

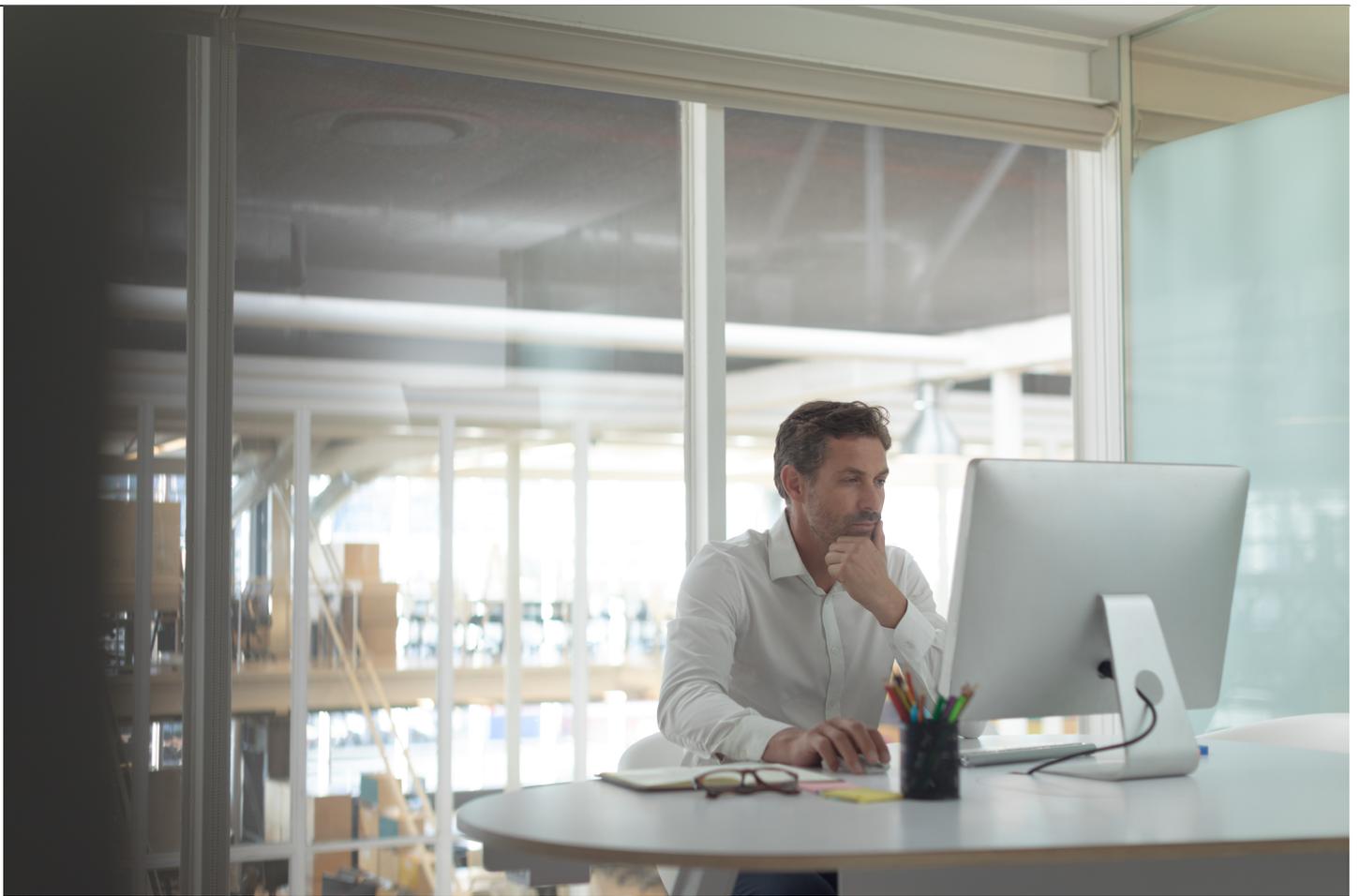


## **In Defense of Low-Tech Legal Tech**

**Law Department Management**

**Technology, Privacy, and eCommerce**

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## Problems and solutions

If you're in-house, chances are that you're regularly pitched new legal software. "Legal tech" — a [growing, multi-billion dollar industry](#) producing everything from automated contract review tools to compliance management software and more — is promised to blow away the dusty programs and processes so common in the traditionalist world of lawyering. Legal tech providers often dub these software offerings "solutions." Solutions, the term implies, can solve your organization's problems.

