

OM10: Innovate and
Improve Service with the
Use of Technology

08/03/2018

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Who Am I

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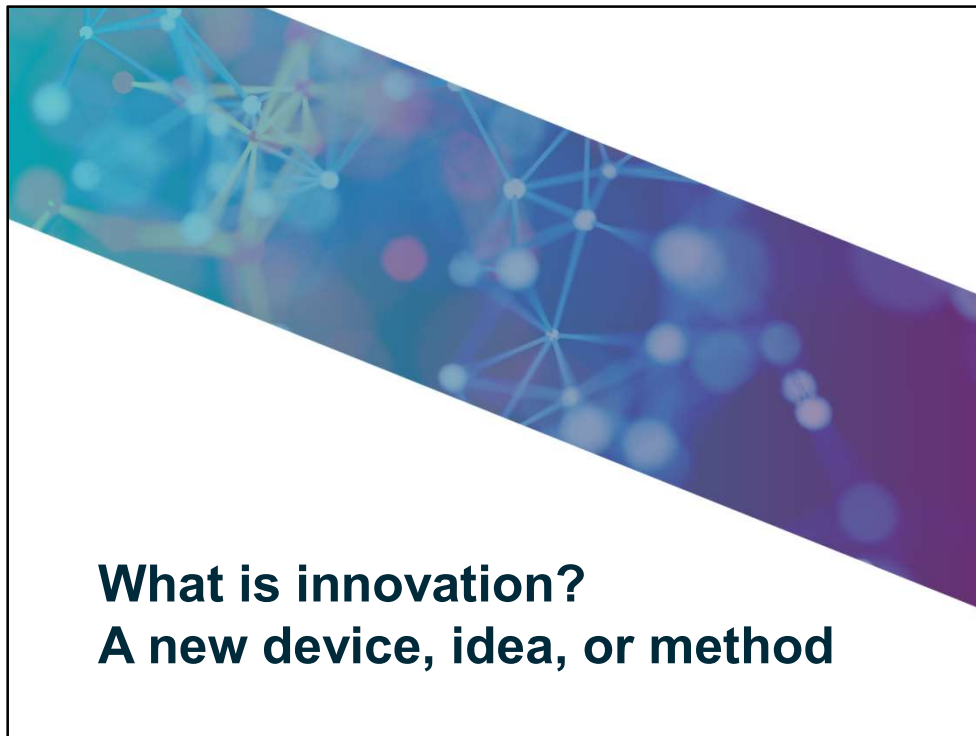
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I have been with Fish since 2001. Prior to that I was the IT Director at a smaller firm in New Mexico with approximately 100 lawyers at the time. I think my past is an important point to make. Because I was at a smaller firm, I understand the resource issues that many firms face.

I'm happy to answer questions via email after this session.

Objectives

- Recognize what is happening in the market with innovation, artificial intelligence (AI) and other changes in technology.
- Identify what their peers are doing to apply innovation at their firms.
- Discuss practical examples and use cases of artificial intelligence.



Marketing term or something else?

Some firms think that buying and marketing AI research products is good enough.

Quotes

Are you speaking to your clients?

“Law firms have something that corporate legal departments cannot replicate—access to more sources of diverse data because they serve many clients.”

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These are quotes from emails and discussions that I've participated in over the last several years.

“We observe in the tech industry that if you can drive more consumption of your solution, the data that enters your platform can create a moat built upon that data. This advantage can be hard to overcome because you have a superior solution for your customers that keeps reinforcing itself.”

“Data is capital. There is an economic cost to producing data.”

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“We value the unique capabilities that your firms have to serve our needs due to your technical expertise, institutional knowledge, and influence. I hope that your firms are giving real thought to how you will build upon your specific platform strengths, and add the innovation capabilities that seem to be native to the Big Four.”

