

## Konexo's quest to dominate digital transformation

*In-depth conversations with lawyers are key to arriving at automated solutions to the everyday problems faced by legal professionals*

By Cristiano Dalla Bona | 16 February 2021

Babar Hayat is used to listening. He knows everyone has a problem and, if you take time to sit down – and only if you do that – you will find a basic need. If his natural inclination is that of understanding people's problems, his professional aspiration is to solve them.

The head of product, technology and transformation of Konexo, Eversheds Sutherland's alternative legal services business, has spent countless hours listening to clients. His goal is to understand what Konexo can do just before they themselves know it.

Never as in the pandemic did the concept become more vital. Over 2020, the situation led to client conversations around how to survive remote working by identifying tools to implement quickly in a crisis. But these discussions gradually shifted.

"At the beginning, we were trying to figure out how to work remotely. Later, the attention moved to how we could use tech in ways that we did not consider before," Hayat recalls. He thought that it was the perfect time for Konexo's digital transformation unit to soar by helping clients design new operating models for a different workplace – and a new world.

### A question of method

Eversheds Sutherland debuted Konexo late last June on top of an existing consulting platform which generated revenue of £26m. Last year, it scored £40m in revenue in its first year of activity. The business, which provides advisory services, managed services and interim resources internationally, is on track to reach £100m in four to five years. Management expects to increase its revenue by 10 per cent this year, in spite of the challenges brought about by Covid-19.

When Hayat was recruited from Thomson Reuters in 2019, he was tasked with elaborating the technology strategy of the venture's transformation division.

Unlike a traditional CTO or IT director, his focus was on monitoring emerging companies and tools in the marketplace, and building relationships with external providers to complement Konexo's service

lines, including alternative legal and compliance services, managed services and regulatory responses and interim resources. Before joining, Hayat had been in his Thomson Reuters role for almost two years, having refined his legal tech pedigree with a previous consulting role at Linklaters.



Babar Hayat

Tapping into this background across providers and law firms, Hayat took charge of product development both across legal and financial services client sectors, including the use of data for business insights and the implementation and delivery of solutions.

For the past year and a half, Hayat has been working on the strategy and methods of the digital transformation service, which spans everything from automation and delivery to operations and technology. Alongside product leads and consultants Barry Rodick and Matt Scott, Hayat follows what he describes as a "platform approach".

He looks for the right technology at the right stage of the process as a starting point rather than seeking

to come up with a catch-all tool. When a new client engages Konexo, his team tries to collect data around the types of requests legal teams are receiving when it comes to contracting and advice, and the volume associated with each one.

Data is captured automatically by setting up legal front doors that identify new requests through online forms, which then classify the type and frequency of new mandates. Each request is tracked within a case management system. This analysis is articulated visually by using software such as data visualisation tool Tableau.

The team shows clients an anatomy of the type of work most frequently done by the legal team, which helps show weaknesses and areas of improvement. "That way, you can easily see which matters take the most amount of time, volumes of work broken down by division and the various events involved in the contract lifecycle," Hayat explains.

The data collected as part of this phase is then used to inform the different ways of working, operating models or opportunities for automation explored by Konexo for the client. "The data should inform not just the solution, but how the business will evolve going forward," says Hayat.

If there was a need to produce big volumes of contracts of the same type, for instance, the team would think about implementing a document automation software – but it would be only a piece of the puzzle, not the endgame. They want to inscribe technology in a wider perspective, a whole new redesign of a team’s modus operandi.

#### **Enter the robot**

In their conversations with clients, Konexo consultants often find that many business areas in client companies are slowed down by repetitive tasks that are still performed manually. Several competitors have sought to take care of these boring aspects with outsourcing and automation. The technology team at Konexo is aiming to go one step further by using more sophisticated techniques.

The team has recently launched a robot for its corporate secretarial team, which has since been sold. It streamlined the tedious process of creating and uploading transaction documents in the firm’s systems, which saved about five minutes per transaction. The robot mimics the process of taking data out of files and registers such as Companies House automatically. It took the development team five days to optimise the software; it has since been used on 159 transactions, saving each time up to 12 hours of something that would have previously taken one day of compiling and uploading.

