

# Taking the “Alternative” out of Alternative Legal Service Providers: Remapping the Corporate Legal Ecosystem in the Age of Integrated Solutions

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The word “alternative” is definitely trending in the legal zeitgeist. Beginning with the U.K. Legal Services Act and accelerating through the legal tech startup boom, discussion about the growing importance of Alternative Business Structures (ABS) and Alternative Legal Service Providers (ALSP) has become a cottage industry in the legal press, and increasingly in the legal academy as well. And yet, for all of the talk about the growing importance of these “alternatives,” the very discourse used to cast these new providers as the harbingers of impending dramatic changes in the market for legal services continues to marginalize and mask their true significance. In this Chapter, we argue that this characterization of the range of new providers competing for a share of the global corporate legal services market is fundamentally flawed. We do so by first reminding today’s lawyers and commentators that the large law firms and sophisticated in-house legal departments that we now consider to be the “traditional” standard against which all other legal service providers should be measured, were once considered radical “alternatives” posing a significant threat to the “core” values of lawyer professionalism. As market conditions changed, however, these marginalized forms of practice not only moved to the mainstream, but have become the very embodiment of professional excellence. Similarly, we argue, as corporate clients increasingly demand professional services that are “integrated,” “customized,” and “agile,” the parts of the market that are now considered “alternative” – e.g., technology, managed services, flexible staffing, and multidisciplinary practice – are also moving from the periphery to the core. At the same time, “traditional” law firms and in-house legal departments are under mounting pressure to demonstrate how the “core” services that they provide contribute to producing the kind of “integrated solutions” their clients need. We conclude by highlighting some of the challenges that this evolving “integrated solutions” model poses for other parts of the legal “ecosystem” such as legal education, legal regulation, and the rule of law, that either have not – or *should not* – change.

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#### I. Introduction

The word “alternative” is definitely trending in the legal zeitgeist. Beginning with the U.K. Legal Services Act and accelerating through the legal tech startup boom, discussion about the growing importance of Alternative Business Structures (ABS) and Alternative Legal Service Providers (ALSP) has become a cottage industry in the legal press, and increasingly in the legal academy as well. And for good reason. According to a recent report by Thomson Reuters, Georgetown Law School, Oxford’s Said Business School, and Acritas (a leading provider of legal market intelligence) – a collaboration that in and of itself is a powerful indication of how widespread the discussion of this topic has become – revenues from ALSPs grew from \$8.4 billion in 2015 to \$10.7 billion in 2017, a compound annual growth rate of 12.9%. (Thomson Reuters 2019). Nor is this growth limited to just a few industries or kinds of alternative services. As the Thomson Reuters report documents, more than one-third of companies, and over fifty percent of law firms, reporting that they are currently using at least one of the top five functions typically performed by ALSPs. At the same time, all four of The Big Four accountancy networks have received Alternative Business Structure licenses to operate as multidisciplinary practices (MDPs) in the U.K. (Evans 2018). Given the exponential growth in the number of legal startups over the last few years (Law Geek 2018), it is no surprise that practitioners and pundits alike expect that “competition from non-traditional services providers will be a permanent trend going forward in the legal services market” (Altman & Weil 2018, at 1).

And yet, for all of the talk about the growing importance of these “alternatives,” the very discourse used to cast these new providers as the harbingers of impending dramatic changes in the market for legal services continues to marginalize and mask their true significance. Specifically, by labeling everything from legal tech startups, to long-established outsourcing and electronic discovery providers, to leading information and technology companies and the Big 4 “alternatives,” the current debate reinforces the prevailing wisdom, as succinctly

stated by John Croft, President and Co-Founder of Elevate, that “there is one ‘proper’ way of providing legal services (i.e. going to a traditional law firm), and any other way is ‘alternative’ (i.e. wrong/new/risky!)” (Artificial Lawyer 2018).

It is not surprising that the discourse has evolved in this fashion. In medicine, for example, “authorities have devoted significant energy and resources to making sure that alternatives maintain lesser status, power and social recognition either alongside or within the margins of dominant systems” (Ross 2012, at 6). Given that lawyers exert even more control over the regulatory system that governs law than doctors do in medicine, it is entirely predictable that incumbents have worked hard to cabin the legitimacy of these potentially “subversive” elements of the legal ecosystem, to borrow Ross’s evocative phrase about medicine, as “alternatives” to “real” law firms. Indeed, even Webster Dictionary defines the word alternative as “different from the usual or conventional; existing or functioning outside the established cultural, social, or economic system.” As a result, the only unifying definition that Thomson Reuters et al. could muster in their original Report on this phenomenon in 2017 was to say that ALSPs “present an alternative to the traditional idea of hiring a lawyer at a law firm to assist in every aspect of a legal matter” (Thomson Reuters 2017, at 1). Tellingly, their 2019 Report makes no attempt at all to define what constitutes an ALSP (Thomson Reuters 2019).

In this Chapter, we argue that this characterization of the range of new providers competing – and likely to compete in the future – for a share of the global corporate legal services market is fundamentally flawed. This is not because, as some of the more apocalyptic commentators have prophesized, that we believe that we are about to witness “The Death of Big Law” (Ribstein 2010), or even more dramatically, “The End of Lawyers?” (Susskind 2008). To be sure, some law firms will surely “die,” and some lawyers will surely lose their jobs. Nevertheless, we believe that so-called “traditional” large law firms will continue to occupy an important place in the legal ecosystem for the foreseeable future – although as we suggest below, the law firms that prosper will be those that harness “adaptive innovation” to respond to the changing needs of their clients (Dolin and Buley 2019). But the ecosystem in which both law firms and a wide range of other providers will compete is one that will increasingly require the integration of law into broader “business solutions” that allow sophisticated corporate clients to develop customized, agile, and empirically verifiable ways of solving complex problems efficiently and effectively. As this ecosystem matures, it will both decenter traditional understandings of how to provide high quality legal services, while at the same time raising critical questions about how to preserve traditional ideals of predictability, fairness, and transparency at the heart of what we mean by the rule of law. Understanding the dynamics of this new ecosystem will be critical for *all* legal service providers seeking to do business in the new global age of more for less.

Our argument proceeds in three parts. In Part II we briefly locate the current demand for ALSPs within the broader context of the large-scale forces that are reshaping the global economy, and therefore inevitably reshaping the market for corporate legal services in which both “traditional” and “alternative” providers compete. These forces, we argue, are producing a market that favors “integrated solutions” and value-based pricing over traditional domain expertise purchased on a fee for service model. In Part III, we discuss the implications of this trend for legal service providers of all types. Specifically, we argue that corporate clients will increasingly demand professional services that are “integrated,” “customized,” and “agile.” These demands, in turn, will move what are now considered “alternative” providers such as technology companies, flexible staffing models, and multidisciplinary service firms like the Big 4 to the core of the market, while putting pressure on law firms to articulate how the services they provide contribute to producing integrated solutions for clients. Finally, in Part IV we conclude by underscoring the key challenges that this new corporate legal ecosystem poses for legal education, legal regulation, and the rule of law.

