Survey Report for 2021 SKILLS

Strategic Knowledge + Innovation Legal Leaders' Summit

Thank you for participating in the 2021 KM Summit survey. This is a report on the results.

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09 Jan 2021

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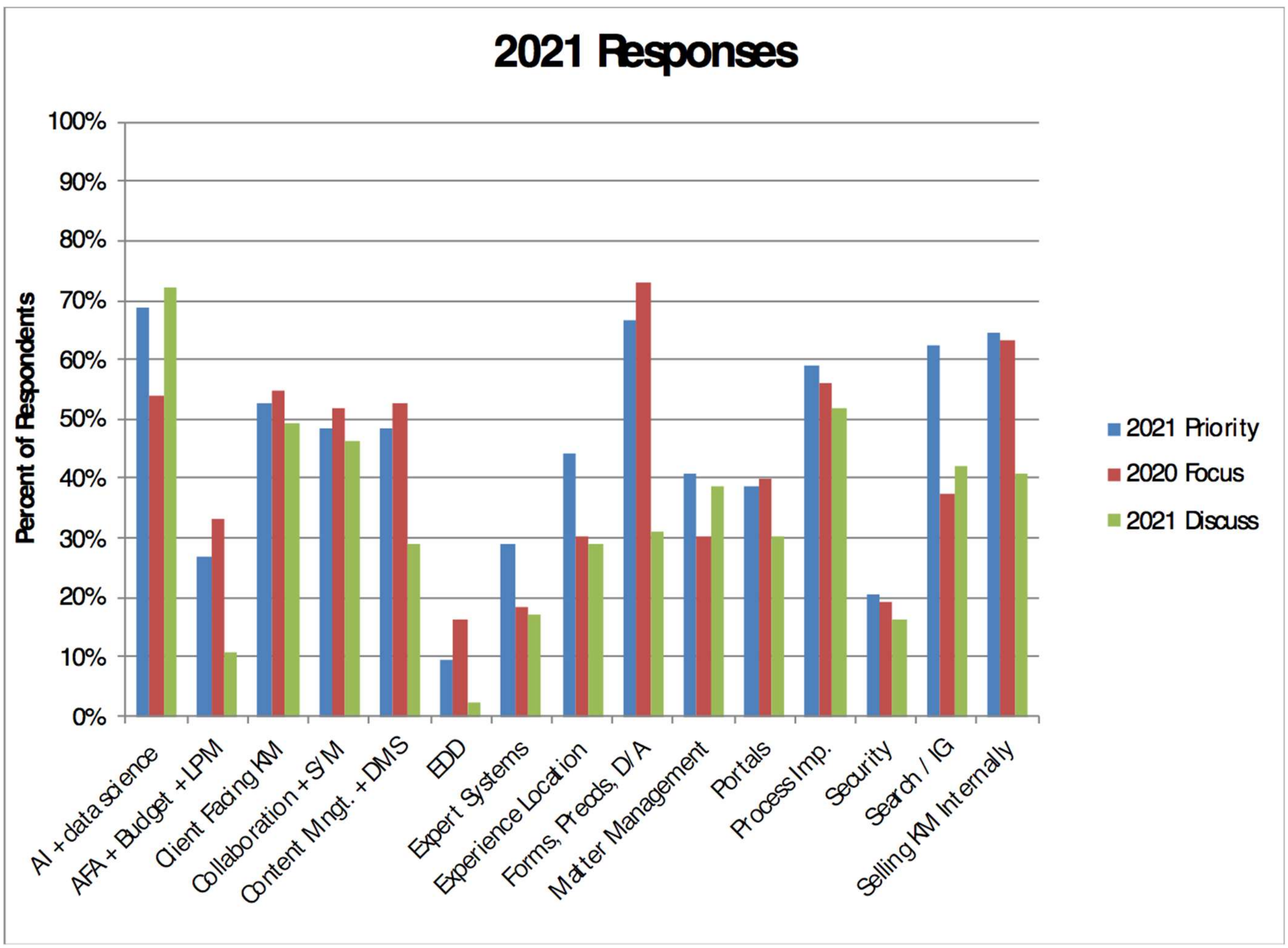
Summary of 2021 Responses

In preparation for the [2021 Strategic Knowledge + Innovation Legal Leaders' Summit], an annual private meeting for knowledge management and innovation leaders of large law firms, we surveyed our members. This report analyzes the 90+ responses from firms in the US, UK, Canada, and Australia. Respondents answered several questions, including three we ask each year:

1. Work done in the past year ("Focus").
2. Priorities for next year ("Priority").
3. Topics of interest to discuss during our January virtual meeting ("Discuss").

