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Dedication

To My Family

N.B. Because the author's professional experience has mostly been working for very large corporate law departments or for software and consulting vendors serving such departments, this book approaches the topic of legal technology through the lens of how to help that type of organization. However, many if not most concepts will apply to smaller organizations, and to law firms.

“It seemed to me that way too many products didn’t actually work – and I’m not talking start-ups, I’m talking big companies. I would go for a demo, and the product was basically broken and – worse – the rep... didn’t know what was wrong and couldn’t explain how the product was supposed to work.”

Jean O’Grady, noted legal technology expert, commenting on the tech she attempted to demo at Legal Week 2024

Executive summary

When you are in the market for legal tech, you aren't really in the business world – you are in the realm of politics, and politics is theater. In the legal profession, we call it puffery – exaggerating how attractive your product or service is in order to get buyers. Puffery is tolerated and legal but, if pushed too far, crosses an invisible line and becomes fraud.

Chapter one looks at the concept of catfishing in legal tech, and how the assertions of many legal tech providers are calculated to optimize puffery – to puff up the product as much as possible and come as close to the invisible line as possible without actually going over it and committing fraud. Study the space long enough, and you will conclude that a non-trivial number of legal tech products are marketed in a seriously misleading way and have significant portions that do not work at all, especially portions involving data or artificial intelligence. There are a lot of reasons why, but the biggest one is that, unfortunately, misleading people works. Customers keep falling for it, at least initially, and by the time they figure out the burger isn't as juicy as it looked in the picture, they're already too deeply enmeshed with the vendor to do anything about it.

Chapter two attempts to establish a truth-finding process. Buyers of legal technology often think it will be quick and easy to find an appropriate solution. In reality, although it is quick and easy to find an *inappropriate* solution, finding an appropriate one is hard work. Although leading legal tech companies can be quality and the industry *is* getting better, most legal tech companies – both big and small – are far, far from living up to the standards of quality and innovation business folk have come to expect from companies in other spaces. Simply reviewing information and product demos provided by software vendors is insufficient for due diligence purposes and, frankly, reckless. Vendors have a more sophisticated understanding of the software space than do corporate law departments, and will often mislead buyers or frame sales conversations in ways that distract them from what's really important. To succeed, buyers of software must take control of the situation and perform their own detective work behind the scenes. Law

departments that fail to do this risk making everything the law department touches slower and more expensive, reinforcing pre-existing impressions that law departments are quagmires to be circumvented altogether – even when that is against company policy.

Chapter three looks at what the problem to be solved actually is. Before buying software to solve your problems, you have to get your law department on the same page about what those problems are. To do that, the project needs a single leader who is motivated and accountable because they know they are the ones to blame if things go wrong. The project leader should work with a small team to carefully interview various stakeholders and figure out not only what their stated needs are, but also uncover any unmet needs they have trouble articulating. Ideally, interviewers should be power users of the type of technology in question, or possess other types of subject matter expertise. In this chapter, Nathan explains how to get the most out of interviews, and to understand what it is you actually need to get out of your legal tech.

Chapter four looks at your legal tech strategy. When it comes to legal technology and particularly to change, sometimes less is more. Instead of thinking that the perfect system is going to save you, recognize that systems will come and go, and eschew over-investing and over-engineering in favor of staying flexible so change is cheaper and easier when it needs to happen. Nathan advises to avoid legal tech systems with long and expensive implementations, which increase sunk costs and therefore make it harder to admit when it is time to move on. Instead, he says, go with simpler, lighter systems that are quick and easy to set up, and quick and easy to dump when they don't perform. When you are looking for solutions, make sure to consider both solutions that are marketed at the legal industry vertical as well as ones that are marketed elsewhere. Industry-agnostic tools may be better, and they may also be free to your legal department if an enterprise license has already been purchased by the larger organization. Industry-agnostic tools are also more likely to have already been adopted by other business units and by your law firms and other external providers, making collaboration easier.

Chapter five then considers legal tech pricing. Although corporate law departments complain about the cost of legal technology, in reality they spend only a fraction of what other departments spend on tech and, compared to what they spend on outside counsel, the cost is infinitesimal. If your law department doesn't have the money for the legal tech you need, become an advocate for yourself and build a business case that persuades

the CFO to open their wallet going forward. Do not infer that legal technology is good or bad based on its price. There are lots of factors that influence price that have nothing to do with quality, innovation, or usefulness.

Chapter six looks at the stable/innovative matrix. Many law departments claim that they want to work with vendors who are “innovative”, but sometimes it turns out that they have that desire only in the abstract, when there is no trade-off associated with that innovation. While some legal tech companies are both innovative and stable, generally there is a trade-off between the two. Start-ups are the riskiest, least stable companies, but the most innovative. Bigger companies tend to be less innovative, and sometimes are unwilling or unable to innovate at all. When they do “innovate”, it often comes not through product development, but through acquisition. Unfortunately, their next move is often to degrade the product either due to neglect or unwillingness to continue taking risks. Despite this, a handful of companies have managed to be wildly innovative and stable at the same time. Unfortunately, there is no guarantee they will continue to stay in that sweet spot.

