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How to Get the Most Out of a Legal Technology Proof of Value

Abstract: Adoption of legal technology within law firms has seen a significant increase in recent years with the current necessity for seemingly indefinite remote working only adding to the need for technology solutions to keep legal workflows running. In light of this, legal technology purchases will undoubtedly see a further increase and a well conducted proof of value is crucial to making the right investment decision. This article is based on a talk given by Eleanor White at the BIALL Knowledge Management SIG in November 2018. It establishes the difference between a proof of concept and proof of value and elaborates on some key principles to consider during each phase of the latter. From the preparation and planning through to the running of the evaluation and the resulting decision-making process, this article addresses how to get the most out of the proof of value opportunity.

Keywords: legal technology; legal tech; proof of value

INTRODUCTION

A proof of value is crucial to making the right investment decision as it can have significant financial and reputational repercussions. Investment in legal technology can be expensive and implementing an ill-suited product will lose the interest and trust of the users who may then be reluctant to further invest their time in evaluating or even using legal technology in the future.

In light of the recent and sudden necessity for remote working the demand for legal technology to "support, supplement or replace traditional methods for delivering legal services"[1] has significantly increased. An enhanced understanding of the importance of cloud based and remotely available legal technology solutions alongside a spike in demand for the availability of them means that requests for product evaluations and proofs of value will only increase. This is particularly as "increased efficiency, productivity and growth; reduced cost [and] better outcomes for clients and organisations"[2] remain a focus.

A proof of value is a thorough product evaluation going beyond a proof of concept, which assesses whether a product will work and is suited to the needs of the users, to measuring the potential value add of a technology solution. It is essential that implementation will enhance or speed up existing processes as users are understandably reluctant to spend time changing existing processes for little gain. The measurement of increased efficiency and productivity is crucial to ensure the investment in legal technology will reduce cost rather than add to it and a proof of value should provide the insights necessary for a user experience and data driven decision to be made.

Legal technology and innovation implementations often sit within Knowledge teams and as information professionals we are uniquely placed to run proof of value processes having specialist skills in organisation, coordination, knowledge capture and attention to detail alongside a good relationship with users from practice groups across the firm.

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This article will outline some of the key principles to consider for a successful proof of value and will illustrate considerations through three distinct stages; preparation, testing and decision making based on findings. Putting significant time and thought into the planning and preparation will ensure the proof of value opportunity is maximised, the test period run efficiently and the findings on which the decision will be based accurate, comprehensive and reliable.

PHASE 1: PREPARATION

Identify the business case

Before starting to evaluate a technology product it is necessary to demonstrate an actual business need for a solution, which will in turn inform a solid business case. The focus should always remain on solving a problem so that technology is not implemented for the sake of it, and gaining a clear and thorough understanding of the needs and requirements of users on a particular workflow is an important first step to identifying and evaluating the right tool for the job. There may be a need to automate a lengthy manual process that takes too much junior lawyer time and delays them from high value legal work, or there may be a high degree of repetition that means work is unnecessarily duplicated. 'By focusing on the business goals, outcomes and pain points of […] stakeholders, rather than the underlying technology, [comes the ability] to elevate the business value of IT conversation.'[3]

It is also important to identify how widespread the use of a tool may be. If it will only be of use to one person in a firm the case for implementation would be weak as in most cases the investment could not likely be justified against return on investment (ROI). The investment of time and resource in a proof of value should be weighed against the number of hours saved by the number of users.

Identify and evaluate a solution

Once the business need has been identified, before turning to a technology solution there should be a full understanding of where and how improvements to a workflow can be made. This may be either a simple process alteration or a full process implementation, and these may not necessarily require a technology purchase. However, there could be processes that could only benefit from technology offering automation or machine learning extraction.

The existing workflow should help you identify what kind of tool you need so the market should be fully researched for similar products that promise to address the problem. There are platforms and point solutions that may have the same concept but differ in areas of functionality. Researching the legal technology area is important to identify which of the solutions on offer are a potential best fit for the requirements of the users and the firm's architecture.

