

A Work Project, presented as part of the requirements for the Award of a Master's degree in  
Management from the Nova School of Business and Economics.

BUSINESS PLAN DEVELOPMENT FOR AN ARTIFICIAL INTELLIGENCE BASED  
LEGAL CHATBOT STARTUP: PORTER'S FIVE FORCES

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Abstract:

The business plan outlines the introduction of a specialized AI-driven legal advice platform targeting the German market. The core offering is an online-hosted chatbot providing precise legal answers, distinct from general AI models and targeting legal advice seekers, law firms & legal departments, and law students. Additionally, partnerships with law firms and legal departments involve mediating between chatbot users and legal service providers. The plan encompasses comprehensive market and customer analyses, a detailed marketing mix strategy, financial projections, and the final evaluation of the attractiveness of the business and its addressable market.

Keywords: Business Plan, Legal, AI, Tech, Legal Tech, Legal AI, Startup, Law, Chatbot, New Product Development, Technological Innovation

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## List of abbreviations

AI	Artificial Intelligence
ANI	Artificial Narrow Intelligence
API	Application Programming Interface
B2B	Business-to-business
B2C	Business-to-consumer
B2L	Business-to-lawyer
BCG	Boston Consulting Group
CAGR	Compounded annual growth rate
CV	Curriculum Vitae
E-commerce	Electronic Commerce
E-WOM	Electronic Word-of-mouth
FGCP	Fifth Generation Computer Project
G&A	General & Administration
GmbH	Gesellschaft mit beschränkter Haftung
IHK	Industrie und Handelskammer
Legal Tech	Legal Technology
LLM	Language Learning Model
ML	Machine learning
NLP	Natural Language Processing
RDG	Rechtsdienstleistungsgesetz
ROS	Return on sales
SEO	Search Engine Optimization
StBVV	Steuerberatungsvergütungsverordnung
STP	Segmentation Targeting Positioning
UG	Unternehmersgesellschaft
USP	Unique selling proposition
VC	Venture Capital
WOM	Word-of-mouth
WTP	Willingness to pay

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## **1. General introduction to the topic**

Artificial Intelligence (AI) has garnered widespread attention and interest across various industries due to its transformative potential. The legal industry, in particular, is undergoing a notable transformation with the integration of AI technologies. Automation and AI-driven tools are enhancing legal research, document analysis, and even providing predictive analytics for case outcomes. The legal sector's adoption of AI reflects a broader trend where innovative technologies are reshaping traditional practices across diverse professional domains.

In response to this evolving landscape, three founders have devised an AI-based business idea with the aim of offering support to people who seek legal advice, law students, law firms, and legal departments. This initiative aligns with the broader trend of leveraging AI to enhance efficiency and effectiveness in legal services.

The goal of the master's thesis is to formulate a comprehensive business plan for the legal tech startup that focuses on market entry and sustainable success. The process involves applying theoretical models to analyze and shape the startup's strategy, progressing from understanding the external business environment to the core of the company.

Beginning with an introduction to the business idea and an overview of the market gap, the thesis explores market sizing to evaluate the entry market's potential. Subsequently, an industry analysis and strategy derivation through Porter's five forces are presented. The sixth chapter delves into customer analysis using the STP methodology, incorporating recent research findings from surveys and expert interviews to identify relevant customer groups. The resulting marketing mix in chapter seven contributes to the company's strategy, aligning with its vision and mission for the corporate strategy. Additional sections cover the vision and goals, the operational organization of the startup, and the formulation of a financial plan. The thesis concludes with a critical evaluation of the business idea, ensuring a comprehensive and strategic foundation for the legal tech startup's foray into the German market.

## **2. Business idea decision rational**

### **2.1 Why the business idea matters**

The interest in this project stems from the fascination with emerging technologies, particularly AI. As AI reshapes industries, exploring its impact on legal services aligns with the curiosity about transformative technologies. This project allows the authors to delve into the intersection of AI and the legal field, potentially reshaping how legal advice is sought and delivered. AI is not just a tool for businesses but also for empowering individuals and communities, reflecting the vision of technology driving positive change and its capacity to address real-world challenges. Studying AI's role in legal services goes beyond classroom learning; it is a step toward building innovative legal technology (legal tech) startups. In addition, entrepreneurial aspirations drive the motivation of this paper. As future business leaders, this project extends beyond a business plan, equipping the authors with skills needed for potential steps in the future. It provides a diverse learning opportunity, delving into AI, legal services, and business planning. The project nurtures critical thinking, problem-solving skills, and adaptability, crucial for future careers, while also synthesizing concepts from the master's program, offering a practical application of skills learned in marketing, finance, strategy, and more. Unlike traditional academic theses, a business plan integrates these skills, comprehensively understanding real-world business operations. Moreover, the business idea ensures equal access to initial legal advice for all social classes. This inclusivity aligns with the commitment to societal value beyond monetary gains.

This project represents the journey into the transformative realm of AI, entrepreneurial learning, and the practical application of multidisciplinary skills.

