LEGAL INNOVATION ON A SHOESTRING: HOW TO INNOVATE ON A BUDGET

Legal teams must cut costs. But how can you innovate with no time and no money? In-house lawyer, independent director and blogger, Verity White shares her tips.

$0. Is this your legal team's software budget?

If it is, you're not alone. The 2017 ACC Trends survey reported that nearly half of legal teams have no money in their budgets for software. The 2017 ACC Australia Benchmarks & Leading Practices Report revealed that sixty percent feel pressure to reduce legal costs and twenty-five percent state there is pressure to minimise cost increases.

Despite this, over seventy-five percent of in-house internal spend is still allocated to lawyer salaries and related costs. In comparison, legal departments are spending a mere four percent on technology and just three percent on improving workflow.

Australian and New Zealand in-house lawyers reported spending approximately half their time on work that is of low importance or low value but that is urgent.

Breaking these survey results down, this means that in-house legal teams are spending one third of their legal budget on work that is of low value or low importance. That is an incredible amount of money!

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> ACC Australia 2017 Benchmarks & Leading Practices Report.

Does lack of money and time mean legal teams can't innovate? Not at all! In fact, it can make you smarter, leaner and faster about how you look at innovation.

People not tools

People not tools is a key feature of the Agile Manifesto[1] for software development and it applies to legal innovation also. You need to focus on solving problems for people rather than getting fixated on a particular tool or application.

Tools that don't solve problems won't get used.

It doesn't matter what you have in your tool belt, if tools don't work for the people they are intended to help, they are of no use. When it comes to innovation, you need people with the right attitude. It's not magic tools, but people that will inspire, encourage, demonstrate and innovate to entice others on the innovation journey.

Don't get me wrong, tools are very important and the right tool for the job makes a world of difference. However, when it comes to launching innovations or trying new things, stay away from the shiny, expensive tools and focus on the people to ensure you're solving the right problem.

Get clear on what you need

What problem do you want to solve? What do you *really* need a potential tool to do (versus what would look cool or be nice to have)? Before you ask anyone to build or investigate anything, get it clear in your own team what outcomes you want and the priorities of those specific features. It would be nice to have a tool that spits out a Word Doc after assembly … but it's not a necessity.

The smaller your must have list, the faster the build and the cheaper the price tag.

Build and test a prototype

Car designers build real-size clay versions of cars and show them to potential drivers to test reactions long before they set up the equipment required to actually construct a car.[2]

Cars are expensive to make and so too is innovation. Even if you aren't spending money to buy software, you are spending your time to investigate and problem solve. And, while you're investigating, the day-to-day work keeps rolling into your inbox.

A small amount of low code, analogue upfront work to prototype and iron out issues will mean that it will be faster and cheaper to build the real deal. Produce a storyboard of your innovative app or use phone frames with pictures to visualise what you would like a potential app or tool to do.

Don't wait for the perfect tool to start innovating, start drawing out your ideas and workflow so you can test and perfect your prototype tool now.

This may mean using a whiteboard or just pens and paper … you could create a presentation or just jot things out in a Word document. However you prototype, it will help structure your thoughts on what problem you need your innovation to solve, how you want the user experience to feel and ultimately it will mean less back and forth with IT or other developers as they guide you through (and charge you for!) work you really could do on your own.

Do an audit

Have you ever gone shopping and purchased a new item only to bring it home and realise you already have one (or two!)?

Waste not, want not.

Innovation gets expensive if you're inefficient. While your ideas *might* be groundbreaking and special, it is unlikely that someone, somewhere in the organisation hasn't thought of trying something similar.

Look outside the legal team and make nice with your IT department. There might be spare licences for amazing programs or your IT team might have already built something you can use off the shelf or tweak to solve your problem. You won't know until you ask!

Want to innovate but not sure where to start?

Ask your IT team about software and other applications you may already have access to. Ask them, do we currently have any applications that can …
- ✓ Automate workflows?
- ✓ Assemble documents?
- ✓ Create webforms?
- ✓ Make quizzes or surveys?
- ✓ Create, edit and manipulate PDFs?

Additionally, ask about spare or more advanced licenses for Microsoft 365 and other enterprise software. If you clearly outline the problem you are trying to solve, you might be surprised with what free programs you uncover that could help the legal team solve problems.

And remember, if you get a 'No, we don't have anything that does that …' ask around and also ask what's on the future technology road map. You'll find that different departments and different teams often have access to different programs.

How to talk to your IT department

IT departments are interesting and delicate. Depending on how motivated your IT department is, they can be a fantastic ally in your innovation aims. Speak with IT—take them out for coffee or lunch in exchange for answers to your many questions .

FUNCTIONAL REQUIREMENTS These are questions for yourself, your team and the end users.	NON-FUNCTIONAL REQUIREMENTS These are questions for yourself or for the IT team.
What do we want the technology or tool to actually do?	**What does your organisation need for security and system compatibility?**
What problem are we trying to solve?	**Where can we store data?** Specifically ask about Amazon Web Servers—lots of apps use AWS to store data, which IT departments don't like.
Who is this tool for?	**Do we have a Data Classification Policy?** This will help you decide on what kind of information you can put through what tools.

Use what you have

There are lots of functions in tools we use every day that we don't yet use in full. While your team might have a $0 software budget, it's almost guaranteed that you have access to Word processing software and other company-wide applications.

I have been a big fan of DocuSign—an electronic signature application—for a long time. Despite having an 'all you can eat' type licence and investing in DocuSign's Australian entity, the Telstra legal team and wider company previously made only minor use of this powerful tool until champions throughout the company began to encourage and demonstrate its myriad of uses.