## **II. From Oligopoly to Global Supply Chains: The Evolution of the Corporate Legal Services Market**

The first thing that is misleading about the current discourse that seeks to define a set of “alternatives” to traditional law firms is that it frequently equates “alternative” with “new.” Thomson Reuters’ original 2017 Report on ALSPs is typical. After asserting that “[t]raditionally, clients looked to law firms to provide a full range of legal and legally related services,” the Report states that “[t]oday, by contrast, consumers of legal services find themselves the beneficiaries of a new and growing number of nontraditional service providers that are changing the way legal work is getting done” (Thomson Reuters 2017, at 1). But this way of characterizing the current suite of “alternative providers” fails to acknowledge that clients have been looking for alternative ways to source legal services for more than a century – starting with engaging what we now consider to be “traditional” law firms. This historical context, however, is critical to understanding the contemporary market for corporate legal services and its likely future.

### **A. ALSP 1.0: The Cravath System**

Ironically, what we now consider to be the “traditional” mode of providing corporate legal services was once itself an “alternative.” Prior to the turn of the twentieth century, there were no large law firms in the United States, or for that matter, anywhere in the world. The overwhelming majority of lawyers were solo practitioners, or worked in small and loosely affiliated law firms, serving a mix of individual and business clients primarily by appearing in court. To the extent that America’s businesses had legal needs, they were serviced either by internal lawyers – David Dudley Field, Chief Counsel to the Erie and Lackawanna Railroad, was one of the most powerful (and arguably corrupt) lawyers in the latter decades of the nineteenth century – or by a mix of solo practitioners and self-help. It was not until the early decades of the twentieth century that lawyers like Paul Cravath, Thomas G. Sherman, and John W. Davis created what has come to be known as the “Cravath System” – formally organized law firms consisting of “associates” and “partners” hired directly from top law schools who provide a full suite of services to big corporations – that we now take for granted as the norm against which all other service providers should be judged (Galanter and Palay 1991). Moreover, like all “alternatives,” the Cravath System was considered “subversive” by the legal elites of the day. Committed to the “traditional” ideal of lawyers as “independent professionals” modeled on the self-employed English barrister, as late as the 1930s these elites derisively described Cravath and other firms as “law factories” that were destroying the soul of the legal profession (Galanter and Palay 1991). Yet by the 1960s, large law firms following the Cravath System were universally viewed as the gold standard for providing legal services, attracting top talent, and sitting atop the income and prestige hierarchy of the profession (Smigel 1964).

The Cravath System triumphed because it was exceptionally well “aligned” with other key elements of the evolving corporate ecosystem in which these firms operated (Mawdsley and Somaya 2015). Specifically, Cravath System law firms filled an important space in the rapidly expanding *client market* for corporate legal services, and took advantage of a rapidly increasing *labor market* comprised of law school graduates. With respect to the client market, the first half of the twentieth century witnessed the creation of whole new areas of public and private law governing the conduct of corporations. Yet these entities had little or no internal legal resources to address the problems and opportunities that these new laws and regulations created. As a result, corporate clients established long-term and near-exclusive relationships with their principal outside law firms (Gilson 1990). At the same time, a growing number of new law schools were turning out bright young law school graduates who had been taught to “think like a lawyer” but with virtually no training on how to “be” lawyers, and relatively few other options for obtaining employment other than “hanging out a shingle” and learning to practice law on their own (or in poorly paid – or even unpaid – and generally unsupervised apprenticeships with established lawyers). As a result, Cravath System firms had no trouble finding an abundance of bright students from top law schools who were eager to join these organizations, and who were willing to work long and demanding hours for the chance of becoming partners with all of the perquisites that this status credibly conveyed (Wilkins and Gulati 1998).

By the latter decades of the twentieth century, however, this beneficial alignment had begun to unravel. It is this unraveling that has created the space for a new generation of “alternatives” to emerge.

## B. ALSP 2.0: The In-House Counsel Movement

As Cravath System law firms proliferated and became more profitable, it became increasingly clear that this now “traditional” way of providing corporate legal services contained the seeds of its own destruction. The form of this disruption to the corporate ecosystem came in the form of the rapid growth of increasingly sophisticated in-house counsel. Beginning in the 1980s, large companies began hiring “General Counsel” (GC) or “Chief Legal Officer” (CLO) to oversee all of the company’s internal and external legal needs (Heineman 2016; Wilkins 2012). At the outset, these internal lawyers cast themselves as a straightforward “alternative” to traditional law firms on the simple ground that it is better to buy wholesale than retail. But this labor arbitrage argument quickly gave way to a substantive claim that in-house lawyers were actually *better* than their law firm counterparts because they are in a better position to “understand the company’s business” and therefore can better align the legal function to achieve these business objectives. As a result, GCs have increasingly become the company’s “chief legal purchasing agent,” charged with breaking up the long-standing relationships between companies and law firms, and requiring firms to compete for every new piece of significant business. At the same time these increasingly credentialed and sophisticated internal lawyers now act as the company’s “chief legal diagnostician,” determining the company’s legal needs and how these needs fit into the company’s overall strategy and goals – thus becoming a credible “alternative” to the law firm senior partners who traditionally played this “trusted advisor” role (Gilson 1990; Heineman 2016). This “in-house counsel movement,” as the legal scholar Robert Rosen has aptly labeled this phenomenon, has significantly altered the balance of power within the legal ecosystem by reducing the information asymmetry between corporate clients and traditional law firms (Rosen 1989; Wilkins 2012).

But as legal costs continued to rise even for companies with large and sophisticated in-house counsel departments, the internal lawyers whose initial claim was that they were a low cost “alternative” to traditional law firms began to face increasing pressure to find even lower cost alternatives to using the expensive fixed cost resource of full-time in-house lawyers. Not surprisingly, many GCs began turning to the same kinds of “alternatives” that their corporate employers were already using to reduce costs and drive productivity in the business as a whole.

Specifically, general counsels began to experiment with three kinds of “alternatives” to both traditional law firms and in-house lawyers : a) “outsourcing” and “offshoring” low value and repetitive legal tasks to either captured or independent entities; b) “flexible staffing” solutions, either through “secondments” from law firms or through procuring additional human resources from general or specialized temporary staffing firms; and c) multidisciplinary professional service firms (MDPs), offering efficiencies of scale and scope by bundling legal services together with accounting, tax, and consulting services.

### 1. *Outsourcing and Offshoring*

The increasing integration of the global economy during the last decades of the 20<sup>th</sup> century led many multinational companies to build global supply chains in order to leverage high-quality low-cost resources and competitive opportunities around the world. As both global trade and the speed and sophistication of information technology increased, these companies increasingly resorted to “labor arbitrage” as a means of cutting costs by “replacing higher-waged domestic labor with cheaper foreign labor” (Smith 2015; Spence 2011)). It was not long before GCs began to apply this same logic to legal services.

GE, whose legendary general counsel Benjamin Heineman is widely considered the father of the modern in-house counsel movement, was among first to pursue this strategy. In 2001, GE established “an in-house legal office in India, staffed by lawyers, to handle issues relating to its plastics and consumer finance divisions” (Krishnam 2007, at 9). Many other companies and organizations followed, including law firms like Orrick

Harrington & Sutcliff which opened a Global Operations Center in Wheeling West Virginia (Above the Law 2012). Many more contracted with the growing number of Indian Legal Process Outsourcing firms (LPOs) offering a variety of basic legal tasks, such as legal transcription and legal coding; legal research services and contract drafting; and patent and trademark searching and mapping as well as patent application drafting. (Krishnam 2007). By the end of the first decade of the twenty first century, these LPOs were an established part of the corporate legal ecosystem.