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Impact of AI on the Practice of Law

- **Lola v. Skadden**

Importantly, the court's statements suggest that machines can remove tasks from the scope of the "practice of law," such that machines can encroach on a lawyer's role in society.

Yale Journal of Law & Technology
Lola v. Skadden and the Automation of the Legal Profession
https://yjolt.org/sites/default/files/20_yale_j.l._tech_.234.pdf

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A simple employment case

Lola made the following argument:

He posited that the work he was conducting as a contract reviewer was so common and routine that it should be excluded from the specialized practice of law and, thereby, should become subject to overtime pay.

Digital Transformation

Your clients are talking about Digital Transformation

“The integration of digital technology into all areas of a business resulting in fundamental changes to how businesses operate and how they deliver value to customers. Beyond that, it is a cultural change that requires organizations to continually challenge the status quo, experiment often, and get comfortable with failure.”

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What is the digital transformation?

How are you going to provide value to your clients beyond being the best lawyers possible?

What are you doing with your data?

- Law firms don't value their data enough.
- You need to educate your partners about the value of the data you have in your systems.

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Is your data in a system or is it in documents?

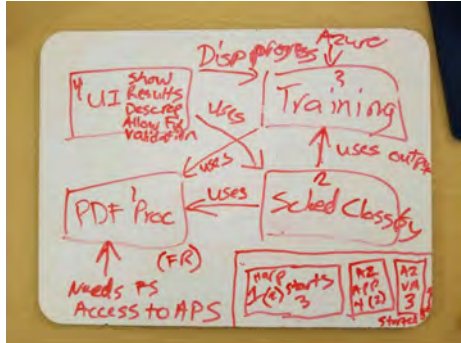
Data costs money until you do something with it. Storing your data is not free.

Before you mine that data, the value is speculative.

To be clear data is not a commodity. It is not fungible like oil.

Build a data exchange. Pour data into it. Allow people to access that data. Take advantage of your data.

Act on that data – Machine Learning



WithExceptions%	WithExceptions	Failed%	Failed	Capped%	Capped	Largest	Total
0.00336%	46	0.00007%	1	0.01235%	169	10252041	13687

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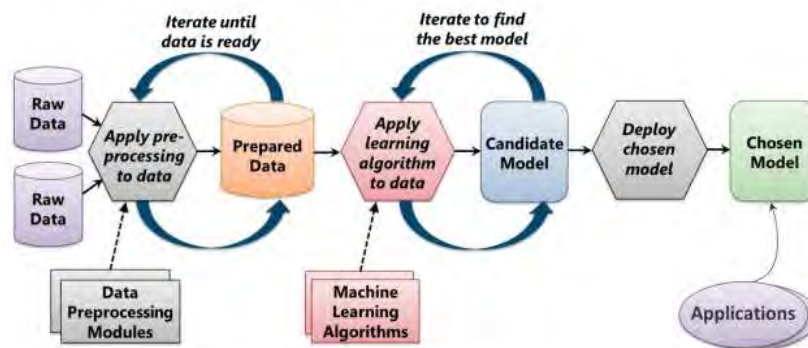
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Narwhal Document Automation processing
Classification of time entry cards based on six matters that were classified

We're classifying data so we can act on it.

We're building the expertise in house. When you hire a consultancy, they learn from you and they give that knowledge to the next firm.

Machine Learning



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As the figure shows, machine learning starts with data, the bigger the sample size, the more accurate your results are likely to be. Because we live in the era of big data, machine learning has become much more useful and valuable in the last few years. Having lots of data to work with in many different areas lets the techniques of machine learning be applied to a broader set of problems. Additionally, this process can be rerun in the future in order re-train the algorithms with little effort in order to keep pace with the evolution of the problem.

This is exactly what the machine learning process does: It applies statistical techniques to large amounts of data, looking for the best pattern to solve your problem. It then generates an implementation code that can recognize that pattern. This generated code is referred to as a model, and it can be called by applications that need to solve this problem. With the routing application, for example, the calling application must provide the right information about the document, such as sender, recipient, where the document originated, and the text of the document. The model created through machine learning then returns an indication of who to route this document.