We administered the survey between September and November 2020 (see the Appendix for survey details). Respondents answered with free-form text and also tagged their answers with a defined vocabulary. These tags serve as the X-axis labels of all charts below.

The chart below shows the 2021 results. Comparing these to the [same survey in 2020], the magnitude of some answers has changed but the overall pattern has not. And that has been true for several years.



Pandemic Impact 1: Lessons Learned

This year, we asked survey respondents about COVID lessons learned, specifically

> *"Beyond rolling out eSignatures, Zoom, virtual hearings, and work from home, please share any key learnings or long-term changes."*

Respondents answered with free-form text. Providing tags would have supposed some knowledge of the range of responses, so we did not offer any. Instead, the organizers tagged answers with about one dozen tags. The table below shows the results of the 74 responses. We tagged many answers with two or more tags; with an average of 1.5 tags per answer.

TAG	NUMBER
New collaboration approaches	20
KM 101 + more KM + client KM	18
Use more tech	11
WFH, less space, less travel	11
Rapid adaptation is possible	9
Other	9
Library busy / virtualized	7
Mental health	7
Maintain engagement	5
The support model will change	5
Print is done	3
More data / better use of it	3
None beyond items in question	3

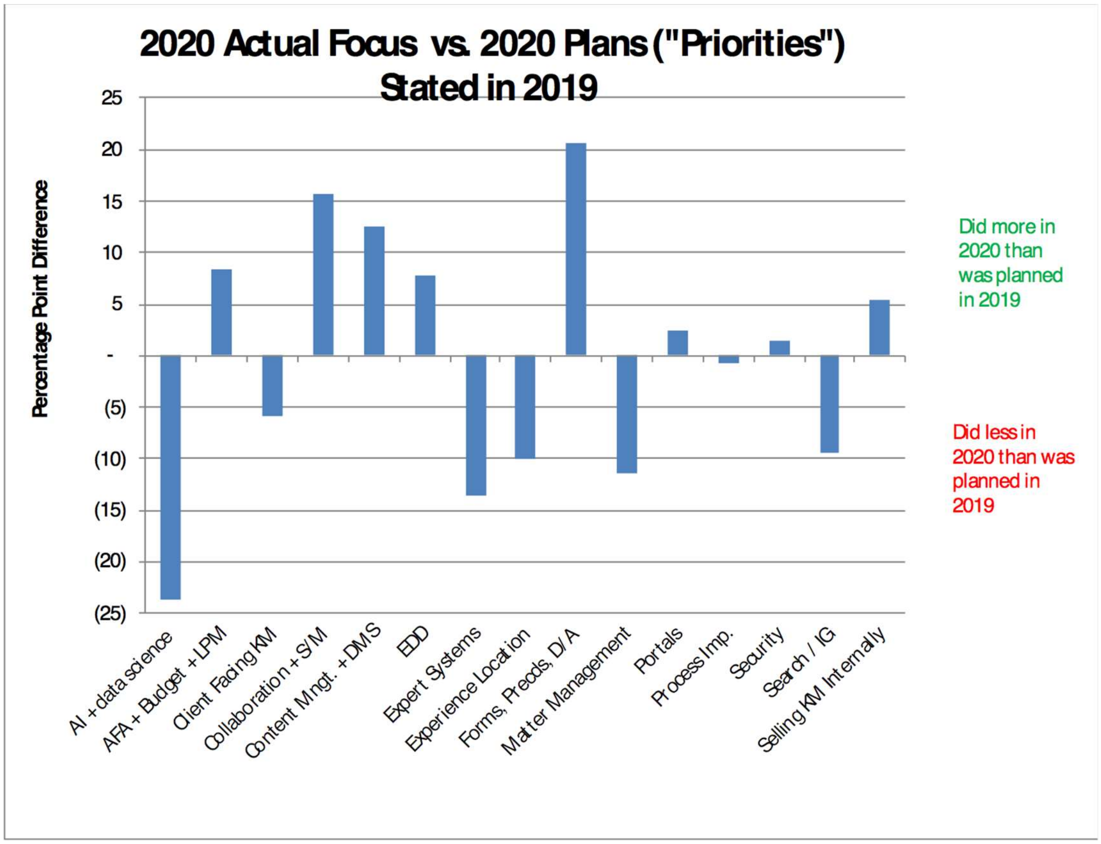
Perhaps because we as authors all lived through the pandemic, neither the tags that emerged from our analysis nor the number for each were surprising. We, along with most observers, believe that COVID will cause some long-term shifts. We think it likely that the first few tags in the table above reflect longer term changes. Certainly, the first three – new collaboration approaches, "KM 101", and using more tech – have been strong trends for several years. COVID merely accelerated and further solidified them.

