



Perspective on implications of COVID-19 on the legal sector

The short term impact of COVID-19 on people, businesses and markets applies across sectors and market segments, and requires a range of immediate actions, while positioning for the strongest possible future. Consequently, the legal sector, and with that - corporate legal departments - will be affected, too. The legal industry, and the legal function within many businesses, is at an early stage of transformation, as becomes apparent from the study *'Legal Departments in a Digital Era'* the European Company Lawyers Association (ECLA) conducted in collaboration with Wolters Kluwer. Will the impact of the COVID-19 pandemic on businesses change this?

We asked the perspective of three different parties: the corporate lawyer and entrepreneur (Jan-Willem Prakke, Legal Manager Services), the legal software service provider (Grégoire Miot, Wolters Kluwer), and the company lawyers umbrella organization (Jonathan Marsh, ECLA).

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The digital transformation of the legal department is still in the first quarter of the digitization process. Do you think the COVID-19 pandemic will change this?

JwP, Legal Manager Services: "I think it is too early to answer this. Companies are now in survival mode. I believe it will very much depend on how long it takes before we are back to business as usual. At the same time lawyers might now discover the possibilities of digital solutions and working remotely."

GM, Wolters Kluwer: "This moment does not leave much space to look at the after, as we still struggle to see beyond tomorrow. Yet, we discovered that there is a huge difference between the occasional home-office and setting it as a "new normal". The COVID-19 crisis is an unprecedented stress test of our processes and organizations. For many legal professionals working 100% remotely and relying only on digital is radically changing the way they work. This unexpected new standard is challenging habits, collaboration practices, and even our competencies. As much as we are adopting new hygiene standards, we are also progressively being more aware of cybersecurity matters, data accessibility issues or new



forms of collaboration. Finding new workarounds for common tasks (signing, reviewing, negotiating, etc.), which required paper and physical presence, inevitably involves more digital solutions in our daily routines. This situation will no doubt be a wake-up call for the legal industry to challenge their processes and align them with their people, needs and scaled digital solutions. We need to take advantage of this unique opportunity, in modern history, of having the whole legal industry “in-house”!

“COVID-19 has brutally forced all companies to operate on a mostly remote basis, yet not all legal departments were fully prepared.”

Jonathan Marsh - ECLA

JM, ECLA: “Just as there is a silver lining to every cloud, COVID-19 has brutally forced all companies to operate on a mostly remote basis, yet not all legal departments were fully prepared. Fortunately, there are myriad collaborative tools readily accessible and easy to operate even for the most recalcitrant lawyers with digital allergy. Our company launched a digitization plan several years ago but it is still under way. COVID-19 is clearly an accelerator insofar as we are required to continue to counsel clients on every day and urgent matters as well as strategic matters, as if we were operating on a business as usual basis. This forces immediate flexibility and pragmatism, so we are getting the job done. This is not without difficulties, particularly for those confined in small apartments with young children, or with several working professionals simultaneously on videoconference in the same space. Looking forward, if we wish to increase the numbers of lawyers able to effectively work from home on a fully operational basis without distractions, will require considering options such as remote shared office spaces with individualized high-speed internet and cubicles for privacy and health safety. It goes without saying that this will also require having access to high performing digital tools.”

Do you believe that businesses which have already invested in their digital maturity strategy (i.e. they are already working with a contract management system, contract automation), will have a competitive advantage during the current COVID-19 pandemic?

JwP, Legal Manager Services: “Perhaps, it very much depends on how well the contract management system is managed and how actively a business is able to respond to for example contract alerts generated by the system. What is key is besides digital maturity is the actual management of the data generated by for example a contract management system. Legal data should be considered as key management information. In our business we see that clients in the current circumstances truly experience the advantages of outsourcing of certain types of legal work and the continuity that this brings.”

JM, ECLA: “Clearly the more digitally advanced companies have an advantage during this type of situation, as do those which have already been operating remotely. Remote access to all company data and archives is critical to enable normal operations to continue as usual. Similarly, the more companies have been able to implement solutions such as contract automation that enable delegation to commercial teams to create contracts without intervention from the legal teams, the more this enables legal teams to focus their time on higher value legal counseling.”



As a result of the COVID-19 pandemic, will businesses better appreciate that legal is an essential business function that helps drive revenue, as well as help to reduce cost and manage risk?

JwP, Legal Manager Services: “The current situation we are in will show what the value is of decent contracting and of legal management data. A good contract that is well managed, can mean the difference between bankruptcy or survival of a company. At the same time it will be more essential than ever to be cost effective and use your resources as legal department in a smart way.”

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Jan-Willem Prakke - Legal Manager Services

JM, ECLA: “While COVID-19 will definitely accelerate the digital transformation process for legal departments, legal has always been an essential business function. From its ability to drive revenue, reduce costs, and avoid risks, deals have to get done under any circumstance in an efficient manner, even at distance, as it directly contributes to the bottom line.”