Azure Machine Learning

The screenshot displays the Microsoft Azure Machine Learning Studio interface. The main workspace shows a training experiment named "HelpDeskTriageForITDevDescription" with a status of "Finished running". The workflow consists of several interconnected modules: "Import Data", "Split Data", "Train Model", "Evaluate Model", "Export Model", and "Deploy Model". The left sidebar contains a search bar and a list of categories including Saved Datasets, Trained Models, Transforms, Data Format Conversions, Data Input and Output, Data Transformation, Feature Selection, Machine Learning, OpenCV Library Modules, Python Language Modules, R Language Modules, Statistical Functions, Text Analytics, Time Series, Web Service, and Deprecated. The right sidebar shows the "Properties" panel for the selected module, with sections for "Web Service Parameters", "Experiment Properties" (including Start Time, End Time, Status, and Status Defaults), "Prior Runs", "Summary", and "Description". The bottom toolbar includes icons for "NEW", "RUN HISTORY", "SAVE", "DELETE", "DELETE CURRENT", "PLAY", "GET API ENDPOINT", and "PUBLISH TO CATALOG".

Money

- **How much we're paying for Azure Machine Learning**
 - \$9.99 per month per developer for the developer license
 - \$1000 per month for 2 million transactions



How do you build an Innovation team?
Should you?

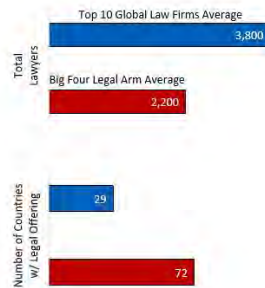
The Current State of the Big Four in the Legal Market

Today the legal arms of the Big Four are by any account, sizeable. In 2016, the legal arms of the Big Four averaged 2,200 lawyers working in 72 countries. It is important to note that these numbers represent only the legal arms of these businesses - not the total number of lawyers working within the overall organization. Cornelius Grossmann, the Global Leader for EY Law, when reporting that his firm's legal arm had 2,100 lawyers operating in 80 countries, was quick to note "these figures do not include people with a law degree who are accountants or tax consultants, these are lawyers fully dedicated to EY's legal business excluding tax and immigration." Grossmann's insistence on this issue is due to a common misconception that the Big Four are overstating the size of their legal arms. ALM Intelligence's research further confirms that this is not the case.

Figure 4: Global law firms vs. legal arms of global accounting firms
Top 10 largest law firms by number of lawyers vs. the legal arms of Big Four

Global Rank	Law Firm	Lawyers	Countries
1	Dentons	7,445	55
2	Yingke	6,278	26
3	Baker McKenzie	4,719	47
4	DLA Piper	3,616	30
5	Norton Rose Fulbright	3,505	27
6	CMS Legal Services	2,719	35
6	Hogan Lovells	2,609	22
6	Jones Day	2,523	18
9	Clifford Chance	2,466	23
10	King & Wood Mallesons	2,397	16

Global Rank	Accounting Firm	Lawyers	Countries
1	PwC	2,500	85
2	KPMG	2,200	53
3	EY	2,100	80
4	Deloitte	1,800	69



Source: ALM Intelligence

ALM Intelligence | LEGAL COMPASS

The legal arms of the Big Four range from 2,500 to 1,800 lawyers (see Figure 4). The largest, PwC's, would rank as the 6th largest legal service provider in the world in terms of total number of lawyers, if counted as a standalone entity. PwC's legal arm is similar in lawyer numbers to Jones Day, CMS, and Clifford Chance. However, the Big Four still pale in comparison to the largest law firms. Dentons has nearly three times the number of lawyers as PwC. Baker & McKenzie, the second largest law firm in the world, is nearly twice as large.

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How do you innovate?