### **2.2 The rise of AI**

What is the definition of "artificial intelligence" and "machine learning"? Throughout history, there has been a longstanding collaboration between humans and machines, resulting in

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increased productivity and advancements in invention. The terms AI and "machine learning" (ML) refer to developing and implementing computer systems that can perform human-like tasks, reflecting a broad spectrum of cognitive abilities. Hence, within the scientific domain, the term encompasses a broad spectrum of cognitive abilities that are typically attributed to the human mind. The cognitive functions encompass various mental processes such as perception, thinking, learning, environmental interaction, problem-solving, and the manifestation of creativity (McKinsey & Company 2023).

Originating in the 1950s, AI's early stages faced challenges with computational limitations and high programming costs. The Dartmouth Summer Research Project on AI 1956 marked a significant milestone, introducing the term "artificial intelligence" (Copeland 2023). Thus, the decade of the 1970s posed notable obstacles for the research. Despite the achieved advancements, computers continued to face a significant deficiency in computational capacity necessary for tasks such as natural language processing and abstract reasoning. The previous constraint presented a significant obstacle to the progress of AI. A notable deceleration in advancement due to a decrease in financial resources allocated to this domain was the result. The limited funding had an adverse impact on the research and development endeavors pertaining to artificial intelligence technology (Anyoha 2017).

Throughout the 1980s, AI witnessed a notable rebound. Due to the introduction of sophisticated algorithms and a substantial rise in financial backing, AI experienced a resurgence. The utilization of novel methodologies, such as deep learning and expert systems, has facilitated significant progress in diverse applications of AI. The "Fifth Generation Computer Project (FGCP)" in Japan deserves special attention because of its substantial financial investment in the field of AI. While it is acknowledged that not all predetermined objectives were successfully attained, it is imperative to highlight that this project has significantly contributed to the advancement of AI research on a global scale, as well as serving as a source of inspiration for

### *Group part*

highly skilled scientists and engineers. Overall, the 1980s witnessed a significant comeback and innovative developments in AI, leading to notable advancements and progress (Anyoha 2017). Technological advancements in the 1980s set the stage for later breakthroughs. Ray (2018) notes that AI's evolution, particularly in computer storage capacity, became a non-issue, enabling technology to flourish. To grab the current state of AI, it is crucial to divide AI into three sections: Artificial Narrow Intelligence, General Intelligence, and Super Intelligence. Today, AI solutions belong to the Artificial Narrow Intelligence (ANI) category. ANI systems excel in specific tasks such as data analysis, text generation, image recognition, and language translation. In several businesses, ANI is already being utilized to automate operations and deliver insights. The next level is General Intelligence, where AI is able to independently solve problems and ultimately function like a human being. As the name implies, Superintelligence would mean that AI is more intelligent than humans in all areas. In recent years, in particular, the technology has made enormous progress and has been used in many areas, such as natural language processing, image recognition, and automation (ALLTECH Magazine 2023).

Regarding AI trends in 2023, one can name three emerging trends: Creative or Generative AI, ChatGPT, and AI for personalization. The first trend uses technology to generate original content such as images, text, and music. For this purpose, AI models are trained to learn the structures and patterns of pre-existing data and to generate unique and original content from the knowledge obtained. ChatGPT has been a well-known concept for most people for a few months and is a sibling model of InstructGPT, which is a chatbot for an introduction-based script. AI for personalization involves the possibility for companies in particular to offer solutions tailored to the individual needs of their customers. AI technology enables electronic commerce (e-commerce) platforms to recommend products that are most likely to appeal to specific users based on their search history and previous purchases. This also positively impacts on the customer experience and builds customer loyalty (Mirabella 2023). Major corporations

have increased AI utilization by 47%, impacting healthcare, transportation, logistics, and supply chain management (ALLTECH Magazine 2023). In general, AI has the potential to boost productivity growth, which is particularly crucial considering the slowdown in productivity in advanced economies. However, the impact of AI on the labor market is mixed as it could disrupt the labor force, particularly evident in the declining male labor force participation rate. While AI has the potential to boost productivity and create new job opportunities, it also presents challenges related to job displacement, income inequality, and changing skill requirements (Furman and Seamans 2019).

Having looked at the broad field of AI and its current trends, attention now turns to the nuanced integration of AI into legal services and law firms. The legal industry, a field rooted in tradition and precedent, is undergoing a profound transformation driven by the remarkable capabilities of AI. In this evolving legal landscape, AI is proving to be a disruptive force, offering unprecedented opportunities for innovation.

This ongoing trend is expected to seamlessly integrate into the daily workflows of lawyers and lead to profound changes across the legal sector. In the following section, the importance of AI specifically in the context of the legal industry is explored in detail, highlighting its potential impact and transformative consequences.

### **2.3 AI in the legal market**

Having explored the vast landscape of AI and current trends, the focus shifts towards integrating AI in legal services and law firms. The legal business is undergoing a transformational wave fueled by AI's extraordinary potential.