Identify the right testers

'Your adoption efforts are most effective when you pair the maturity of a technology with the right demographic.'[4] This is also true of the preceding proof of value. Before wider adoption can even be considered the right team of users need to be involved for a full and accurate evaluation.

Identifying the right testers is an important first step to trialling technology and understanding the process and the people who are normally involved is a key principle. Anyone currently involved in the workflow should be asked to test and give their feedback from lawyers, legal assistants and paralegals to business services and technology support teams. Although if test licenses are limited there should be careful selection for a representative view.

Champions of legal technology certainly help during the preliminary evaluation to encourage others to take the time to test, but it is also useful to invite stakeholders who find using technology a challenge or unnecessary to their usual workflow in order to get their honest feedback. This will highlight areas that could be generally problematic to many users and will highlight how intuitive and user friendly a solution is if it can persuade staunchly anti-technology users to see the potential. Giving stakeholders ownership of a product with an early buy-in opportunity can help them to feel part of the process and will certainly help adoption efforts at a later stage.

Establish a framework

To maximise the impact of the proof of value a formal framework is required. Aside from firm processes and procedures that need to be in place before starting, a clear outline of the proof of value from beginning to end should be charted. Structured information-gathering should also be thoroughly thought through.

Organisation requirements may include authorisation subject to technology, security, information governance and procurement procedures being satisfied. Firm policy and documentation requirements should be put in place with the required sign off and sometimes client permission is needed if run on a live matter, but in addition to this it is important to have a full understanding of the shape of the trial period and how it should be conducted, in addition to how findings should be documented.

Timing is crucial to the success of the proof of value in terms of when it is run and for how long. Often the length is dictated by what the vendor offers, and tester availability should be considered if the timeframe is limited, but when it is run should also be considered within the context of what the product does. If a product offers functionality relevant to a particular phase in a matter, then decisions should be taken to run the evaluation when this phase is likely to occur.

Before starting, specific use cases should be decided upon. Some may arise during the trial period but starting with a clear work plan is important to maximise the

opportunity. If the product is not tested on a live matter, running a previously completed piece of work for a direct time and cost saving comparison can be a particularly valuable exercise.

PHASE 2: TESTING

Know what you want to achieve

Once again, going back to the business case and knowing the problem that needs to be solved should be central to the running of the proof of value. "Think beyond the software or the consulting engagement. You might even frame the opportunity as 'implementing X technology in order to solve Y business problems which impact Z.'[5]

Having gone through the planning of the proof of value, there should be questions that need to have answers by the end of the testing phase. Ensuring these are clearly defined and using them as a guide will help keep the testing on target. The answers may be very different to those anticipated but understand which problem you are trying to solve and know what you want to have achieved by the end of the test phase.

Track the timeframe

Time management may seem obvious, but to avoid finding yourself two weeks into a four-week project with no testing yet undertaken it is important to focus on time management with some planning of actions or milestones that should be achieved by certain points in the trial phase. Shorter trial periods tend to go more quickly than anticipated and with longer trial periods spanning a number of months it is easy for users to put off testing, particularly if they have heavy workloads. Approaching the time frame with a project management frame of mind will help ensure targets are hit.

Keep in contact with the users and the vendor

Maintaining continuous communication with the vendor throughout the process is important. Ordinarily a customer success manager assigned by the vendor will set up frequent calls to see how the proof of value is progressing and to make suggestions based on known methods of success, this is also an opportunity to ask questions that come up from the users during testing. Training is critical to the success of the proof of value and there should be plenty of training session options planned and available to users to work around busy schedules.

Keeping in close contact with the users themselves is equally important and provides opportunities to get live feedback during points of the test phase. Gathering feedback in the moment as well as obtaining overall impressions at the end is particularly valuable and maximising contact also gives users the opportunity to ask questions they may not set time aside to contact you about.

Keeping in contact also keeps the testing firmly in mind so that it is not put to the bottom of the list as workloads increase and risks the opportunity for testing being lost.

