

LEGALTECH: THE NEW WORLD OF LAW

UK LAWTECH LABOUR MARKET TRENDS



A Robert Walters Group Company

 **VACANCYSOFT**
Data Publishers for the Recruitment Industry

ROBERT WALTERS

INTRODUCTION

The last few years have shone a spotlight on the benefits of digital infrastructure and solutions. In the legal sector, most firms now use technology in some form to help deliver legal services, whether video conferencing, storing data in the cloud or software for research and practice management.

The specific use of legal technology (more commonly known as LegalTech) is not as widespread. A recent survey by the Solicitors Regulation Authority revealed¹ that just over a third of law firms were currently using LegalTech — such as automated documents, interactive websites, or artificial intelligence — with just under a quarter planning to do so in the future. However, the offer of solutions is becoming substantial.

Investment in the world of LegalTech is growing, as is hiring for specialists in this emerging field. This report will uncover the areas we are seeing the most growth, as well as predictions we have for the future.

¹Technology and Innovation in Legal Services, SRA, July 2021





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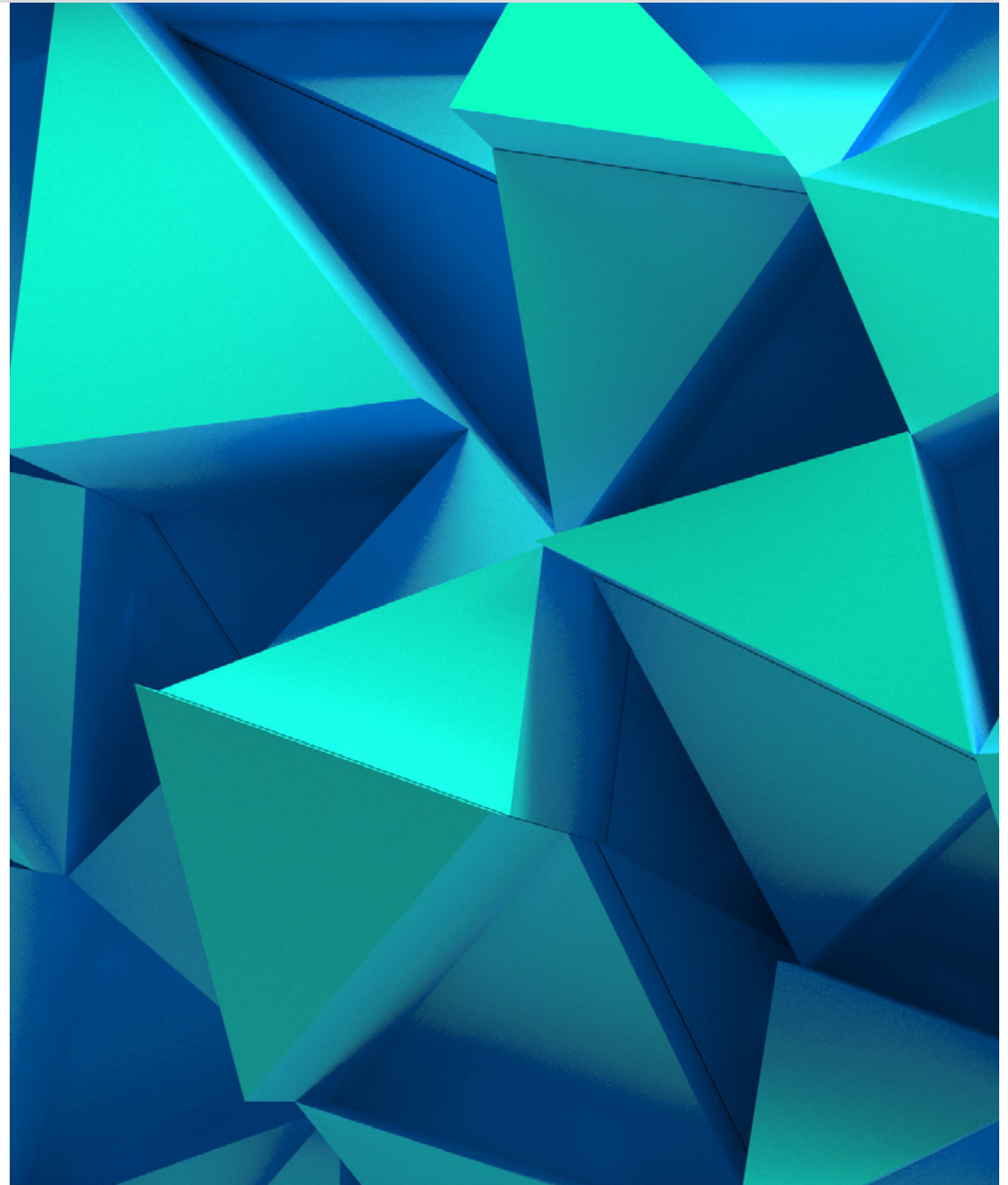
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KEY FINDINGS





KEY FINDINGS

VACANCY GROWTH



YOY overall vacancy growth: vacancies increased by 87% between 2020 to 2019, and 177% between 2021 and 2020.



One of the fastest growing segments in tech: in 2019, positions in LegalTech constituted 1.1% of all tech vacancies, by 2021 this rose to 2.7%



Further growth throughout 2022: LegalTech is now averaging over 3% of all tech vacancies in tech companies, with further growth forecast

3 KEY SOLUTIONS OFFERED IN THE UK



Regulatory compliance: up 214% comparing 2018-21.



SME law tech services: up 74% comparing 2018-21



Legal document management: up 24% comparing 2018-21.

LAWTECH IN THE CAPITAL

The largest region for recruiting tech within LegalTech: with annual rates never dipping below 60% annually.

A dip in the ratio: in 2019, 84% of vacancies were in London, however, this has been falling YoY.

Potential to equalise further: In 2022 so far, 62% of LegalTech vacancies have been based in London

THE ROLES IN DEMAND



Software engineering: top function LegalTech firms are recruiting for. Vacancies are up 15% comparing 2022 monthly average to 2021.