A study on legal tech use in Germany revealed that 76% of respondents consider it the most important trend to increase legal efficiency (Lovrekovic, Gutermuth und Loos 2022). This resounding consensus underscores the widespread recognition that AI-enabled legal techs are not just an option but a necessity for anyone who wants to succeed in the legal field. Princeton

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University, the University of Pennsylvania, and NYU researchers highlighted AI's significant impact on legal services, emphasizing its transformative power. According to Gomes (2023), integrating AI into legal processes is inevitable, reshaping service delivery.

*“The Day when AI-powered robot lawyers will represent clients in the courtroom may be fast approaching”* (Gomes 2023)

Even if the concept of AI-controlled robot attorneys is on the horizon, the legal system may not be quite there. However, AI, particularly chatbots, are making progress in automating client contacts, data collecting, and day-to-day legal duties and might eventually take over 25% of attorneys' everyday tasks. ChatGPT and other generative AI systems offer 24/7 help, automation, and document preparation, revolutionizing accessibility, accuracy, and cost reduction in the legal business. While ChatGPT envisions significant changes in procedural legal work, it does not predict substantial inroads into academic legal analysis, statutory construction, or complex case analysis. Nonetheless, it foresees a technological transformation that will reshape the legal sector and increase self-help legal resources for clients and the public (Macey-Dare 2023).

Several AI systems, like ROSS Intelligence, LawGeex, and Beagle, have been used for legal research, contract drafting, and contract administration (Semmler and Rose 2017). Another noteworthy use is AI's capacity to forecast case outcomes, which improves attorneys' decision-making and client advice. Despite possible obstacles, integrating AI into the legal sector offers tremendous progress and lays the way for a technologically altered legal landscape (Macey-Dare 2023).

### **2.4 German AI legal market examination**

As the exploration of AI applications in legal services and law firms unfolds, attention must move toward a more localized examination of this dynamic landscape. In the specific context of the German legal market, the integration of AI presents both opportunities and challenges

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that warrant a closer examination. Germany, known for its rigorous legal framework and commitment to precision, provides a unique backdrop for studying AI's influence on legal practices. This investigation delves into the intricacies of how AI impacts the legal landscape within Germany, considering the legal nuances and the technological innovations that underpin this shift.

Numerous providers are already simplifying legal tasks using software that combines AI, specifically ML, with predefined rules. While many of these products originate from the Anglo-American sphere, German providers also develop similar applications. These tools often use open-source software from platforms like Amazon or Google, customized for legal needs. They learn primarily through user-based training, continuously adapting to user requirements. Furthermore, the tools are primarily applied to organize and sift through extensive contract volumes (descriptive analytics) and predict complex legal outcomes (predictive analytics). Descriptive analysis in the legal framework involves examining historical data and patterns to provide a retrospective view of past legal cases or events. It helps lawyers and legal professionals understand what has happened in the past. Conversely, prescriptive analysis aims to offer recommendations and insights for future legal actions. It uses data and predictive analytics to guide the best action, helping legal professionals make informed decisions and strategies for upcoming cases or legal matters (Kaulartz und Braegelmann 2020).

The emergence of legal tech in the past few years, starting around 2016, indicates that even the traditionally conservative German legal system is gradually opening up to digital innovation. However, the German legal market has been cautious about adopting new technologies. Generally, it is essential to note that using self-learning algorithms and AI remains exceptionally rare in Germany (Kaulartz und Braegelmann 2020). Nevertheless, legal tech applications hold significant promise for businesses, and several German companies are already leveraging them extensively. These applications come in various forms, offering technical

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support or automation for various legal functions. The key benefits revolve around enhancing efficiency and reducing errors, leading to improved performance and higher quality in legal tasks. As part of the study by Lovrekovic, Gutermuth & Loos (2022), the 100 most successful companies in Germany, distributed across different sectors, were addressed. 92% of the participants were employees in the legal departments of the companies addressed, and they were asked specific questions about the knowledge and use of legal tech. According to the data, 78% of the respondents are familiar or very familiar with the topic, and 81% are actively involved with legal tech as part of their job. In general, the most significant advantage regarding legal tech is seen in "more efficient work". Furthermore, the results of the study show that the majority of the participating companies also plan to intensify the use of legal tech in the future. The trend is also visible globally: an analysis of data regarding the worldwide legal tech startup scene indicates a substantial uptick in the number of startups and the level of funding they have received since around 2012-2013. This trend is observable across the business-to-consumer (B2C) and business-to-business (B2B) sectors, encompassing startups catering to both categories. Most of these legal tech startups are situated in North America, confirming that North America is the world's leading market for legal tech providers. Notably, in the B2B sector, there are twice as many startups in North America compared to Europe, whereas in the B2C sector, Europe slightly edges out North America in terms of the number of legal tech startups. Since there are various forms of AI-based applications, it depends on how far they are already established. In Germany, many data and documents are not available digitally, so the necessary training of self-learning algorithms can only take place to a limited extent. To illustrate, in the United States, the practical use of predictive analytics for predicting litigation outcomes is more advanced. This is primarily because the U.S. benefits from a broader availability of data compared to Germany, where there are currently no suitable databases encompassing a vast array of district and regional court decisions alongside higher court rulings.