And problems certainly abound. Even within the smoothest-run legal departments, lawyers fumble with manual processes, outmoded tools, and other inefficiencies. Attorneys may store their contracts and legal files in Windows folders, for instance, with limited ability to sort, search, and tag files. Or the organization's contracting workflow may involve little more than shuttling around Word documents over email.

For operations-minded leaders eager to root out inefficiencies, a new "solution" may seem like just the fix.

## Greener grass

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In sizing up a solution, in-house attorneys need to weigh the costs and benefits of the new tech against those of the organization's existing technology.

Comparisons may seem straightforward. In a basic table, one can lay out different tools' features and prices side-by-side, akin to how Amazon or Consumer Reports shows differences among competing products. And if the legal team still relies on general-purpose programs like Word and Outlook, software tailored to legal needs may appear the obvious choice, so long as budget allows it.

But the grass isn't always as green as it looks from this side of the fence. Nor is hopping the fence as simple as it seems.

## **Transition costs**

While it's intuitive to compare tools' pros and cons side-by-side in a chart, these analyses often miss a major category of costs: the costs of switching technology.

Transition costs crop up in many ways. External monetary costs are the easiest to spot and plan for. They can include early fees for canceling existing tools; data migration costs; and different hardware, software, and storage needed to use the new solution. Harder to affix dollar figures to are internal costs, like time spent to train users in the new tool and the errors or productivity lags that inevitably accompany that learning process.

The provider of a new solution, keen to sell its products, has little incentive to flag these costs. Nor, in fairness, will they have much insight into transition costs particular to an organization. So unless someone inside the company estimates them, the real costs of new legal tech are bound to be underestimated.

## **Usage assumptions**

Side-by-side tool comparisons not only undervalue costs; they can overvalue benefits.

One reason is an unstated assumption: that in-house counsel will actually use the new legal tech. Even when mandated by company policy, internal tools and processes rarely inspire perfect compliance among employees. So-called "shadow IT" — that is, the use of unapproved software or IT resources — is a phenomenon familiar to anyone who works in organizations. And company lawyers can be offenders, too.

No matter what flashy features a new solution promises, the company shouldn't expect immediate universal usage. Tech-savvy lawyers may joyfully embrace feature-rich legal software, but others may resent a change to their day-to-day work process, especially if the software requires significant time investment to learn. These attorneys may stick to their historical practices or tools or, if that's not possible, may employ the new software but steer away from new and unfamiliar features. In the latter case, users may purposefully avoid the very capabilities that drove the company toward adopting the new solution.

Legal teams considering new tech therefore should assume some non-use or under-use, at least in the short term.

## **Solutions to "solutions"**

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In-house counsel need to approach new software adoption with a healthy skepticism about big promises.

Before looking externally, they should first investigate options to make their existing tools and processes more efficient — for instance, by conducting a process audit or confirming that they're using existing software to its full potential.

If an organization does evaluate new legal tech, it should make conservative assumptions about transition costs and internal usage rates.

The organization can also negotiate contractual terms to help reduce transition costs and promote usage. For instance, many legal tech providers offer trial periods during which a business can see if a product suits their needs. Providers may also be willing to help with data migration or training users in the new tool. These companies want people to use — and like — their products, so they're often happy to provide this assistance at no additional fee.

## **Frustration can lead to rash decisions**

Every lawyer in an organization knows the frustration that comes from using legacy systems and outdated tools. And when looking at a new solution, it's easy to imagine major efficiencies from ditching the old jalopy in favor of new wheels.

But in-house counsel should reflect before doing so. It's not enough for a new solution to work in theory. If lawyers don't actually adopt and use the tools, the solution solves nothing.

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