Project managers: have experienced the fastest growth YOY, with vacancies up 25.6%.



Support engineers: contrastingly, have experienced a 21% fall in vacancies.

HELPING TO BOOST THE ECONOMY

Looking ahead, according to research from Lawtech UK, the forecast is that the growth in the sector could add up to 22.7bn in value for the UK economy, suggesting there is real growth yet to come in the sector. This is in 3 parts:



Productivity gains for law firms (1.7).



Unmet demand from consumers and SMEs (11.4).



Savings for SMEs on legal services (8.6).



AN ADVANCING MARKET

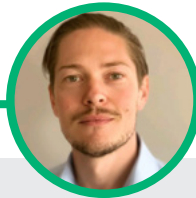




AN ADVANCING MARKET

Over the last three years, vacancies for professionals engaged with Lawtech have exploded.

In 2020, recruitment grew by 87% compared to 2019, while a year later in 2021 it shot up by 177% year-on-year. Growth in 2022, however, has been more muted. On current volumes, the year is set to end 20% up in relation to a year previous.



There are several factors which can explain the slowdown in LegalTech growth, namely, new jobs in tech only take up a small segment of the total vacancies in the field, of this small segment LegalTech makes up 3%. Also, the tech sector is generally more conservative than others, meaning it will take Legaltech longer to establish itself.

Tom Chambers, Associate Director – Technology and Growth at Robert Walters, London

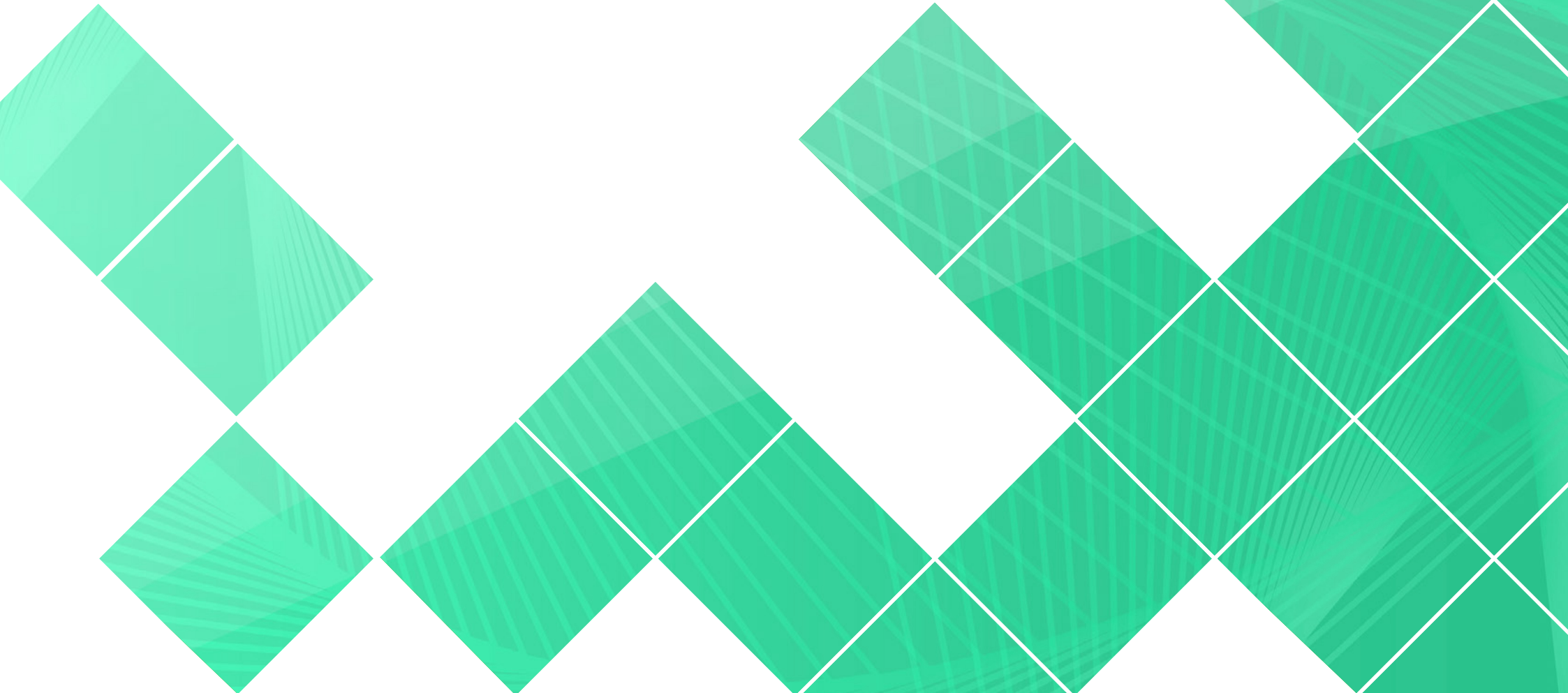
In terms of the types of LegalTech roles, Lawtech UK broadly identifies three types of solution within the sector²:

- Regulatory compliance
- Consumer and SME LegalTech services
- Legal document management.

By far the biggest growth has been in regulatory compliance, with recruitment in this field up 214% between 2018 and 2021. Consumer and SME LegalTech services, meanwhile, experienced uplifts of 74% and 24%, respectively, over the period.

²Shaping the Future of Law - The LawtechUK Report 2021, May 2021





VACANCY TRENDS





VACANCY TRENDS

PROMISING GROWTH

While Lawtech hiring makes up a very small segment of total technology industry recruitment, it is one of the fastest growing.