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The primary regulatory framework they adhere to for legal tech applications and companies operating in the German B2C sector is the "Rechtsdienstleistungsgesetz" (RDG). This law serves as the central reference point for their operations and compliance. The RDG "regulates the authority to provide out-of-court legal services in the Federal Republic of Germany" (§ 1 para. 1) and understands legal services in principle as "any activity in specific third-party matters as soon as it requires a legal examination of the individual case" (§ 2 para. 1) (Kind, Ferdinand und Priesack 2019).

### **2.5 Market gap**

The legal tech industry is still young and comes with various market gaps that need to be covered. Despite substantial technological advances, only 10% of legal firms have adopted technology after the American Bar Association (Legamart 2023(1)). Missing features and immature tools still curb demand after those tools (Rachel Dooley 2023). This leads to a legal service landscape where many law firms and legal departments still are reluctant to let go of current processes (Legal Suite 2022). If a process has automation through legal tech, it will usually be a particular one that is not inherently complex. Examples of those not inherently complex automated tasks are legal accounting and billing, legal document management, or contract drafting (AltFee 2023). Where actual technology encounters issues and unreliability is when it comes to complex case analysis that needs to account for individual patterns and is not easily automatable (see chapter 2.3). Here lies the main uncovered gap in the B2B legal tech market. The company that can offer the first comprehensive AI solution which can support lawyers in complex cases without being highly susceptible to mistakes will instantly become a monopolist in the market. Such a service might be similar to ChatGPT but is specifically tailored to legal applications. On the B2C side of the legal tech market, a company does not even have to deliver a revolutionizing product as this market only accounts for around 12% of the overall legal tech market in Europe and is less mature in technology advancement (Statista

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2023(3)) (Fong 2019). Existing legal tech products often follow a "Do it yourself" model with lower prices than traditional legal services (Comar und Dziadosz 2022). Platforms like Courtroom5 and Hello Divorce offer self-representation tools, while German services like Legalbird and Anwalt.de provide initial legal evaluations (Kendall 2021). Most services have uncomprehensive algorithms that do not include AI and cannot interact individually with each client, even though it might be helpful sometimes and would increase user experience. Thus, the market gap in the B2C market locates in offering more advanced AI services that can react individually to each client in real-time and learn throughout the interaction. This does not have to be a highly advanced chatbot like in the B2B market. For instance, a relatively easy AI chatbot for client- and job mediation, initial legal advice, or student study support would fill a gap in the market as such a technology is not present.

### **3. Business idea**

#### **3.1 Offering**

The business idea addresses the identified market gaps in the B2B and B2C legal tech markets. The idea came from a friend of one of the authors who plans to build a startup around this idea. Therefore, it was examined in detail as part of this thesis.

The business idea comprises five different services based on three AI chatbots, which address the B2B and the B2C markets. In the short- to medium-term, the focus will lie solely on the general German legal market, without a focus area of law. The founders consider geographic expansion, and more specialized services for different types of laws to increase market share and customer base in the long-term.

The first chatbot will serve as the initial legal adviser for legal help-seeking people. Additionally, this chatbot will actively suggest well-suited lawyers depending on the case of the legal advice seeker. The second chatbot will provide law students with legal knowledge and actively support of all kinds of legal questions throughout their studies. This chatbot will also mediate students who seek a legal job with law firms based on Curriculum Vitae (CV) – law firm requirement matching. The last chatbot solution will be the most complex one as it aims to be a well-accepted supporter for lawyers for complex case questions and profound legal research. Thus, all the solutions directly address the specific market gaps of the legal tech market, which have already been discussed in chapter 2.5. To complement the offered services, a conclusion of exclusive partnerships with law firms and legal departments is aspired. The pricing depends on the customer group and a one-off payment, subscription, or fee. Chapter 7 explains the pricing strategy in more detail with the marketing mix.

### 3.2 Technical realization of the product

This part aims to give a broad technical overview of the functionality of the three chatbot solutions. It should not dive deep into technical aspects but to equip a basic understanding of how a chatbot works. The following figure illustrates the technical architecture of a legal chatbot.

