



LEGAL TECHNOLOGY IN SINGAPORE

2018 SURVEY OF LEGAL PRACTITIONERS

The Law Society of Singapore, with co-funding from the Ministry of Law, commissioned Blackbox Research, an independent research consultancy to assess the current level of technology adoption in Singapore law firms and solicit feedback to chart the future of legal technology and its relevance to Singapore law firms. The study took place between May and August 2018 and comprised an online survey of 495 decision makers, end users and technology personnel working in law firms and focus group discussions with non-adopters and high-adopters of legal tech. Specifically, the graphs and quotes illustrated in this summary report reflect the feedback amongst senior leadership in Singapore law firms and in-house counsel at major corporations.

"A Deloitte Insight report released in 2016 said that profound reforms will occur in the legal sector over the next decade, estimating that nearly 40% of jobs in the legal sector could end up being automated in the long term."



What Is Legal Technology?

Legal technology employs information and communications technology tools to enable legal service providers to enhance productivity and deliver greater value to clients.

How is Legal Technology Changing the Sector Globally?

- More than US\$2.5 billion has been spent on legal technology deals. (more than 400 deals to date) ¹
- To date, there have been more than 100 legal tech mergers and acquisitions globally. ¹
- Globally, 73% of legal work is now performed in house with 2% going to non-legal service providers. ²
- Asia Pacific is now home to more than 40 dedicated legal tech firms. ¹

Sources:
 1. Analysis of the LegalTech segment by tracking LegalTech firms listed on Stanford Law's Codex Techindex, cross-referenced with information on Crunchbase and Index.co (by Eric Chin, Alpha Creates)
 2. General Counsel Up-At-Night Report, Fall 2017

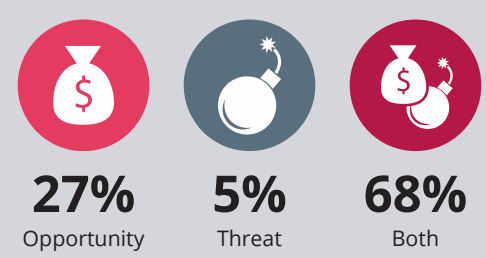


Legal Tech Landscape in Singapore Today

Legal technology is beginning to have an impact on the global legal sector, though Singapore law firms are still in the early stages of responding to this disruptive force.

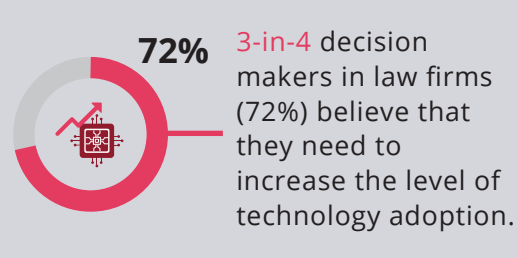
Mixed Views About Legal Technology at the Moment

68% of decision makers view legal tech as an opportunity and a threat at the same time.



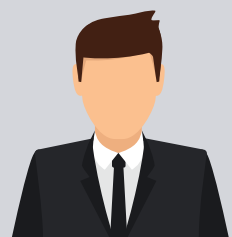
Law Firms Likely to Persist with Legal Tech Adoption

Despite the mixed views, law firms believe that more investments in technology are warranted.



"Legal technology must still be invested in, especially if everyone else is using it due to competition."

"Legal technology is important but the cost is a huge factor."



How Are Law Firms Using Legal Technology?

Singapore law firms are implementing legal tech for productivity gains. Some have started to adopt a strategic perspective of using legal tech to transform their service offerings.

Legal technology is perceived as optimal in...



Increasing productivity for better legal services **(58%)**



Saving time **(51%)**



Reducing administrative workload **(45%)**



Reducing costs **(34%)**

Other areas where law firms can further apply legal tech in...



Developing new ways to deliver legal services **(19%)**



Improving collaboration with clients **(13%)**



Reaching out to new clients **(11%)**



Attracting young talent **(2%)**

Potential for Law Firms to Anchor Their Legal Services Around Legal Technology

Most senior lawyers recognise the value of legal tech, as more than half see its potential as a selling point for the firm.

88%

"Technology helps to improve the delivery of legal services."

85%

"Legal technology is crucial to the future development of the profession and the sector."

82%

"Technology adoption is crucial for my firm to stay competitive in the legal sector."

75%

"Technology adoption helps to reduce costs."

"52% says legal technology is becoming an important value proposition/selling point for our firm."



