COPENHAGEN LEGAL TECH LAB — PODCAST

EPISODE 02 – LEGAL TECH CHALLENGES
In this episode, Nick Hawtin, Legal Tech expert, and Victoria Kopylov, Chief Commercial Officer at PocketLaw, discuss the possibilites of legal tech and how to improve the quality of legal services.

00:00:00 Intro music

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Nick Hawtin
Hello and welcome to the Copenhagen Legal Tech Lab - Podcast, where we address innovation and the law from three angles, people, technology, and business.
My name is Nick Hawtin and today we're here at the 'Law, Innovation and Vulnerability' conference at the Faculty of Law, at the University of Copenhagen, together with one of my favourite companies in this space: Pocket Law, originally out of Stockholm. We had a great talk before we turned on the machine and I'm afraid of missing any more golden nuggets.
Victoria. Who are you? Why are you here?

00:00:44,549
Victoria Kopylov
Thank you so much. Thank you for having me. My name is Victoria Kopylov. I'm the CCO, the commercial lead of PocketLaw.
I normally introduce myself saying that I'm a trained lawyer, which I am, Swedish lawyer. But I'm more of an entrepreneur at heart and I think, you know, I started my career as an M&A lawyer, but I transitioned into the company side of things or business side of things 10 years ago.
So, I mainly worked as an inside counsel for Spotify and for Kry, and now transitioned over even closer to the business side of things trying to really change revolutionise, if you will, the legal industry.

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Nick Hawtin
Well, I said one of the reasons I was so eager to press start recording was because you're all kinds of fun stuff. And right before we hit the button, we're almost about to talk about the number one big question because: what is legal tech? You had a great riff.

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Victoria Kopylov

Well to me everything is about the why before we start solving. So why, why are we doing this? What is broken? Right? And I think technology first of all is amazing as an enabler, but technology as such or to be honest, and maybe I'm being too cooky now out there for all the lawyers listening or the legal students. But I don't think that legal as such can't solve anything if we don't really target and clarify what it is that we're trying to achieve.

And I think that objective has gotten lost a little bit within our industry. And that is not, I think it's not intentional, but it's very clear and why is that? Because we have different stakeholders in our industry, the clients. I mean the victims maybe, and also the fantastic lawyers, the professions and, and authorities and you know, compliance and many different interests here that all get to play. I mean, should really work together in a way, but we always need to take into account I think or understand the main objective in order to be able to analyse and fully understand what kind of different interests do we need to take into account here.

And I think that's when the legal process starts. In my mind and anyone with a legal education was super skilled at this. We could add loads of value with that perspective, but we're not fully using it if we're not constantly asking ourselves why?

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Nick Hawtin

Absolutely, I love you can't help but smile when I hear lawyers say, you know, well I don't really understand technology and you see, yes, actually you do. You know the technology is built exactly the same way law is built. Your iterative product development is the same as, dare one say, law that is then interpreted, and judgment upon judgment and interpretation upon interpretation builds sequentially. It's the same thing.

We're bringing in your company because I said I was a big fan of Pocket Law and one of the reasons I'm a big fan is UX you know, so we're talking technology user experience.

If we're talking about the user experience is a technical term, but if we just start with your point of departure, is the customer. And so instead of looking from the law firm out, you stand out on the street and look in at your company, why are you guys so good?

Why do you guys have such a great reputation for this, especially with younger customers with start-ups and with the innovative types?

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Victoria Kopylov

Well, great question and a key question obviously, and I think this is something that loads of different stakeholders and lawyers and entrepreneurs are trying to solve that.

We simply try to have a very clear focus simply. We simply try doing something simply takes a lot of time. It takes a lot of time, but, but it's also pretty simple, if you think about it in a

not in a simple way, but you know, we cook it down.

So, if you look at the other Swedish tech start-ups or scale ups now and I'm bragging a little bit, but I mean, Stockholm and Sweden is a fantastic place for innovation, which is something that I love. And I think one of the key elements behind that success really is focus and again, understanding what is it that we're trying to achieve.

So, I mean, we saw it with Spotify, my former employer, they were extremely focused on making sure that everyone could listen and stream music in a legal manner, competing against the google and the Apple and everyone, but they remained focused.

And I mean, we all know that we're not listening to iTunes today and for PocketLaw does the same thing.

Our focus is enabling businesses to grow basically, to get more time and keep, you know, keep their funds in order to continue building their business, which is a very clear objective and something that I'm truly passionate about, company growth.

I believe actually that business growth will benefit our societies, especially when we need it the most, we need to create employment, right? And and engage people for so many reasons.