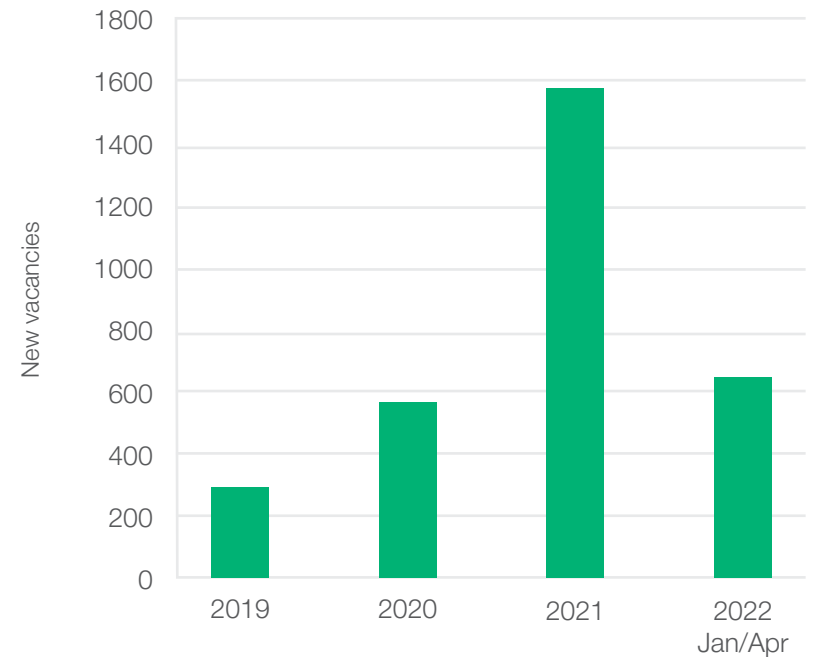
In 2019, there were just over 300 tech jobs in LegalTech in England and Wales, accounting for 1.1% of all new technology jobs. This proportion rose 1.6% over the next two years to constitute 2.7% of all tech recruitment in 2021, representing 1,575 professional vacancies — a rise of 420%.

Going into 2022, the share has risen slightly further to account for 3% of all industry hiring — and the signs are that job volumes are likely to increase.



Currently, LegalTech vacancies are at an all-time high, with Q1 2022 finishing 27% up on Q4 2021.

ANNUAL TOTALS





“ ”



Conveyancing has always been known to be extremely admin heavy and paper based. An introduction of tech into the business means processes are far more streamlined, with automation opportunities being a key factor. The digitising of legal documents improves efficiency and reduces risk of human error.

Tom Chambers, Associate Director – Technology and Growth at Robert Walters, London

INNOVATIVE WAYS OF WORKING

A number of exciting LegalTech applications and solutions are being created for the benefit of businesses. They can reduce the compliance burden, improve decision-making and risk management and increase efficiency. There are products that can bring law firms and in-house legal departments together with tools for sharing, collaboration and insights; making communication within legal projects more efficient; and provide guidance, document generation, company-specific templates and contract management systems.

According to Solicitors Regulation Authority, the types of companies using such solutions varies³. Most likely to adopt them are law firms established in the last five years, than those operating as alternative business structures and companies serving larger corporate clients.

In terms of the practice areas where LegalTech might be used, firms working in conveyancing were most likely to use new innovative solutions, while employment law and family law slightly less so. Utilising the technology in litigation, commercial work for small businesses, and wills, trusts and probate was also identified as a big area of application. These trends could help forecast where the adoption of LegalTech is likely to grow further, as regional legal hubs increasingly specialise in specific practice areas.

³Technology and Innovation in Legal Services, SRA, July 2021

LAWTECH ACROSS THE COUNTRY

London has been the largest region in terms of recruiting for technology specialists within LegalTech. Recent research into legal services within the UK has found that the UK is a global hub for LegalTech, with London serving as a magnet for global tech investors looking to get the latest cutting-edge technologies.⁴

Since 2019, when the capital accounted for 84% of all vacancies in LegalTech, its proportions have dropped slightly, but its numbers have never dipped below 60% compared to the rest of England and Wales. So far this year, 62% of the vacancies in LegalTech were in London; as LegalTech solutions gain traction around the UK, especially in other legal hubs such as Manchester, the question is will this equalise further?

We are however continuing to see progression outside of the capital; Liverpool law-tech services group, Spirant Group, has been awarded £9.5m-worth of investment to support its continued growth, particularly its international expansion. The group is working on developing its outsourcing strategy and LegalTech offering, with this investment allowing for further expansion.⁵

⁴Lawtech cements UK position: The Law Society, June 2022

⁵Spirant Group receives £9.5m funding boost: The Business Desk, April 2022



LAWTECH VACANCIES IN LONDON: ANNUAL TOTALS





INDUSTRY INSIGHT: DEFINELY





Definely is an award-winning LegalTech company redefining the way documents are drafted, reviewed and understood. The team at Definely create LegalTech solutions to free lawyers from frustrating, repetitive tasks, allowing them to get back to the work that matters most.

Law firms and in-house legal teams worldwide including Dentons, Deloitte and Allen & Overy use the Definely Suite to simplify the process of reviewing documents, maximise efficiency and improve the accuracy of their contracts.

We spoke with Rhys Hodkinson, Chief Commercial Officer at Definely, to find out more about the growing LegalTech sector.



www.definely.com

WHAT WAS IT ABOUT THE LEGAL INDUSTRY THAT ENCOURAGED THE LAUNCH OF DEFINELY?

A few of us in the original team are former lawyers. The launch of the business, as is the case with a few tech companies, was a result of a pain-point we encountered day-to-day as practicing attorneys.

The pain-point we were experiencing was exaggerated by one of our founders, Feargus, who was a banking lawyer at Freshfields, one of the magic circle law firms in London.

However, unlike most lawyers who spend their days drafting and reviewing contracts, Feargus was also visually impaired - he was one of the few registered visually-impaired solicitors practicing in the City of London. This meant that he reviewed contracts at almost 600% zoom, making the whole process significantly harder for him. What started as a search for technology to help solve his problem very quickly became Definely.

WHAT ARE THE KEY SERVICES REQUIRED TO MAKE A LEGALTECH SOLUTION DESIRABLE?

