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Legal tech Law firms Analysis Slaughter and May

Tech Pioneers: Welcome to Slaughters' hothouse

Slaughter and May's former image as a slightly stuffy corporate firm is shifting, thanks in part to the launch of its legal tech-specific incubator, Collaborate

By **Cristiano Dalla Bona** 17 June 2019 09:00

Nimrod Aharon shakes the glass in his hand and laughs. "Oh man, I received some nasty messages," he says, shrugging his shoulders.

The founder of LitiGate, a start-up that was nurtured by Mishcon de Reya's MDR Lab incubator and promised to revolutionise litigation through artificial intelligence, Aharon knew sceptics would come after him. You don't go from a legal tech incubator to another one in the space of a year without making a few enemies.

That is what happened when news broke that his start-up was among the first cohort of a new legal tech incubator launched by Slaughter and May.

"People pointed out that we're at our second incubator," he says. "But LitiGate is a very different company from what it was at the start."

Entering the walls of Slaughters was an opportunity he was not going to miss. And when the firm announced last month the launch of its incubator, Collaborate, he did not. It was not Slaughters' first incubator, but it was the first focusing only on legal technology. People saw in it a statement of intent. For years, Slaughters has maintained an aura of stuffy corporate culture; recently, it has been working hard to open itself up to disruption and gain a reputation for a firm that fosters change from within.

On a grey late April afternoon, Aharon and the five other selected start-ups in Slaughters' six-strong cohort are gathered at the firm's London office for welcome drinks. Jane Stewart, the firm's head of innovation, is walking around in a hurry.

"It's been a long day, but we made it," she says, carrying around a bag of Collaborate-branded freebies.



Jane Stewart

We enter a lift and, as it rises, the inner life of Slaughters is laid bare floor by floor through glass walls. All around, fee-earners are working, either discussing in meeting rooms or typing quickly in front of standing desks. Innovation may be boiling, but the law never stops.

We reach the fifth floor and the doors open. To mark the beginning of this new chapter, Slaughters has refurbished part of the building to create a collaborative space where start-ups can develop their ideas.

There, I meet the team behind one of the other six start-ups, Tabled. Two of the other participants – transaction visual layout provider StructureFlow and app generation business Logiak – declined to be interviewed for this article.

Tabled CEO Paul Massey, in a purple shirt and jeans, is sitting at a table with two young collaborators. It is notable how start-ups can sometimes transform the image of their creators. They might be older than 50, they might have brilliant careers behind them. But they all look as if they were fresh out of college, with an idea and some hope in their pockets.

This trio has created a workflow automation platform that distributes tasks among teams and oversees ongoing projects. They met each other while they were all at different crossroads of their careers.

Massey, a lawyer for 15 years, used to work on eBay in-house projects and joint ventures. For a while, he was involved in the eight-strong legal team of Deloitte-supported crowdfunding platform Crowdcube.

“Basically, my career was legal tech plus process change,” he says. With that angle in mind, last year Massey joined the Founders Factory, an accelerator

that gathers 60 operators who help companies grow. He spent 12 months there and met his two collaborators: product engineer Matthew Salomon and machine learning expert Thomas Moscatello.

They consulted with in-house teams, who largely felt under-resourced when it came to technology.

Processes were often slowed down by the lack of better options. Applying machine learning to a collaborative platform, they devised a way to carry out requests for legal work more efficiently and improve the distribution of assignments.

They obtained investments from heavyweights such as M&S, Aviva and easyJet. Over the past few months, they have been testing the platform and collecting results from trials.

They joined Collaborate because of the possibility to enter pilot phases with law firms it offers, and to have doors thrown open on a network of GCs at major companies.

This is what really matters when it comes to scaling-up and “getting through the front door”, Massey adds.

An open invitation

Helping start-ups get through the front door is in fact the main driver behind the incubator. The innovation and knowledge management team opened applications in February, and that month some early entrants came in.





Alex Woods

As the deadline edged closer, the inbox went on fire. Stewart, who developed the format alongside head of knowledge management Alex Woods and senior technology lawyer Natalie Donovan, decided not to take on a specific angle along the lines of Fast Forward, the firm's first incubator that kicked off supporting fintech companies and now, led by partners Rob Sumroy and Ben Kingsley, has extended to sustainable and green technology.

"We wanted the net to stay broad," Stewart explains. By doing so, they could test the market and gain a better understanding of what people were working on.

They wanted to help but were also eager to learn. Gradually, patterns emerged around the type of start-ups making the cut. "The main themes are automation, collaborative technology and workflow improvement," says Woods. They included more experimental companies: Logiak, for example, is an app generation platform that can be used by people without knowledge of coding.

They prioritised areas lawyers can benefit from and help to improve. The programme itself is led by competition partner Anna Lyle-Smythe and capital markets partner Nilufer von Bismarck. Partners will host general theory and bespoke sessions on procurement issues and regulatory frameworks to guide start-ups through the legal hurdles faced during their development.

The support of fee-earners is crucial to companies that, however promising, are still working out their beats. That is the case with Just:Access, whose team is sitting across another table in the same collaborative space. The three people behind this start-up created a platform that transcribes speech using an artificial intelligence system based on natural language processing.

In 2016, CEO Sophie Walker was working for the Centre for Criminal Appeals, a charity that focuses on miscarriage of justice. Prisoners needed transcripts of trials but could not afford a service that cost £120 per hour on average. Wondering why technology was not used to improve the situation, she set up a social enterprise and has spent the past few years understanding the life cycle of a transcript from court to legal databases.