“It looks like someone does the work, but it is the tool that accelerates everything,” explains Hayat. Dave Saunders, head of client development at Konexo, describes the robot as seeing a desktop that basically works on its own.

The same technology has been applied to contract repapering exercises to amend and negotiate thousands of contracts with counter-parties. It has removed the need for secretaries or paralegals chasing drafts and responses in relation to each new contract.

Despite the complexities of the solutions, the build-out is easy – Hayat says Konexo is a “low code development environment.” The developers follow a diagram that shows the steps that need to be

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Konexo*

done. The main aspect of this work is volume. The team needs to have information from a lot of transactions. In one instance, it applied the tool to thousands of transactions for a client in order to improve efficiency and the response time of the robot.

In another example, Konexo deployed a robot for a large telecoms company for which the business carries out managed legal services. The company wanted to capture legal requests more efficiently by getting out of a loop made of spreadsheets and emails in favour of a centralised system.

Once again, the team devised a robot to automatically take requests out of inboxes and into a matter management system, reviewing and rewriting the process in the context of transactions happening on a weekly and monthly basis.

The tool was built within a week and it allowed a saving of five to six minutes on each piece of work, eventually operating 24/7 on more than 25,000 transactions. “We immediately saw the effect of the first iteration of the robot in small transactions in which it reduced that manual process,” says Hayat. But the solution was hardly the product of a single technology.

#### **Different industries, common problems**

When developing a new product, the Konexo team combines multiple tools to find the right solution. Based on the situation, it might combine a web portal with a case management system to track requests from business users, or simply integrate it with a document automation tool to generate contracts when the volume of low-value drafting is big enough. They might connect that with electronic signatures and with data visualisation tools to better showcase the information of a transaction.

The key thinking behind their development credo is that while other companies are building more generic products applicable to a large and diverse clientele, they are aiming for something different. Technology, they say, is just an element at the service of a bigger vision. “Tech has to be combined to the context of the actual problem; the right people, with the right expertise and data. Only then do you know what tool is most appropriate,” head of client development Saunders says.

# THE LAWYER

Guiding their thought process is a client engagement strategy that is applied at the beginning of a new project to understand use cases and objectives. “That is where this team is really meant to come in,” he says.

They have set a methodology. The starting point is trying, even before the engagement begins, to gain a good understanding of the challenges and priorities of the client and understanding where they can provide support. A discovery session goes into the details of the objectives of the legal team and the key stakeholders of the business. During this process, the Konexo team prepares process maps which lead to the design of the solution. It is followed by an implementation phase that puts the solution to work, with regular continuous improvement and monitoring checks to determine its value to the business.

“Once you have the process change and the technology in place, you realise how to evolve as a business,” Hayat says.

While Konexo tackles business problems across different industries and sectors, there is a level of consistency. “Most clients struggle to capture requests from their business in a structured way and lack an orderly approach to go about it. The team has articulated three main categories of work it tends to tackle most frequently,” Saunders explains.

There are task-driven mandates in which the client may approach Konexo because it needs to amend thousands of contracts. In that case, the team would sit down and work out the best way to do it without involving additional resources such as paralegals and support staff. It would set out templates and playbooks to automate the amendment process, often devising AI review platforms. The second category is described as “structural”, meaning that Konexo works with in-house teams on their own tech strategy to develop new processes around how they handle work and interact with the wider business. Finally, so-called “event-driven” mandates involve, for instance, big repapering challenges that organisations face as a result of mammoth regulatory changes such as Libor. In these cases, the developers would extract data in contract repositories to find the key data points and include them in a case management system that drives the whole remediation program; the

digital negotiation tool is sent to counter-parties to review, comment or sign the contract.



*Dave Saunders*

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These problems were at the heart of the division’s first product last year. The philosophy around a better, sophisticated solution gave rise, in December 2019, to the launch of a product that specifically targets in-house counsels. Called Konexo Hub, it consists of an online portal that encapsulates the lifecycle of client matters with all the phases involved.

