INTERNATIONAL BAR ASSOCIATION
PRESIDENT’S TASK FORCE ON THE FUTURE OF LEGAL SERVICES

PHASE I - EXECUTIVE SUMMARY

María J. Esteban, PhD, ESADE Law School – Researcher
James M. Klotz, IBA Secretary-General – Task Force Chair

Sydney
October 9, 2017
Task Force Steering Committee

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• Stephen Revell
• Hanim Hamzah
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- Amir Pasrich Singh
- Martin Daubney
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### BACKGROUND

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| - Conduct a global review of the changes that are affecting the legal profession, as those changes may determine our future.  
  - **Part A:** Literature review.  
  - **Part B:** Outreach.  
| - **Phase II:** Review and identify what the IBA can do for its members to enable them to cope with change, manage change, or prevent change, that will be a value-add to the existing body of knowledge.  
- **Phase III:** Conduct independent research on those areas identified in Phase II, and publish a report and recommendations, as appropriate. |
METHODOLOGY: Literature review

Qualitative research

• **Keywords:**
  • 10 population terms: Legal profession, Lawyer, Legal services, General Counsel, Law firm, Law school, Bar Association, Law Society, Court, Professional Service Firms
  • 7 impact terms: Future, Change, Trend, Progress, Innovation, Disruption, Quality

• **Databases:**
  • Google, Taylor & Francis Online, Wiley Online Library, Emerald, HeinOnline, SSRN HLS CLP Research Paper Series, Stanford LS Legal Design reading list, SLS Codex publications, SpringerLink

• **280 documents published between 2010-2017 - academic and professional papers, reports and others.**

• **Drivers of Change Spreadsheet & Tree Diagram**

Quantitative research

• **Data text mining:**
  • PYTHON’s Natural Language Toolkit
  • Process of deriving high-quality information from text
  • 6 different programming codes with several functions
  • **271 documents**
### OUTCOMES

<table>
<thead>
<tr>
<th>Qualitative research</th>
<th>Quantitative research</th>
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<td>Global Categorization of Change Factors Driving the Future of Legal Services</td>
<td>• Most cited drivers of change</td>
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<td>• Most cross-cited authors</td>
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<td>• Most cited countries</td>
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Qualitative research

Global Categorization of Change Factors Driving the Future of the Legal Profession
Drivers of change in legal services

- Changing demographics and values
- Skills mismatch and legal education reform
- Globalization and shift of economic power
- Emergence of new forms of value creation
- "Legal technology" development and innovation
- Regulatory innovations and gaps
"LEGAL TECHNOLOGY" DEVELOPMENT AND INNOVATION

MULTIPLE LEGAL TECH CATEGORIZATION
- Exacerbated by globalization
  - Challenge for law firms' and lawyers'
  - Adoption and development of legal tech vary across different types of law firms and countries
- Emergence of new areas of law due to technological innovation

ACCELERATING PACE OF LEGAL TECHNOLOGY DEVELOPMENT AND INNOVATION
- Shift of the legal system to electronic transactions
  - Emergence of intelligent court systems due to developments in internet and cloud technology
- Judges increased commitment with technology offering practical benefits
- Fiscal constrains driving innovation in courts
- Solutions need to be created with expertise and oversight
- Emergence of new regulatory, ethical and practice issues
- Need to protect clients' information

INCREASED DIGITALIZATION OF THE JUDICIARY
- Slow adoption of technological improvements by lawyers
- Still imperfect and ad-hoc process
- The traditional partnership full profit distribution model is a barrier to investment in technology
- Legal industry lags behind other PSF industries
- Need for a balanced regulatory environment regarding tech innovation

LIMITS AND CHALLENGES OF LEGAL TECHNOLOGY
UNPRECEDEDENT LEVEL OF EXPANSION IN THE EARLY 21ST CENTURY

ROLE OF LAW FIRMS IN CREATING THE STRUCTURES OF GLOBAL MARKETS

- GLOBAL WEAKENING OF THE ANGLO-AMERICAN MODEL OF LARGE LAW FIRMS AND IN-HOUSE COUNSELING
- COMPLEX SOCIAL PROCESS AT THE LOCAL-GLOBAL BOUNDARIES
- SLOW EXPANSION OF ELITE UK LAW FIRMS INTO AFRICA AND CENTRAL & SOUTH AMERICA
- GAP BETWEEN FINANCIAL RESULTS AND NEED FOR GLOBAL EXPANSION
- CHALLENGES TO PROVIDING SEAMLESS GLOBAL LEGAL ADVICE

CHALLENGES

PARTICULARLY IN THE EMERGING MARKETS OF ASIA-PACIFIC, AFRICA, AND SOUTH & CENTRAL AMERICA

- GROWING POWER OF EMERGING ECONOMIES IN THE GLOBAL LEGAL MARKET
- GLOBAL IMPACT OF EMERGING MARKETS ELITES

GLOBALIZATION AND SHIFT OF ECONOMIC POWER

- GEOGRAPHICAL EXPANSION OF WESTERN LAW FIRMS
- GEOGRAPHICAL EXPANSION OF MDPs,
- SHIFT OF ECONOMIC POWER TO EMERGING ECONOMIES
OUTCOMES

Quantitative research

- Most cited drivers of change
- Most cited legal tech
- Most cited legal tech companies and legal solutions
- Most cross-cited authors
- Most cited countries
Most cited drivers of change

• % of references in database citing a particular driver of change
Most cited drivers of change: TOP 20

- % of references in database citing a particular driver of change
Most cited legal tech

- % of references in database citing a particular legal technology

Diagram showing various legal technologies with their respective percentages:
Most cited legal tech: TOP 10

- % of references in database citing a particular legal technology

- BITCOIN
- BLOCKCHAIN
- DATA MINING
- OUTCOME PREDICTION
- LEGAL APP
- CLOUD COMPUTING
- BIG DATA
- LEGAL ANALYTICS
- ARTIFICIAL INTELLIGENCE
- DATA SECURITY

% citations in database
Most cited legal tech companies: Top 28

• % of references in database citing a company included in the Stanford Law School CodeX Techindex (cited in 2% docs or more)

• Colors by legal solution

Marketplace  Document Automation  Practice management
Legal research  Legal education  Online dispute resolution
E-discovery  Analytics  Compliance

% citations in database
Most cited legal tech solutions

- % of references in database citing a company included in the Stanford Law School CodeX Techindex company, consolidated by legal solution
Most cross-cited authors

- Size of the bubble: % of references citing a particular author
- Arrows: cross citations
- Color: country of authors’ affiliation
Most cited countries

- Size of the bubble: % of references citing a particular country
- Color: Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Bubble Size</th>
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<tbody>
<tr>
<td>North America</td>
<td>Europe</td>
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<tr>
<td>Asia Pacific</td>
<td>Africa</td>
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<tr>
<td>Latin America</td>
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</tbody>
</table>
Most cited countries: TOP 10

% of references in database citing a particular country

<table>
<thead>
<tr>
<th>Country</th>
<th>% Citations</th>
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</thead>
<tbody>
<tr>
<td>UNITED STATES OF AMERICA</td>
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<tr>
<td>UNITED KINGDOM</td>
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<td>AUSTRALIA</td>
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<tr>
<td>CANADA</td>
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<tr>
<td>INDIA</td>
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<tr>
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<td>JAPAN</td>
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<tr>
<td>SINGAPORE</td>
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