Then there are certain bets, I think whenever you're developing a business, you need to, you know, take a take a few bets that you truly stand behind. And in our case, it is that, well, businesses can't really escape legal challenges.

Legal is everywhere, which is why coming back to the word legal tech, coming to me, it's like, well, it's tech, which is, could be anything and legal, which is literally anything in terms of doing business.

You can't hire someone, you can't even put up a website, can't, I mean, you can have a customer, but I mean, it always boils down to some sort of legal, right. There's rules and regulations you have to follow compliance, etcetera.

So, I think what we're trying to do here is It's really just facilitate for businesses to do business and manage legal because they can't escape that second part. But that is often forgotten by law firms.

I mean, sometimes, and I've, I've tried this for 10 years from the outside, from the client side engaging my former friends and they're amazing people and they mean, you know, that they would like to contribute massively, but somehow, there's a gap between the industry, the legal profession's and the business side of things because, you know, and I, again, I'm putting my head out there, but I think there's a misunderstanding on what businesses businesses are trying to achieve, right, the company goals.

And, in order to do business, there will always be risk and guess what? Sometimes the risk is okay or even preferred are attracted because that's when you when you put the edge out there and you could win that.

It was very clear for Spotify huge risk appetite but also huge growth ambitions. Other businesses perhaps within healthcare would have very low risk appetite within certain areas.

But I think we need to see the differences in terms of the objections, and I was talking about bets. Another bet critical bet is that regulation will keep on coming. I do not believe that it will be easier to do business in the future. I mean we can see and today we have spoken about so many initiatives from the EU that nobody understands.

I mean let's be very honest, nobody is compliant with the GDPR, because nobody understands what it means.

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Nick Hawtin

Among other things, lacking all the interpretation and the judgments.

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Victoria Kopylov

Exactly. But what happens? I mean we should really have, you know, different organizations or authorities supporting businesses in interpreting and understanding what it means. This is the minimum standards that you need to introduce.

But that is not really the way we see it right? I haven't really heard any business being, you know instructed or having a fair consultation with someone in authority level or similar, getting guidance, Rather, I mean we leave business behind, out in the cold if you will, to manage on your own.

But guess what? There's a huge threat over here that could kill your business in terms of a fine. And what does that lead to? Less growth. Lots of people that are super anxious.

I don't think that benefits anyone. I don't think that was intentional, which is worse.

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Nick Hawtin

That's right. And it's expensive to pick up the phone and call a lawyer. One of the big things that we were so subtle talk about is that 90% of the market for legal services is not met by law firms and an awful lot of it is you know, entrepreneur people like me going, well, I'm gonna assume, cross my fingers, take a risk hope, which is none of these are methods for managing legal matters.

I mean one of the things I've heard feedback from the, from the market about your products and your services is that is that you got a great interface that it is nice, it is easy, it is super user oriented.

And one of the things that drives me crazy about working with lawyers is I'll be asked to send a document as an attachment on an email and that is perhaps the most inefficient way to send any piece of information by email. You for example did not know that you were going to be part of a podcast today at this conference, because you didn't get the email.

Whereas platforms, we load information up to and it makes it can be used fine. An attachment to an email is very difficult to use access, share.

I think your piece, you know, your tech piece of your company, you talk about how you incorporate that in.

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Victoria Kopylov

It's such an important element. And I think, you know, that some people may say, well it's a design issue. It's not. I think you're touching on the main problem whenever we're talking about legal tech and why legal tech.

To be honest, I mean nobody really knows what it means. No one is owning this area of development. No one basically work hard at legal designer.

There's some amazing people doing this at such an early phase, super early phase but I think key to understand this in order to drive change, we need users, the end user, to enjoy our products, our services and if they don't use the product, there will be zero change.

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Nick Hawtin

It was something I've also heard from from a couple of companies coming back. The other way is that I've heard them divide the world into legacy and digital companies and the legacy companies are the 95%.

Yeah, the traditional companies first. Legacy companies need to be, they need this weeklong sales cycles. It's lots of implementations and then often because they don't actually use the service.

So, like who have you picked as your customers? Are you going for heavy Swedish industry or?

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Victoria Kopylov

Great question. I think, you know, it's definitely not us picking the customers but we're trying to make every customer want to use our service. And I think that's the idea again from the outside in really, which is so tricky for us as humans.

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Nick Hawtin

Have you got any examples of this? because I've definitely seen like, I mean just the lawyers are cool with the Office package to include SharePoint and then everything after that often is a little fuzzy and a little scary to them.