If technology enabled companies to use outsourcing and offshoring to efficiently unbundle their production process, these same forces also created a challenge for in-house counsel in their quest to control legal spend. Since 1938, producing company documents and records in response to an adversary's "discovery" request has been a key component of litigation in U.S. federal courts. Until the turn of the twenty first century, responding to such requests was the province of bleary-eyed associates in large law firms manually inspecting boxes of documents in dingy warehouses. But beginning in the late 1990s, these paper records began to be replaced by electronic ones. In 2001, this trend came to a head with the collapse of Enron which brought down the venerable accounting firm Arthur Andersen, largely on the basis of the failure to properly handle electronic records. As Regan and Heegan report, "the complexity and expense of electronic discovery has led a large number of firms to rely on e-discovery vendors and information technology specialty companies as key members of litigation teams" (Regan and Heegan 2010, 2167). The result has been the creation of a cottage industry of technology companies and specialty firms creating software to help companies store, categorize, and retrieve electronics records (Id.). Like LPOs, these "alternative service providers" are now a key part of the corporate legal ecosystem.

## 2. *Temporary staffing*

The internet revolution and the imperatives of cost control also brought about the emergence of flexible staffing options. For decades companies have been turning to temporary and contract workers to cut costs, acquire expertise, and increase flexibility (Weil 2014). As legal budgets tightened, general counsels began experimenting with similar tactics. Their first option was to utilize a resource not typically available to other parts of the company: experienced lawyers "seconded" from top law firms for little or no cost (Williams, Platt, and Lee 2015). By the second decade of the twenty first century, secondments had become an important alternative to increasing the size of in-house legal departments – an "alternative" whose appeal comes in part from the fact that it blurs the boundary between law firms and clients (Classen 2011).

In addition, however, both companies and law firms began turning to a variety of temporary staffing companies to hire contract lawyers as an alternative to bringing on more permanent staff (Davis 2015). Although some used traditional staffing companies offering lawyers as part of their suite of services, a growing number of others began turning to a new breed of providers specifically focused on legal services. Axiom Legal Services is the most prominent of these law focused offerings. Founded in 2000 as a more effective way to do secondments, Axiom quickly distinguished itself from traditional temp agencies by recruiting lawyers with blue chip credentials from top law schools and experience in leading law firms and in-house legal departments who were willing to trade income for a more flexible lifestyle. The goal was to provide clients with the same high-quality service that they expected from their own lawyers and outside law firms without the high price tag associated with these "traditional" providers (Turretinni 2004). Although Axiom self-consciously presented itself as an "alternative" to traditional law firms, it has also taken steps designed to blur the distinction between their model and traditional law firms by reassuring both the lawyers who worked for the company and the clients who hired them that Axiom incorporates all of the best features of "traditional" service providers but without the costs. Thus, Axiom boasts that it provides its lawyers "extensive professional development opportunities including mentorship, memberships to Practising Law Institute ("PLI") and other professional organizations, and an integrated network of peers just as they would at any traditional firm." (Williams, Platt, and Lee 2015, at 42).

The competitors who followed Axiom's lead have blurred the boundary between "alternative" staffing and "traditional" law firms even further. Consider, for example, Lawyers on Demand (LOD). LOD was originally established in 2007 by the U.K. law firm Berwin Leighton & Paisner (BLP) as a way of offering its clients former BLP lawyers as temporary staff as an alternative to Axiom and other staffing companies. In 2012, BLP spun out LOD as an independent entity, merging it with AdventBalance, an Australian flexible staffing company that itself was initially started by law firms (Balance Legal, started by the Australian law firm Freehills in 2008, and Advent Legal, founded the same year by Allen & Overy's head of business development in Sydney (LOD Our Story 2019; Johnson 2016). BLP, however, retained an 80% share in the new entity, which it only sold in 2018 when the firm merged with the U.S. firm Bryan Cave (Evans 2018). Although LOD is now for the first time not affiliated with a "traditional" law firm, like Axiom, LOD has spawned a number of "virtual law firm" competitors, many of which continue to be owned and/or operated by "traditional" law firms (Ahmed 2016). The fact that these and other similar firms are now also an established part of the legal ecosystem further blurs the boundary between "alternative" providers and traditional law firms.

### 3. *MDPs*

In addition to putting pressure on costs, the increasing integration of global markets also created a host of managerial and strategic challenges for companies. As noted by the economist Michael Spence, the disadvantage of going global is that "global supply chains are inherently more complex" and difficult to manage and control (Spence 2011, at 65). Corporate clients therefore began seeking ways to ease such complexities – complexities that frequently involved problems at the intersection of business, strategy, finance, technology, and law. In the 1980s, the Big 5 accountancy networks began rebranding themselves as multidisciplinary professional service firms (MDPs) capable of answering this need by bringing together a variety of professionals in a single firm (Wilkins and Esteban 2018).

By the 1990s, it was clear that the Big 5 intended to make legal services a key part of their multidisciplinary offering. Beginning in Continental Europe and spreading to the U.K., Arthur Andersen began building a legal network, subsequently described by the legal publication *The Lawyer* (Lawyer 2007), as the first step in what Andersen "hoped would be a globally dominant multidisciplinary partnership (MDP)." As they trained their sights on the U.S., however, these new entrants took steps to lessen the distinction between themselves and "traditional" law firms. Thus, in order to minimize the appearance of conflicts of interest with their core auditing business, the four firms that had entered the U.K. legal market began to integrate their affiliated law firms under the umbrella of separately branded legal networks - Andersen Legal, Landwell, Klegal and E&Y Law – all led by "star" lawyers recruited from top law firms (Garth 2004). The strategy behind this shift in organization and recruiting was simple: look as much like a traditional law firm as possible (Garth 2004). As a lawyer working at one of these legal networks succinctly explained: "if you are competing with a law firm, you've got to look like a law firm" (Garth and Silver 2002, at 917). Once again, this strategy blurred the boundary between these "alternative" providers and their law firm counterparts.

### **C. The Empire Strikes Back**

In sum, by the first decade of the new millennium, the corporate legal services market had already generated three generations of "alternative" providers. Moreover, the lines between these "alternatives" and the traditional modes of delivery to which they were explicitly or implicitly compared have always been ambiguous. Cravath System law firms utilized a variety of mechanisms to mimic the norms and practices of "independent" professionals as a means of protecting themselves from the "law factory" critique (Smigel 1964). In-house legal departments frequently organized themselves to look and function like internal law firms, while insisting that general counsels were as much "lawyer statesmen" as the private firm lawyers they sought to supplant (Rosen 1989; Heineman 2016). And the new wave of producers from LPOs to temporary staffing companies to the Big 5 all argued that by employing lawyers who used to work at top law firms (as owners and managers, if not always as direct service providers) that they were really just like "traditional" law

firms – albeit without the huge cost structure driving corporate clients to look for “alternatives” in the first place. At the same time, as a result the growing number of secondments to clients, captured LPOs (such as Orrick’s facility in Wheeling West Virginia), “ancillary” businesses offering consulting and other related services (such as Arnold & Porter’s APCO Associates and Duane Morris’s nine consulting subsidiaries), and increased reliance on temporary staffing models (such as Lawyers on Demand), “traditional” law firms had adopted many of the norms and practices of the “alternative” providers with which they increasingly competed.