Do you think there will be an accelerated adoption of certain legal software solutions following the pandemic? If yes, which types of solutions?

JwP, Legal Manager Services: “I am a bit sceptic about this. I am afraid that many lawyers will fall back in the old habit of simply working more hours instead of making real progress with using the right software solutions and working more efficiently. At the same time, this seems to be the perfect moment for each business to look at their legal costs and how to save on them. If presented in the right business case, this would open up possibilities for more legal software adoption and efficient working.”

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Grégoire Miot - Wolters Kluwer

GM, Wolters Kluwer: “Software providers have a great responsibility in this context, as they need to empower legal professionals and guide them wisely. The critical situations some organizations are facing generate a sense of hurry and could lead to regrettable rushed decisions. One of the key aspects of the study “*Legal Departments in a Digital Era*” which we conducted together with ECLA, is the misalignment between digital solutions and internal processes. Figures clearly reveal that choices are primarily based on functional aspects before considering organizational consequences. More “digital” is certainly the right answer to avoid another collapse for legal professionals, but only if we take the time to analyze where we fell short with our processes. A successful project will always rely on a balanced combination of people, processes and solutions. Hopefully, the COVID-19 crisis will be of great impact and will help make a difference between nice-to-have functionalities and essential ones: what we want versus what we need.



The past weeks allowed us to get a glimpse at what legal professionals would be looking for in terms of legal software solutions: **Electronic signature** has been lagging behind in the priority list of technologies to be implemented and the results of the study confirm it: barely 25% of legal departments currently use electronic signature. This solution proved itself crucial and will bump to the top of the list along with data repositories. **Access to data** is another critical point, as it was already on the radar with the consequences of Brexit or the expiration of the Libor index. Legal departments keep looking for “force majeure” clauses with the COVID crisis, and contract lifecycle management tools combined with AI solutions can demonstrate their highest value. Eventually, both **electronic signature** and **data management solutions** will not be sufficient if they are not backed with collaborative tools to organize access to legal information and seamless communication with the rest of the organization. In the end, software providers will also have to build up their own level of requirements as clients’ expectations will strengthen in terms of roadmap visibility, service-level and deep understanding of their clients’ business.” ●



Jan-Willem Prakke

Jan-Willem Prakke is the owner and Director of **Legal Manager Services** since April 2018. This company is active in the management of legal data and in the outsourcing of legal processes such as corporate housekeeping and contract management.

He graduated with a degree in Law from the University of Leiden in 1996. Since then, he has worked as a corporate lawyer at Brunel and Philips and as General Counsel at Smit Internationale and Boskalis. From 2012 to 2018, he was the General Counsel & Corporate Secretary of the Royal Schiphol Group. Mr. Prakke is a member of the Advisory Board of the Leiden Faculty of Law and teaches at the Senior Legal Counsel Academy. Mr. Prakke can be reached at j.prakke@legalmanagerservices.com.



Grégoire Miot

Grégoire Miot leads New Markets Sales for the French **Legal Software** unit at **Wolters Kluwer Legal & Regulatory**. A former practicing lawyer in the energy sector and entrepreneur, Greg Miot founded a consulting firm dedicated to the digital transformation for legal professionals. He continued on to lead the development of Leaders League Group subsidiaries, expanding the portfolio of digital services for the legal market. Involved with legal technology for the past 10 years, he joined Legisway in 2018. Legisway was acquired by Wolters Kluwer’s Legal & Regulatory (LR) division at the end of 2018 and is now part of the division’s global Legal Software unit.



Jonathan Marsh

Jonathan Marsh has developed extensive experience over the past 30 years in international business transactions, with over 20 years’ experience in the energy sector, involving long term projects with long investment horizons. He has deep knowledge of geopolitical and legal risk assessments. As the International General Counsel of the Marketing Services Division of the **Total S.A. Group** legal department, Mr. Marsh manages the legal activities performed by 170 in-house legal counsel in over 100 countries. He serves on the Group Legal Committee consisting of 10 General Counsel supervising the global team of 550 lawyers in the Total Group. Mr. Marsh also serves as President of the European Company Lawyers Association, as Vice President International Affairs and on the Board of Directors of the French In-house Counsel Association (Association Française des Juristes d’Entreprises – AFJE) as well as on the Management Committee of the French M&A Association (Association des Responsables de Fusions Acquisitions).

Wolters Kluwer and ECLA conducted a study amongst 400 European legal departments. **The Legal Departments in a Digital Era** report provides an in-depth analysis on the digital maturity of legal departments in five key European countries: Germany, France, Spain, Belgium and the Netherlands. Additionally, it provides insights from expert contributors from all participating jurisdictions.

Download the report **Legal Departments in a Digital Era** here →