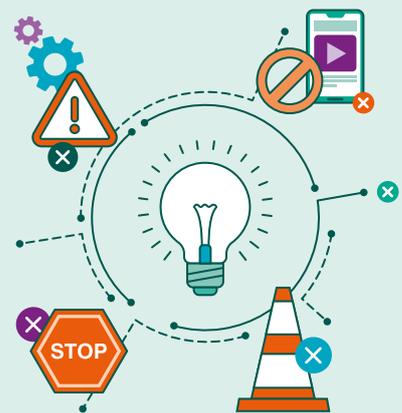
There is increased pressure for firms based in the UK to use or enhance the use of lawtech.

Some of the main reasons for this pressure are the need for greater efficiency; increasing workloads and complexity of work; the changing demographic mix of lawyers, with younger, ‘tech savvy’ staff becoming more prevalent; and, most importantly, greater client pressure on costs and speed.



### Significant barriers to adoption still remain.

Our research found that adoption difficulties facing users of lawtech are particularly acute for law firms. There is a rising awareness in the market that lawtech is important, that the legal market is going to change, and that law firms which adopt technology will have a competitive advantage over those that do not. However, some of the barriers to adoption are fundamental to the industry and include the partnership model and billable hours model, risks around compliance, and varying levels of awareness and confidence.

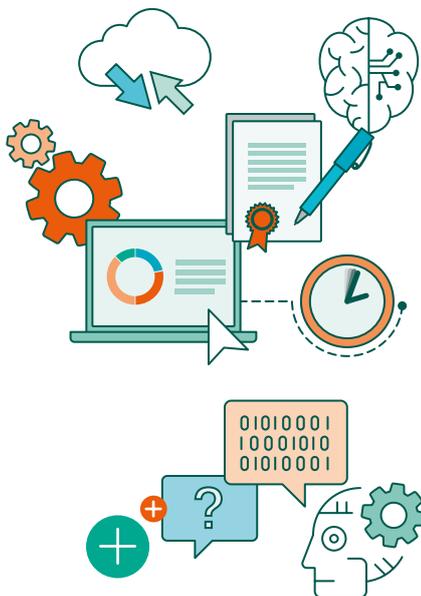


### Lawtech is still nascent and less ‘disruptive’ than other types of technology.

In the UK, current forms of lawtech are still more focused on efficiencies and automation than on delivering ‘new types of law’. This field is still less mature than other fields of digital disruption such as fintech where there is more funding and regulatory alignment.



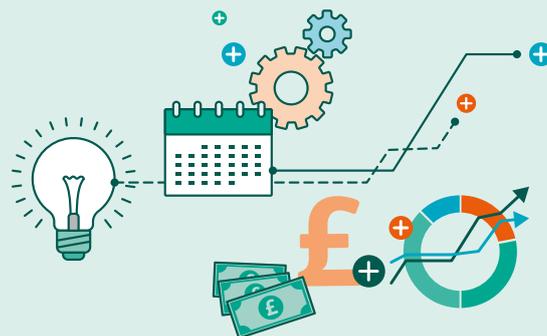
## Different segments of the legal market are at different stages of maturity and focused on adopting different technologies:



- **The business-to-business market** is the most mature, particularly within large law firms, having achieved common adoption of AI and machine learning driven applications. Some of the most important growth areas of lawtech include legal analytics, legal project management, governance and compliance and contract management. Some of the more established areas include collaboration tools, document management, IP management and e-billing.
- **The business-to-consumer legal market** seems to be lagging behind. There is most traction in those law firms that are delivering large-scale commoditised services, where automation is principally all about driving efficiencies. For instance, chatbots, DIY law, robo-lawyers and triage tools are all becoming more common with a greater focus on the consumer experience.

### UK lawtech remains a thriving sector for emerging technologies.

Recent years have seen a rise in the number of lawtech companies, but not an acceleration in the rate of lawtech adoption among legal practitioners. After several years of start-up activity, the sector is now ripe for a wave of consolidation and later stage funding.



### News skills are required.

Lawtech adoption will have significant implications for the future of the law and legal profession with new skills, new delivery models and a new competitive environment all slowly coming into the sector.

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