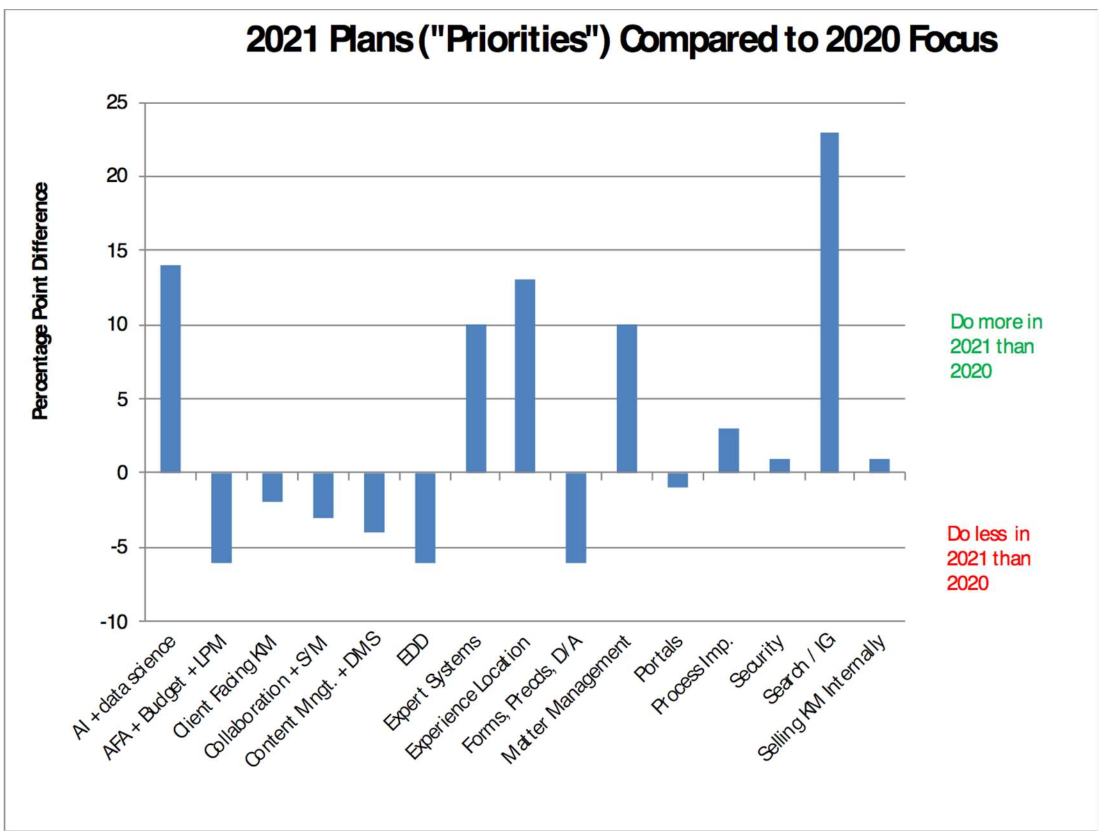
Pandemic Impact 2: Shifting Priorities in the Usual Activities

New for this year, we compared what participants actually did in 2020 with what they had planned to do based on their 2019 responses. (See the first chart in this section).

And, as we have for several years, we compared next year's plans and with actual focus of the year just closing. These data show intended shifts in priority. (See the second chart in this section).

Together, these show the COVID impact:





Our interpretation here focuses only on tags that changed by at least 10-percentage points.

For collaboration, content management and DMS, and forms and precedents, firms spent more time on these than expected. We believe that reflects new and immediate needs to support work from home and pandemic-induced changes in practice demands such as understanding COVID rules in multiple jurisdictions and shifts in the types of financial transactions.

