

Cultural Daily

Independent Voices, New Perspectives

To Whom Should Legal Tech Cater To?

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One may compare Fintech, the use of tech products to help in the finance sector, and legal tech, the tech products aimed at optimizing and improving the service in the legal industry. One is likely to find the most apparent difference is just how advanced Fintech is. As a result, Fintech receives far more investment and media coverage than legal tech, which is regarded as a dorky niche for nerdy developers.

What are the reasons behind this?

The fintech market is more mature, sure, but there is also some truth in the story that the individuals involved in the legal sector happen to be behind the times. They are conservative on new technology issues and are unwilling to take risks – they would do everything the traditional but safe way instead of being open to the idea of using an app for all the manual work they do.

Niels Martin Brøchner theorizes another important factor that explains this phenomenon in a Forbes post: legal tech focuses too much on the individual lawyer, whereas Fintech focuses on the entire financial sector. Suppose one looks at the narrative surrounding Fintech. In that case, it is about “smashing the status quo” and “breaking barriers.” Its prime targets are young entrepreneurs who seek to shake up the traditional industries, democratize their work area, and improve consumer rights. On the other hand, legal tech does no sort of this radical and empowering work – on the contrary, most legal tech ends up strengthening the existing status quo of the legal sector by catering primarily to established lawyers.

When talking about legal tech, some people think about the futuristic ideals where robots and new technologies make the need for lawyers obsolete. While such a scenario is far from materializing, it is also correct that the crux of the need for the legal tech – to improve an ordinary person’s access to law and make legal services cheaper for the everyday person – has also not materialized. Instead, legal tech has only filled the pockets of the established individuals in the legal sector.

However, there is still hope that legal tech could transform itself and live up to the ideals it once held. Perhaps one-day legal tech could be as exciting and radical as Fintech. Multiple contract management systems and companies aim to develop products in areas like [sports mediation](#) that seek to make legal work more accessible to the general public.

Most existing legal tech products are solely marketed towards law firms and aim to provide legal counsel to the public – and there is nothing wrong with that. But there could have been much more that could have happened in this industry. Legal tech must seek to reach a broader audience and

starts catering to the consumers instead of the lawyers.

Survey shows sales and operations, not lawyers, drive legal innovation

Around a year ago, some firms sought to research what small and medium-sized businesses desired contract information. The research sought to answer what they wanted and who wanted it. For this purpose, they had over 7000 conversations to gather data. And their research results showed that it is not the lawyers or legal counsels who drive automation in smaller companies. While legal counsels signaled some interest in their project, few of them were willing to buy. In general, there was a great sense of hesitation, and they would not allocate enough budget towards automation and development. On the other hand, operations and sales teams were far more interested in the project and signaled interest in buying the projects.

This brings us to a question a person from a legal tech firm posted on his LinkedIn profile. He suggested that perhaps legal tech companies are not doing it right, and the legal tech companies selling into corporates were talking to the wrong people. Their survey results suggest the answer to this question is a yes. [Legal tech products](#) are always focused on lawyers and legal counsel when the sales and operations teams seem to be driving innovation. There is a personal stake in innovation for sales and operations teams as innovative tech products are more efficient and produce more reliable results. This helps with their sales contracts.

This research shows the untapped potential for legal tech companies only if they target the right people and move towards catering to the mass markets instead of law firms. But unfortunately, most legal tech product developers cater to the same few thousand law firms and refuse to see the bigger picture.

Tech solutions make legal work far more accessible and reliable than it already is. It lowers the prices and gets the job done faster. The masses want these new solutions, but the developers instead serve the same old guard that actively prevents this innovation from happening. They are far too hesitant and conservative for that.

The role of vendors, law firms, and costumers

One of the legal tech sellers wrote this note.

Recently, I have changed my mindset on selling legal products- instead of selling to law firms; I now deal with law firms. This is because, in my opinion, the future of legal tech lies with the clients and not the law firms. If we focus on the clients, we could make the market more mature than it is and be a driving force behind change and innovation.

It must be clarified that this is not any perceptible hesitancy of law firms in digital transformation. Indeed, some law firms have the most exciting digital infrastructure, and they also understand that legal tech should cater to the end-users. These types of law firms could be my partners in the quest to drive innovation in the legal tech sector. These radical and revolutionary law firms understand that the real purpose behind legal tech is to provide help to clients.

Legal tech might feel like it is at a dead end – but the way out of this dilemma is simple. The solution is to stop serving the few elites in favor of many clients and customers who are the tech's end-user. This calls for a reimagining of the role of lawyers – instead of consuming legal tech, they become the re-sellers of legal tech. With the help of these dedicated lawyers, we can create an

alliance between vendors, firms, and consumers to drive legal innovation.

This is not just a heartwarming Aesop – this is also a better commercial strategy. Vendors get the approval they need, law firms get their cut, and the end-users get a product that makes the law more accessible to them in a more optimized way.

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