

Innovation in legal services and the role of technology

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Our Strategic Objectives

Objective one: We will set and maintain high professional standards for solicitors and law firms as the public would expect and ensure we provide an equally high level of operational service

Objective two: We will actively support the adoption of legal technology and other innovation that helps to meet the needs of the public, business community, regulated entities and the economy

Objective three: We will continually build our understanding of emerging opportunities and challenges for the legal sector and our role in effectively regulating it

What is the University of Oxford report?

- Commissioned University of Oxford to conduct independent research
- Looked at the extent that legal tech and innovation are being used and how their use may develop in the future
- The research was published in July 2021

Research Overview

- Significant piece of work by well-respected academics
- Three elements:
 - Tech adoption and innovation – use, drivers, barriers
 - BigLaw and PeopleLaw
 - Provider perspectives on unmet need and risks
 - Lawtech startup ecosystems: funding, scale-up and policies
- Completed through extensive literature review, 50 interviews, analysis of investment and job databases and an online survey (891 responses)

‘Step-change’ in technology use and innovation over the last year

- The effects of the pandemic on tech use are here to stay:
 - 55% increased their use of technology; 35% adopted new tech
 - 90% said the changes will be permanent
- New technology often supports business processes
- Increased focus on tech to identify, attract and engage with new clients

Lawtech skills are not widespread

- Between 2014 and 2020, lawtech skills were mentioned in:
 - 1 to 2% of regulated lawyer job adverts
 - up to 15% of other legal sector job adverts
- Clusters appear where investment is available
- Jobs requiring lawtech skills had higher salaries in the UK
 - Solicitors: 13% more
 - Paralegals: 25% more

Barriers to innovating and using technology persist



Financial capital



Business benefits uncertainty



Staff expertise



Regulatory uncertainty

Barriers are greater for PeopleLaw firms (PL) than BigLaw firms

- Lawtech businesses are growing in UK and US
- Greater barriers for PL to innovation and legal technology adoption
- Greater difficulty for PL identifying appropriate business models and legal technology tools
- PL have less resources (knowledge/experience and funding) for lawtech



- **Issue 1: How can barriers to innovations and adoption of legal technology be lowered?**
 - Would sandboxes help with access to data and trust issues?



- **Issue 2: How can we lower cost of legal technology adoption especially in PeopleLaw segment?**
 - Would standardised legal software help?



- **Issue 3: How can the supply of lawtech skills be increased especially in the regulated sector?**
 - Where/who should this come from?

Find out more

Webinar, podcasts and report:

www.sra.org.uk/techinnovate

What's next?

- Further research
- Information about tech market
- Building our innovation capability with SRA Innovate
- More piloting:
 - Quality Indicators and Unbundling
 - Supporting the LawTech UK Sandbox pilot
- Continuing and extending our partnerships
 - Agile Nations
 - Regulators Pioneer Fund