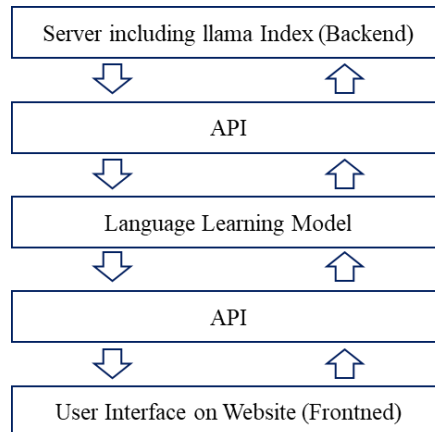


Figure 1: Technical architecture of the legal chatbots, own illustration

The figure showcases what happens when a user asks the chatbot a question. The question will be written down (or a picture with information will be uploaded) directly on the chatbot's user interface. The user interface means nothing but what a user sees on the computer screen. An Application Programming Interface (API) will then translate the user request for the Language Learning Model (LLM). It uses its natural language processing capabilities to make it understandable for the following API and the server. The server holds all the necessary data needed for the chatbot to function. This data includes information on various legal frameworks, current legislation, and past jurisdictions and will be regularly updated to maintain the accuracy of the answers. Inside the server, the llama index tool will access the requested data of the chatbot user in the server and then transfer them all the way back over two APIs and the LLM to the user, who will see the answer on the computer screen. The LLM is the AI consisting part of the model. It excels with its natural language processing capabilities and ensures the user receives a grammatically correct and well-written response. Additionally, it constantly adapts to the speaking patterns of the chatbot user and thus creates a unique user experience.

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Essential security features, like data encryption, validation, authentication, and authorization, will be implemented to protect the data stored on the server.

### **3.3 Customer value**

This part briefly introduces the main value the services should bring to the customers. A detailed overview will be provided later during the customer analysis.

On a high-level customer value can be divided into value for B2B customers and value for B2C customers. Regarding the B2C customers, the main value the chatbot service should bring them is easy knowledge gain about legal topics for which they would typically have had to consult a professional adviser or conduct extensive research. Furthermore, if desired, they get easy and fast mediation with legal experts or law firms. On the B2B side, the main value should be easier access to potential customers and employees but also possible efficiency gains if using the legal research chatbot internally.

## **5. Porter's five forces analysis**

The "five forces" model from Michael E. Porter builds on the industrial economics approach and proposes a corporate strategy based on an industry analysis. Therefore, it not only enables the company to understand and assess the attractiveness of the sector, meaning the profit potential, but also to find a position in this sector, develop a suitable strategy, and ultimately implement it to generate profits which is substantial for the development of a business plan (Straub 2011). Thus, the analysis of the "near" industry environment focuses on specific factors that are only relevant to companies in a specific industry. Understanding that the core factor driving competition and profitability lies in the basic structure of the industry is crucial. This structure significantly shapes the market appeal for those involved Top of Form (Hungenberg 2014). The structural characteristic remains true whether an industry sells goods or services, is in its emerging or maturing stage, operates in high or low-tech areas, or is regulated or unregulated (Porter 2008). Hence, an understanding of the competitive forces and industry structure, as well as the dynamics, is important. To secure a favorable positioning, companies need to find solutions for complex challenges regarding constantly changing industry environments and the transformation of industry forces. Finding these solutions is of great importance for companies to succeed in their industries.

Within the market environment, many forces and influences significantly impact on a company's success. In order to understand and analyze the market in detail, Porter segmented the existing forces into five fundamental forces that are generally valid for the industry (Investopedia 2023). To achieve long-term profitability and become more resilient, market participants must act strategically vis-à-vis the competition. In addition to competitors, there are other forces and actors that have an impact on the market, and thus, on profitability: new entrants, buyers, substitute products, and suppliers. A variety of individual factors determine the characteristics of these structural elements, which will be discussed in the following

(Hungenberg 2014). To effectively react to the five forces, businesses must grasp how the competition not only identifies industry trends but also determines the competitive dynamics that characterize the industry. In this context, as Porter noted,

*"The extended rivalry that results from all five forces defines an industry's structure and shapes the nature of competitive interaction within an industry"* (Porter 2008, 43).

In the realm of industry analysis, considering the time horizon is of paramount significance. Companies should take a broad view covering the entire business cycle, which usually lasts three to five years. This practical approach helps to understand the critical industry factors. Furthermore, the quantification of these forces serves as an extremely beneficial approach. To truly grasp the root causes of profitability, it is important to convert these qualitative elements into measurable quantities. The empirical approach offers a deeper understanding of the factors directly influencing an industry's financial performance (Alonso 2023).

### **5.1 Market definition**

Defining the relevant industry or market is essential before diving into the examination of the individual forces. Specifying the industry sets the framework for the analysis and allows the identification of the right competitors, customers, suppliers, and potential substitutes. As Porter stated,

*"The boundaries of an industry consist of two primary dimensions. First is the scope of products or services. [...] The second dimension is geographic scope"* (Porter 2008, 55).

