



# The End of Lawyers?

Rethinking the Nature of Legal Services

by Richard Susskind  
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## Take-Aways

- The legal profession is entering a period of remarkable transformation.
- The changes will affect law firms, in-house legal departments and law school students.
- Lawyers will no longer play as prominent a role as they do now.
- The inefficient, expensive way law firms traditionally offer services will no longer work.
- Attorneys now face a buyer's market, with a notable push for dramatic reductions in fees. Information technology will result in the commoditization of legal services.
- To avoid disintermediation, lawyers must radically revise how they operate.
- One way is to break legal work into its separate components, and then job these unbundled components out to the cheapest providers.
- This is called "legal process outsourcing" (LPO), and it is a growth industry.
- Online legal services will be tomorrow's dominant form of legal guidance.
- Such services are likely to replace one-on-one legal counseling, which most future clients will see as too costly and not necessary.

## Rating (10 is best)

Overall  
**9**

Applicability  
**9**

Innovation  
**9**

Style  
**8**

## Relevance

### What You Will Learn

In this Abstract, you will learn: 1) What pressure points and technological advances will change how lawyers operate, and 2) What the future holds for attorneys.

### Recommendation

Iconoclastic British lawyer Richard Susskind looks squarely at his profession and reports on its gross inefficiencies, outrageous fees and absurd structures. For Susskind's honesty, senior members of the prestigious Law Society of England and Wales have suggested that he not be permitted to speak in public. This would be a notable loss. Susskind's voice is witty and engaging, and his message is important. As an author, he does not offer a grand unified theory on what lawyering will look like in the years to come. Instead, writing with panache, he presents a "buffet of likely options for the future," including trends in the US as well as the UK. Susskind's drollness makes his book a delight to read. For example, he claims that most lawyers now accept his views on future trends for legal practice, having moved through these four stages: 1) "This is worthless nonsense"; 2) "This is an interesting, but perverse, point of view"; 3) "This is true, but quite unimportant"; and 4) "I always said so" – in accord with biologist J.B.S. Haldane's "four stages of acceptance." *getAbstract* suggests that law students, attorneys and the executives who pay them will benefit from reading Susskind's entertaining, thought-provoking book.

## Abstract

### Big Changes Ahead for Lawyers

The business of law will radically change within the next few years, so lawyers are in for an exceptionally bumpy ride. Due to "new disruptive information technologies" and Internet advances, attorneys can expect that the legal services they offer will soon become commoditized, broken into product segments and handed to the lowest-cost provider. To save money, their future clients will demand unbundling and efficient sourcing of legal tasks. This involves breaking legal work into components, and finding the least costly, most efficient way to handle each discrete job. This outsourcing, multisourcing and offshoring of legal work – as well as the advent of new "legal businesses" with "novel business models" – will depress, and in some cases, eliminate, law firm profits and, thus, some firms. Hard economic times will exacerbate this trend.

When the dust settles, lawyers will no longer be pivotal backstage players, in firms or as in-house counsel. Indeed, though it may be difficult to imagine, lawyers will have no professional function in certain areas of life. Information technology (IT) and the commoditization of the law will have disintermediated many lawyers, who will need to find new ways to make a living. Clearly, this profoundly changes the future of the legal profession, of law firms, legal trainees (law school students and recent graduates), general counsel and in-house attorneys. Internal corporate pressures to do more with less will force these lawyers to hire less-expensive outside experts. Many general counsel will collaborate with their peers in other firms to cut costs. Leasing attorneys for short-run tasks will become increasingly popular.

In 2009, Rio Tinto, an international mining group, shook up the legal world when it announced that it would begin to use outsourcers in India for a portion of its legal work,

*"The future for lawyers could be prosperous or disastrous."*

*"The recession has made it clear for all time that traditional law firms are inefficient, that new ways of sourcing legal work are possible and that legal costs can be cut radically."*

*"Lawyers, like other professions, cloak themselves in a web of mystique, jargon and apparent complexity, in part to project market value and partly...bolstering their self-respect."*

*"Online legal services can remove lawyers from the legal supply chain. And there is nothing much more disruptive than being disintermediated in this way."*

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*"The expense of litigating...is absurd. Often the cost of litigating exceeds the amount at issue."*

including "contract review, drafting, legal research and document review." Prior to this high-profile move, most lawyers assumed that only "high volume, no value" legal work was in danger of being outsourced. Rio Tinto proved otherwise. Clearly, no legal work is so complex that market forces cannot factor ways for companies to handle it. A sign of the times: In India, "legal process outsourcing" (LPO) already is a \$400 million-plus annual business. Two even more significant figures: Legal services globally represent a \$460 billion market, of which LPO currently accounts for only 0.1%. Clearly, LPO has substantial room to grow.