The turning point came when Walker realised the same technology could be used in other areas; for example, to help lawyers use transcription to smooth workflows and improve internal processes.



Law firm applications

Her product manager, Emily McLeod, also worked for a charity called Advocate that, similarly, helped people who could not afford transcripts. Later joined by CTO Vinay Kumar, they went out and started conversations with lawyers to tweak the software based on their opinions.

In the past six months, the focus has shifted from the improvement of court transcript to potential law firm applications. Through the programme, they want to assist legal teams when interviewing witnesses, have conversations captured during meetings and save information to feed the platform's database and refine its functioning.

With the launch of an incubator focused exclusively on legal technology, Slaughters joins a crowded space. A number of firms have already branched out in this area, with some already at their third or fourth edition: Allen & Overy's Fuse, CMS's equiP, and Mishcon with both MDR and the newly launched M:Tech, which works only with early-stage businesses.

Conscious of this, Stewart and Woods initially spoke with members of the start-up community to identify the kind of experience the six participants would need. For instance, the team chose not to provide office space because it found that start-ups don't really need it.

In addition, no free or discounted legal advice will be given along the lines of Hogan Lovells and CMS, which award 'golden hours' of discounted legal advice worth about £25,000.

"They need us to develop their products, that is what they really want," Stewart says.

The idea is to keep the scheme "practical" and, at the same time, flexible.

"We won't get as involved as to buy equity in any of the companies," she adds.

So what comes next? For 12 weeks, every participant will be closely followed by two mentors from Slaughters, including one from the knowledge and innovation unit and a fee-earner coming from practices that suit each cohort member's area of coverage.

The six firms will be in and out of the London office, joining a number of events, demos, testing sessions and client meetings. A sandbox environment has been set up so they can instil products directly into the firm's infrastructure, as well as be placed in the right practice based on their specialism.

After meeting the teams behind Tabled and Just:Access, we descend to a glass and steel reception room.

We bump into the duo who launched Clarilis, a platform that automates documents by taking out the need to amend templates of previous contracts in long-term transactions.

Both CEO James Quinn and commercial director John Lillie are in formal suits, more similar to fee-earners than start-up founders.

For Quinn, the atmosphere is familiar: he used to work at Slaughters as a corporate tax associate. He launched the company in 2015, when he started working on complex document automation upon joining a boutique corporate firm.

He claims his platform automates documents in a different way and volume, from simple files to complex paperwork. Its “intelligent” system solves problems by focusing on matters as a whole instead of single documents. The system models the data contained in the documents to create a full picture of the matter, reducing the review process from months to weeks.

Last year, Clarilis attracted private equity investments, achieving a ‘scale-up’ status. Now the company boasts a headcount of 50 based in Leamington Spa and with a London outpost. Since launching, it has won contracts with law firm clients including Addleshaw Goddard, Baker McKenzie, Travers Smith, Herbert Smith Freehills and Simmons & Simmons.



Nilufer von Bismarck

Clarilis applied to Collaborate since its concept resonated with the company’s current state: it needs the opportunity of collaborating with lawyers and experimenting with real-life clients in their own sectors. The presence of clients was the fil rouge that informed the development process of Collaborate. As well as engaging with start-ups, Stewart and Woods asked the company’s clients and experts what they were looking for in a product. What did they you really need? “We wanted to set up a client innovation network to help scope how this could work,” Stewart explains.

A few institutions were approached; now start-ups will be supported by a client advisory panel that includes in-house legal members from GlaxoSmithKline, John Lewis Partnership, Santander, Standard Chartered and Vodafone.

The involvement of clients influenced the whole decision-making, especially when the selection process came down to fewer and fewer candidates, from 50 to six. The successful ones dealt with themes clients really cared about, showed strength in the structure of their teams and produced high-quality applications.

"If they deal with clients, they need to know how to sell themselves," Stewart says.

She and Woods expects products to gradually be adopted by in-house teams. Participants may hope to have their products rolled out across the entire firm, but "it's a question of filling a business need at the right time," she adds.

From one to 100

Meanwhile, associates and members of the knowledge management teams roam around the room armed with glasses. Stewart and Woods cheer like best friends, as the participants meet each other for the first time.

In the crowd, I spot Aharon. He mentions the hate mail. And he says the platform has completely changed thanks to the Lab. The system, he explains, was initially conceived as a software that could take over analytical tasks through natural language processing algorithms.

It still does high-end analysis but now covers a wider range of tasks to help litigators with day-to-day assignments: from managing files to exploring and reviewing documents faster.





Anna Lyle-Smythe

When everything is in place, it becomes possible for the platform to better understand arguments, as well as identify issues and themes disputed in claims. Once a document is uploaded, LitiGate identifies categories, dates, chronological order of facts and stages of the litigation process.

The content is broken down in two areas: 'explore', containing the facts of each case presented as a storymap that connects them; and 'analysis', providing smart insights into the material.

His team – 15 research and development professionals based in Tel Aviv – is refining the technology, but the journey from specialist platform to day-to-day management tool is pretty much done. Aharon sees Collaborate as an opportunity to boost this "continuous journey" to perfect the platform.

"I'm happy to see how it went from high-end idea to day-to-day tool," he explains. "It will be the go-to platform for litigators."

The hope glimmering in his eyes mirrors the excitement that bursts throughout the room. And it raises the stakes for the firm to deliver: will it really propel them into stardom, or will it just be another transient passage in a theory of never-ending incubators?

"With MDR Lab, we went from zero to one," Aharon says, smiling. "This is our opportunity to go from one to 100."

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