

New Opportunities for Legal or Executing Like Killer Whales¹

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Zach Abramovitz, Co-Founder and CEO of [ReplyAll](#), led off the keynotes. Zach showed scenes of novel predation tactics mastered by orcas as an inspiration for new business tactics and strategies for law practice. Zach practiced law at Schulte, Roth & Zabel before founding ReplyAll.

I. Turning challenges into advantages

Zach shared his experience with the development and marketing of his company's product with lawyers as a model for changing the practice. Emphasizing the role of technology in enhancing law practice, he stated the guiding principles of the ReplyAll playbook:

- "Instead of finding users, we became the users ourselves."

Law firms are like Killer Whales - "orcas" their less violent name.²



Zach asserted that law firms can be seen as powerful, fast, and nimble, resembling his orca model, when they execute complex and critical litigation, or time-critical mergers and acquisitions. Orcas are not only superb apex predators - they have no natural enemies. They can also create new feeding opportunities. In our lifetime, orcas off the coast of Patagonia, Argentina have learned [to hide in the waves](#), then beach themselves,

¹ Zach acknowledged his inspiration for the title from to the episode endings of Rocky and Bullwinkle, whose motto could have been, "No pun bad(enov) for Boris."



© DreamWorks Animation

² Images from "Killer Whales Attack on Shore" <https://video.nationalgeographic.com/video/00000144-0a44-d3cb-a96c-7b4d63cc0000>, © National Geographic Society.

surprising the sea lion pups which are their prey and a tasty lunch.³ Killer whales prey all over the world, easily acquiring new skills thanks to highly developed brains, with food supplies in places where (by human expectations), they were not supposed to go.

Law firms must find opportunities in places where law firms have been told “you are not really supposed to go.” Zach highlighted the trend of “productization” – especially the development of technology solutions that first get developed and tested within a law firm’s practice, then are sold to others. He distinguished this trend from lawyers who have left their firms to develop technologies.

Examples include Logikcull, CS Disco, Ford Motor Co. IP Incubator deal with UnitedLex, Walmart’s work with LegalMation, and ReedSmith’s affiliate, GravityStack.

Logikcull started as Logic Systems, an ediscovery provider. They morphed from being a service provider to a technology company by automating procedures they had performed in-house.

CS Disco started as Camara & Sibley LLP, a Houston litigation boutique. In a conversation that Zach published with Neil Etheridge, CS Disco’s Chief Marketing Officer, Neil wrote, “What makes legal technology successful? It must be (1) designed to empower rather than replace lawyers (2) speak lawyers’ language and work the way lawyers expect to work and (3) automate and accelerate existing processes rather than create new and foreign processes. Lexis and Westlaw made legal research faster and easier and did it in a way lawyers understand.”

Ford’s general counsel, following the company’s commitment to be a leader in innovation, sees the legal department commitment to build IP Incubator as a source of growth.

LegalMation’s automation of response to ediscovery requests and requests for interrogatories has significantly reduced the amount of human legal work required for these tasks. For Walmart, the cost of response to discovery request changes the calculation of settlement value. LegalMation started off as a law firm, for whom Walmart was a client. Zach called LegalMation “a law firm disguised as a technology company.”

Zach argued that these examples point out ways that law practice can transform, especially when lawyers who use the technology create it, then demonstrate the value in rewarding ways, and multiply that benefit by selling the process and tools as a technology sale.

Zach outlined key steps in “productization” for law practice. He described a “David and Goliath” effect. Software companies, especially startups, may be small Davids of the business world compared to the large law firm Goliaths to which they are trying to sell. He compared an example of law firm development of a product⁴ with that of a startup software company. Rather than hiring a sales force, the law firm followed this First Principles Analysis:

- Build a product and iterate.
- Develop trust with customers.
- Deliver the product.

³ The National Geographic video also shows the orca “playing” with their food, tossing the sea lions in a game of volleyball without a net.