Partly as a result of “Big Law’s revenge” (Williams, Platt, and Lee 2015, at 81), the first few years of the new century were not kind to the newest wave of “alternative” providers. Emboldened by the wave of accounting scandals following the collapse of Enron and the bursting of the dot.com bubble which led to the demise of Arthur Andersen, the organized bar moved aggressively to press governments and regulators to place severe limits on the ability of the now Big 4 accounting firms to offer legal and other non-audit services to their audit clients (Wilkins and Esteban 2018). At the same time, the booming economy that began by the second quarter of 2002 reduced the urgency for many companies to invest in “alternative” providers, which law firms were successfully able to portray as “risky” and lacking in quality as compared to the often similar (albeit more expensive) services being offered by law firms. As Axiom’s CEO Mark Harris lamented in a subsequent interview: “going up against century-old brands in a tradition-bound profession was tough, especially since we were targeting the large enterprise segment [with the suggestion to try] something new and untested” (Henderson and Katz 2013). Ultimately, although clients were interested and intrigued with what the ALSPs had to offer, often there was no sense of urgency to change (Wilkins and Esteban 2018).

The Global Financial Crisis fundamentally shifted this dynamic.

### **III. ALSP 3.0: The GFC and the Integration of Law into Global Business Solutions**

In the years since the collapse of Lehman Brothers triggered the Global Financial Crisis (GFC), legal commentators have engaged in a fierce debate over whether this signal event heralded a fundamental paradigm shift in the corporate legal services market – one that will inevitably produce “The Death of Big Law” (Ribstein 2010), if not “The End of Lawyers?” (Susskind 2008; Susskind and Susskind 2015) – or whether the GFC is more like the painful but ultimately temporary corrections that the corporate legal market endured in 2001 and 1991. Ten years out, the one thing that is clear is that it is unlikely to be either. The fact that many top firms had their most profitable year ever in 2018 (Bruch 2018) underscores that we are not on the verge of “the death of big law” – although important law firms have failed, and many others have staved off failure by throwing themselves in the arms of more financially solvent firms willing to take on some (but usually in the end, not all) of their struggling partners and associates (The Practice 2017). And after declining for several years, both applications to law school and legal employment in the United States are once again on the rise – although neither has returned to pre-2008 levels (Sloan 2018). Nevertheless, few in the profession think that we are likely to see the levels of exuberant growth that the corporate legal sector enjoyed in the years before the GFC anytime soon. Instead, the large scale forces that have been transforming the corporate legal services market before the GFC – globalization (notwithstanding the important rise of nationalism and protectionism), the acceleration in the speed and sophistication of information technology (notwithstanding important concerns over privacy and security), and the increased “blurring” of the boundaries that used to separate once distinct products and services (notwithstanding regulatory barriers intended to limit competition and prevent the undermining of public norms) – are continuing to put pressure on *all* legal service providers to produce what Ron Dolin has aptly called “adaptive innovation” (Dolin and Buley 2019) that responds to the demands of the new global age of more for less (Wilkins 2014).

One can see this process of adaptation with respect to each of the “alternative” models described above

#### **A. From Outsourcing and Offshoring to Nearshoring and Partnerships**

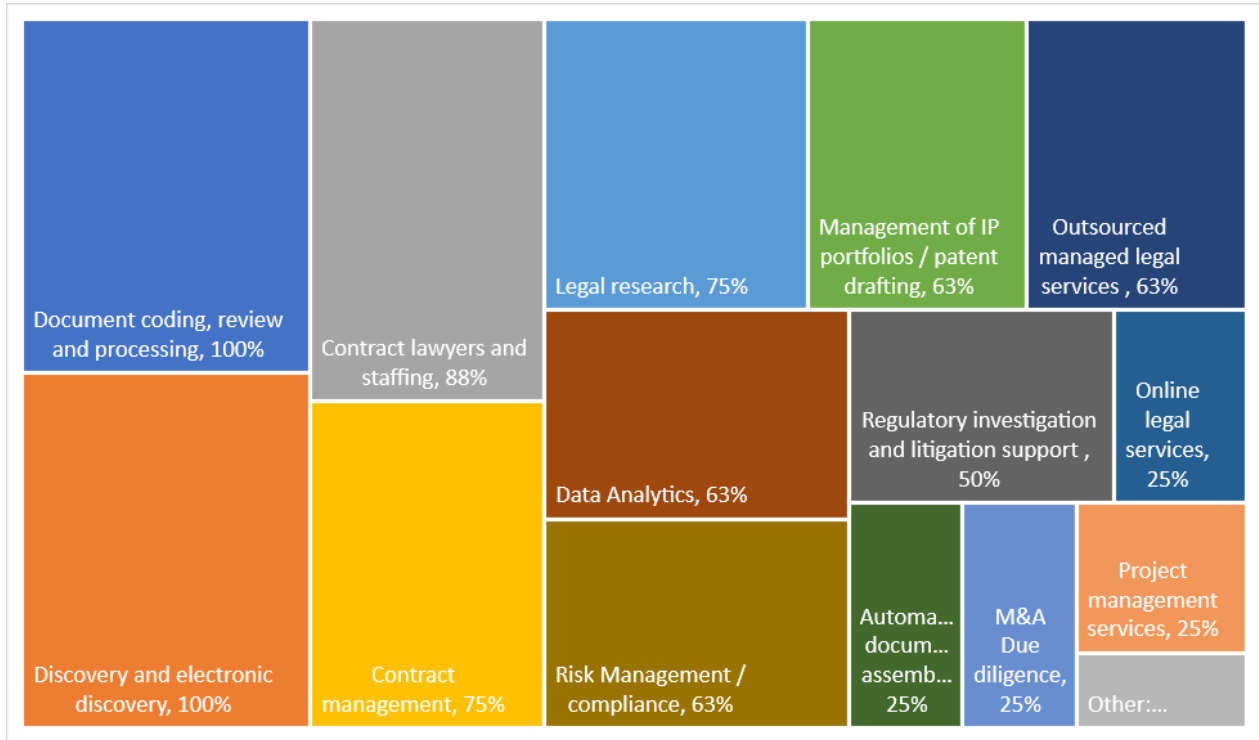


In the years following the GFC, the LPO industry has worked hard to overcome the skepticism with which some clients and law firms still regarded it as a result of its marginal status as an “alternative” service providers. Thus, LPO providers actively lobbied bar officials to clear ethical issues, while instituting rigorous controls taken from the business world such as Six Sigma and ISO certification to reassure end users and regulators about quality, confidentiality, and security concerns (Deloitte 2017; Thomson Reuters 2015). This quest for legitimacy has undoubtedly been aided by the fact that the industry is no longer comprised primarily of small independently owned companies in India, but increasingly consists of captured LPOs owned or under the control of multinational companies and large law firms, or by large technology companies such as Thomson Reuters, which in 2003 purchased leading Indian LPO Pangea3 (Adams 2010). The fact that many of these facilities have recently been partly or completely “nearshored” to low cost locations in the U.S. or Europe that are both closer to clients and perceived to be safer has made it even easier for what were once considered radical “alternatives” to be viewed by most clients and law firms as a taken for granted part of the legal supply chain.

