Employing data specialists in law firms

23/02/2018

Practice Management analysis: Data and technology are increasingly pivotal for competition and progress in the legal market. As a result, data specialists are becoming a necessary part of law firms. How can the traditional legal industry successfully incorporate experts in innovation into business practice?

The PricewaterhouseCoopers Law Firms' Survey 2017 showed that law firms voted that improving use of technology, including artificial intelligence, data visualisation, process automation, and client collaboration tools, is the top priority for 2018. Successfully integrating data experts will depend upon carving out room in the traditional legal sector for digital innovation. Experts emphasise the importance of communication to counteract the challenges of security, trust and decision making, and provide advice for recruiting high calibre specialists.

In-house security or out-house ingenuity

With the introduction of the EU's General Data Protection Regulation to regulate the use and processing of data from May 2018, security is a topic of major interest among law firms' clients. Anne Mitchell, attorney/legislative consultant for Internet Law and Policy and president of the Institute for Social Internet Public Policy, emphasises network security as the most pressing task for data specialists:

> '[W]hat should be first and foremost in everyone's mind when bringing a technology expert into a law firm is hardening the security of both the firm's intranet, and their connections to the Internet.'

Firm credibility, Mitchell argues, is at risk if data security is breached, due to the conception that legal experts should especially understand the threats to personal information and its repercussions and are thus 'held to a higher standard'. The nature of a law firm's work makes security threats 'foreseeable', because 'confidential client data is a prime target' for hackers of all types, from 'actor-state or even lone wolf hackers just seeking client data in order to skim personally identifiable information, or by a hacker paid by someone on the other side of a big case'.
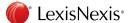
Any data stored in the 'cloud' will be especially 'attractive' to hackers, so Mitchell urges law firms to maintain control over their data, as liability lies with them.

In addition to security, clients do want to see developments in business process and knowledge, says Paul Jonson, managing partner at Pannone Corporate LLP, who predicts that 'many firms would seek to use experts as consultants rather than employees to manage costs and internal expectations'.

He outlines how outsourcing to data consultants can effectively drive research and development within law firms through client facing and knowledge management roles:

> 'It is with the research and development role that one has really started to see traction with technology experts in the past couple of years, whether it is improving existing functionality across certain products (eg document disclosure exercises) or developing bespoke technologies to implement more effective and efficient processes.'

Keeping ahead with technological developments and the best use of data, Jonson argues, improves the product being sold to the client. This is the niche where technology experts will inform the legal practitioners within the law firm: 'Most partners in commercial law firms know very little about the application of cutting-edge technology in respect of their own business and are only relatively recently becoming aware of the potential benefits.'

Mitchell, however, stresses that it is vital for data experts to focus on 'security review and hardening of the network' above 'setting up technology aimed at making the firm look forward-thinking, and designed to be a marketing plus'. Security, above marketing, is vital to firms to preserve client information and protect themselves from the risk of accusations of negligence.

Changing the way decisions are made

Non-legal experts from all sectors become 'frustrated' by what Jonson describes as the 'levels of bureaucracy and lack of effective and swift decision-making that can be prevalent in law firms'. Mitchell agrees that technology experts can feel like 'outsiders', in firms which exclude them from decision-making and lengthens the process.

For non-legal experts to have 'a genuine say' in the direction of law firms, Jonson hints at a need for compromise between the innovative and traditional. An understanding of law firm 'politics' is required, and equally firms need to embrace and promote 'new ways of thinking.' Indeed, Mitchell warns lawyers to avoid repeatedly 'challenging' the ideas of the experts who have after all been brought to the firm to 'bring about a change to actually get the big picture that they need'.

Ways to involve data specialists in decision making, Mitchell says, are dependent on the role they will fill, but bringing them into meetings which discuss firm technology and involving them in interviewing associates and partners, if the data experts will be involved in deploying new technology, are good places to start.

To encourage lawyers to engage with data specialists at this level, Mitchell recommends carefully vetting technology employees by binding them by non-disclosure agreements, confidentiality agreements and non-competes which specifically cover sensitive data, such as client information. This will promote a sense of trust within the firm, and 'a great deal of wheel-spinning and wasted time can be avoided, not to mention making the technologist feel a part of a team rather than an outsider'.