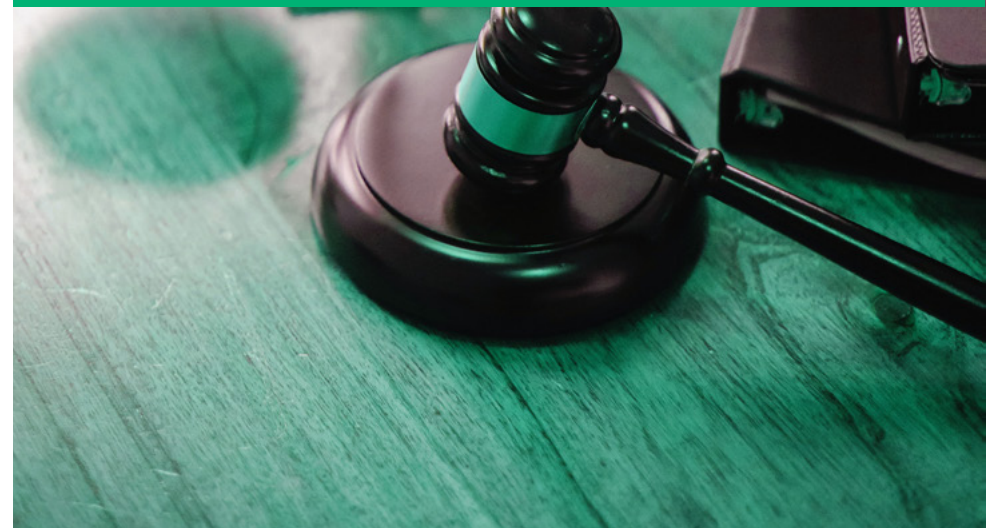
Firstly, you can't have a technology business without a product. Then it's all about getting the product team together - finding individuals with the same vision, who are familiar with that area of work and the appropriate expertise. Having these professionals collaborate with those who originally encountered the pain-points enabled us to create an accessible product.

It is important to demonstrate to the user that the adoption and engagement process is seamless. Instead of just getting the technology working, you also need to be thinking "How do I make this as easy to use as possible?". Lawyers are not traditionally early adopters of technology. From the outset, it was important for us to meet lawyers where they are (for example utilising Microsoft Word) as well as to plug into existing workflows as seamlessly as possible.

In addition to the above is the customer success aspect. Huge amounts of effort need to go into ensuring everyone knows how to use the product, defining what success looks like for each customer and helping them to achieve those goals.



You need to ensure that you have feedback loops between people who are interacting with the customer and those responsible for developing the product. Communication between the product and customer success teams is paramount.





DEFINELY IS BACKED BY PROMINENT INVESTORS AND VCS; WHAT WAS IT ABOUT DEFINELY THAT INVESTORS WERE MOST INTERESTED IN?

We have been backed by Google for start-ups and Microsoft (through its venture capital arm, M12) led our funding round in August last year – it has been great to have them on board.

VC's that have invested in us have always backed our long-term vision about where we can go (what our aims and ambitions are for where we believe the product can ultimately end up) and they bought into that vision. They backed the Definely team in terms of that skill set, experience and in demonstrating that we can deliver not only great technology products but sell that to and retain customers.



It is vital that not only should investors do due diligence on the companies that they invest in, but vice versa, start-ups need to make sure that investors will be a good fit.

WITH INTENSE GROWTH OVER THE LAST 3 YEARS ACROSS THE LAWTECH SECTOR, HOW HAS DEFINELY ADAPTED TO STAY COMPETITIVE

Things have certainly changed over time, for the better. A lot of the fundamentals around the business model and the vision has stayed the same, but as the company grows and we get more employees and customers, we can't operate as we did when we were 5/6 people.

As you grow you need to think about systems and processes that you need to be putting in place. Things like employee onboarding, employee retention and culture are all really important when scaling the company.

Early on in an organisation, you are very outward facing, searching for investors, clients, and people to provide early feedback on the product. As you scale, you need to add the inward-looking components like “Who are we as a company? What are our values? How do we care for our employees and make sure that they feel valued?”. That has been a natural progression and it's definitely still a work in progress; it probably always will be.

WHAT DO YOU OFFER EMPLOYEES TO ENSURE YOU ARE EFFECTIVELY ATTRACTING/RETAINING TALENT?

At a foundational level, you need to meet and exceed the market in terms of the benefits you offer. Whether it's the classic things like flexible working or holiday entitlement, almost every candidate asks about our workplace benefits.

Each hire will be additive to your culture. You need to ask not only “Will they fit in with the culture?” but “What will their impact be on that culture?” because it is a candidate-led market, so employee retention is important. Nothing beats having open conversations with your employees and ensuring they are happy.

An ability to have autonomy and responsibility early on in their careers is also a large thing that attracts employees to start-ups. We are big believers in the principle of self-determination; you should hire people who are talented, and talented people typically do not like to be micromanaged. Our role is to get out of their way, let them do their job, then provide them with the support and tools that they need to be successful.





You must maintain the culture ywhich you have sold, making sure you are accountable to them. Revenue Operations is becoming increasingly important to make sure that systems and processes are being deployed to ensure there's as little friction as possible in the workplace.



The recruiting process takes time, and it is certainly hard to find the right candidates. We can be quite selective as we want to ensure we get the right people. It is a tough market, but once you find the right people, it's important to retain them.

We find it useful to forecast. Usually by the time you need an employee, it is too late to get that person on board. You need to think about who you are going to be needing in 3/6/9, months' time and then start having informal conversations and getting some good quality candidates lined up. This way you aren't caught short when you need to start making those hires




WHICH SPECIFIC TEAMS ARE YOU LOOKING TO INVEST IN MOST?

We are about to start scaling into our next phase, so it is a period of rapid growth.

There are a few important hires that will be crucial to support this stage of growth and we are actively looking for candidates. In particular, we will be looking for someone to join the organisation as a head of people and culture, which is a very important role given the current working climate.

We will also be looking to add to our traditional business development and customer success team and really aligning that with the revenue and customer growth side of the business.

On the product side, we are always searching for strong talent within the data science and machine learning areas, we will also be on the lookout for more project managers in the near future, to help us to meet our product goals.



WHAT TRENDS DO YOU EXPECT WE WILL SEE IN LEGALTECH OVER THE NEXT FEW YEARS?

