



# Auto pilot

With several legal brands entering the market in 2012 – all likely to use some form of automated online documentation – firms must start to embrace automation to ensure they can compete, says **Stuart Bushell**

In the great debate as to what changes the Legal Services Act will bring to the UK, the developments in automated online legal documents have occupied a peripheral place – ‘interesting but limited in its scope’ appears to be the consensus among most lawyers. However, as Richard Cohen from the Epoq group commented at a recent Legal Futures conference, one of the characteristics of great change is that “you won’t see it coming”.

If the precedent of the United States is any guide, involvement in the provision of online services and documentation may become a key element in solicitors’ work. Rocket Lawyer, in which Google’s venture capital arm has invested \$11.4m, and that aims to open its doors (or laptops) in the UK next year, already has five million US registered users who create half a million documents per month via the site. Perhaps just as important are the thousands of US lawyers who have registered to be part of the referral network. They pay \$90 per month or \$900 per year to be promoted by Rocket Lawyer, but are required to review documents without payment and if, on the back of this service, they succeed in selling other paid-for work, reduce their fees for such work to 60 per cent of their normal hourly rate. Lawyers can choose to confine themselves to registering their profiles, though this will exclude them from work generated by Rocket Lawyer’s referral service. At first sight neither option seems much of a deal for the lawyers, yet its success is beyond doubt, particularly among small firms and sole practitioners.

Also arriving on these shores in 2012

is another American giant, LegalZoom. Co-founder Eddie Hartman has readily admitted that one of the attractions of coming to the UK is the relative regulatory freedom of the post-ABS world, which contrasts to the regulatory restrictions in the US. Customers of LegalZoom complete legal documents online, which are then checked by its staff. If consumers subscribe to the service, as opposed to simply buying a one-off document, they can also get a free review

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by a lawyer. Earlier in 2011 LegalZoom received private equity investment of over \$66m and there is an expectation that the company will go public in the near future. Recent research has demonstrated that LegalZoom is now the best known legal brand in the USA, with almost one in two Americans having heard of it, which dwarfs any similar legal brand recognition in the UK.

## Different perspective

In the UK, Epoq is currently the largest online provider of legal services, used by 60,000 consumers and small businesses each year. It delivers automated documents via a script with questions. The text of the standard documents is modified in response to the answers that users give to each question. The company also provides the technology behind a number of online services delivered by its business partners, which include banks, financial services companies, insurers and large firms of solicitors. Epoq chairman Richard Cohen claimed at the Legal Futures conference that at least seven major legal brands will be entering the UK legal market in the next year, accompanied by high-profile campaigns, and it is reasonable to assume that all of these will be using some variant of automated online documentation.

Another major entrant to the online

legal market is legal publisher LexisNexis, which recently launched LexisSmart. LexisNexis uses business integrity software to automate the 150 documents on its system. Once again, document drafting is a dynamic process, where the answers given to questions alter the selected document. Solicitors have always been resistant to the notion of collecting information about their clients before providing them with legal services, but an online documentation

service provides a simple means of addressing this shortcoming and obtaining the information required to create a structured client database.

LEGAL365, which was co-founded by Ajaz Ahmed, Freeserve co-founder, is also working on an online documentation facility, with a launch in 2012 likely. Sharing the apparent frustration of several of the other new providers of legal services who spoke at the same conference at the lack of imagination in law firms’ response to the new challenges, Ahmed suggested that firms need to “start with customer service and work backwards”.

For too long, solicitors’ IT has revolved around case management systems, which have exacerbated the silo mentality that has afflicted the organisation of law firms. The new generation of legal services providers will be looking at IT from a different perspective – that of presenting services to clients and in doing so providing the basis for unifying colleagues around a pool of shared client information. It will be essential if solicitors are to survive and prosper.



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