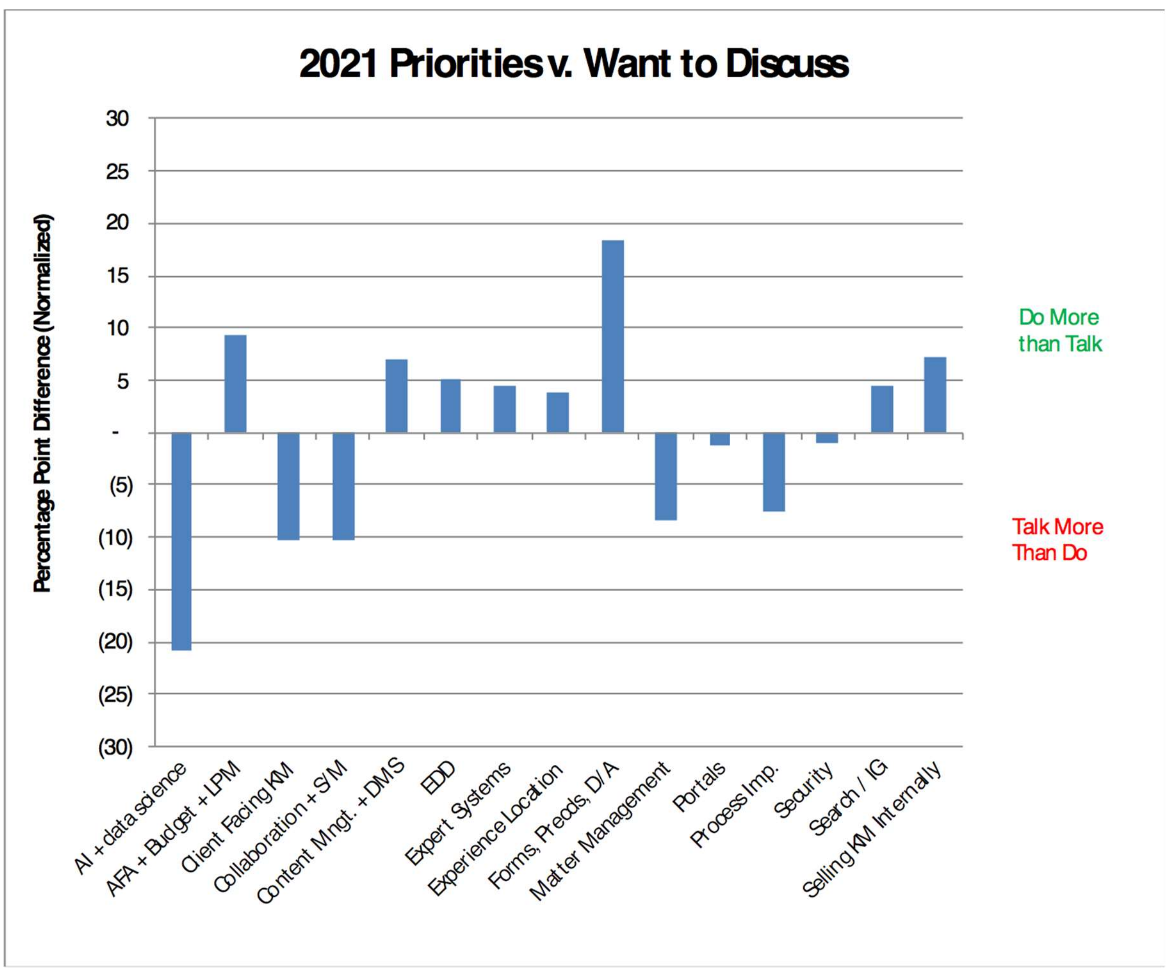
In contrast, for AI, expert systems, experience location, matter management, and search, firms spent less time in 2020 than they expected as 2019 closed. We believe the time KM and innovation leaders had planned to spend on those activities had to be shifted to expanded types of support reflected in the prior set of mentioned tags.

For all the tags mentioned in the prior two paragraphs, the two charts are almost mirror images: the 2020 declines are almost matched by planned 2021 increases. These results suggest that the pandemic created a blip more than a secular change, though we will not know that with certainty for at least a couple of years

The story behind search may be a bit more complex. Beyond a short-term hit and then rebound from the pandemic, we believe the visible increase in search is driven by longer term trends. First, many firms have, for years, been working to get their data in order so that search will be effective. And second, the new generation of search products takes time to roll out.

2021 Priorities Compared to 2021 Discussion Interests

Each year we compare respondents' priorities ("Do") with what they would like to discuss ("Talk"). The chart below shows this comparison.



We expect some variance between these two sets of replies so focus only on the two tags with larger differences. Attendees would like to talk more about artificial intelligence than they plan to make it a 2021 priority. A possible reason for this may be less progress in 2020 than expected, as noted in the prior section. We have seen similar gaps, however, in the last few years. Another possible reason is the continued intrigue with the potential for AI, which continues despite many firms having licensed and deployed AI products, especially machine learning products to identify relevant contract provisions in transactional due diligence reviews. The prospects for AI to transform additional aspects of law practice remains high (*e.g.,* there are now at least two automated litigation motion drafting commercial products), so the strong interest continues.