As funding levels have increased over the past few years, there has been a proliferation of legal technology vendors and more people have seen it as an attractive space. There will also be a consolidation in the market, where some of the companies who came in spotting opportunities are unable to make it work. I also believe a few market leaders will emerge in the coming years.

The machine learning/AI space is growing, but one of the largest hurdles to that is gaining access to the data which is required to make machine learning algorithms robust enough for commercial use. There is becoming an increasing willingness to make that data available, which will accelerate the prevalence of those technologies in this space. I strongly believe that law firms are starting to lead the way, driven by their clients to start developing software products themselves, and using vendors as a means by which to help build the software.



I think there will be greater collaboration within the market on the technology front, which means a greater understanding as to what is possible within that space. I believe that 2-3 years from now you will have some strong use cases of full applications of tools like GT3 and natural language processing which will be deployed commercially within law firms. But as with everything, it is always incremental.

Covid-19 helped lead a change in the cultural attitudes towards technology and law, and I think you will see the fruits of that probably in the next 2-3 years. Many firms have been forced to adopt tech that they may have otherwise been sceptical about before the pandemic. They have been surprised at the ease in which it is being picked up by the company. A whole cultural shift has taken place - we see it with the number of the law firms and big in-house teams that we work with. There is a lot more structure and improved processes in place now for evaluating and adopting new technology, which was certainly not the case prior to the pandemic.



THE SKILLS IN DEMAND



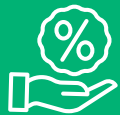


THE SKILLS IN DEMAND

AN INCREASE IN DIVERSE ROLES AND SKILLS

Within LegalTech firms specifically, data on the labour market trends in this area in England and Wales shows that software engineering has been the number one function being hired for between 2021 and early 2022. Currently, vacancies for this discipline are up 15% when comparing the monthly average to 2021. Recruitment for project managers is rising the fastest, up 25.6%. Hiring for support engineers, meanwhile, experienced a 21% fall in vacancies.

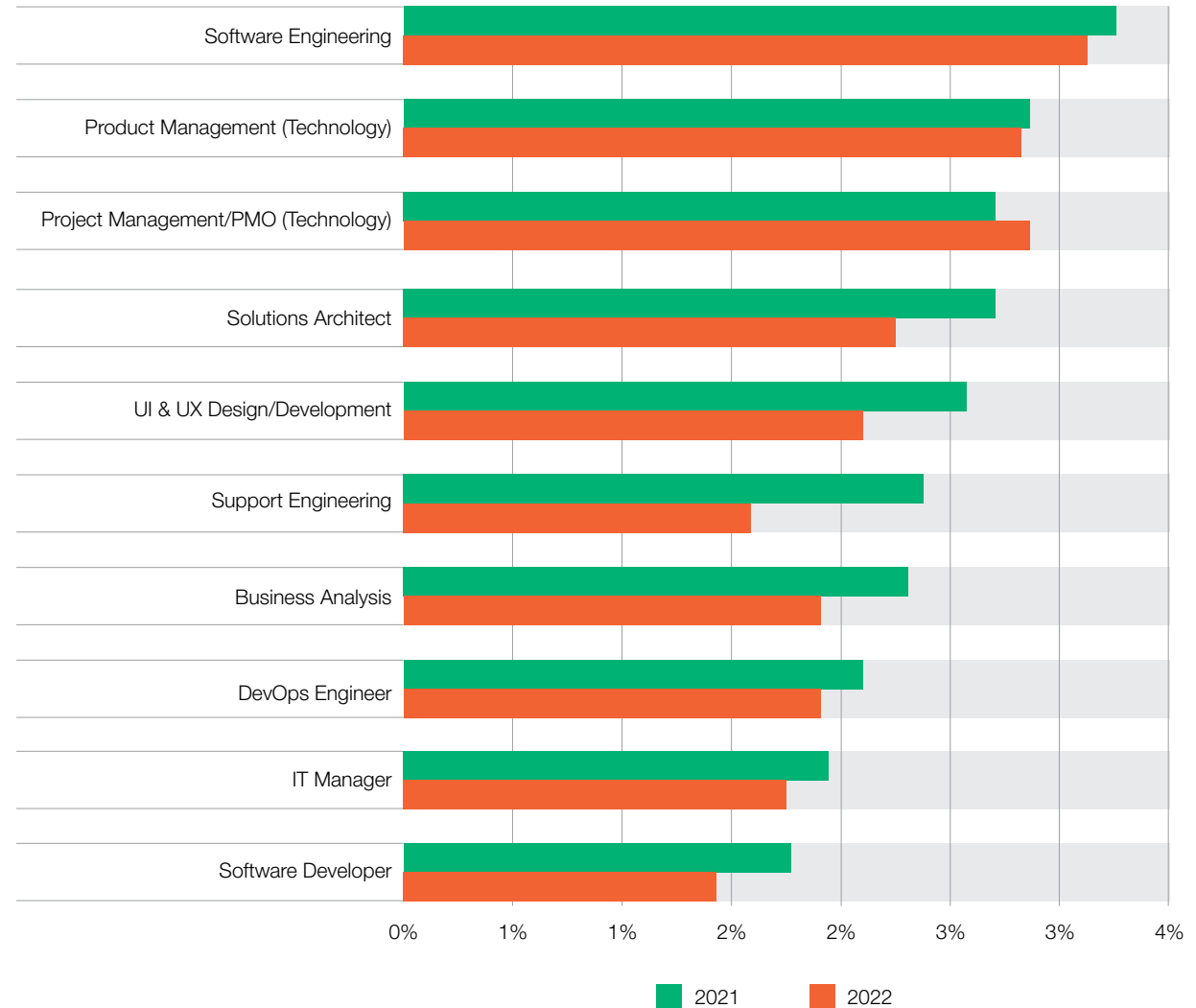
As this fledgling sector grows, a more diverse set of roles and skills are needed.



Vacancysoft data shows there were 55 different functional areas being recruited for during 2022 versus 46 in 2021, a growth of almost 20%.

