

FOCUS ON

LEGAL INNOVATION

Small firms look at adding specialties

Broadening services means more business?

BY MARG. BRUINEMAN
For Law Times

More than a decade ago, François Sauvageau was practising law in Toronto. But, after studying how external pressures were impacting the legal industry, he decided it was time to shift gears.

In 2007, Sauvageau began the second stage of his career by starting his own practice.

He charged flat fees or worked on contingency, sharing the risk with the client. It worked.

Then he set his sights on the collections industry, which has been operating separately and apart from the legal industry.

With the purchase of the first of two collection agencies in 2009 and with the help of technology and a legal approach to that business, Sauvageau has set out to disrupt debt collection through CTL Law.

"Clients were not just looking for lawyers anymore, they were actually looking for someone who [was] bringing an added value to their business," he says.

Sauvageau is one of a growing brand of lawyers who has looked beyond his traditional legal practice by offering additional services to expand his market.

Adding more than just a dash of entrepreneurial spirit to the legal profession is becoming an increasingly important approach, particularly for those just starting, says Ottawa-based consultant and legal market analyst Jordan Furlong.

He says law careers where a person works at the same firm for decades is becoming less common.



François Sauvageau says he tried to expand his market by offering additional services beyond a traditional legal practice.

"The reason why entrepreneurialism is going to become so important [is] the infrastructure by which people enter the legal profession and find careers is starting to break down," says Furlong.

"Many of them understand the initial course of their legal careers is really going to be up to them.

"They have to rely on themselves much more than lawyers of previous generations."

Going to law school, finding an articling position, landing a summer job at a firm, becoming an associate and working toward becoming partner is the traditional route that Furlong sees "narrowing."

New lawyers are going to have to find or create new ways to develop careers within the le-

gal sector, says Furlong.

Chris Bentley, who heads up the Law Practice Program at Ryerson and the incubator Legal Innovation Zone, says young lawyers are being required to learn how to navigate a new marketplace.

"What lawyers are starting to do is to think about the customer not just as needing a legal service but as needing a solution or a wraparound service generally," says Bentley.

So lawyers are finding ways to complement the legal services they provide and developing closer relationships.

Rajah Lehal is another lawyer who decided to break away from a traditional practice.

First, in 2009, he developed a fixed-fee, contract legal services provider called Cobalt Lawyers.

In 2012, he launched Clausehound, a digital tool that assists in contract drafting for businesses.

"I just saw an opportunity in technology to improve a couple [of] things.

"One was the way we trained young lawyers on how contracts mechanically worked, and two [was] how to educate those who are largely startup companies on how to understand the mechanics of legal documents," says Lehal.

Clausehound is now being used at Ryerson's Law Practice Program and the business has been located in space at the incubator LIZ and received support from Toronto-based innovation hub MaRS, where Lehal was connected with an angel investor.

While it is in use and available for purchase, Clausehound continues to undergo improvements.

More features are being added with a goal of providing more sophisticated functionality and there is expansion into more American states and the United Kingdom.

Lehal, a lawyer who concentrated on entrepreneurialism as a business student and worked in business prior to law, sees a shift in the legal market and possibly an oversupply of lawyers causing those within it to push the boundaries.

"These pressures could change the practice to require more entrepreneurialism," says Lehal.

But the startups aren't all technology based.

Toronto-based Kate Dewhirst says she identifies as an entrepreneur and enjoys her work in her self-named health law practice.

However, she says she sees other young lawyers working in firms where they feel confined to their desks by "golden handcuffs."

As a result, she is developing a coaching business to help other lawyers to achieve more satisfaction from their practices.

"I already take an entrepreneurial lens to my practice and I want to show other lawyers how to do that, too," says Dewhirst.

"If lawyers can look at their practices as businesses and how can you broaden your impact, it frees up lawyers to have more fun."

Her approach involves breaking down time into components and examining the time spent and the impact the lawyer is hav-

See Law, page 12

IT'S TIME TO RANK...

WHICH DO YOU THINK ARE THE LEADING PERSONAL INJURY BOUTIQUES AND ARBITRATION CHAMBERS?

Complete the survey online at canadianlawyermag.com/surveys and make your picks.

VOTING IS OPEN UNTIL FEBRUARY 21ST

CANADIAN Lawyer

the answer company
THOMSON REUTERS

Law firm built on the model of a collection agency

Continued from page 8

ing on the client and the world.

The idea is to broaden the range of services to create more income streams while providing a meaningful and fulfilling service.

Richard Brzakala, director of external legal service for CIBC's legal department, regularly interacts with lawyers and law firms.

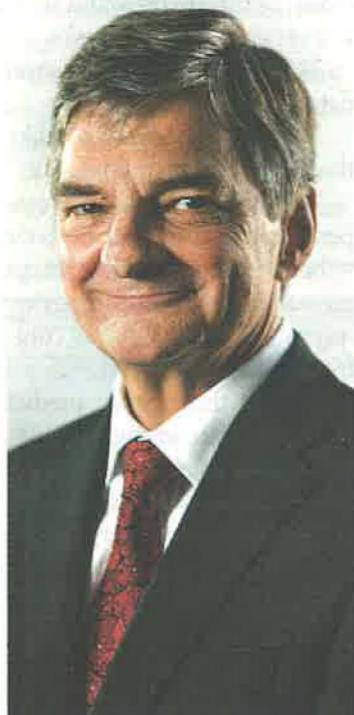
He sees that increased competition and the innovative approaches in the legal marketplace encroaching upon traditional approaches in law.