Key Challenges For Law Firms

66%



Limited budget to acquire/purchase the new technology/software

60%



Concerns over maintenance costs

55%



Deciding which tool/software was the most suitable to implement

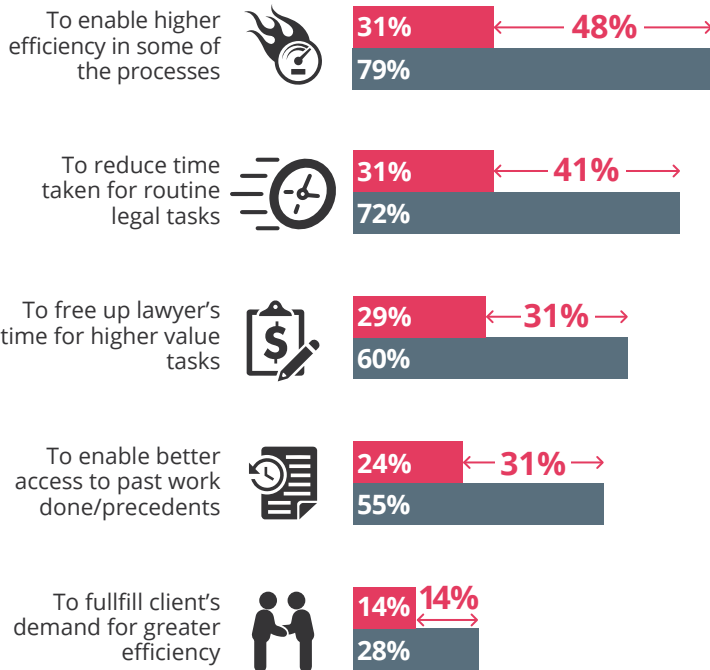
47%



Deciding on the level of investment in new technology solutions

Multi-Purpose and Scalable Legal Tech Preferred over Off-The-Shelf Solutions

There is scope for legal tech solutions to be further improved to better meet the law firms' expectations.



● Expectation When Technology Was Adopted
● Expectation Fulfilled (% Specified 'Yes, Complete'/'To A large Extent')

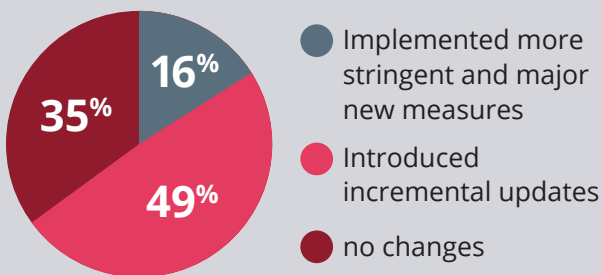
"We prefer customised solutions."

49% of technology personnel in Singapore law firms find that off-the-shelf solutions fall short of their needs.

Singapore law firms prefer multi-purpose and scalable legal tech solutions that provide value and ensure frequent use.

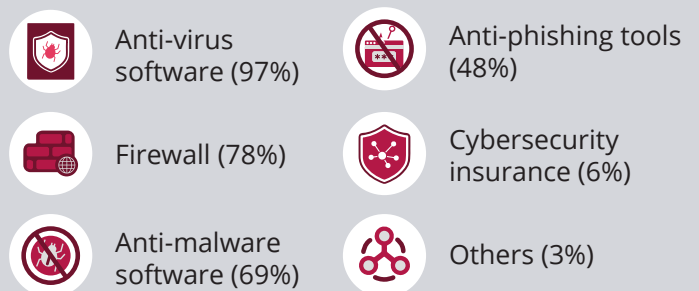
Security Issues Related to Legal Tech

Data Security Remains an Area of Concern



84% of decision makers in Singapore law firms have either made incremental updates or no changes at all to their data security, while only 16% have implemented more stringent and major measures.

Cybersecurity Measures Currently Adopted

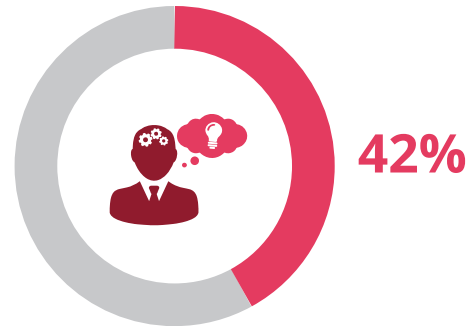


Anti-virus software is most common, though advanced measures which provide more robust cybersecurity defence are not widely adopted yet.

Future Intentions: Adoption of Legal Tech in Singapore Looks Set to Rise



In 2017, **2-in-5** law firms said they increased investments in legal tech.



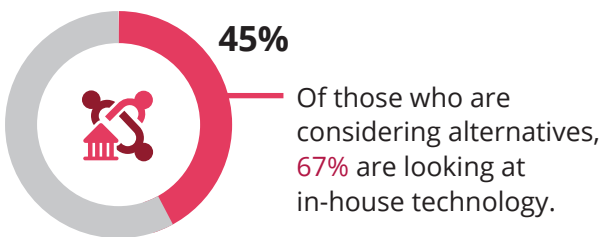
More than 2-in-5 decision makers in law firms (42%) say they will invest more in legal tech in 2019-20.