Due to this increase in share across the field, the only role increasing in share was project management, while others experienced a fall. Software engineering, meanwhile, still accounts for the most LegalTech jobs, although falling from 3.3% to 3.2%. The biggest decrease was in support engineering roles, down from 2.4% to 1.6%.

SKILLS IN DEMAND %





IT PAYS TO HAVE THE RIGHT SKILLS

At its essence, LegalTech tackles simple, recurring day-to-day tasks that take up lots of time — with plenty of potential benefits for clients, too. According to LegalFutures, this includes being able to provide wider access to legal services and faster, more affordable and better quality outcomes through applications, online services, on-demand advice and dispute resolution tools.

In the UK, LegalTech skills commanded a salary premium which suggests they are highly valued within the market. This means that legal sector jobs requiring LegalTech skills had higher salaries⁷ in comparison to those that didn't require the same expertise.



As more specialised roles emerge within the engineering space such as machine learning and Cloud engineers, other positions are seeing a decline. However, tech talent demand is certainly still increasing, and businesses have been bullish in investing in technology and hiring – particularly in skills such as AI, cloud, and robotics.⁶

Mat Knutton, Head of Permanent Technology Recruitment at Robert Walters, Manchester and North of England



Solicitors and paralegals in the UK were paid an average of 13% and 25% more, respectively, if LegalTech skills were required.

⁶Businesses bullish in investing in technology: BBC, July 2022

⁷Technology and Innovation in Legal Services, SRA, July 2021



SECTOR VALUE AND FUNDING





SECTOR VALUE AND FUNDING

REVOLUTIONISING THE MARKET THROUGH FUNDING

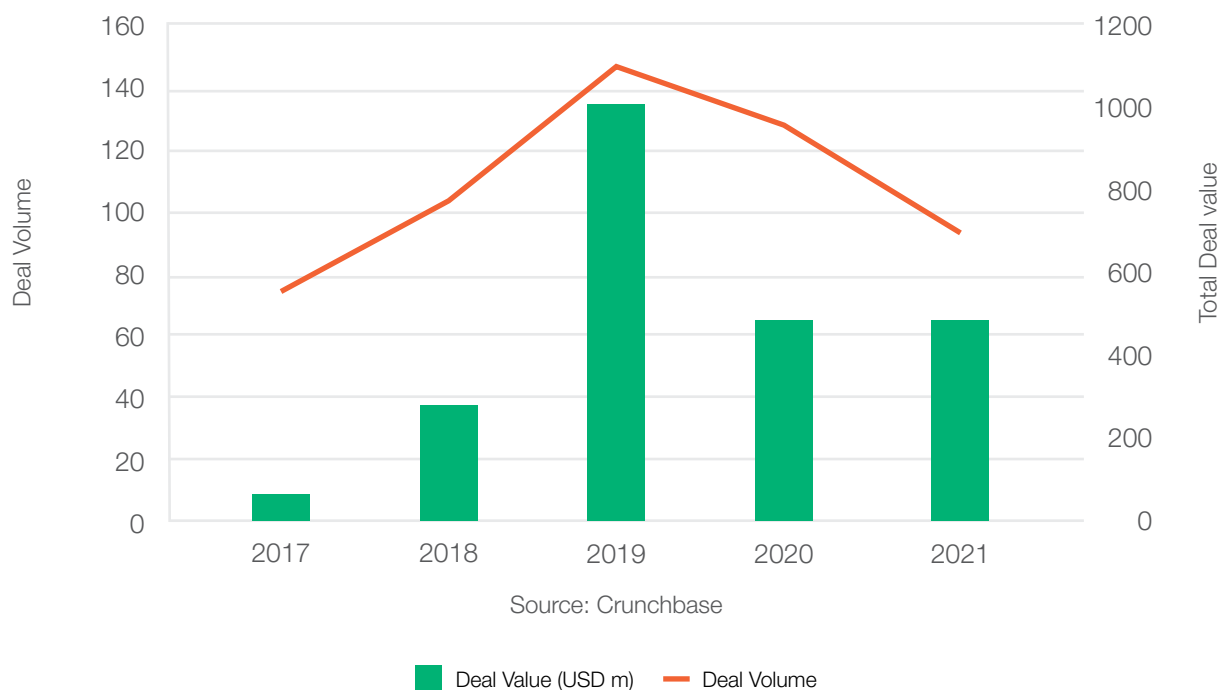
The LegalTech sector is set to continue growing. Within the legal industry, the UK's Magic Circle firms are revamping their technology and development efforts, declaring that tech is now on top of their agendas⁸.

The key to helping this innovation flourish across the sector is two types of funding: investment from venture capitalists and/or support from central government. As LegalTech firms receive more capital to launch and grow, it follows that jobs will be created to support the development of the technology.

After a quiet 2020, last year represented a record for LegalTech funding. Global private equity and venture capital investment reached \$1 billion in 2021 — a rise of 96% year-on-year, although only up 1.1% compared to 2019. The industry also experienced record dealmaking in 2019, at nearly 150 transactions. This number dropped by 12.2% the following year, before falling again by 29.5% year-on-year in 2021.

⁸Magic circle accelerates technology drive, Law Society Gazette, May 2021

ANNUAL DEAL TOTALS



A BOOST FOR THE UK ECONOMY

According to Lawtech UK's forecast, growth in the sector could add up to £22.7 billion in value to the UK economy⁹. This is split into three parts:



£1.7 billion

Productivity gains
for law firms



£11.4 billion

Unmet demand
from consumers
and SMEs



£8.6 billion

Savings for SMEs
on legal services

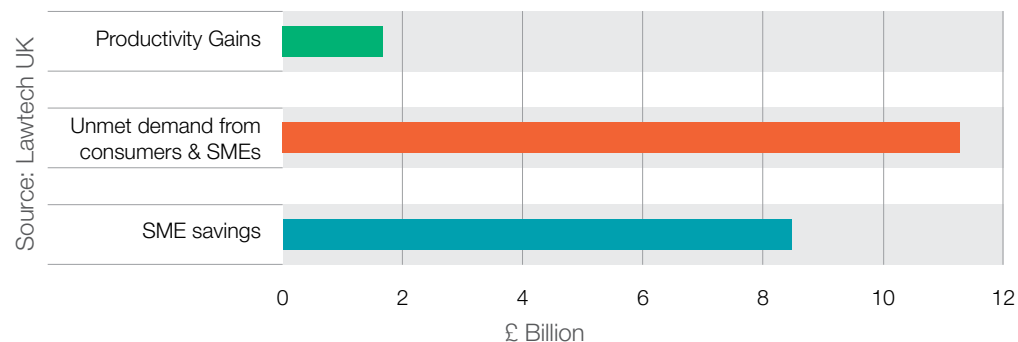
This suggests there is real growth yet to come in the sector. As a global hub for law, the UK will continue to be a key point for the funding of LegalTech businesses.