## Four Models of Future Legal Businesses

In the future, legal businesses may find themselves adopting one of four different models:

1. **"Target"** – Imagine four rings, like an archery target. "Expert trusted advisers" (today's dominant form) are in the bull's-eye. These seasoned lawyers give clients individualized legal advice and service. In the next ring are the "enhanced practitioners," lawyers who back up the experts but lack their experience. "Routine worker" lawyers are in the outer ring. Many clients object to the fees that law firms charge for these low-level attorneys, who do the work that clients could, in the future, farm out most efficiently.
2. **"Doughnut"** – In the center again are the most senior attorneys. In the next ring are the enhanced practitioners. And that's it. No other ring exists, since all the low-level legal work that routine workers normally would handle is jobbed out to suppliers.
3. **"Glazed doughnut"** – This model of a legal practice offers a service, a "glaze," that the doughnut lacks. It is called "legal process management," and it is split between a "legal process analyst" and a "legal project manager." The process analyst breaks legal cases into discrete tasks, determines the best way to handle them and lines up suppliers to do them. The legal project manager helps select suppliers and ensures that work is done on time, on budget and up to standards. Law firms and in-house legal units that don't adapt to this practice model may find that rivals – "accounting firms, legal publishers and new-look businesses" – will steal their clients.
4. **"Cog"** – This is like the glazed doughnut, but the law firm or in-house legal unit will retain a few routine workers for internal low-level legal work and job out the rest.

Changing how law firms and in-house legal divisions operate will be a big challenge. If you are an attorney, plan to handle it in increments. Avoid "'big bang' revolutions." First, conduct "stress-testing" to determine how your firm or office should meet the coming upheaval. Use "blank-sheet thinking" to plan ahead. Ask your partners or cohorts: "If you could design your practice area from scratch...how would it look?" Base your thinking on the understanding that the marketplace will be increasingly unwilling to pay high fees for legal tasks that can be systematized, automated and handled more efficiently and cheaper. In the future, the lawyer's classic "one-to-one consultative advisory service" may be a "one-to-many information service."

The cost of litigation is out of control, so dispute resolution legal work also is ripe for unbundling. Electronic disclosure of legal documents will make dispute resolution more efficient. "Case management and electronic filing" and new courtroom technology (like the electronic presentation of evidence) will improve how courts work. Instead of encouraging legal disputes, attorneys will specialize in helping clients avoid court. Law should concern justice, not fees, but currently – in general terms – only the indigent and

*"When most lawyers speak today about 'commoditization,' they generally do so reluctantly and frequently do so through gritted teeth."*

*"Most lawyers are relatively late adopters of new technology. Accordingly, we can expect that most law firms will not rush to accept new technologies, and may even, in reactionary spirit, resist their introduction."*

*"The prices of legal information products, where there is competition, tend rapidly towards zero. Lawyers fear service whose price is zero."*

*"Most people would surely prefer a fence at the top of the cliff rather than an ambulance at the bottom."*

the wealthy can use lawyers, and thus gain "access to justice." As "dispute avoidance" emerges, this will change. Increased legal awareness will empower citizens to seek justice.

Online dispute resolution (ODR) shows great promise. The online auction service, eBay, settles some 60 million disputes annually through ODR. In fact, SquareTrade, eBay's "preferred dispute resolution provider," is an excellent example of what the future holds. In the US, LegalZoom, which is better known than any law firm, has more than one million clients. Prior to LegalZoom, many of its clients were stuck in the "latent legal market" and could not afford to hire lawyers for their disputes. Now they settle arguments with LegalZoom.

