



7 WAYS DOCUMENT AUTOMATION CAN BOOST YOUR BUSINESS

*How scalable solutions are
helping law firms take case
and practice management
to the next level*

The modern law firm is in the midst of a massive transformation: The industry is rapidly moving away from its reputation as a technology Luddite that clings to slow, inefficient processes, to one that is waking up to the importance of improving speed, efficiency and accuracy.

Why? Because the current competitive, cost-cutting landscape demands it. Law firms feel pressure to both cut fees and maintain profits. Clients are pushing for greater billing transparency, and many are shifting to a flat fee model. Other industries, from financial services to retail, have already leapt ahead in their ability to innovate. The business of law has had to catch up.

According to the 2019 Report on the State of the Legal Market, issued by the Center on Ethics and the Legal Profession at Georgetown Law and Thomson Reuters Legal Executive Institute, the traditional law firm model “has now largely broken apart because of new market realities.”¹ Clients are demanding more value for their legal spend, so the traditional billable model has shifted to a flat fee or fee-for-service model. Fierce competition means it is a buyer’s market.

At the same time, technology has advanced to fully support any manner in which a law firm operates to succeed – whether billing by the hour or adopting a flat fee model. This is particularly important when it comes to the vast task of assembling legal documents – which for centuries has been a central, if tedious and time-consuming, part of law work. Law teams constantly draft and change matter-specific documents and oftentimes, such processes are regularly repeated. And this spans across practice areas – including everything from contracts, loan applications and settlement agreements to letters, forms and wills.

The solution to replace these painfully slow, error-prone processes is document automation. First developed in the 1990s, document automation tools transform frequently-used documents and forms (that typically are in Microsoft Word or PDF form) into dynamic templates and automated workflows, using online questionnaires to customize the document to a firm’s and client’s exact requirements. As a result, documents become dynamic, personalized, valuable, uniform offerings in a fraction of the time it would have taken in the past to create.

Still, many law firms may be reticent to use the latest tools, instead keeping with traditional methods of generating documents, such as early software options or even spreadsheets. Others are recognizing that today’s enterprise-grade document automation solutions are extremely

powerful and versatile for a law firm’s every document creation need – and are straightforward enough to be used by anyone at a law firm charged with handling documents.

For example, there are now cloud options that provide easier than ever deployment, as well as traditional on-premise solutions. The best-in-class document automation tools also integrate seamlessly with a firm’s existing technology solutions and offer scalable options for businesses of all sizes, from a solo practitioner to a law firm with hundreds of partners. No matter how lengthy or complex, anything that needs to be produced on a repetitive basis can run in any environment or on any device.

“As an industry, law has caught up with the idea of using technology to provide more value and reduce workload,” says Gary Eunson, global sales director at AbacusNext. “At the same time, automation is picking up pace in numerous industries, as the world opens up to the idea that business needs to be more efficient.”

Document automation can impact a law firm’s bottom line in essential areas of case and practice management. Here is how document automation is changing legal work for the better as the industry shape-shifts towards a new future:

1 Reduces errors and risk

For a law firm, accuracy is essential. The most minor errors in a contract or agreement, for example, can have serious implications, and even a careful proofreader can make errors using traditional cut and paste methods. This is far less likely to occur when using document automation tools, says Seth Hanisek, product trainer at AbacusNext. “By automating the process and excluding users from manually manipulating documents, you can dramatically reduce the amount of general risk involved in production and distribution,” he explains.

The automated intelligent interview process is designed to allow users to answer questions correctly and prevent them from answering incorrectly, so only the relevant information is extracted. The user doesn’t need to know how to construct a document – basic questions just need to be answered, which reduces the opportunity for errors.

2 Increases efficiency and lowers costs

Manual document assembly is slow, which is simply no longer compatible with today’s increasing speed of business and the faster pace of client demands. Document automation increases the efficiency of production, particularly the creation of complicated, intricate, critically important documents.

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Using intelligent, interactive templates, document authors can quickly populate and generate a customized document, controlling the data in ways that are simple and straightforward. What might have taken a full day to do might now take less than an hour. These efficiencies translate into lower costs and more flexibility in dealing with clients who demand alternative billing arrangements, such as flat fees or task-based billing.

3 Saves time and eliminates chores

“Redrafting documents is a real chore for the law business – one that most people don’t enjoy,” says Eunson. “Document automation removes the thief of time.”

In addition, not only does document assembly keep many lawyers from other high-value work and rain-making, but certain matters may be particularly document-intensive, and large firms may be handling many thousands of documents per month. The time necessary to prepare all of those documents can cause transactions to drag on longer than necessary, at a time when clients are most interested in getting transactions to close. With document automation tools, firms can deliver spot-on documents far more quickly, leading to satisfied clients and faster revenue gains.

4 Helps law firms become competitive

The document automation market has matured. It’s not only law firms, but their customers, including in-house corporate counsel, who are likely using the technology. “If they haven’t already, they may begin to ask their law firm why they aren’t using the right document automation tool,” says Eunson. “They want to pay for their lawyer’s expertise, not the drafting of documents.”

By using tools that provide better documents faster, law firms gain leverage to retain their clients, earn new ones and increase their competitiveness.