How do you get users to interact with your product?

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Victoria Kopylov

Great question. And I think, you know, obviously we try to develop and we have a completely different toolbox than most companies.

So in our business, our front end developers or designers are core together with our lawyers that are not acting as regular lawyers but rather as legal programmers. So they try to scale their knowledge.

I think I love processes because I think inefficiency is terrible, but on the other hand, we're trying to nail again what are we trying to achieve here. And that is unless customers enjoy our product, it doesn't matter how good it is.

A problem, especially with really skilled people, lawyers, doctors, is that we believe, you know, and we've never had a demand issue. That is our biggest problem.

And in order to develop software that is used by every business in the world, we need to be best. We need to make sure that customers would like to use our product, not in their sleep, but as soon as they wake wake up, as soon as they do business, PocketLaw should be top of mind. Then it needs to be mega user friendly. It needs to be fun using it.

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Nick Hawtin

You got any examples of this?

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Victoria Kopylov

Analysing, understanding what people want, what do customers want in our case. In terms of legal.

Most businesses actually don't want to process legal at all. Sorry to break it to you guys. Legal can be boring. I'm a lawyer. Sometimes I find it boring.

Most stakeholders and our customers CEOs, HR managers, they care about other things, they care about growth. They care about happy customers. They care about attracting, retaining the best employees. They don't care about the employment contract.

But, however, they know that they need an employment contract. So, our ambition is to ask customers, what again, coming back to the why, what are you trying to achieve?

Would you like to bring in an investor? Are you hiring someone? Would you like to, you know, clarify your terms with a customer in order to avoid conflicts? Nobody likes conflicts.

And then they say yes. And then preferably, I mean, they will have a butt button right next to that saying that, would you like a decent contract? Yes. Do you care what's in the contract? Not really,

to be honest, as long as I can charge and you know, get this person in. I just want something that's playing vanilla and that makes a lot of sense. And that gives me, gives me some security.

So, I don't look like a fool. And I said, you know, I care about compliance. I care about being trustworthy. That's what most companies, not everyone, but many companies care about.

We're trying to give them that rather than focusing on maybe we should discuss this intellectual property clause.

People. Most companies don't want that because they don't find it valuable. I mean, they need to pay paychecks. Right?

00:15:35,039

Nick Hawtin

So how are you explaining one of the key functions is any knowledge workers are explaining the value you're creating to the customer, right? And it means why law firms go by billable hours.

Until now it has been it was an innovation when it came in about 1930s or so it was the innovation that made it easy to put a price on knowledge work.

How do you guys like work with that? Like getting the, getting the customer o perceive the value of what you're doing?

00:16:06,799

Victoria Kopylov

Incentive is everything. I mean, it's psychology, it drives people. So, if you tweak incentive, you can really change movement. And what's interesting with the legal industry is that we have customers have been paying lawyers like you said by the hour, which to me and I've been working with the incentive for 10 years doesn't make any sense.

Because to be honest, I mean lawyers, I mean could actually benefit, I think most lawyers would never do this. But financially, they would benefit from creating a somewhat ambiguous contract so that customers would come back, and you could charge more.

That doesn't make any sense. Rather, I mean, investment bankers, they charge upon success. Which is why, you know, they get, and they get larger bucks.

So, we are trying to add transparency to our business because I believe and this is core. I believe lawyers can add fantastic value.

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Nick Hawtin

Amen. Exactly from this, sort of making sure that you obey the law to unlocking value for the company. But we're looking at a really, really, conservative group of people so I could bring it back to me, bring it all the way back to vulnerability.

Here is that lawyers have spent an entire lifetime being taught to be right. And that's why you guys are perfectionists. And then when I look in a huge difference in the software side, which is, we do lots and lots and lots of experimentation to then reach success.

And the experimentation means being wrong all the time. And so how do you get a group of people that have been taught all their lives to be right to experiment with being wrong?

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Victoria Kopylov

I think knowledge is key. If you're open-minded knowledge and attitude, open minded to new perspectives, that is key and flexibility to change.

We lawyers understand urgency. So, I'm setting it in the sense of urgency. If we don't adapt, will die. We're dinosaurs.

00:18:09,140

Nick Hawtin

Listen, this has been fantastic. Victoria. Thanks for a great conversation. I hope you enjoyed it out there.

I'm Nick Hawtin. Thank you for listening to the Copenhagen Legal Tech Lab podcast and I promise to practice saying that before the next episode.

Thank you.

00:18:24,769

Victoria Kopylov

Thank you so much

00:18:32,839 - outro

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