To increase uptake of this productivity powerhouse, the Automation stream of the Telstra Legal Innovation Forum championed DocuSign throughout the Legal team. Over the past eighteen months, we have held one-on-one coaching sessions as well as intensive training for a larger group of AutoMates (our team name for automation savvy lawyers!). We are now making full use of the amazing features of DocuSign to automate Settlement Agreements, Novation Agreements, Consent and Release Forms, and documents and processes.

Just as paying for a gym membership doesn't make you fit, investing in tech doesn't make you innovative. Innovation is an attitude, not an app.

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We can't afford not to innovate

With more and more studies showing collaboration and innovation helps increase productivity growth (in one Australian study, by 4.1 percentage points[3]), the real question for legal teams is, can you afford not to invest time, energy and (gasp) money into innovation?

NO CASH TO SPLASH	SOME CASH TO SPARE	CASH TO BURN
Attend every free CPD session you can on innovation (Check out the ACC member events https://acla.acc.com/events) and set up a shared space for innovation ideas. Just having time to brainstorm innovations and discuss improvements can create amazing (cheap) ideas.	**Your budget needs to stretch so make use of multi-purpose applications that help with automating workflow, minimising risk and empowering clients such as electronic signature platforms (e.g. DocuSign).**	**Just because you're cashed up, doesn't mean you should go straight to the checkout on the latest greatest tool. Consider spending your budget on in-house training on innovation to increase the innovation mindset in your legal team.**
Learn every feature of Microsoft Word—there's lots of included features you can use to create innovative contracts, advice and guidelines.	**Speak with colleagues in other organisations and at CPD events to see what kinds of applications they are using or testing. Learn from their mistakes if possible and use the connections they have developed to negotiate on pricing.**	**Invest in greater features of tools you know and love—such as Office 365 or DocuSign—to increase collaboration and innovation with these off the shelf but somewhat expensive tools.**
Use the checklists above to talk to your IT team about current applications and programs you could use or re-purpose to solve your problems.	**With your list of problems to solve and your checklist of IT requirements, contact at least three different providers and ask them to show you how their tool might solve your problems whilst meeting IT's requirements.**	**Solve a big, hairy problem. Once you identify a problem that needs solving and you have done the basic work to sketch out innovations, think big to have an impact. It might cost but the value return could be huge.**

Stretchy investment pieces

Once you are clear on what you need, invest your shoestring budget where it will get you the most bang for your buck and stretch with you as your skills increase. This means looking for multi-skilled applications such as DocuSign that you can add functionality to as you need it.

Don't try to buy a piece of software to solve just one problem (unless the problem is big enough!). Think about what kind of return on investment your company expects from technology.

Negotiate and ask for added value

This might not be news but generally you should never accept the first price you're offered. There are lots of reasons and levers you can use to negotiate down pricing, especially if your company is large or you think there is a large scope to replicate successful innovations.

You could offer to participate as a case study or do a testimonial for a discount. Alternatively, if there is no room to move on pricing, ask the provider to include training, templates, maintenance, monthly check-ins, ad hoc trouble shooting or whatever other services your team would find useful depending on your priorities.

A small-time investment from the provider can work wonders for increasing take up of innovation in your organisation.

Do not accept just one rose

Just like singles on dating shows, often legal teams fall in love with one provider or one application and fail to shop around or seek out more quotes. While many apps are unique in different features, there is a lot of overlap between offerings. Speak to several players and create some competitive tension.

Not only are you learning more about other potential functions and benefits that could solve your team's problem, with more information you can ask more intelligent questions. When you are informed and market savvy, you are better armed to spot a good deal.

Free or low-cost innovations you can do on a shoestring budget

INNOVATION IDEA	TOOL	HOW	SKILL LEVEL	COST
Easy to read, likeable contracts	Microsoft Word (Review tools, templates)	Structure your contracts for productivity. Improve your formatting game with templates—free and online.	Basic – Mid	Included in basic licence
Reduce that low value work with easy to follow guides	Microsoft Word (SmartArt)	Create clickable infographic and flowcharts with SmartArt and hyperlinks to other resources.	Mid	Included in basic licence
Secured template agreements	Microsoft Word (Developer Mode form fields)	Locked down contracts with only certain form fields available for editing.	Mid – Advanced	Included in basic licence
Feedback from clients and other lawyers	Google Forms	Develop quick and easy surveys to test innovation ideas and gather feedback on work. Be aware of data security and information classification though.	Basic	Free
Guided work flows and approval processes	DocuSign (Templates)	Control document workflows so contracts are quickly signed and go through appropriate approvals.	Basic – Mid	Included in basic licence

Innovation on a shoestring

Remember you are never 'done' with innovation. Make sure you *'infuse every initiative'[4]* with an innovation lens to ensure your legal team is continually adding value to your business. When you see results from low-code innovation, you can develop the business case to increase your budget for new innovative tools. ⓐ

Footnotes

1. agilemanifesto.org/, accessed 25 April 2018.
2. www.howacarworks.com/technology/how-cars-are-designed.
3. www.rba.gov.au/publications/confs/2015/pdf/palangkaraya-spurling-webster.pdf?utm_source=eNewsletter&utm_campaign=9886ae8f0a-EMAIL_CAMPAIGN_2018_02_08&utm_medium=email&utm_term=0_e1fc69b194-9886ae8f0a-85629525
4. Sacha Kirk and Richard Stock, '*Innovative KPIs are critical to secure greater value from law firms,*' Australian Corporate Counsel Volume 27, Issue 3 – Spring 2017, https://acla.acc.com/documents/item/1910

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Currently at Telstra in the Consumer and Small Business team, Verity is an enthusiastic member of Telstra's Legal Innovation Forum in the Automation team. Verity is an Executive Director with the Communication Research Institute and Secretary at Melbourne social enterprise STREAT Ltd.

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