- **Speak to your lawyers**
- **Start asking questions.**
 - What is broken?
 - How can we be more efficient?
 - How can we provide more value to our partners and clients?
- **Eventually speak to your clients**
 - How can we provide value to you?

People

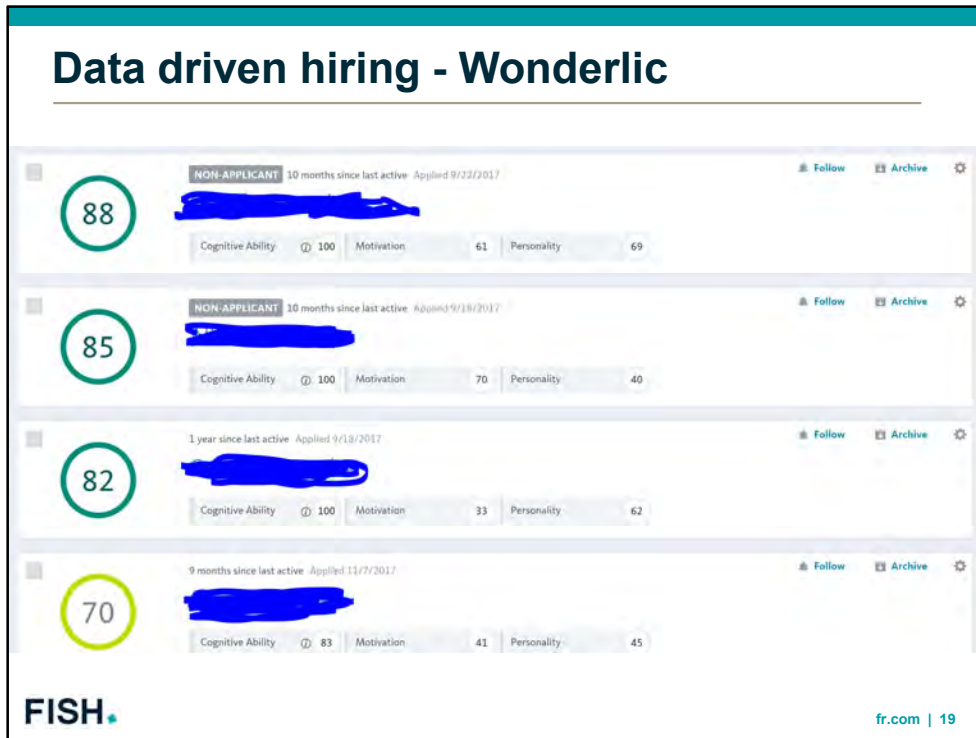
- Hire the right people
- Retain the right people

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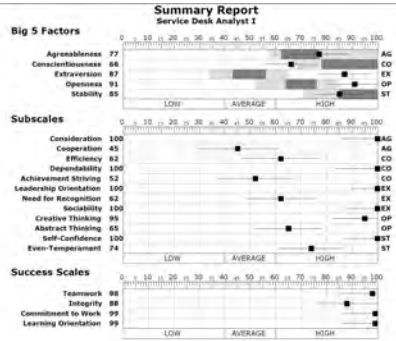
- New hires
 - Use data to hire. Most hires are based on several meetings where the person is trying to make a great impression. You don't know anything about the person and you hire based on a resume and your gut feelings.
 - We won't even look at a resume until the candidate takes a quick 5 minute cognitive ability test.
 - Once the person is brought in for initial interviews if we still believe the person is a good fit we give them a 2 more tests
 - Motivation Potential Assessment
 - Looks at DRIVERS (Doer, Reward, Inspired, Value, Enjoyment, Relationships, Stay)
 - Personal Characteristics Inventory
 -
 - Full Cognitive Ability test
 - We also have the same set of technical questions we ask every candidate