⁴ Now marketed as Gravity Stack’s Periscope. <http://gravitystack.com/product/periscope/>.

The result so far – with a 2018 expenditure of less than \$200,000, the 2019 projected sales are in the range of high six figures to \$1,000,000. The law firm has the advantage that much of the research and development can be accomplished with inhouse resources. The law firm’s staff are much better informed about the business and practice issues involved in the software solution than a software company’s resources would be. The products might not be a “billion-dollar idea,” but they might be a solid win. A successful product may match the revenue of a partner without the need for a corner office.

Zach described his current work comparing the results of investment in acquisition and ramp-up of the business of lateral partners. He pointed out that many lateral partner hires fail, and upon their exit, firms can experience a “\$5,000,000” hit.

A Recipe for Productization, based on the Periscope example:

1. Patience
2. Organic to the business
3. Market size and fit
4. Right personnel
5. Right amount of buzz

II. ALT – Talk

The ALT Talk participants included Brad Blickstein Principal, Blickstein Group; Joe Borstein Global Director at Pangea3 Legal Managed Services; Martin Catania Director of Client Relationship Management, Keno Kozie Associates; Joseph Scott, Chief Strategy Officer, American LegalNet; and Michael Kraft, Founder and General Counsel, Kraft and Kennedy.

Brad Blickstein asked whether forming an Alternative Legal Service Provider, as a subsidiary or an affiliate of a law firm, is more palatable for developing a technology than trying to do so within a law firm itself.

Joe Scott defined an “alternative legal service provider” as “not a law firm” - any corporate structures outside of the traditional partnership structure engaged in the legal practice traditionally practiced by law firms for individuals and corporate clients, but now organized in a new way. The ALSPs are displacing the work of traditional law firms at a ratio between 2 and 10 times the work they perform. Looking at last 10 years, if you add regular law practices and ALSPs, there was significant increase in law practice revenues, although traditional law practices looked closer to flat.

Joe spoke of the value of experience. He cited a 1952 edition of Black’s Law Dictionary example of “actual impossibility” as “men walking on the moon.” Bring people into a project with experience and learn from the mistakes of others.

Martin emphasized solving a problem for your own practice, then determine ways to commoditize that solution, especially by leveraging tools available.

Michael Kraft began by referring to this Tom Fishburne’s cartoon.



In most law firms hard to get lawyers to engage with others and actually listen. It is like “Upstairs Downstairs” - the lawyers think that they know what’s going on but have no clue.

Michael Kraft spoke about his attempts to team with lawyers for cybersecurity evaluations, to maintain privilege. He finds it very difficult to get lawyers to extend their work in these ways. Their myopic behavior blocks them from exploring business opportunities outside the box. He attributed the barrier to risk aversion. Quoting Joe Flom of Skadden Arps, “Listen to the businessmen. Tell them what they can do, not what they can’t do.”

Lawyers often surround themselves with like-minded thinking. Lawyers think best when challenged by advocates for the “other side.” The speakers described several trends in which law practices are now involving folks other than lawyers in practice or business leadership, including in CEO positions. A question from the floor - will there be a move from “rainmaker” leadership of law practice to include technologically informed and capable lawyers in practice leadership?

III. Additional References

“There’s A New World Coming” by Brad Blickstein, published December 20, 2018 on AboveTheLaw.com. <https://abovethelaw.com/2018/12/theres-a-new-world-coming/>.

[2018 Blickstein Group Law Operations Survey Report](#) (follow the link to request a copy).

“Law Firm Meets Incubator: Driving Legal Innovation From Within” published March 26, 2019 on AboveTheLaw.com. <https://abovethelaw.com/2019/03/law-firm-meets-incubator-driving-legal-innovation-from-within/>.

Bad for Business? Firms Diverge Over Entering Legal Tech Market published March 25, 2019 on Legaltech News. <https://www.law.com/legaltechnews/2019/03/25/bad-for-business-firms-diverge-over-entering-legal-tech-market/>.