<u>Syllabus:</u>
**Legal Operations: How Innovation Diffuses in the Legal Industry**
Indiana University Maurer School of Law
Summer 2020

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| Instructor: | William Henderson, wihender@indiana.edu |
| Credits: | 1 credit hour |
| Meeting: | June 3 to July 1, five meetings @ 2.5 hours per class (6 to 9:30 pm) |
| Required Texts: | All readings will be posted on Canvas |
| Optional Text: | Everett Rogers, *Diffusion of Innovations* (5th Ed. 2003) |

**<u>Overview</u>**

The legal profession is gradually giving ground to a broader legal industry that encompasses both lawyers and sophisticated professionals from other disciplines. Although this was partially expected in the United Kingdom and Australia, where the regulatory structures were changed to permit non-lawyer ownership of law firms, innovation is also flourishing in the U.S. market. Indeed, despite the fact that the U.S. legal market has yet to deregulate, it is emerging as a market leader in several of the most important areas of legal innovation. Yet, there is also a powerful counter-narrative among commentators and the legal press that focuses on the seemingly glacial pace of change in law, particularly among large law firms that continue to prosper under a 100-year old business model organized around partners and associate lawyers.[1]

The purpose of this course is to provide students with a solid theoretical and practical grounding on the current state of the legal industry and where it is headed over the next ten to twenty years. Students who take this course and do all of the requisite work will understand the legal market on par with many industry leaders. This is true for three reasons:

1) *High Quality Legal Industry Context.* Two of the most enduring and iconic features of the legal profession are prestigious large law firms and autonomous solo practitioners. Yet, a diverse and complex legal ecosystem of new entrants is rapidly growing these familiar institutions. Busy lawyers lack the time and perspective to accurately map and categorize this new marketplace. Through curated readings and classroom discussion, this course will bring students up to date on the legal market circa 2019.

2) *Valid, Reliable Theory*. Students will acquire a strong working knowledge of diffusion theory, which is an interdisciplinary field that draws upon decades of research from sociology, anthropology, marketing, communications, geography, public health, education, and various other disciplines. This is a general theory of innovation diffusion that has been validated in a wide range of historical and contemporary contexts.

3) *Examples of Legal Industry Innovation*. We will use our mapping of the legal industry to identify four innovator companies/organizations and invite the founders/operators into the classroom to explain their business model in past and current business challenges. We will use the diffusion

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[1] This partner-associate model is often referred to as the Cravath System, as its structure was perfected by Paul Cravath of the New York Firm of Cravath, Swaine & Moore.

theory framework to better ascertain how and why innovations successfully diffuse in the legal industry.

## Teaching Objectives

Diffusion theory is part of a tradition of applied research that seeks to identify the key levers for accelerating the pace of innovation, often for important, socially beneficial ends. Through this course, students should obtain the following:

- Basic understanding of diffusion theory and the ability to critically apply it to a real-world business context to thus more accurately evaluate the likelihood of successful innovation adoptions.

- The ability to concisely summarize diffusion theory to professionals outside of class in order to obtain peer buy-in and support for early stage innovations that would benefit clients, colleagues, and your organization.

- A working map of the legal industry supply chain based on products, services, unique bundling strategies, and clients served and the ability to efficiently update this map.

- An understanding of the role of allied professionals – systems engineers, process experts, project managers, data scientists, statisticians, marketers, finance specialists, software developers, professional trainers – in the legal industry innovation.

- Practice collaborating with, and learning from, students and professionals from divergent backgrounds and perspectives.

- The ability to evaluate a business from the perspective of an outside investor placing capital at risk and expecting to obtain an above-market return.

## Course Structure

*Team-Based Learning:* This is a team-based class where students will be placed into teams and required to take the lead on portions of the class.

*Timing and Content*. The course runs for five consecutive Wednesday evenings from June 3 to July 1.  The class meets online via Zoom.  We start at 6:30 and end at 9 pm with one 10-minute break.

- Weeks 1-2 focus on the legal profession/industry and diffusion theory.

- Weeks 3-5 (6:30 to 7:20 pm) will be discussions of readings and critical debriefs on the guest speakers and innovative companies presented during the prior weeks.  This is necessary so students can obtain distance and detachment from innovators (often highly accomplished, charismatic, and polished professionals). We also want to update, elaborate, and refine the applied concepts of the class.  These sessions will be partially led by student teams that were assigned to specific innovator companies.

- Weeks 3-5 (7:30 to 9:00 pm) will include outside guest speakers who are currently or formerly affiliated with innovative companies in the legal supply chain. Guest speakers are instructed to share their career history followed by a presentation of their company in a straightforward narrative form, including sharing of pitches to prospective clients and investors.

## Guest Speakers / Innovator Companies

I have pulled together the following distinctive guest speakers and innovator companies:

| Week | Guest Speaker |
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| June 17 | • Dwayne Hermes, Founder and Team Member, Hermes Law, a process and tech-driven insurance defense firm (LinkedIn bio)<br>• Adelaida Diaz-Roa, Chief Product Officer & Co-Founder of Syzygy Legal Tech, an affiliate company of Hermes Law (LinkedIn bio) |
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| June 24 | • Thomas Suh, Co-Founder and COO, LegalMation, an AI-enabled legal documents company whose biggest client is Walmart legal department (LinkedIn bio).<br>• Sterling Long, IU Law '21, currently IFLP intern at Cisco Legal Department but formerly intern at Walmart working on LegalMation deployment (LinkedIn bio). |
| July 1 | • Christian Lang, Head of Strategy at Reynen Court, a "middleware" company that enables the safe deployment and interoperability of new legal technologies in a secure cloud-based environment (LinkedIn bio). |

**Grades and Assessment**

This class is graded according to the policies set forth for a small semester-type class. Your grade will be based on the following:

- 30% based on answers to weekly questions based on the readings (Weeks 2-5). These can be done collaboratively within teams, but collaboration is not required.

- 20% for active class engagement

- 10% teamwork grade.

- 40% for quality and content of final assignment (akin to a take-home exam), due on Friday, July 3 at 5 pm.