Data driven hiring - Wonderlic



The best two predictors for success are intelligence and integrity
Wonderlic

Wonderlic



Motivation Potential Assessment®

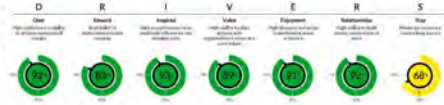
Wonderlic®

Compare your Wonderlic® Motivation Potential

A Strong Fit for the Service Desk Analyst I profile



More about DRIVERS of Motivation



Simulations

Business Solutions Architect Simulation

ABC Company
2023-2024 Year
Architecture Design (2)

Problem Statement
[Redacted]

Assumptions
The following are various possible assumptions:

Assumption	Impact	Dependencies	Key Considerations
Assumption 1	Business Growth	Customer Data Management	[Redacted]
Assumption 2	Operational Efficiency	Cloud Migration	[Redacted]

code-test

git@github.com:fr.com_test_cybersec

code-test

changed the readme file
Nathan Anderson authored a month ago

Name	Last commit	Last update
Test-BusinessLogic	Added code test with fake database schema	2 months ago
Test-Connect	Added code test with fake database schema	2 months ago
Test-DataAccess	Added code test with fake database schema	2 months ago
Test	Changed the readme file	2 months ago
gitignore	Added new file	2 months ago
test.sql	Added content	2 months ago

OSI Polaris Competency Model

- Card sort for the competencies that you care about for specific positions
- www.orgsysint.com

Core Competencies for our Tech Teams

Exceptional Employees

Functional/Technical

Problem Solving & Decision Making

Active Listening

Communicativeness

Team Player

Results Orientation

Learning Agility

High Standards

Integrity

Change Agility

Drive/Energy

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These are the core competencies that we chose as the foundation for our hiring practices with my teams

Core Competencies for our Leaders

Ideal Leadership

Team Management

Conflict Management

Composure

Talent Development

Delegation

Relationship Building

Organization/Planning

Influence

Mission Focus

Organization Knowledge

Strategic Thinking

Business Thinking

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Core competencies for the leaders on my teams.

Be willing to fail fast

- **A project shouldn't take longer than six months.**
- **Force your technology teams to learn what DevOps is.**
 - Iterate quickly.
 - Collaborate - collect feedback continuously. Log everything.
 - Repeat.

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If your project is going to take more than six months... it isn't innovative.

DevOps is a buzz word. There are core ideas that are important in DevOps though. Force your teams to collaborate and get along.

I have members from Litigation, Patent, Accounting, and Marketing that participate fully on my teams.

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Just a reminder... you can't keep doing the same thing you've been doing.



Pull your best and brightest out of your teams and give the opportunity to create, and build new ideas that provide value for your firm and your clients.

Let the rest of the teams keep the lights on and work on the plumbing. From an IT Perspective, one way to do that is to move more of your applications up into the cloud and let someone else manage the plumbing for you.

Exchange
DMS

Good books to read

- Great at Work – Morten Hansen
- Mapping Innovation – Greg Satell
- Law is a Buyer's Market – Jordan Furlong
- Kill the Company – Lisa Bodell
- Drive – Daniel Pink
- A Whole New Mind – Daniel Pink
- The Lean Product Playbook – Dan Olsen
- Activator – Brandon Gillespie
- The Next IQ – Arin Reeves
- Shell Scripting – Jason Cannon
- HR from the Outside In – Dave Ulrich
- Statistics in Plain English – Timothy Urdan
- The Compassionate Geek – Don Crawley
- The Checklist Manifesto – Atul Gawande
- Linchpin – Seth Goden
- Drop the Ball – Tiffany Dufu
- Leading the Transformation
- Applying Agile and DevOps Principles at Scale – Gary Grover
- The 4 Lenses of Innovation – Rowan Gibson
- Lean Enterprise
- Innovate at Scale – Jez Humble
- Effective DevOps – Jennifer Davis
- The Phoenix Project – Gene Kim

Thank you
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