Equally valuing legal and data expertise

Designating exact areas of expertise significantly aides collaboration between the legal and digital sectors in a firm.

Mitchell emphasises that lawyers must acknowledge the validity of data specialists' input, and the part it plays in the success of the firm:
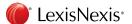
> 'It is critical that the attorneys and support staff in the firm understand that the technologist possesses a unique set of skills and experience which includes things that the attorneys do not know.'

The danger is that data specialists' attempts to make changes will be met with resistance and 'stonewalled' by legal experts questioning their reasoning and techniques, if labour and responsibility is not clearly divided.

Jonson also considers the difficulty of bringing change to a traditional industry:

> 'Some law firms are very good at accommodating and promoting new ways of thinking however some firms are inherently old fashioned in their thought processes especially compared to tech businesses. The culture and politics in law firms is hugely different from most tech businesses and this won't suit everyone.'

Rather than merge the two sectors in-house, Jonson endorses the method of outsourcing work to data consultants to establish areas of expertise. He argues that consulting data specialists who are not employed by the firm bypasses the conflicts with sceptical lawyers, and allows firms to manager costs and 'internal expectations' more efficiently.

Establishing space for each expert's skill set, whether by out-sourcing to external data specialists or creating space them in the in-house department, is a critical part of ensuring that both skill sets are used to their full advantage.

Communication skills are key

The ability to communicate technical knowledge in coherent and comprehensible language to law firm partners and managers, is vital. As Jonson says, 'it is no use being the best data expert if you cannot communicate to the management board of a law firm why they should invest in you and your recommended strategies'.

'Many a project has been brought to a halt, and even abandoned, because the tech person and the non-tech people simply are unable to communicate effectively with each other,' Mitchell warns, calling communications 'one of the biggest failings' between data experts and lawyers.

A data specialist's ability to translate 'tech-speak to lay-speak' should be at the forefront of an interviewer's mind, Mitchell says, as this can be 'one of the biggest hurdles to finding a technology expert who is a good fit for the firm'.

A law firm is a very different environment to that of a technology business, with a traditional outlook and different 'politics', which the expert will have to negotiate. Jonson labels flexibility and adaptability as 'fundamental' skills to a data specialist in a law firm, but most critical is communication.

Interviewing and recruiting a data specialist

On-boarding data specialists is relatively new as of yet, so the issue of how to find high calibre candidates to join your law firm can be a daunting one.

As a technology lawyer, Mitchell suggests that she would look at the placement offices at high-level computer science universities, while Jonson recommends that asking one's clients, technology companies themselves for example, is a good way of filtering experienced technologists.

Once candidates have been gathered, our experts recommended the following interview questions to identify those high-calibre individuals who will adapt best to a law firm environment:

• Describe for me your understanding of what it is we are trying to accomplish, and what advantages you see to implementing this here. What downsides or challenges you foresee in both implementing, and then using this technology?

• Can you tell me about any similar projects on which you have worked? What challenges did you encounter there, if any, and is that technology still being used where you implemented it? With whom there can I discuss that technology project?

• What do you know about the challenges facing law firms in terms of tech and how can you help us solve those problems?

• Are you a good problem solver? Give me an example of a problem you have faced and how you solved it using a technology application.

• What would you do for us in the first 100 days?

As communication is such a critical skill, Mitchell describes bringing in a colleague, ideally an associate with no technological background, and ask the interviewee to role play explaining their pitch and the advantages it would bring to the firm.

Changes to come

Increasingly firms will be considering the option of on-boarding data specialists, to continue to develop business processes, and protect client confidentiality. Finding ways to integrate the digital mentality into the world of law, through communication, re-structuring and adapting will pave the way

LexisNexis

to the future, as Jonson predicts that 'data and technology experts in law firms will become as common in five years as marketing, relationship managers or knowledge management experts are now'.

Interviewed by Samantha Gilbert.

The views expressed by our Legal Analysis interviewees are not necessarily those of the proprietor.

FREE TRIAL

The Future of Law. Since 1818.

LexisNexis®