The portal was subject to a soft launch in 2020 and has been in various development stages since the previous year. From an operational perspective, in-house legal teams can both use it to outsource work to

law firms and manage routine tasks.

For instance, they can automate the drafting of documents and conduct faster reviews through an artificial intelligence system. To better track the workflow process, the hub also captures data that can be used for reporting to management. To make things easier, the tool contains self-service items including legal FAQs.

The firm envisioned it being used alongside its other two offerings: managed services and flexible resourcing. The tool was a response to research conducted by Konexo that found 63 per cent of in-house lawyers think that the pressure on their team has grown in the space of a single year, with a staggering 96 per cent of those surveyed acknowledging that legal technology would help making things easier.

The Konexo team was keen on combining applications to support clients with the lifecycle of matter management. “We have developed this portal that captures requests from business users in a structured way, so you are not inundated with requests,” Hayat explains. The portal is connected to case management and workflow tool Autologix, with popular platform HighQ tracking requests from beginning to end. There are also various Microsoft apps and a document generation program

under the Contract Express banner. “We created this unified single interface to see all this information, so you don’t need other resources” he adds. It is also a useful way of increasing client’s time spent on Konexo tools.

Just like other digital media businesses, Konexo has everything to gain if clients see it as the go-to destination to solve their own problems. Recent investments in the wider firm seem to indicate that the very DNA of the firm will shift toward a much more hybrid and profitable ensemble between law and alternative offerings.

### Betting on change

While Konexo aims to capture clients’ needs for help with digital transformation, Eversheds Sutherland itself has been endeavouring to ensure its own workings evolve to accommodate a different market. The firm recently overhauled its innovation leadership following the departure of UK innovation chief Andrew McManus to private equity firm Bridgepoint.

Corporate partner Rachel Broquard took on a newly created role as service excellence partner; her function started in April 2020, at the height of the pandemic. The role was an expansion of the client technology and innovation head remit previously covered by McManus. It would be no longer focused on technology, including instead a broader grip on other service areas such as legal project management and knowledge. A born-and-bred corporate and M&A Eversheds lawyer, Broquard has collaborated on the development of an in-house tool, DealMaster, that was used for the management of large-scale transactions in previous deals.

All these aspects conflate into the firm’s innovation agenda. The variation on the innovation role follows recent investments by the firm in its own project management capabilities. Last May, the firm created a litigation technology unit in an effort to produce solutions that will help deal efficiently with high-value and long-running disputes.

Meanwhile, the synergies between Eversheds and Konexo keep growing. Its UK branding group has been permanently moved into the division to complement the business’s managed services offering when it comes to advice on large client IP portfolios. The Manchester-based team, led by legal director Kate Ellis, was the first group to be moved from the limited liability partnership.

These investments come as the firm is looking to obtain its alternative business structure (ABS) licence in early 2021, which will open the subsidiary company to external investment. However, as Konexo lays out ambitious growth strategies, it is likely to find a very competitive market. Late last year, Deloitte Legal set up a new management consulting arm eyeing post-pandemic changes in the in-house world. The new offering

was spearheaded by three experts hired from provider Elevate. Like Konexo, that team has been setting out a strategy to help in-house legal departments change their own processes and respond to disruption by Brexit and Covid-19. The concept is informed by how businesses responded to other macroeconomic events like the 2008 financial crash.

While these changes are sweeping and wide-ranging, the pockets of the targeted customers are less so. Due to budget cuts, general counsels have been particularly keen on solutions that allow for cost savings and improvements around efficiency. While setting up the strategy, the Deloitte team found that legal departments typically spend around 3 to 5 per cent of their annual budgets on changing the function by adopting legal tech and different processes.

Rest assured, a number of firms will seek to capture that pot of money. For Hayat, meanwhile, the main focus is the range of possibilities opened by this strange year – and what needs, and new problems, it will create. “The pandemic has led to conversations we are having with

clients around the best use of the technology, but also around what is most appropriate in proportion to each business,” he says. “It has accelerated everything.”

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