Chapter seven explores the value of simplicity. While it is true that many law departments suffer from insufficient technology, it is also true that some suffer from too much technology or a tangled web of technology. Technology has a number of hidden costs associated with it, including the administrative burden of implementation, change management, and other administrative work that distracts paralegals and attorneys from their key mission of protecting the company and doing deals. A lot of technology never achieves significant adoption and is therefore almost a total waste. However, standard tools like spreadsheets, Word documents, and Outlook have 100 percent adoption, not only in your law department, but also in other business units and in your law firms. That high level of adoption means that, in practice, “spreadsheet ‘n email” will continue to provide productivity advantages versus overengineered software that tries to do everything. The Pareto principle says that 80 percent of the administrative headaches present in your corporate law department come from 20 percent of business activity. Solutions aimed at that 20 percent will have the highest return on investment (ROI). Some administrative problems will never be solved, and can only be endured.

Chapter eight looks at the value of citizen development. Citizen development happens when technology allows users to make changes to how the software works or even build whole new functions into the software without the help of IT, outside consultants, or the software vendors themselves. There

are a number of “low code/no code” softwares on the market that allow for citizen development. Common use cases for these platforms include legal intake and triage, the management of contracts, and document assembly (particularly NDAs). When it works, citizen development gives corporate law departments direct control over the management of their technology-enabled processes, allowing them to maintain and modify those processes quickly and easily.

Chapter nine – the book’s biggest chapter – details all the considerations you should bear in mind when choosing your tech. Nathan looks at the plus points of buying software that is quick and easy to set up rather than equivalent software that takes forever to implement. Software and modernized processes that appeal to the expectations of younger users in your corporate law department may help with recruitment and retention of those employees. When looking for your next legal tech provider, focus on finding the very best solution, even if that solution happens to be provided by a lesser-known, and perhaps smaller, company.

Chapter ten looks at due diligence, vaporware, and demos. Not all legal tech products function as well as they do in the product demonstration buyers receive; that is the product running under ideal conditions, created for sales purposes. Vaporware remains a concern in the legal tech space – perhaps a growing one. But more so than products that are entirely vaporous, watch out for individual features and functionality of a product that are dysfunctional and/or not “real”. If the function is critical to your buying decision, you need to verify it works the way you want before proceeding to buy. While the IT and/or procurement departments can be very helpful in assisting your law department in identifying a vendor, be aware that their interests are not the same as yours and they will not be the ones who have to live with the selected product. The law department must have its own voice in the purchasing process and represent its own interests.

Chapter 11 looks at how to get the right “fit” with your product. Nathan advises avoiding buying new legal software in haste – you risk ending up with a garbage product that will hold back your law department for years. That being said, if your law department has decided to act in haste and avoid most of the best practices listed in this book, at least make sure that you spend a lot of time talking to reference clients, non-reference clients, and “anti-references”. This is the highest ROI way to spend your time when choosing legal technology.

Chapter 12 looks at the underappreciated importance of reporting. The

reporting on what goes on in legal tech products is just as important as the core functions of the product, yet this isn't always appreciated. For a variety of reasons, most of the reporting tools bundled in with legal tech are outdated trash.

Chapter 13 looks at how to choose your vendor. An ideal legal tech salesperson will have an encyclopedic knowledge of both the product they are selling as well as the overall market for that category of software. However, in practice, a lot of the assertions coming out of the mouths of salespeople are nothing more than superficial “company messaging” that does little to educate the customer. When possible, says Nathan, always check customer satisfaction scores before buying a legal tech product. Do not buy a legal tech product that has low customer satisfaction. Legal tech salespeople are not your friends, and the decision to buy a particular piece of legal technology should be based on a detailed, detached analysis of what product is best to solve your business problems, not “lizard brain” factors like who plied you with the most food and drink. When IT leads the buy process, make sure your interests are well-represented, because IT is focused more on complying with organizational guidelines and checking various boxes as opposed to putting you in technology you're not going to hate. Analyst firms can provide very helpful guidance but they will avoid trashing vendors even when that trashing is obviously deserved. Their research is a good starting point, but is no substitute for the “full cavity search” due diligence recommended by this book.

Chapter 14 is intended to educate the reader about some of the things that you as a purchaser of legal software will want to look out for in negotiating the contract with your legal tech provider. While the list of issues isn't intended to be comprehensive, it should provide some things to look out for.

Finally, chapter 15 doesn't offer so much a conclusion as some parting thoughts. There is both a good and a bad side to every person or thing in the universe, industries included. For every worker in legal tech that only cares about their own interests, there are two who really want to build the absolute best product they can. They do it not only because it is an honest day's work, but also because they are prosocial people who want to contribute what they can to the greater good and make life a little bit easier – not only for people in corporate law departments, but also for the people those corporate law departments serve. Furthermore, they do it because it appeals to their sense of craftsmanship – of proving to themselves and to others that they know what excellence looks like and have the skill to actually achieve it. It is the

author's hope that this book allows the reader to pursue their legal tech journey with a little more information, insight, and wisdom in order to get the product that is the right fit for themselves and their organization.

About the author

Nathan Cemenska, JD/MBA, is the founder of Forthright Consulting, a boutique consultancy focused on legal operations, legal data, legal technology, e-billing, and outside spend management. A former practicing attorney, he got his MBA at night and transitioned into legal operations through his early volunteer work with the Corporate Legal Operations Consortium. He has worked in a consulting capacity for Elevate Services and UpLevel Ops, and most recently served in product management and thought leadership for Wolters Kluwer ELM Solutions, one of the largest legal technology companies in the world. He also serves as a senior advisor to Unbiased Consulting, an independent consultancy focused on helping corporate law departments and law firms do better with people, process, and technology.