

Dear Mr. Lapper:

Thank you for the opportunity to comment on the LSUC Alternative Business Structures and the Legal Profession Discussion Paper. My thoughts are set out below and reflect my perspective as a first year law student, excited by the prospect of the many opportunities that will arise in a profession that is embarking on massive change.

**Thoughts on Alternative Business Structures and the Legal Profession
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Other Professionals in Law

It seems that many law firms still lack different types of professionals within their core leadership structures. Lawyers appear to dominate such positions. The report indicates that this lack of professional diversity had led to limitations on efficiency, creativity, and customer service that other, unregulated businesses have been offering for years. Limitations on non-lawyer ownership and over-burdening regulations have ensured client security (which is incredibly important) but at the cost of creativity.

In response to these challenges, the paper suggests a possible limitation of non-lawyer ownership, specifically in the form of a “49% ownership” limitation for non-lawyers. I don’t believe such a limitation is a constructive means for advancing new forms of alternative business structures and ownership within Ontario. We should incentivize the entrance of new professionals, not unintentionally prevent it. At the core of innovation lies new perspectives. Without new types of professionals assessing and addressing the problems currently facing the provision of legal services in Ontario, it will be very difficult to provide new, more creative and effective services across the province.

Like many larger corporations, a law firm would benefit from the expertise of business or technology-oriented executives who have not yet had a chance to participate in the field (or currently have no incentive to do so). Allowing for greater ownership in a firm would let such individuals enter positions of leadership. In these positions, individuals could bring new, out-of-the-box thinking to the table.

This would not only allow law firms to innovate but catch up with the times. As outlined in the report, technology is dramatically changing the nature of the legal profession in Ontario. Bringing in a technology-focused Chief Technology Officer (CTO), for example, would likely push a firm in a more innovative direction. It would allow a firm to better cope with an overly competitive legal market, permitting a disciplined pulling, collection and assessment of the massive amount of data that is collected by law firms every year. By doing so, many firms could differentiate themselves, providing new types of legal services to both old and potentially new clients throughout the province.

This would not only benefit a firm's data assessment and management but could potentially apply to better business practices overall. Bringing in a slew of business professionals or CFA-trained business analysts could help propel a firm forward.

Technology

The report places an emphasis on technology and its impact on the legal field. It discusses several different aspects of the "technological revolution" of the last 30 years and its implications. However I believe, most importantly, new technological advancements have the potential: to provide predictive powers for their legal work; and to drive the adoption of new computer technologies that can solve complex legal problems without human assistance.

First, with respect to "predictive capacities", many law firms still do not provide the level of quality and security offered by many other industries. Upon entering an agreement, I understand that many law firms still have trouble predicting, with meaningful accuracy, the costs of resolving a client's particular problem (many times expanding initial cost estimates). Discussions that I have had with certain private practitioners and in-house counsel suggest that this is a big problem. Clients, many in big corporations, cannot work with such unpredictability, especially since the 2008 global recession. I have been told that pressure is mounting for in-house counsel to be fully accountable for predictable budgets and gone are the days when they could provide estimates of annual legal costs.

I believe that the new alternative business structures proposed by the LSUC paper could open the door for business structures that include analytical methods allowing for better-cost estimates and subsequently better customer service. How so? By permitting a structure that includes as a standard business practice the compiling of data from a number of different and varying cases, analytically driven algorithms that could provide accurate estimates of both costs for completing a particular task or case and the most successful routes to success for a client. Such analytic technologies have been applied in a number of other fields (including finance) and would likely benefit overall client satisfaction (not to mention improving efficiency).

As important, we are currently witnessing the advent of new, artificially intelligent machines (that I don't believe was mentioned in the report) that can perform work previously reserved for the brightest of lawyers. Technologies like IBM's *Watson* will likely overhaul the types of problems computers can solve. In law, shouldn't we ensure that our business structures are ones that populate the ownership and executive suite with individuals who are familiar with using new and innovative technology? I am not suggesting that there aren't lawyers who are very knowledgeable in new technology, but, in fairness to the profession, this is not what they are teaching us at law school. This kind of technology could revolutionize the profession, greatly improving efficiency, reducing error, and organizing, and

applying predictive assessments to vast amounts of provincial and international case law.

However, as emphasized above, the application of these technologies will require new types of professionals and the capital to actually invest in said technologies. The ABS described in the LSUC report, seem to provide a meaningful way forward for Ontario law firms who may have difficulties progressing and competing with more competitive firms abroad if they choose to stay the current course.

Attracting New Business

By liberalizing the legal market in Ontario, and allowing for business innovation, the Law Society could attract new types of businesses providing traditional legal services by means of non-traditional structures. This could include fully online boutiques or even companies devoted to legal data storage, assessment, and predictive analysis. These law firms could cut across provincial and national lines, opening up entirely new markets for these Ontario-based companies internationally and across the Country.

When considering new ABS the Society should consider how these structures might actually allow for competition not just within Ontario but also throughout the Country (and possibly in other international jurisdictions). By offering new methods of business structuring, Ontario has the potential to create a business hub for new, innovative law firms and legal-oriented businesses.