Indeed, these now mainstream players are finding themselves increasingly in competition with an even newer breed of technology firms, ranging from legal tech start-ups to established technology giants, including, once again, Thomson Reuters. As indicated above, there has been an explosion in the number of legal tech starts since 2008. Many of these firms are now seeking to leverage technology developments to offer some of the same services offered by LPOs.

One can see this overlap by examining the descriptions in the scholarly literature and popular press of the types of services offered by legal tech companies. Figure 1 presents an analysis of the types of services offered by technology companies based on a review conducted by one of us for the International Bar Association of two hundred eighty academic papers and professional reports, and specifically of nineteen of those documents which addressed the types of services offered by technology companies in the aftermath of the GFC (Esteban 2017). The percentage of total documents citing particular legal services offered by these ALSP provides a rough proxy of the salience of these services in the legal community. As Figure 1 demonstrates, the majority of the services described are similar to what was typically sent to LPOs and e-discovery companies in the period prior to the GFC. Software solutions now actively compete with labor arbitrage as the primary mechanism for both companies and legal firms to reduce legal costs.

**Figure 1. Categories of asset-based services provided by ALSPs**



Not surprisingly, in a software-driven competition, established technology companies are likely to have a significant advantage. These companies have the kind of financial and technology resources, brand recognition, and market experience in developing and implementing software solutions that helps companies and law firms feel confident that they can deliver on their promises. As a result, companies such as Thomson Reuters, Lexis Nexis, and Wolters Kluwer have become important players in providing software solutions to companies and law firms. But these giants are also competing with a range of legal start-up companies which seek to differentiate themselves from these more established companies by focusing on new or emerging technologies in artificial intelligence and machine learning; greater flexibility and speed in addressing client requirements; and lower costs.

All of these software solutions further blur the line between “alternative” and “traditional” providers. Because software is embedded into the user’s existing infrastructure, legal tech companies are as much partners with law firms and in-house legal departments as they are substitutes for these “traditional” services. Indeed, in recent years, law firms such as Clifford Chance (through its new innovation unit Clifford Chance Advance Solutions) and Littler (through its multiple Casemart products) have begun developing their own software, which they use to streamline their own practices and/or sell directly to clients (Hernandez 2018; Sawhney 2016).

Oracle’s recent entry into the legal managed services business shows just how interconnected all of these providers have become. On January 7, 2019 Oracle announced that it was launching a global “legal practice management system” targeted to law firms in the U.K., with the intention of expanding to the U.S. and other legal markets (Legal Insider 2019a). Oracle’s offering is meant to compete directly with similar products currently offered by Thomson Reuters by bringing, in the words of a managing partner who has been briefed on the new product, “Oracle’s cloud and AI technology into it, which makes it a rather different proposition

(Id.). Although the tools Oracle will bring to this new service are new, the company's interest in applying its expertise in "enterprise management planning" to the legal market is not. In 2002, Oracle teamed up with a legal tech start up to create an early version of a similar system for Clifford Chance, which the global law firm still uses today (Id.). That system has now been spun off in a separate company called Aderant, which now actively competes with Thomson Reuters – and now Oracle – in selling practice management systems to law firms. When one adds to this tangled history the fact that Oracle formally launched its new product at an event co-sponsored by the PwC, and that in 2015 Oracle experimented with a partnership with the LPO giant Elevate Services to bring another version of "managed services" to the legal market, it becomes increasingly difficult to draw any sharp distinction between these various participants in the legal ecosystem.

Indeed, the day after its former partner Oracle announced its latest entry into the managed services market, Elevate announced that it had purchased Halebury, a flexible staffing company in the U.K. specializing in providing temporary lawyers for in-house legal departments, but which has increasingly been partnering with law firms such as Hogan Lovells (Legal Insider 2019b). Significantly, the combined firm is now eligible to convert to an "alternative business structure" that will allow it to provide "both in-house legal teams and law firms with a 360 degree service offering spanning talent, resourcing, consulting, technology, and managed services" (Id.). Coming on the heels of its acquisition of legal AI technology and consulting firm Lex Predict, and contract lifecycle management company Sumati Group, it is clear that Elevate is now poised to both collaborate – and compete – with "traditional" law firms and legal departments in a way that will further blur the boundary between these increasingly linked participants in the legal ecosystem.

The same can be said of UnitedLex's recent outsourcing deals with DXC Technologies and General Electric. Rather than simply "outsourcing" specific legal tasks, DXC has partnered with UnitedLex to create a unified legal team in which both organizations jointly manage the legal function – including 150 DXC lawyers becoming UnitedLex employees, and 250 UnitedLex lawyers, engineers, and project managers dedicated to supporting DXC globally. The goal, according to the DXC's general counsel, is to create a "One Department mindset..." providing "seamless legal services to the business client, regardless of whether the team member is from DXC or UnitedLex" (Salopek 2017). In 2018, UnitedLex entered into a similar arrangement with GE, which eventually resulted in GE's Executive Counsel and Director of Legal Support Solutions joining UnitedLex as Senior Vice President and Deputy General Counsel (Kovalan 2018; Spezio 2018). This deal, in turn, follows on the heels of a similar arrangement between GE and PwC in which the Big 4 accounting firm hired more than 600 GE accountants, lawyers, and tax advisors who will continue to do GE's tax work, but who will also help PwC develop tax products that can be marketed to other PwC clients (International Tax Lawyer 2017). As the International Tax Reporter commented: "The GE-PwC merger sets a bold new precedent for the relationship between big business and law firms" creating a "hybrid model in where the company gets a team they know and can trust, supplemented by the capacities of the Big 4" (Id.). In addition to blurring the boundaries between "traditional" internal lawyers and "outsourced" legal resources, all three of these deals underscore how in-house legal departments, LPOs, and the Big 4 are all both competing – and cooperating – in the same market.

UnitedLex's most recent deal with LeClaireRyan further underscores this trend towards what business scholars call "cooption" – simultaneous cooperation and competition – in the new legal services ecosystem (Wilkins 2010). In June 2018, the outsourcing firm and the AmLaw 200 law firm announced the creation ULX Partners, which they described as "a strategic business platform designed to empower a 'constellation' of law firms with market-leading technology, new sources of capital, project and knowledge management, process innovation, and recourse management to deliver maximum value to clients and improve law firm economics" (UnitedLex 2018). Lauded by UnitedLex's CEO "as the most disruptive to the practice and business of law since lawyers began billing their time," the venture is intended to be a substitute for prior attempts at "outsourcing various law firm operations and law-firm owned hybrid staffing options" which, according to UnitedLex which itself spent the first 10 years of its existence selling exactly these kinds of solutions, "have

largely failed to address urgent client needs and do not ensure that law firms have the right economic structure and high impact training to evolve and thrive in a legal 2.0 environment” (Id.).

Whether ULX Partners will be able to deliver on these ambitious promises, of course, remains to be seen. The fact that LeClairRyan has been shedding partners since the announcement was made underscores that the success of this and other hybrid models is far from guaranteed (Tribe 2019). What is already clear, however, is that the line between LPOs and traditional law firms is becoming far less clear than the “alternative” label would suggest. The fact that the most recent Thomson Reuters Report claims that “about one-third of law firms say that they plan to establish their own ALSP affiliate within the next five years” is certain to blur this boundary even further (Thomson Reuters 2019, at 2).

The same trend can be seen in the market for “alternative” staffing arrangements.

