Automate with intelligence

A legal automation project presents risks as well as opportunities. Firms need an intelligent technology and it may not make sense to take on the entire project in-house, says Clarilis CEO James Quinn.

S electing and investing in an automation technology is only the first step on the road to receiving a return on your investment.

But James Quinn, CEO and co-founder of automation specialist Clarilis, says that far too often firms never see a return.

"Legal automation technology, in one form or another, has been around for more than 20 years. It seems reasonable therefore to assume that law firms would have automated all relevant content by now and would be receiving significant ROI from an investment proportionate to the benefit derived. On that basis, there should be successful implementations everywhere you look, with little scope for further optimisation."

But that's not how it is. "Instead, although all substantial firms have a licence for at least one automation technology – often more than one – the level of success in terms of return over the period

of ownership is incredibly poor."

Quinn's initial plan was to license an automation technology himself (he was previously managing partner of a boutique corporate law firm, after leaving Slaughter and May). However, he couldn't find a technology that fitted the brief. Instead, he created Clarilis.

Question of context

One difference he set out to make lies with the technology itself – a more holistic approach to the gathering of relevant data, he explains.

"Automation technology tends to be conceived in terms of simple question-answer pairs. You start with the document. There's a piece of information, or section that you want to include or exclude, and the technology answers a question that's tied to that piece of information.

"However, a system like that has no intelligence. In contrast, we gather as much information as we

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can about a matter, which can later be used to any end. The purpose would still typically be to generate documents, but the structured information stored covers the entire matter.

"Traditionally, an automation system isn't aware of any wider context at all. The result is that we can extract significantly more from the automation at the first pass."

Quinn isn't making a claim that this intelligence is of the 'artificial' variety – but it does have some of the same selling points. "By applying a very large number of drafting rules, you save a substantial amount of the overall project time. Our project timelines tend to be a number of weeks, whereas firms will often spend months," he says.

Resourcing review
But it's not just a question of using a smarter piece of technology. There's also the matter of how intelligently document automation projects are managed in their entirety. Legal businesses have invested substantially in project management discipline for many tasks, but of course automation technology throws up distinct challenges as well as the general pitfalls, such as scope creep.

"If a firm purchases an automation licence, that becomes a sunk cost. They can then find they need to 'create' or in-source the skills to implement the technology," says Quinn. "That could involve external consultancy – usually costly – while the firm's professional support lawyers will be very smart people, but don't necessarily have suffcent automation experience or an inclination to learn the necessary skills."

Of course, he adds, the PSLs also have day jobs, so they are likely to be fully utilised already – making it even harder to invest in getting them up to speed on something new. "Alternatively, the firm may decide to build a new team to run the project – and then costs spiral."

As an automation partner, he points out, Clarilis takes on the implementation challenges on behalf of firms. "We always work with the firm's existing precedents rather than imposing our own. This is a requirement of our clients and increases user adoption. However, unlike a law firm, our team works solely on automation all day, every day. We believe different skillsets sit with different people, so have lawyers, PSLs, technologists and document analysts at work in our implementation team. One person doesn't try to deliver everything – but the client communication is always lawyer to lawyer, so we also sidestep technical translation issues."

All aspects of project management are covered, and the firm only needs to review and approve the end result, he says.

The right fix
More than a fifth of the 100 largest UK law firms by revenue use Clarilis as an automation partner. Then, in June 2018 Clarilis secured £3.1m backing from the private equity firm NVM, shifting it to "scale-up mode" – it's recruiting more talent and investing in the automation platform.

"Entering 2019, the team is already 50-strong. Even the very largest firms won't have anywhere close to that number in their automation team, and one of the really big management challenges for these projects in-house is staff turnover.

"When you recruit somebody new into an automation team, they'll usually try to automate 'their way'. It can then be hard for another hire to pick up the same project in a seamless way."

In addition, Quinn is of course focused on growing the Clarilis client base – including among corporate in-house counsel, who are investing directly in efficiency savings.

And the Clarilis platform itself will also receive sustained investment, as firms look to bring Clarilis automation to new areas of their practices.

But, he says, the bottom line for **Briefing** readers ought to be a deeper consideration of the total cost of technology ownership of automation projects on an ongoing basis – time, resource and training, as well as upfront licence fees.

Clarity on all of this is the essence of the Clarilis proposition. "We will always fix a project timeline and cost with our clients in advance, so at the most basic level they can calculate upfront whether or not the project will provide an ROI for the firm."