

VQ Legal - Legal Knowledge Engineering Comes to Sweden



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The pressures on the traditional law firm model that will remake the legal services industry in coming years are not unique to the US and UK markets. A Swedish startup is following in the footsteps of Practical Law Company and others as it automates and streamlines key processes in the practice of law.

Important Details: VQ Legal, a new knowledge management service for Swedish law firms, has been launched by **VQ**, a small startup that also offers consulting in knowledge management (KM), strategy, and legal knowledge engineering. The service provides a standardized process for creating key legal documents for common business transactions such as formation of companies or initial public offerings.

The company's founders, two lawyers who specialized in knowledge management matters at a major Swedish law firm, saw that many law firms maintained their own databases of document templates or precedents, and that such work was carried out by each firm in isolation, a system resulting in a great deal of redundancy and inefficiency.

VQ Legal offers web-based collections of key documents based on common transactions, centrally maintained and updated. Customers purchase access to a collection and use a web interface to answer questions and fill in key information about the transaction. Based on the responses, VQ Legal automatically generates all the appropriate documents.

The secret sauce that sets VQ Legal apart from other available document templates is the intelligent assembly of the documents based on key questions answered by the lawyer entering the data, and the efficiency with which multiple documents are generated as needed. The templates can be integrated with a firm's own intranet and can be generated with a look and feel that is consistent with the firm's other documents and branding.

Content for the templates is sourced from a Swedish law firm, and a specialized translation bureau provides English-language versions of the documents. Leading Swedish law firms including Delphi and the Swedish Linklaters office have signed on to the service.

Implications: If all this has a familiar ring, it should. The founders of VQ have very consciously followed KM developments in the US and UK legal services industry, and found in Sweden many of the same structural and management problems that face the legal services industry around the world. They have retained Richard Susskind to speak at their upcoming **VQ Knowledge and Strategy Forum 2011**, and are clearly influenced by Susskind's widely-followed predictions about the future of legal practice around

the world and the shortcomings of the current law firm model (see Insights, 28 March 2008, Will Lawyers Go The Way Of Travel Agents?). Like others looking to remake the practice of law, they see an industry full of opportunities to replace repetitive and redundant human processes with new technology, processes, and workflow-embedded content. While not as robust an offering as those from Practical Law Company, that approach is clearly a role model here.

What might make VQ Legal most worth noting, however, is the specific context in Sweden. This is a relatively tiny legal market, in which roughly nine million citizens are served by a mere 35,000 lawyers, of which only about 7,000-8,000 work in law firms. Compare that to well over a million lawyers in the US. If VQ Legal can wring enough inefficiencies out of the practice of law in this small a market to make a go of the business, then certainly other legal services sectors around the world could support similar initiatives.

Sweden has a civil law system, which lacks the US and UK's common law system reliance on litigation and courts to define and refine the law; as a consequence, a greater portion of legal practice is transactional, and thus lends itself to solutions such as VQ Legal. However, Sweden does share some of the same structural issues that have held back the adoption of technology and new processes in the US and UK, including the limitation that non-lawyers can't own a legal practice - a limitation that's already on its way out in the UK and that may someday fall in the US as well. That limitation has restricted the ability of many law firms to run themselves like businesses and adopt technology-based efficiencies, and hindered rational decision-making processes around new processes, so many of the market needs are the same. Watch for similar companies and services to emerge in other small legal markets around the world.



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