### New Sources of Legal Services

With advancing technology, technicians will be able to "standardize and computerize the law and legal work." One-on-one legal counseling and intermediation will no longer dominate the field. Research says nearly two-thirds of the public "would accept," buy or look for legal counsel through "supermarkets and banks." Of course, cost-conscious bankers or businesspeople would not be inclined to invest in or subsidize the "traditional business model of most law firms – hourly billing, expensive premises, pyramidal organizational structures and the rest." As IT commoditizes legal services and savvy attorneys break legal work into separate, billable tasks, some new sourcing methods will appear, including

- **"De-lawyering"** – A non-lawyer will handle some legal work.
- **"Relocating"** – Law firms will move tasks to satellite offices with lower costs.
- **"Off-shoring"** – Firms will hire "captive staff" in nations with lower salaries or set up cheaper overseas offices.
- **"Outsourcing"** – Companies will use legal process outsourcing to send work to firms in other countries that can manage the tasks less expensively.
- **"Subcontracting"** – Lawyers will move functions to law firms with lower overhead.
- **"Co-sourcing"** – The law firm and client or two law firms will pool their capabilities.
- **"Leasing"** – Clients will hire lawyers on a project basis, as needed. This is popular in the Netherlands.
- **"Home-sourcing"** – Lawyers will work from home on freelance assignments.
- **"Open-sourcing"** – People will turn to the web for voluminous, free "legal materials," including "standard documents, memoranda of guidance, standard procedures, legal opinions, case studies, personal practice experience and much more."
- **"Computerizing"** – The Internet will enable the "systematizing, packaging and commoditizing of legal work."

### "Disruptive Legal Technologies"

Disruptive legal technologies will upend traditional legal methods and bump many lawyers right out of their practices. Yet, lawyers who make the most of the new technologies will profit accordingly. Consider these game-changing developments:

- **"Relentless connectivity"** – Faxing, emailing, texting and networking keep everyone in touch all the time, thus lawyers now are always at their clients' beck and call.

*"The people who own and run the finest professional firms are generally out of touch with the way in which the majority of their people keep in contact."*

*"Many more lawyers are inclined to set up fortifications to protect themselves from new developments than to rush forward and embrace them."*

*"Commoditization and IT will shape and characterize 21st century legal service."*

- **"Electronic legal marketplace"** – Online, where millions publicly review and comment on their purchases, *caveat emptor* (let the buyer beware) carries little weight. Soon, people will shop online for legal services and rate providers. Online auctions will emerge for this purpose. Indeed, this is already happening; just look at eLawForum.
- **"E-learning"** – Multimedia training can help clients reduce legal risks.
- **"Online legal guidance"** – Websites already offer legal advice to companies and the public. Such resources may come to "provide expert legal diagnoses, generate legal documents, assist in legal audits or provide legal updates."
- **"Legal open-sourcing"** – Just as in the software industry, open sourcing of legal services for free is a distinct possibility.
- **"Closed legal communities"** – Sermo is an online community where physicians share treatment information. Similar resources will develop for in-house lawyers. Clients can expect "one-stop" legal shopping, websites where law firms can upload legal materials for them.
- **"Workflow and project management"** – Workflow and project management systems that function like automated checklists will change how law firms handle their work and set their fees.
- **"Embedded legal knowledge"** – The traditional legal model says that companies and individuals who get into trouble need lawyers to interpret and wrangle the system for them. As artificial intelligence advances, expect systems that warn firms and people up front about risks and how to avoid them (thus dodging legal disputes and fees).

In the future, people with legal problems will rely on the Internet as "their first port of call." They will start by checking open-sourced, online information to learn about legal risks. As a result, lawyers will play a significantly diminished role, particularly those attorneys unwilling to adapt to the new paradigm and the evolving technology. However, legal practitioners who embrace these changes and organize their practices accordingly will thrive. Expect to see five dominant types of lawyers in the future:

1. **Expert trusted adviser** – The highest-ranking private attorneys will always have a place, but this classification represents a small, select strata of lawyers who work on the most specialized or novel legal affairs.
2. **Enhanced practitioner** – This attorney will manage the "delivery of standardized, systematized and (if operating in-house) packaged legal service."
3. **"Legal knowledge engineer"** – This professional will organize all commoditized, systematized legal content and will be in great demand.
4. **"Legal risk manager"** – These lawyers will help people avoid legal problems.
5. **"Legal hybrid"** – These lawyers, who will have expertise in non-legal areas, include "strategy and management consultants, market experts" and "deal-brokers."

## About the Author

Author and consultant **Richard Susskind** is IT Adviser to the Lord Chief Justice of England and Wales, visiting professor at the Oxford Internet Institute at Oxford University and emeritus professor at Gresham College London. He also wrote *The Future of Law*.