#### **i. Scope of the product**

The service sector revolves around legal tech applications, or so-called "access-to-justice business models". These automated legal advice tools allow consumers to access legal claim enforcement easily and conveniently (Kind, Ferdinand und Priesack 2019). This type is also

referred to as legal tech 2.0, in which the lawyer is not only supported as it is the case with legal tech 1.0, for example, through research tools or the automated creation of documents, but an AI system such as ChatGPT replaces the lawyer in the initial consultation with the client (Mina, Zerres und Zerres 2022). The Boston Consulting Group (BCG) and the Bucerius Law School also cluster the ecosystem into three distinct solution categories. Firstly, enabler technologies play a crucial role in facilitating the digitization of legal data. Secondly, support process solutions improve efficiency in case management and back-office operations. Lastly, substantive law solutions aim to assist or replace lawyers in carrying out basic legal responsibilities in transactions and litigation proceedings (Veith, et al. 2016). Therefore, the analysis concentrates in the third law solution while the founders do not want to replace lawyers but support them through the chatbot. The responsibility of the other two scopes, namely the employment and customer acquisition market, is also aligned with this objective. On the one hand, the product, facilitated by the chatbot, serves the job market by connecting law students with law firms and legal departments, as previously described. On the other hand, it naturally caters to the client mediation market by directly redirecting clients with their legal concerns to specialized attorneys. This is exclusively related to the legal market.

## **ii. Geographic scope**

As mentioned before, the AI application will initially focus geographically on Germany and may expand in the future. The diversity arises from the existence of various legal structures and systems globally. However, it is advisable first to establish networks with law firms and corporate legal departments in Germany and leverage these collaborations.

If there is an enormous need for growth and new market shares as well as customer groups, expansion into other markets should be a successive step. Furthermore, there are legal frameworks in Germany that offer clearly defined structures. Thus, a local start enables the

startup to ensure the conformity of the AI technology with German regulations and facilitates later adaptations for other markets.

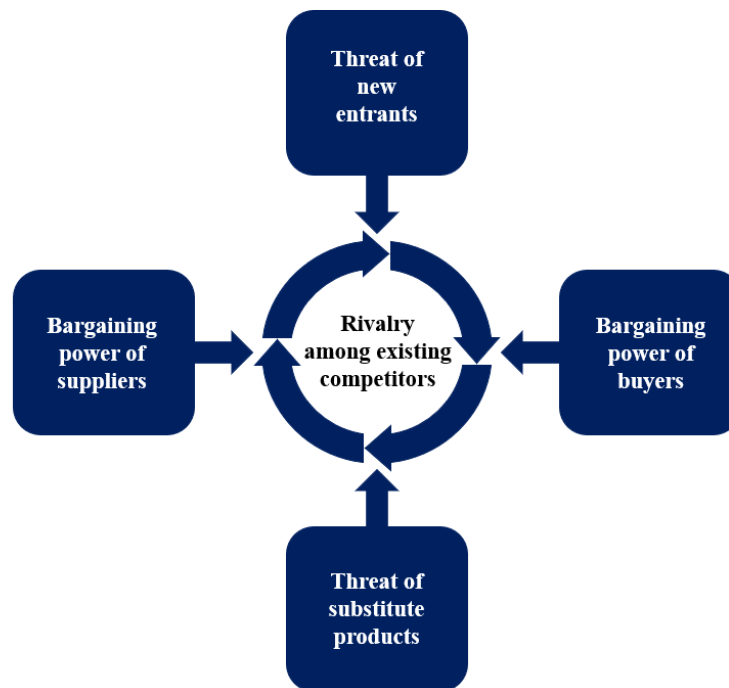


Figure 2: Porter's five forces, adapted from de Bruin (2016)

## 5.2 Threat of new entrants

### i. Theory

Beginning with the threat of new entrants, new competitors want to secure market share and, at the same time, exert pressure on price costs and the rate of investment to compete. They offer alternatives to the existing market and may be able to draw on existing capabilities and cash flows through different market experiences (Alonso 2023) (Porter 2008).

The identification and assessment of barriers to entry hold a pivotal role in understanding the competitive dynamics within a given market. These barriers act as hurdles that can hinder or deter new entrants from establishing a foothold in the industry. Regarding Porter (2008), seven key barriers deserve attention. Supply-side economies of scale determine new market entrants' success, demand-side economies of scale and consumer switching costs. High production numbers result in low unit costs, while network effects increase buyer willingness. The trust

and loyalty of larger organizations can hinder new entrants, whereas fixed costs during supplier transfers discourage alternatives. Regardless of a firm's size, capital needs and competitive advantages might deter new entries. Disparate distribution networks and government policies can also impact entry barriers, demanding innovative solutions (Porter 2008). Conversely, this means that companies in an industry find a given sector more attractive the lower the threat from potential competitors (Hungenberg 2014).

## **ii. Application**

The subsequent section concentrates on the application of the force to the legal tech market. High entry barriers include high fixed costs, low variable costs, a high level of knowledge required for the technical implementation, and low switching costs.

Low fixed costs and high variable costs indicate easy market entry for new competitors. Due to the immanent characteristics of a software product, the development of the product requires an enormous amount of time which results in relatively high first copy costs in contrast to maintenance costs (Huber 2000). Furthermore, duplicating digital products is not necessary and can, therefore, be made available to an arbitrary number of customers at once. Besides this, no extensive technical infrastructure must be in place in the legal tech industry, as processing power only increases with many customers. To develop innovative software, a high level of expertise is required, particularly in big data, AI, and legal areas. However, freely available generative pre-trained transformers facilitate the programming work and could aid with specialist knowledge.