Document the process as you go

Final decisions on implementation or rejection of a solution need to be justifiable and documenting the process and findings during the process provides an important record. There may be standard firm templates for this purpose, but clear structured documentation should be maintained for reading alongside the business case to understand if requirements could be met by the solution. Capturing as much accurate detail as possible in the moment is far more valuable than relying on memory once the process is complete.

PHASE 3: FINDINGS

Follow up with the users

Ideally a range of product testers from across the business will have been selected to take part for a representative and diverse firm view and once the trial is complete time should be dedicated to gathering feedback and discussing findings.

Practical considerations should be taken into account such as continuing work commitments and availability. Once the work is complete teams will be starting work on the next matter which is often time pressured and obtaining a lengthy written summary of findings may not be a reasonable expectation. Arranging team calls may speed up the ability to gather findings, and providing the opportunity for users to share and discuss findings together may offer additional and valuable context in terms of the work type, what was achieved and how the tool did or did not help to achieve the end result.

Central to the final decision should be a measure of productivity. The direct time and cost saving resulting from the use of the legal technology solution, in place of running the manual process should be recorded and factored in. Users will be able to quote how much time they would usually take to complete the work and can estimate time saving, although the work type can sometimes make this difficult if the usual time frame varies. A more accurate time saving measure can be gained by running a piece of work through the solution that had been completed manually prior for a direct comparison.

Follow up with the vendor

The vendor will often organise a session early on during the pilot to coincide with the closing of the test phase to discuss how the proof of value went, to share lessons learned and obtain overall impressions of the product. This is a good opportunity to get any further information you need.

Legal technology point solutions and platforms generally include admin consoles which capture usage metrics

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for reporting and these statistics should be exported and considered as part of the findings for a data driven decision to be made. If access was not made available during the proof of value, the vendor may be able to provide these metrics from the back end of the product. Backing up decisions with concrete data is key to making the final decision and metrics will often be able to show who logged in, when, which elements of the product they tested and how long they spent in the platform.

What worked and what did not?

'You can't control either a user's expectations or their experience with a product'[6] and the most and least successful elements of a proof of value are often unexpected. Occasionally a secondary feature of the product will emerge as a great benefit to implementing the product tested, or it will highlight a need to address another process or task that could benefit from automation and may trigger the evaluation of another process fix or solution. For example, when testing a contract analysis tool an additional need for a collaboration platform may be highlighted.

Make a decision

The central question for a proof of value, alongside 'did it work?' is 'did it add value?'. Once the testers have been consulted and feedback gathered, along with data from the product and accurate estimates of time saving through direct comparison of manual and automated work the business case should be referenced to see which issues were successfully addressed and which were not. ROI may

not be realised immediately but a clear view of the potential return should be gained by the proof of value.

Assess whether or not the tool met user requirements, and also what the general impressions of the product were. The success of an implementation relies on users liking a product, it being intuitive and easy to use; so it is worth spending time to ask if the product lived up to, exceeded or did not meet expectations. If the proof of value results indicate investment it is certainly advisable to start thinking about adoption early on as this could be a challenge if there is a generally negative response to the product, whether or not it ultimately did the job.

Alternatively, if the requirements have been met, the value proposition is positive and users are angry at the prospect of you taking the solution away from them, then the business case can be said to be justified.

CONCLUSION

Going into the proof of value with a mind-set focused on maximising the opportunity to the fullest extent is a positive place to start and investing in the preparatory stage while maintaining clear and open channels of communication with both the users and the vendor will provide an important basis to assess the product value.

The principles outlined are designed to provide guidance, but circumstances and resources will obviously vary. As long as there is a clear direction from the beginning and a solid framework within which to gather personal perspectives alongside concrete data, the basis for an educated decision can be achieved and the foundations for future adoption success laid if the proof of value results in firm investment.

Footnotes

[1] The Law Society, 'What is lawtech?' https://www.lawsociety.org.uk/campaigns/lawtech/guides/what-is-lawtech accessed 21 September 2020

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Biography

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