"Some of them are not going the traditional route.

They're creating and they're very innovative. They're entrepreneurs.

They're creating their own firms, their own approaches to how they want to deliver legal services," says Brzakala.

"So I think it's good for cli-



Chris Bentley says young lawyers are being required to learn how to navigate a new marketplace.

ents because you're getting a lot of competitiveness in the

marketplace and innovation in how legal services are being delivered. The old traditional model, I think it's had its day. It's just moving in a different direction."

As a client of law firms, Brzakala is seeing young legal professional entrepreneurs recognizing how traditional legal services may improve.

Many are developing tools to automate processes that have traditionally consumed hours of lawyer time, he says. It was those technological advances that attracted Sauvageau to the collections business.

He saw very well-structured businesses using technology to zoom into issues and offer metrics on the process.

By adopting a technology-based analytical system, he says he can make decisions quickly on issues such as whether or not to litigate.

"I thought that was fantastic.

There was nobody doing this yet in law," says Sauvageau.

"We created the law firm that in a way is built on the model of a collection agency, not from the legal standpoint but from a business standpoint.

The model allows our firm to handle a very large amount of claims at the same time of a similar nature but with different facts."

At CTL Law, technology is employed to prepare claims. Sauvageau says automation is used to distill facts, which are reviewed and receive approv-

als from lawyers, paralegals and clients. There are also some automated documents such as default judgment applications.

The firm also seeks alternatives to litigation to avoid the high costs and the lengthy process involved in taking an issue to court.

So early resolutions are often sought through mediation, in the settlement conference stage or in discovery, he says.

"Clients are looking for added value and law firms are trying to deliver added value somehow," says Sauvageau. **LT**

Confusion over AI

Continued from page 11

using a whip to make the horse go faster and a gas pedal and a steering wheel.

You don't need to learn how to code; in fact, I think it's probably a suboptimal use of your time."

Learning how to be a good consumer of the information generated is also going to be important.

"Be slow, be purposeful in your adoption of technology," he added. "It's going to take time to make sure you're doing it in a wise way."

Kuhn said the greatest confusion right now is around the term *artificial intelligence* and is open to interpretation that results in articles that predict robots replacing lawyers.

"Alarmist articles get readers but don't help lawyers evaluate important, meaningful technology," he said.

"There is confusion over what AI means and having no precedent for how this is going to turn out is a challenge."

Natalie Pierce, co-chairwoman of the robotics, AI and automation industry group at Littler Mendelson, said that while she thinks there will be fewer lawyers, to not understand how technology can be used in the legal profession is how lawyers and others in the workforce will be left behind.

She said the world is "unprepared" for what this next wave of technology will do to the future workforce.

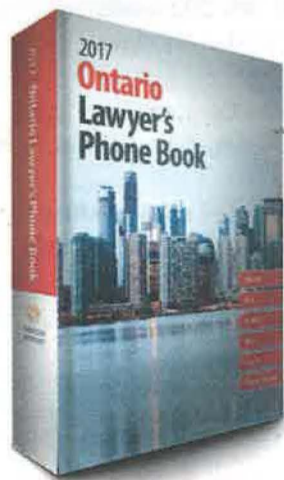
She pointed out that when you combine what big data and cognitive computing can do in a 24/7 on-demand economy, you get a very competitive value proposition.

"The biggest problem for us is we don't have time to adapt and a real need for up-skills training. I'm hopeful maybe AI could be a solution.

"We have eight million unemployed Americans and 4.5 million jobs that go unfilled, so there could be an opportunity to use cognitive computing to make those matches.

"Employers have to look for opportunities so workers don't get left behind," she said. **LT**

THE MOST COMPLETE DIRECTORY OF ONTARIO LAWYERS, LAW FIRMS, JUDGES AND COURTS



ONTARIO LAWYER'S PHONE BOOK 2017

Ontario Lawyer's Phone Book is your best connection to legal services in Ontario with more than 1,400 pages of essential legal references. You can depend on the accuracy of this trusted directory that includes the most up-to-date names, phone numbers, mailing addresses and emails so you don't have to search anywhere else.

More detail and a wider scope of legal contact information for Ontario:

- Over 26,800 lawyers listed
- Over 8,500 law firms and corporate offices listed
- Fax and telephone numbers, e-mail addresses, office locations and postal codes

Includes lists of:

- Federal and provincial judges
- Federal courts, including a section for federal government departments, boards and commissions
- Ontario courts and services, including a section for provincial government ministries, boards and commissions
- Small claims courts
- The Institute of Law Clerks of Ontario
- Miscellaneous services for lawyers

NEW EDITION

Perfectbound
Published December each year
On subscription \$82.50
One time purchase \$86
L7796-5932
Multiple copy discounts available
Plus applicable taxes and shipping & handling.
(prices subject to change without notice)

ORDER YOUR COPY TODAY!

Visit carswell.com or call 1.800.387.5164 for a 30-day no-risk evaluation

the answer company
THOMSON REUTERS®