Legal Tech Spending in 2017 As Compared to 2016



In-House Counsel: Cost Pressures Are Pushing Them to Seek Alternatives

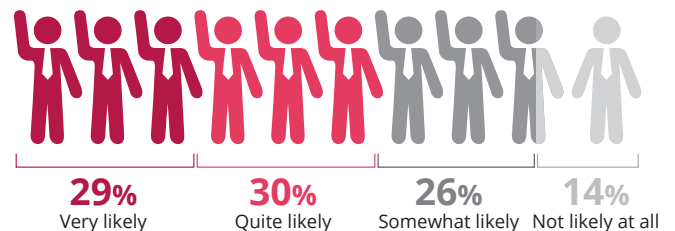
Nearly half of all in-house counsel (45%) are considering alternatives to external law firms.



1-in-3 in-house counsel (33%) are using technology to reduce the amount of outsourced work.

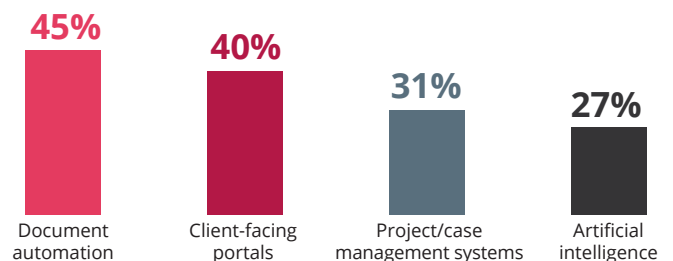


Nearly **3-in-5** in-house counsel (**59%**) intend to implement new technologies in the next two years.



What Can External Law Firms Do?

In-house counsel believe external law firms can respond to this trend by adopting legal tech in these four areas, so as to improve their competitive advantage.



Further Development of Legal Technology in Singapore



A Wider Array of Solutions

Legal tech solutions need to be more affordable for small and medium law firms and better suited to the market.

Law firms indicate that part of their reluctance to invest more in legal tech stems from a sense that products are expensive and not always well suited to local legal practice.



Singapore Law Firms Need to Keep Tabs on Global Trends

Legal technology is advancing fast internationally. Singapore law firms need to keep pace.

While disruption has become a commonplace factor in many sectors, the legal sector is about a decade behind. But this is changing and international trends indicate that transformation in the legal sector is in the process of happening.



More Emphasis on Legal Tech Training

It is crucial for local law firms to ensure lawyers are exposed to changes happening in the sector and are given the opportunities to upgrade their skills and capabilities.

Without training, many lawyers face the prospect of skills degradation as technology becomes more of a factor in every day legal practice.



Need to Ensure the Legal Sector Advances in Concert

It is important to ensure that law firms and lawyers understand the benefits of legal technology and the implications of not addressing change. It remains vital for government, industry as well as tech developers and providers to work in concert.

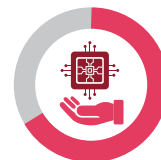
Although being an increasingly important global jurisdiction, the legal sector in Singapore is relatively small. As such, it is vital that all stakeholders work together to ensure that the lack of scale is compensated for by a commitment to innovation and change.



Support for Law Firms Wanting to Migrate

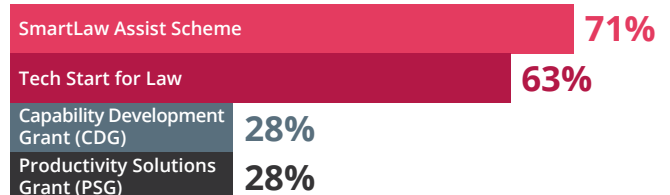
It is also vital that small and medium law firms be supported in their endeavours through government and industry assistance programmes.

Law firms have previously enjoyed access to funding support from government agencies and the Law Society via subsidy schemes such as the Tech Start for Law and SmartLaw Assist Programmes. In order to continue supporting the law firms in their journey, the Law Society, together with the Ministry of Law and Enterprise SG, are currently reviewing the industry needs and working towards securing funding support for a 2nd round of Tech Start for Law.

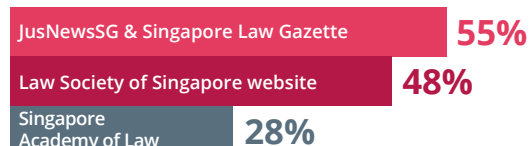


67% of decision makers claim they intend to seek legal tech support/assistance

Which of the following tech adoption support initiatives are you aware of?



Source of information about schemes/grants





Key Study Learnings

1 

Findings show that legal clients (in-house counsel) are facing their own challenges and are increasingly turning to technology as a way of reducing legal bills. This will continue to accelerate.

2 

As observed in other regions, legal technology can raise productivity and transform the legal sector in a disruptive manner. Law firms in Singapore need to embrace both aspects of legal technology.

3 

Education is vital. Law firms are cautious partly because of cybersecurity fears but also because benefits of legal technology and potential returns on investment it offers are not fully appreciated yet.

4 

It is important that the market for legal technology expand with new vendors and developers entering to provide better competition and customised choices for the full breadth of law firms.

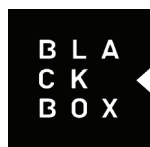
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Singapore law firms are still at an early stage of adopting the latest legal technologies and can do more to harness its benefits.

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