## **B. From Temporary Staffing to Agile Work**

The UnitedLex and PwC outsourcing deals highlight the extent to which both companies and law firms are looking for flexibility in the way that they manage their workforce. Although outsourcing tasks – or even personnel – is one way to accomplish this goal, both in-house legal departments and law firms are increasingly looking for ways to create flexibility and encourage creativity among the lawyers and staff who remain. Once again, the software revolution is driving these “traditional” legal service providers to adopt norms and practices pioneered in the “alternative” world of technology.

The increasing prevalence and sophistication of software solutions has done more than decrease the utility of standard labor arbitrage strategies to reduce costs. It has also spurred a revolution in the way that companies manage and deploy human capital. This revolution began in 2001 when a group of software engineers issued “The Agile Manifesto” calling for software development to be redesigned around twelve principles encouraging continuous improvement, collaboration, adaptation, team efforts, and rapid delivery of valuable products and services (Agile Manifesto 2001). Today, this “agile” approach to project management is now widely used by leading software development companies such as Cisco, Microsoft, Spotify and Salesforce, and is increasingly being adopted by these and other companies for projects that are not software related (Legal Trek 2016; Leslie 2015). And, since 2008, agile project management is increasingly being applied to legal services (Behnia 2011).

Not surprisingly, in-house legal departments have been the first to embrace this new way of working, creating small, self-governing, cross-functional teams to solve problems and drive results for clients (Bell 2018). A key part of this process is creating flexible staffing and collaborative approaches that allow teams to access expertise and technology from both inside and outside of the company. In response to this trend, companies like Axiom that traditionally specialized in providing temporary staffing for specific projects as a substitute for either internal hiring or engaging external law firms, are increasingly entering into long-term partnerships such as Axiom’s recent five year deal with Johnson & Johnson to provide contract management support across the company’s entire global platform. Although “[l]abor arbitrage is an element of this second phase of disaggregated legal delivery,” the core of Axiom’s new value proposition is to “leverage technology and processes to create ‘agile’ workforces that are well-suited to the unpredictable, on-demand, and geographically disparate needs of their customers” (Cohen 2016). In addition to blurring the boundary between “in-house” and “alternative” providers, this trend also underscores the growing interdependence of “staffing” and “technology” in an agile working environment – a confluence that is likely to blur the boundary between “traditional” and “alternative” providers even further.

Although behind their counterparts in corporate legal departments, a growing number of law firms are also embracing agile approaches to legal work. Responding both to the practices of their technology clients and to

the increasingly urgent demand by millennials for greater flexibility and work-life balance, law firms such as Orrick are expressly embracing a version of agile work. Stating that the “[o]ne size-fits-all approach to legal careers is outdated,” Orrick promises an “agile” work environment including “working from home, flexible work arrangements (FWA), job sharing, distinctive parental leave benefits, and even opportunities to work remotely in a location where Orrick does not have an office” – further promising that “[w]e don’t ask you to make a choice between ‘agile’ working and partnership consideration” (Orrick 2019).

Once again, like the promises made by UnitedLex, whether either in-house legal departments or law firms will be able to deliver on these promises of creating an agile work environment remain to be seen. What is clear, however, is that these agile work practices are further blurring the boundary between “alternative” providers like Axiom and the practices of “traditional” law firms and legal departments.

The evolution of the Big 4’s legal model since 2008 reveals a similar dynamic.

### **C. From MDPs to Integrated Solutions**

In the years following the collapse of Arthur Andersen and the passage of Sarbanes Oxly and other legislation around the world seeking to limit the Big 4’s ability to deliver non-audit services to their audit clients, the near universal consensus among professionals and pundits was that the “[a]ccountancy firms drive in the legal arena is dead” (Economist 2003). As the *The Economist* went on to explain, not only did this legislation prevent the Big 4’s legal arms from offering services to their “huge client base,” but “law firms have themselves become more global in recent years and many do not need the accounting giants’ international reach” (Id.). In the immediate aftermath of the Sarbanes-Oxley Act, the Big 4 appeared to confirm that they had abandoned their efforts to become important players in the market for legal services, publicly declaring that they were unwinding their legal networks.

Notwithstanding these public pronouncements and some initial actions to disband their legal arms, however, over the last decade the Big 4 have quietly rebuilt their legal networks to the point where they are now larger than they were in 2002. As we have documented elsewhere, by exploiting gaps in the regulatory structure that allow them to sell legal and other non-audit services to companies that they do not audit, and taking advantage of their global reach to grow their legal practices in countries where regulatory restrictions on legal practice are either weak or nonexistent – or where regulatory reforms increasingly allow multidisciplinary practice – the Big 4 legal networks now have a significant presence in every important legal market in the world with the notable exception of the United States (Wilkins and Esteban 2018). Nor are the legal services delivered by these networks confined to tax. Although tax-related advisory services remain an important cornerstone, the Big 4 legal networks are now delivering services in a broad range of legal fields, including premium practices such as finance and M&A, and fast growing ones such as compliance and employment law (Id.).

Most importantly, unlike when they entered the legal market in the 1990s, the Big 4 are no longer seeking to brand themselves as “traditional” law firms by mimicking the practices of their Big Law counterparts. Instead their goal is to create a new kind of professional service that integrates law into global business solutions (Id.). Thus, rather than establishing free standing legal networks, each of the large accountancy networks have aggressively moved to integrate their legal offering with their other advisory services to build on their strong capabilities in technology, strategy, project management, and global service delivery. This fully integrated MDP model is now fully legal in the United Kingdom, where each of the Big 4 have now been granted an “alternative business structure” license (Packel 2018).