5 Improves knowledge transfer and data capture

The document automation template process effectively captures and crystallizes specialized data and knowledge in amber, says Hanisek. “The data capture becomes particularly valuable, creating a reusable model of specific knowledge for information that typically lives in only a few people’s heads,” he explains, with the risk of being lost if those people retire or leave the firm.

By giving greater numbers of staff access to document production, data is exposed to more staff, which increases the volume of documents firms can handle and preserves intellectual capital. Attorneys themselves can create the documents, while junior associates, paralegals and other support staff can learn from dealing with automated documents on the job. Finally, document automation concentrates on areas of knowledge that are specifically important to that person’s industry, while the mechanical drudgery moves to the background.

6 Boosts opportunities for additional services

There are plenty of opportunities for law firms to expand their use of document automation tools to offer and sell new legal services. “Perhaps it is creating free, simple tools to draw in new business, then offering more specialized advice and customized service down the line,” says Eunson. It could be about commoditizing lower-end work and automating processes that would normally be too simple to take on as new business, but a firm can transform it into content that can be sold and create revenue that goes directly into the firm’s pockets.

7 Keeps everyone at the law firm on the same page

Thanks to document automation, content can be consistent, standardized and uniform across the law firm, which can be essential to managing a variety of different clients and matters over the long haul. Approved language and business rules can be stored in a central repository, so everyone works with the latest information and can create identical documents. Experts say that this type of technology will “continue to unbundle aspects of legal work over the next decade.”² That is, highly-paid lawyers will focus their attention on high-level case work, while other legal services, including document assembly, will be performed by nonlawyers or technology. That requires all staff to be on the same page.

Fenwick & West LLP Fast-Track Document Generation with HotDocs

With 300 attorneys serving clients in the technology and life-sciences industries, Silicon Valley-headquartered Fenwick & West knew they needed to automate and speed up their document generation process. Relying on manually filling out generic forms in Microsoft Word was no longer efficient enough for their growing business.

Fenwick & West chose HotDocs for its strong traction across the legal industry and its ease of use for all legal professionals, as well as its seamless “interviews” that clients fill out before documents are generated and reviewed by attorneys.

“HotDocs has allowed us to reduce turnaround time for legal document generation, allowing our attorneys to focus their expertise on addressing legal issues unique to each of our clients,” says Mark Gerow, director of application development & business process at Fenwick & West.

Power-charge the document process for real results

Technology, including document automation, is rapidly transforming how legal services are provided, according to the 2019 Report on the State of the Legal Market.³ “For many years, it was largely assumed by both firms and clients that legal work was labor intensive, could only be performed by lawyers, and that law firms controlled the delivery of legal services,” said James W. Jones, a senior fellow at the Center on Ethics and the Legal Profession at Georgetown Law and the report’s lead author. “That no longer reflects the realities of the marketplace for legal services.”

Of course, automation is picking up pace in all industries, as digital transformation takes hold and efficiency, accuracy and compliance becomes a driving force in every area of business. In the legal world, McKinsey estimates that 23 percent of a lawyer’s job can be automated.⁴ With document automation tools, highly trained legal minds in every practice area can turn to focus on providing legal advice for their cases, rather than the drudgery of tasks such as document assembly – the bulk of which involves updating variables alongside standard boilerplate information in a reused document.

“Automation will spread to more parts of these businesses, with more reuse of information and a lot less manual manipulation of words on a page,” says Hanisek. “You’ll have a firm made up of a concentration of smart and creative people, and document automation relieves them of day-to-day administration. It frees them up for innovation.”

With document automation tools, law firms can also limit their risk and better comply with regulations by creating standardized, uniform documentation. Finally, document automation can help power-charge a law firm’s document process for real bottom-line results: it saves time and money, while improving the quality of legal documents and efficiency of case and practice management.

Forward-thinking law firms are already investing in the best enterprise-grade document automation. For others, it is uncharted territory and a sea change from traditional, manual ways of doing business. But with today’s competitive landscape and new market realities, such as the transition away from the billable model over the past decade, keeping pace with change is a must. Document automation is part of a larger digital transformation that no law firm can ignore. Those that don’t take advantage of the powerful tools available to take their case and practice management to the next level may well be left behind.

¹ “2019 Report on the State of the Legal Market”, Georgetown Law and Thomson Reuters Legal Executive Institute, <https://www.thomsonreuters.com/en/press-releases/2019/january/rebuilding-the-law-firm-model-2019-report-on-the-state-of-the-legal-market.html>

² “A.I. Is Doing Legal Work. But It Won’t Replace Lawyers, Yet.” New York Times, March 19, 2017 <https://www.nytimes.com/2017/03/19/technology/lawyers-artificial-intelligence.html>

³ “2019 Report on the State of the Legal Market”, Georgetown Law and Thomson Reuters Legal Executive Institute, <https://www.thomsonreuters.com/en/press-releases/2019/january/rebuilding-the-law-firm-model-2019-report-on-the-state-of-the-legal-market.html>

⁴ A.I. Is Doing Legal Work. But It Won’t Replace Lawyers, Yet.” New York Times, March 19, 2017 <https://www.nytimes.com/2017/03/19/technology/lawyers-artificial-intelligence.html>