However, as interest rates rise and quantitative easing comes to an end, cheap money for investment is becoming scarcer. A quick analysis of the NASDAQ shows that technology is slowing down across all areas. Firms who have been burning cash and needing another funding round are reaching a crossroads: will the market turn against them, or will LegalTech be invulnerable to this emerging trend?

⁹Shaping the Future of Law - The LawtechUK Report 2021, May 2021



ADDITIONAL UK LAWTECH DEMAND





INDUSTRY INSIGHT: LUMINANCE





Founded by mathematicians from the University of Cambridge, Luminance's AI reads and forms a conceptual understanding of documents in any language. Luminance uses this understanding to augment a vast range of tasks: from taking a first-pass review of any incoming contract to automatically flagging contractual anomalies; from highlighting areas of non-compliance to be remedied, to labelling clauses or applying advanced AI-driven Early Case Assessment (ECA) and Technology Assisted Review (TAR) within eDiscovery matters.

We spoke with Eleanor Lightbody, CEO at Luminance, to understand more about the progression of the market.



www.luminance.com

WHAT AREAS OF THE LEGAL SECTOR HAVE BEEN THE MOST IN NEED OF DIGITISATION?

Digitisation comes in many forms. The first step towards digitisation was taken over twenty years ago, with the conversion of paper documents into digital files. Since then, all sorts of technology have burst onto this burgeoning market, from document management systems and billing software to e-signature platforms and video conferencing software.

However, digitisation on its own doesn't necessarily guarantee efficiency. One example that springs to mind is the Crown Court Digital Case System (CCDCS), which is used by barristers across England and Wales to access and review their files ahead of court cases. When the pandemic struck, we had customers coming to us for help, as the CCDCS could not actually provide timely, remote access to evidence, witness statements and other court materials. But now there's a new technology revolutionising legal processes in a way the industry has never seen before: artificial intelligence.

The advent of AI has sparked the latest phase of digitisation, transforming some of the key processes at the very heart of the legal practice: contract processing and workflow automation. AI is the only technology that can rapidly read and understand vast numbers of legal documents, flagging key information for lawyers to analyse.

The ability to deliver critical insight is essential in today's digital world, where the relentless growth of data is making it unfeasible for lawyers to comprehend all the information contained within numerous documents.

At Luminance, we use AI to enhance the entire spectrum of legal document review, from contract drafting, negotiation and review to investigations and litigation. Luminance's AI automatically highlights key information within a lawyer's documents, such as clauses, dates, parties, and governing laws. Very excitingly, we recently released the first AI technology in the world that can take a first pass review of an incoming contract, colour-coding areas of compliance and non-compliance. Not only does this mitigate risk, but it reduces reliance on the outdated process of manually redlining contracts.

Our AI also automates workflows, for example, by making sure all contracts generated by sales functions over a certain value are automatically routed to more senior members of the legal team. The list of conditions that each organisation can create within this automatic workflow is endless. By automating processes, lawyers can be real business enablers for their client or organisation, accelerating deal closure and driving maximum profitability.



Doing such reviews manually not only limits the ability to properly evaluate all the information available, but also risks non-compliance and cases collapsing altogether due to evidentiary thresholds not being met.

HOW QUICKLY DO YOU BELIEVE THE LEGAL SECTOR WILL BECOME MORE TECH-DRIVEN – DO YOU THINK MANY BUSINESSES WILL WANT TO KEEP A LESS AUTOMATED APPROACH?

That's certainly not been my impression from the organisations I meet! Doing things 'the way we always have' is no longer a competitive strategy in this industry. From financial and data privacy regulation to ESG reporting and economic sanctions, recent years have taught us that there's no anticipating how legal exposure might arise.

Technology, and AI more specifically, has become a 'must-have' for law firms and businesses seeking to stay compliant and keep pace in a changing world. AI can locate relevant information across thousands of contracts much faster than any human and is far less likely to miss key information than a fatigued lawyer.



The reactivity of AI is essential when it comes to regulatory compliance reviews, allowing lawyers to identify the relevant information for compliance reports or take immediate action in assessing risk exposure.

Other industries have already changed radically thanks to new technology – you only need to look at the finance industry and the meteoric rise of Fintech for proof of this. Now the legal industry stands at its own crossroads, ripe for technology and automation.

HOW HAS THE LAWTECH MARKET EVOLVED SINCE LUMINANCE FIRST LAUNCHED?

When we launched, the Lawtech market was only spoken about by law firms and AI was a novel concept. Even today there is a big distinction between AI and Legaltech, the latter being a catch-all term for a huge array of technologies, some very basic and some far more fundamental.

We're now seeing the applications of Luminance's technology extend further than law firms. HR teams are using Luminance's AI to review incoming employment contracts, whilst Sales teams can use the tool to instantly generate compliant Sales Agreements or NDAs that meet internal standards. We're also seeing finance teams use our technology as a tool to keep abreast of when sales agreements are due for renewal, to proactively encourage business growth.

Remote working has been a catalyst for tech adoption. Despite many firms having the infrastructure to facilitate remote working, most were unequipped to conduct their regular day-to-day work. This sparked an exciting surge in the adoption of our AI and one that has continued post-pandemic due to a whole host of new challenges. There are exploding volumes of legal content to contend with, more complex regulatory frameworks, increased efficiency demands and the battle for talent in a highly competitive job market.