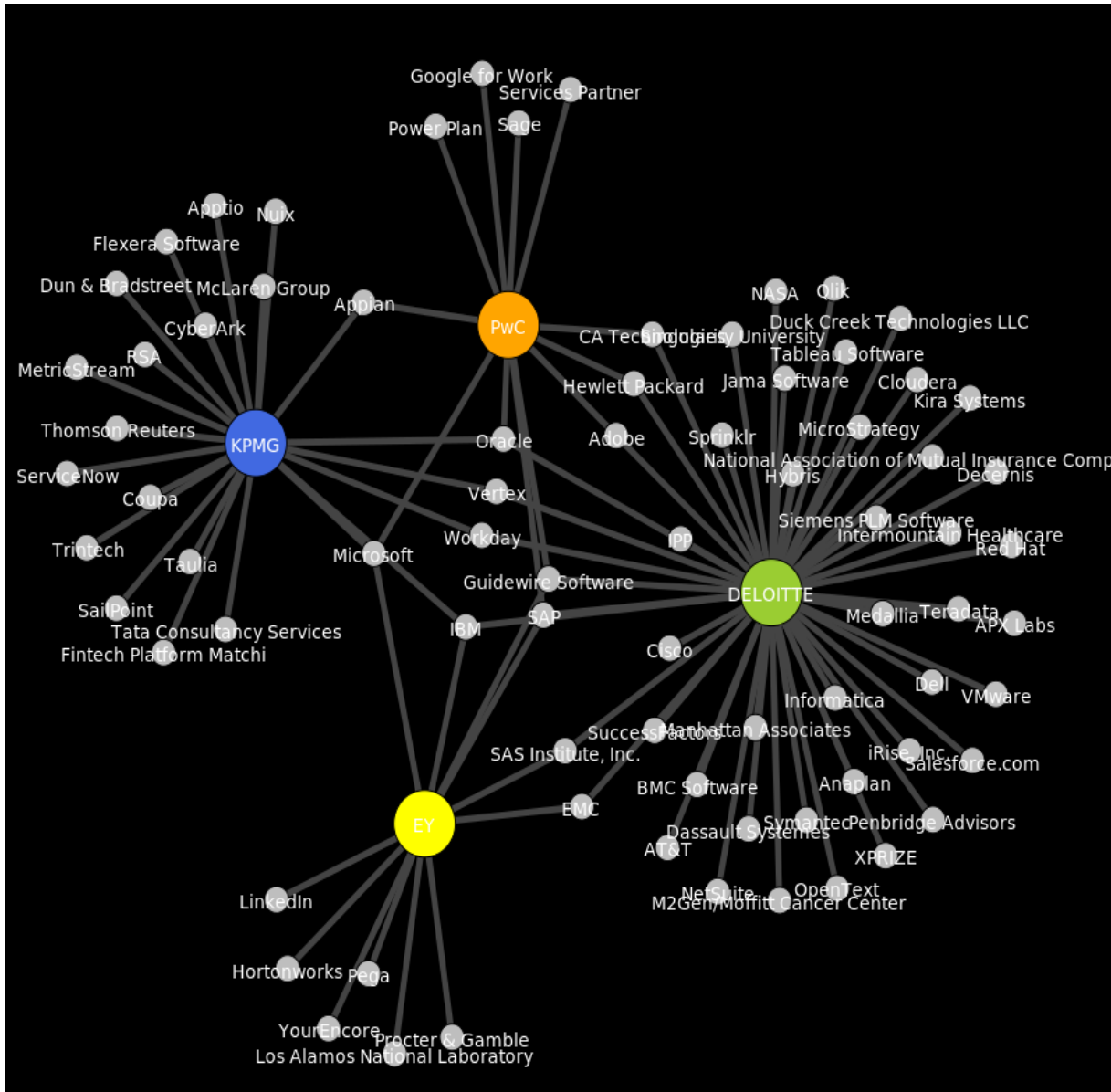
In championing this new model as an “alternative” to traditional law firms, the Big 4 are following a more general trend toward “integrated solutions” in professional services. Since the 1990s, some of the world’s leading companies have been providing integrated solutions rather than selling “stand-alone” products or

services (Davies et al 2006). For example, IBM, a pioneer of this business model, increased revenues by 50% thanks to its Global Solutions unit (Miller et al 2002). Originally IBM sold computers as integrated systems. By the mid-1980s, however, specialized firms began to supply modular components. This gave big clients, such as American Express, the buying power to lead the integration of components into a system that would solve their unique business requirements. “Rather than mirroring this trend towards vertical disintegration by turning IBM into a group of individual component suppliers, Louis Gerstner, IBM’s CEO, executed a strategy in 1993 to build on the firm’s broad base of vertically-integrated capabilities by focusing on the provision of complete integrated solutions for a customers’ computing and service requirements” (Davies et al 2007, at 184).

The actions of the Big 4 over the last few years make it clear that they are intent on developing a similar set of capabilities. Deloitte’s investments in legal technology are illustrative of this trend. In 2014, Deloitte purchased ATD Legal, one of the few providers of managed document review services in Canada. In 2016, they followed with a purchase of Conduit Law, a provider of outsourced lawyers ranked by the Financial Times as one of the “Most Innovative North American Law Firms.” Most recently, Deloitte formed a strategic alliance with Kira Systems, which has been described by the company’s chief executive, Noah Waisberg, as “the largest professional services AI [artificial intelligence] deployment anywhere, period” (Legal Insider 2016).

But the Big 4 are investing in more than legal technology. Figure 2 highlights the Big 4’s multiple alliances with leading technology companies disclosed on their websites by May 2017. As Deloitte makes clear on its website, these alliances are meant to co-create solutions to help clients solve “complex challenges [...] by combining leading technology with [...] time-tested business acumen and strong industry relationships” (Deloitte 2019).

**Figure 2. Big 4 tech strategic partnerships and alliances**



*Source: Developed from PwC, Deloitte, EY and KPMG corporate Websites, May 4, 2017*

Nor is technology the only area where the Big 4 are building capacity to deliver integrated solutions. Since 2014, the Big 4 have aggressively expanded their capabilities in innovative businesses and technologies, such as strategy consulting, “on-demand” talent models, cognitive technologies, cloud computing, digital applications, cyber security, and crisis services. All of these services are increasingly relevant to global companies seeking to deal with complex problems at the intersection of law, business, strategy, and

technology, such as data privacy and cyber security, anti-bribery and corruption, and safety and catastrophic risk.

At the same time, the Big 4 are moving aggressively to acquire or develop similar complementary competencies in law. Thus, in 2018 Deloitte launched Deloitte Legal Management Consulting designed to assist companies in helping their legal teams to “keep pace with the commercial needs of the business” while assisting them “to do more with the same or fewer resources (Deloitte 2018). Deloitte followed this launch in 2018 by forming a strategic alliance with U.S. immigration law firm Berry Appleman & Leiden, which will allow it to help global clients with immigration issues around the world (Packel 2018). Not to be outdone, PwC announced in 2017 that it was launching a U.S. law firm ILC Legal to help U.S. clients on international matters, as well as Flexible Legal Resources, providing flexible staffing solutions for U.S. clients (Id.). At the same time, PwC moved to beef up its own managed legal services business by poaching Clair Hirst, a senior manager from Axiom (Global Legal Post 2017). Ms. Hirst is expected to work closely with the two partners who head up PwC’s New Law services – partners that the accounting giant poached the year before from Radiant Law, an awarding winning boutique law firm where they led sales and client delivery (Id.). In 2018, EY Legal took over Riverview Law, a managed legal service provider in the U.K. previously funded by the global law firm DLA Piper. That same year, KPMG hired former King & Wood Mallesons Global Managing Partner Stuart Fuller to run its legal network (Id.), thus launching the Legal Operations and Transformation Services (LOTS) unit– aiming to “transform the in-house legal function for a more complex future” (KPMG 2018; Dolor 2018).

Not surprisingly, these and other similar moves have finally gotten the attention of “traditional” large law firms, most of which until recently had bought into the prevailing wisdom that the Big 4 were no longer a threat to their market position after the accounting scandals in 2001, particularly in the U.S. where multidisciplinary practice is still formally prohibited (Derbyshire 2018). The fact that the Big 4’s integrated solutions model taps into the frequent complaints by general counsels that law firms do not provide commercially relevant advice has undoubtedly contributed to this response. As a recent study by LexisNexis in partnership with the Judge Business School at University of Cambridge underscores, although “clients repeatedly emphasized that they look to law firms for solutions to business problems, ... forty percent noted that senior partners of their law firms appeared to lack more than a basic knowledge of their business [...] and seventy-five percent mentioned they get little help from law firms when analyzing the complex portfolio of legal work given to them” (LexisNexis 2017). Such sentiments are likely to continue to raise the visibility of the Big 4’s legal offerings, which already occupy 4 of the top 5 spots in a recent ranking of “alternative service providers” among global general counsels (Packel 2018).