B2C customers do not face substantial switching costs when transitioning to a new provider in the market. For B2B clients (law firms and law departments within companies), the extent of switching costs depends on the degree of integration of the service in their day-to-day operations and the level of differentiation in technology offered by a new competitor. If the

divergence is solely on a pricing basis, B2B clients are likely to opt for the more cost-effective product, consequently intensifying price pressures in the market due to new entrants.

In summary, the legal tech market presents a challenging environment for new entrants due to prohibitive first-copy costs. In contrast, low infrastructure costs and high support from generative pre-trained transformer software facilitate a simplified entry.

### **5.3. Bargaining power of buyers**

#### **i. Theory**

Another force is the bargaining power of buyers. Buyers are the B2B and B2C customers and can be responsible for price erosion within an industry. Accordingly, the potency of this force is contingent upon various factors. Firstly, it is contingent on the degree of concentration among buyers and the value of products within the industry. In other words, how much does the individual buyer make up the total sales turnover. Secondly, the degree of standardization of the products is also pivotal for consumers (Dumann 2016). In addition, robust buyer power has the potential to exert downward pressure on prices, which, in turn, can adversely affect the profitability of firms within the industry. Intensified rivalry can be a consequence, with powerful buyers able to manipulate their rivals by playing them off against each other, intensifying competition and potentially reducing profitability (Alonso 2023) (Porter 2008).

#### **ii. Application**

The bargaining power of buyers is one of the forces that has a particular impact on the legal tech industry. Buyers and buyer groups primarily consist of individual consumers, notably private individuals seeking legal assistance and a significant contingent of law students. This consumer-focused segment lies within the B2C domain. Conversely, law firms and legal departments within corporations constitute prominent buyers, falling within the B2B segment. Therefore, four groups of customers exist: Private individuals, law students, law firms, and legal departments within companies.

Legal tech responds to the behaviors of consumers, who often forgo legal enforcement due to high legal fees. The services offer flexibility and convenience. Law firms are the driving force behind the adoption of legal tech. Cooperation with this customer group generates the most significant revenue stream, and therefore, the business model also focuses on this group. (Mina, Zerres und Zerres 2022). The power of consumers is demonstrated by the fact that they are not tied to legal tech providers and can switch to any other provider without additional costs (Kind, Ferdinand und Priesack 2019). Furthermore, for services that are only required sporadically, customers have no associated transition expenses when considering alternative providers, substitutes represented by more up-to-date software, or potential new entrants that deliver the same legal tech product (Mina, Zerres und Zerres 2022). Consumer power depends on whether the use of legal tech is optional or mandatory. Thus, they prefer legal tech for low-value disputes but may switch to other options if costs are too high or quality is poor. Transparency in the comparison of providers via the Internet strengthens the negotiating position of consumers and promotes competition.

Especially for legal tech startups, a substantial portion of the overall costs stems from the products acquired by the consumer, given that these products comprise software and programming efforts. In contrast, the scenario differs for law firms and major tech conglomerates involved in the legal tech industry as a secondary business, as they can distribute their overall costs across various areas.

Consequently, all customer segments utilize significant influence over the market. Private individuals, in particular, benefit from high transparency facilitated by the Internet, allowing them to compare various offerings. The other parties managed their operations without the technology in the past, indicating no inherent dependency, though this may evolve due to the increasing digitization of the legal industry (Mina, Zerres und Zerres 2022). Therefore,

competition, flexibility, product value and growing consumer preferences characterize customer bargaining.

#### **5.4. Threat of substitutes**

##### **i. Theory**

As Hungenberg (2014) noted,

*“Substitute products are those products that, while fundamentally capable of satisfying similar customer needs as the products within the examined industry, currently do not exist in a close substitution relationship with them. This is because they are perceived differently by customers, target different customer groups, or are offered in different regions”* (Hungenberg 2014, 99).

Therefore, the presence of substitute products or services from alternative industries can exert a significant influence on an industry's profitability, depending on the attractiveness and availability of these substitutes. Additional factors that come into play include the price-to-performance ratio of substitute products, customer attitudes toward them, and the switching costs for buyers to transition to the substitute. A high degree of substitution options can pose a substantial threat, while limited alternatives diminish the threat of substitution (Hungenberg 2014) (Porter 2008).

##### **ii. Application**

A comprehensive evaluation is necessary to determine whether the services offered by technology providers are easily replaceable through in-house efforts on the B2B side or if they are non-substitutable. The notion of substitutes in the legal tech landscape encompasses both advanced software variants that outperform current applications and traditional lawyers who serve as potential alternatives, especially those with specialized expertise within the legal tech domain, surpassing the specificity of legal tech systems (Mina, Zerres und Zerres 2022). This dual nature of substitutes highlights the diverse options available to consumers seeking legal

services, ranging from cutting-edge technology to human legal expertise. Substitutes, or alternative solutions, include conventional legal practitioners, particularly specialized attorneys catering to specific legal needs. Additionally, emerging software applications designed to address legal concerns represent a contemporary substitution form.

