

# Information about lawtech for law firms

July 2021

## Lawtech

Feel you don't know enough about Lawtech to explore adopting it for your firm? We are developing resources to help you understand technology and innovation and navigate the benefits and risks. Here are some [compliance tips \[https://higher-rights.sra.org.uk/solicitors/resources/innovate/compliance-tips-for-solicitors/\]](https://higher-rights.sra.org.uk/solicitors/resources/innovate/compliance-tips-for-solicitors/) that may help you if you are thinking about investing in technology to deliver your service or being involved in an online platform.

This may help you to make better use of your existing technology or think about what other solutions are available.

## Our research

You can read about our research project with the University of Oxford. Lawtech adoption to date is focused mainly on creating efficiencies by automating legal processes rather than client facing services, although recent SRA research shows some signs this may be changing. For example, firms are planning to develop or use more interactive websites (e.g. producing legal documents or using chatbots) and develop online portals to keep clients updated.

Nearly half of the SRA-regulated firms undertook 'delivery innovation' in the last year, and nearly half of this required new technology. Tech adoption may become more client facing in big law firms as the use of technology to enhance customer value as well as efficiency is becoming a differentiating factor in winning work. Similarly, for in-house teams, client demand may be a sufficiently strong driver to deliver impactful change in the way services are delivered to them. In these segments too, Regtech companies are starting to pivot offerings they have developed for the financial services sector to lawyers to manage the compliance burden. Small firms are the least likely to adopt Lawtech.

The biggest barrier to lawtech being adopted at scale is lack of financial capital. In addition, investors tend to invest in large firms who serve corporate clients, as they have more scalable work (repeat customers, which often can be subscription-based). Another barrier highlighted is the lack of skills within a firm to innovate. Law firms lack understanding about what legal technology is available in a fragmented market and what the benefits/risks are. Firms that do innovate often use consultants which has a cost.