But these same trends underscore how misleading it is to characterize the Big 4’s integrated solutions model as an “alternative” to traditional legal services. Just as we are seeing traditional outsourcing and flexible staffing companies blur the boundaries between “alternative” and “traditional” legal services to meet the changing needs of global clients, the Big 4 are accomplishing building their capacity to provide integrated solutions by acquiring, and partnering with, other legal service providers, including traditional law firms and legal departments. As PwC’s Chairman Dennis Nally succinctly put it: “The idea that as a professional services network we would house all of those capabilities within PwC is a model that’s really outdated” (PwC 2015).

At the same time, many “traditional” law firms are responding by acquiring or creating consulting and advisory networks designed to build multidisciplinary capacity of their own. For example, in 2015, DLA Piper International LLP entered the field of corporate and financial advisory services by incorporating Noble Street Limited in the United Kingdom. While Noble Street and DLA Piper “operate as separate businesses,” the focus



is on cross-selling financial and consulting services to the law firm's strong international client base (Legal Business 2015; Noble Street 2016). The launch of Noble Street follows a wave of international law firms entering the corporate advisory field since 2010, thus acknowledging clients' demand for external legal advisors who "understand their issues, focus on delivering solutions to their challenges and share the risks with them"—as boldly claimed by the law firm Bird & Bird (2015) on the occasion of the creation of a joint venture with ASE Consulting.

The fact that several of the largest and most influential global law firms are now advertising themselves in ways that are indistinguishable from the Big 4's self-presentation is just one more example of the kind of "adaptive innovation" that at least some big law firms are using to respond to the challenges of the new corporate ecosystem. As Dolin and Buley argue, even in an age of increasing disruption from "alternative" providers, traditional law firms continue to offer several important advantages in the marketplace (Dolin and Buley 2019). Specifically, Dolin points out that large law firms continue to serve an important purpose in providing the kind of specialized services and flexible capacity that led to the original success of the Cravath System, as well as the kind of reputational bonding that mitigates search and monitoring costs particularly in high stakes matters (Id.). Given these advantages, it is not surprising, as Dolin and Bolely predict, that we "see Big Law starting to incorporate disruptive methodologies and migrate their [values, process, and resources] to adapt to changing market demands such as efficiency and evidence based analysis" (Id.).

Whether or not these efforts are successful, they underscore that the move toward an integrated solutions model is no longer an "alternative" – and therefore marginal – part of the legal ecosystem. Instead, it is increasingly clear that in 2019 and beyond, the entire legal ecosystem, including global multidisciplinary professional service firms, established and startup legal technology companies, international legal talent platforms, top legal process outsourcers, in-house legal departments, and many leading law firms are all focusing their growth strategies on the development of integrated solution platforms which will allow them to increase the value of the legal services they provide. The fact that a growing number of companies now have "legal operations specialists" whose express charge is to drive greater efficiency and rationality in the corporate legal services market – and that these specialists are now coming together, along with a variety of innovation professionals from law firms and "alternative" providers, in the Corporate Legal Operations Consortium to share best practices and create common standards – will undoubtedly accelerate this trend even further (Bruch 2018; Destefano 2018).

To be sure, it is far from certain that any of the participants in this increasingly complex ecosystem – let alone all of them – will be able to deliver on their promises of innovation and change. As the subtitle of a 2018 report on "The State of Law Firm Innovation" indicates, "[a] recent survey shows law firms understand the importance of innovation but are not supporting it enough" (Parnell 2018). Those attempting to move from "innovation" to a fully integrated solutions model for the delivery of corporate legal services are likely to find the task even more challenging. As we have suggested previously, the Big 4 continue to face important challenges in successfully deploying this model in their core tax and consulting businesses, challenges that raise legitimate questions about whether they will be able to translate whatever they have learned in those fields to the even more complex and regulated terrain of the market for corporate legal services (Wilkins and Esteban 2018). And while CLOC has made great strides, much of the organization's promise to rationalize the legal services market remains unfulfilled (Bruch 2018). Indeed, IBM's recent problems internally adapting the digital transformation that it espouses for its clients underscores just how difficult it is even for a company formally committed to the integrated solutions model to adopt it fully (Andriole 2017; Andriole 2018). Nevertheless, even if no legal service provider – whether "traditional" or "alternative" – is able to completely transform itself into an integrated solutions provider, the trends documented in this Chapter are already making this approach to delivering legal services an increasingly important part of the ecosystem. We therefore conclude with a few thoughts about what this evolution might mean for traditional understandings of legal education, legal regulation, and the rule of law.

#### IV. Conclusion: Implications for Rule of Law 1.0?

In a prescient article published in 2002, the American legal scholar Robert Eli Rosen hypothesized that changes in the corporate market for legal services were turning both in-house counsel and outside firms into just another “consultant” whose primary task is to integrate legal knowledge into cross-functional teams to better achieve business objectives (Rosen 2002). The movement toward an “integrated solutions” model of the corporate legal ecosystem described in this Chapter will undoubtedly further accelerate this trend. Moreover, it is also clear that this ecosystem involves more than just the “traditional” legal service providers Rosen envisioned – and indeed, more than just lawyers. And yet, our current tools for understanding this ecosystem not only divide the world between “traditional” and “alternative” legal service providers, but even more insidiously, between “lawyers” and “non-lawyers.”

This framework obscures key challenges that the integration of law into global business solutions poses for core aspects of the “traditional” model of legal services that will not – and should not – be fully disrupted. Although artificial intelligence and machine learning will surely replace some legal jobs, the delivery of corporate legal services is likely to remain a human capital intensive endeavor for the foreseeable future. But these humans must be taught to work effectively with new technologies, in environments where lawyers and other professionals and knowledge workers (who we should stop calling non-lawyers) must learn to collaborate effectively to deliver value to increasingly sophisticated and cost conscious clients. To focus only on lawyers for the moment, this will require law schools to teach a broad range of “complimentary competencies” – technology and data fluency, business literacy, cross cultural adaptability – along with core legal knowledge and skills to their graduates (Heineman, Lee, and Wilkins 2014). Similarly, regulators must move beyond categorical imperatives and blanket invocations of “core values” rhetoric to create “evidence-based regulation” that actually examines the merits of *both* “traditional” and “alternative” delivery models – and the growing number of hybrid models that incorporate elements of both (Chambliss 2019).

But this does not mean that the “core values” of the legal system should be abandoned entirely. To the contrary, in an era in which the rule of law is under increasing threat around the world – including in the so-called developed nations of the Global North – it is imperative that we cultivate a legal ecosystem that encourages powerful global companies not only do what is “legal,” but what in the end is fundamentally “right” in a world in which these “private” actors exert as much if not more influence as “public” governments on a wide range of issues at the heart of human flourishing (Heineman 2017). If we are not ready to fully deregulate the ride hailing market in response to disruptive companies like Uber and Lyft, we certainly should not leave the predictability, fairness, and individual rights at the heart of the rule of law solely to market forces.

Needless to say, these are large and difficult issues far beyond the scope of this Chapter. Instead, we end with the modest hope that our analysis will contribute to a new framework for addressing these issues. A framework in which we stop viewing the new participants who are reshaping the market for corporate legal services as “alternatives” to some mythical “golden age” when “traditional” law firms defined the epitome of service and professionalism (Galanter 1995). A framework, we hope, in which every legal service provider will be evaluated on their ability to contribute to the creation of real solutions for clients, while also understanding its obligation to help to preserve the core values of the rule of law that creates the infrastructure that makes every solution, private or public, possible.

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