The pandemic marked a lasting change in mindset towards embedding innovation in legal services and challenging the status quo. AI adoption has become mission-critical for any forward-thinking firm looking to drive profitability in today's incredibly competitive legal market.

SOFTWARE ENGINEER VACANCIES ARE UP BY 15% YEAR-ON-YEAR, HAS LUMINANCE ALSO SEEN AN INCREASE IN THESE VACANCIES? WHICH ROLES/SKILLS ARE IN HIGHEST DEMAND?

Hiring is a key focus for us; the AI market is incredibly hot right now, with plenty of vacancies for software engineers and other tech specialists. Despite the competition, candidates are coming to us because they want to be working on the latest advancements in AI and machine learning, which is exactly what Luminance offers at its state-of-the-art R&D hub in Cambridge. The proposition of working with next-generation technology is equally as attractive to candidates in tech-adjacent roles, so we're hiring across the board, from Sales and Marketing to Support and Product.



Having great tech is a major pull factor, and the current surge that Lawtech is having makes it even more exciting to applicants. In many ways, I think Lawtech is the new Fintech!

We have adapted our employee offering to accommodate the change in working preferences, with a flexible working model alongside other benefit programmes, such as being able to work from any location for two weeks a year. We also have many graduates who express a real desire to be in the office, where they can benefit from a team environment and actively learn from more senior figures.

Tech candidates like to consider the longevity of the technology that the company produces. Can it keep up with industry demand? Will it still be valuable in ten years? There is a lot of appeal in being able to match your own career progression with a company's growth and expansion into new markets. Due to this, the high levels of investment into AI are a real 'pull factor' for talent right now, as they recognise the scale of opportunity in this up-and-coming sector.



LONDON REMAINS THE LARGEST REGION FOR RECRUITING TECH SPECIALISTS IN LAWTECH. IN WHICH REGIONS ARE YOU FINDING MOST OF YOUR TALENT?

Luminance was founded by mathematicians from the University of Cambridge, so our roots are firmly planted in the Cambridge tech ecosystem. We're proud to be part of the Silicon Fen community and are fortunate to have direct access to the brightest pool of emerging tech talent. Despite much of our recruitment being focused within Cambridge, the fact that our R&D hub is based in one of the UK's most well-established tech cities also means that we attract top research, engineering and data specialists from all over the country. Whilst our tech office is based in Cambridge, our commercial HQ is in London; having these two offices means that we can attract the best talent across the board.

Some of the world's most successful technology companies were born outside of London – Arm, Graphcore and Darktrace are just a few examples. There are so many sources of tech talent across the UK outside of the capital, from Cambridge and Bristol to Manchester and Newcastle.



Maintaining strong connections with British universities is key to tapping into this rich pool of talent and, as an employer, it's exciting to give emerging talent the opportunity to transition directly from academic research into commercial product development.

THE AMOUNT INVESTED INTO UK LAWTECH IS EVER INCREASING – WHERE DO YOU THINK THE MARKET IS HEADED IN THE FUTURE?

It's brilliant to see the amount of capital in the Lawtech industry – it reaffirms our view that technology is no longer simply a 'nice-to-have' in this profession. But there is no such thing as a one size fits all approach in the Lawtech market. The spectrum ranges from point solutions that use simple technology to cover very specific problems, such as providing the definitions of clauses, to basic contract management systems and AI, which is what we do at Luminance. I think soon we are going to see some of those players that are relying on outdated technologies fall away.



We are so accustomed to having intuitive, easy-to-use technology in our personal lives, and I think lawyers are realising that the tech they use in their professional lives needs to be no different.

It's clear to me that AI is the future and the only technology capable of keeping up with today's rapidly changing legal and regulatory environment. Regulatory compliance is likely going to be one of the major issues of our time for businesses, especially in light of recent economic and political shifts. In fact, we've already seen Luminance help organisations to assess risk exposure across their contractual landscape following the introduction of economic sanctions in March.

I expect we will see more organisations look to future-proof their businesses with AI, arming themselves with a technology that can provide this instant insight following sudden regulatory or political change.



CONCLUSION





CONCLUSION



VACANCIES TO RISE

With the number of organisations launching and growing in the sector, we have already seen this impact the number of vacancies in the job market. There was a 177% rise in vacancies between 2020 and 2021, more than double the increase between 2019 and 2020, which suggests that this will only continue to grow in the coming years.



A THRIVING SECTOR FOR THE UK

We are seeing increased support for the sector. LawtechUK, a government-backed initiative designed to transform the UK legal sector through technology, is entering its second phase, with the UK legal sector set to receive £4 million of investment to help develop technological advancements. This will help the UK to remain as a world-leading legal services center, attracting the best talent in the market.¹⁰



COVID-19 HAS SHAPED THE LEGAL MARKET

Whilst the pandemic was a disrupter for many, it can be argued that it has accelerated the LegalTech market, highlighting the importance of technology. Many law firms were unlikely to evolve processes, due to comfortability, but when a new way of working was enforced, many realised how much this was needed. 66% of law firms have in fact reported that they will be improving the way they virtually/digitally communicate with clients with the use of e-signatures being a popular tool to invest in.¹¹



INCREASED DEMAND FOR SPECIALISTS

When comparing year-on-year the top 10 skills in demand, we have seen either minimal growth, or a slight decrease. This is however not a reflection on vacancy levels, but more so an insight into the more niche skills which are emerging. An E-Discovery consultant for example organises, assesses, manages, and maintains all the electronic documents shared between parties during the discovery process of a legal proceeding. This role is a relatively new part of the legal process, so is continuously evolving.¹²

¹⁰Legal sector set to receive £4 million in tech funding, Today's Conveyancer, August 2022

¹¹The COVID crisis catalyses legal tech adoption, Wolters Kluwer, November 2020

¹²E-Discovery Professional – 4 Corner Resources



Robert Walters

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