The gap in forms and precedents, with less interest in discussing than actually doing in 2021, has also persisted over the years. This is a core function of KM, one that is well established. It takes significant institutional effort, but the work is well understood and so requires relatively little discussion.

Conclusions

Had we merely reproduced the charts we presented last year, one might have concluded that 2020 was not all that different. To be sure, the data display some variance likely stemming from the pandemic, but they remain remarkably stable given the massive global disruption.

One possible conclusion we draw is that KM remains strong and valued. Some firms laid off staff and lawyers but we are not aware of any significant KM reductions in force during the pandemic. And from our survey results, it is clear that KM professionals were actively involved and contributing to firm efforts to work effectively and efficiently despite the abrupt shift to work from home. If anything, the evidence from this survey and from our conversations in the community suggest firms recognized the value of their KM teams during the crisis.

We can, however, draw a somewhat different conclusion from the same facts, one more about the people doing the work than the function. We know that no two firms have the same KM and innovation and some, indeed many firms, have no formal KM or innovation functions. That makes KM unlike other functions such as finance, IT, marketing, recruiting, and HR, all of which are "must-perform" large law firm functions. Despite the growing number of large law firm KM and innovation professionals, both remain optional activities.

The teams doing KM and innovation, however, have skills critical to solving many problems. Those teams often serve as a ready strike force team within law firms, ready to tackle one-time problems. They can be marshalled quickly for new needs and pivot from one set of projects to another. One example of this we have seen in years past are KM teams that have had to pause their usual work to help right IT projects that went sideways.

Another reason KM and innovation teams can be easily repurposed is that they, more so than other functions, build multidisciplinary teams and stay attuned to the intersection of practice, business, and tech considerations. For example, we know anecdotally that many of our members spent a good portion of 2020 focused on supporting work from home, monitoring and disseminating the rapidly growing and changing body of COVID-related rules and law, and planning the (now delayed) return to office. For obvious reasons, those functions became more urgent than core KM and innovation work and required exactly the types of skills most KM and innovation professionals possess.

Appendix I: About This Survey

The Questions Asked and Chart Labels

At the end of each year, we ask three primary questions, listed below. The quoted parenthetical text corresponds to chart labels that appear in this report.

1. What are your top priorities for 2021? ("2021 Priority")
2. What did you focus on in 2020? ("2020 Focus")
3. What would you like to discuss with the group in 2021? ("2021 Discuss")

Survey Demographics and Caveats About Interpreting It

Here are demographic and other details about the survey that highlight potential limitations:

1.	*Firm Size and Location:*	Most respondents work at US, Canadian, and UK firms with 500 or more lawyers.
2.	*Survey Not Representative of Market.*	We survey large law firms with one or more senior KM or innovation professionals. Firms with these professionals are not necessarily representative of all large firms.
3.	*Respondents Provide Free-Form Text Answers and Tag Answers:*	Respondents answer each question with free-form text *and* tag their answers with one *or more* of 16 defined topics (tags). These tags, listed below, inform the survey interpretation

AI or data science

AFA / Budget / LPM

Client-Facing KM (except expert systems)

Collaboration / Internal Social Media

Content management / DMS

eDiscovery / litigation support

Expert systems

Experience location

Forms, precedents & document assembly

Matter management

Portal redesign or upgrade

Process improvement

Security / access management / info. gov.

Search (install, upgrade, or improve)

Selling / marketing KM internally

4. *Question + Tag Variation Over Time.*

The 2017-2021 surveys asked the same questions using the same tags. Because the number of responses vary from year to year, we normalize some results to adjust for that difference.

5. *Caution on Year-to-Year Comparisons.*

The table below shows number of respondents and tags per answer for several years. When interpreting surveys over time, understanding changes in respondents and response options is key. For 2020, we adjusted the list of survey recipients; it may reflect a discontinuity.

	2021	2020	2019	2018
Respondents	93	68	101	107
TOTAL TAGS				
Priority this year	594	456	632	611
Focus last year	546	461	567	567
Want to discuss this year	444	311	467	434
TAGS PER RESPONDENT				
Priority this year	6.8	6.7	5.9	5.7
Focus last year	6.2	6.8	5.3	5.3
Want to discuss this year	5.0	4.6	4.4	4.1