The distinct competitive advantage for legal tech firms resides in their ability to adopt a flexible pricing strategy, a capability not shared by traditional law firms, corporate legal departments, and individual attorneys. Unlike lawyers who are restricted from employing success-dependent pricing models, legal tech companies can offer their services at more competitive rates, either cheaper or more expensive than their legal counterparts, enhancing their market appeal (Kind, Ferdinand und Priesack 2019).

Moreover, the dynamic of the sector's landscape is underscored by the continuous evolution of software versions. Current trends highlight the potential of upgraded software versions with advanced functionalities compared to existing offerings. Notably, the integration of blockchain applications, such as smart contracts or advanced chatbots employing "Natural Language Processing (NLP)" and ML, introduces new dimensions to the market. The emphasis lays on slight software improvements that can propel a provider to market leadership or dominance, especially when accompanied by cost advantages for users.

However, despite the technological advancements, specialized lawyers maintain their relevance as substitutes in situations where legal tech systems fall short. The intricate nature of certain legal cases often requires the nuanced understanding and consideration that human attorneys can provide. It highlights the limitations of automation in addressing highly specific legal scenarios, underlining the ongoing complementary role of legal expertise in conjunction with technological solutions (Mina, Zerres und Zerres 2022).

The product exhibits substitutability in three distinct scenarios. In the initial scenario, a B2C customer seeks quick and concise responses to their legal inquiries, initiating a straightforward

request. Search engines, such as Google or Bing, are regarded as viable substitutes in this context. In the subsequent scenario, the individual dedicates more time to their inquiry, desiring a comprehensive response to their legal question. In this instance, the legal professional may be considered a substitute, becoming involved in the consultation before utilizing of the chatbot. In the case of search engines exists a dual challenge. On the one hand, customers are required to conduct their own searches, and on the other hand, there is a lack of assurance regarding the reliability of the sources. Conversely, with attorneys, this assurance is present; however, the temporal factor and cost considerations come into play. Obtaining an appointment often takes longer, and the associated costs for consultation can be substantial. In the third scenario, law students would read legal literature instead of using the software for inquiries. This is more time-consuming and also more laborious. Thus, the chatbot would only be substitutable by legal literature among law students.

The threat of substitutes in the legal tech industry depends foremost on the customer's attitude towards the explained substitutes, which is subjective and varies from customer to customer. Some may perceive lawyers and search engines as substitutes, while others view them as a complement, aligning with the founders' intended product positioning.

## **5.5 Bargaining power of suppliers**

### **i. Theory**

Bargaining power of suppliers is a critical determinant of an industry's operational efficiency. High supplier power can lead to increased input costs and reduced quality, which may affect an industry's competitiveness. Accordingly, the criteria are like those in the bargaining power of buyers but with the inverse position. The factors include the concentration of suppliers, the proportion of products sold to total revenue, and the significance of the production process (Dumann 2016). Nevertheless, when an industry has a variety of suppliers to choose from and

is not overly dependent on a single supplier, supplier bargaining power tends to be low, providing more flexibility for the industry (Alonso 2023).

## **ii. Application**

In the legal tech sector, the influence of suppliers is typically negligible unless there is a need for software developers for programming. The potency of this influence becomes more pronounced in two scenarios. Firstly, when companies in the legal tech sector have in-house project programmers, the associated risk is minimal to nonexistent. Secondly, when hiring a programmer as a service provider, the company becomes highly dependent on the supplier, thereby introducing a substantial level of risk.

## **5.6 Rivalry among existing competitors**

### **i. Theory**

The centered force in “Porter's Five Forces” framework is the rivalry between existing competitors (who have already entered the industry), also known as the intensity of competitive rivalry.

Competition can have two distinct motives: price competition, where competitors undercut each other with prices, or quality competition, where the emphasis is on offering the best product quality or additional services to captivate customers (Hungenberg 2014).

Competitive rivalry is a consequential determinant, reflecting the collective impact of factors such as the number and balance of competitors, industry growth rate, product differentiation, switching costs, information availability, cost structure, diversity of competitors, and exit barriers. Acknowledging its prominence, this element encapsulates the complex interplay of market forces that shape the competitive landscape within a given industry (Investopedia 2023) (Porter 2008).

According to Hungenberg (2014), intense competition often has a detrimental effect on the profit potential of companies within an industry - through falling prices, rising costs, or

simultaneously. In this respect, an industry generally appears more attractive to companies if there is less rivalry between competitors.

## **ii. Application**

The German legal market has undergone a specific "democratization process" due to numerous pro bono activities and various financing options (Plottek 2021). Startups gain a competitive advantage through the level of commissions, thereby initiating a price war among legal comparison portals (Kind, Ferdinand und Priesack 2019).

The international presence of legal tech companies fosters competition, as they operate globally and engage in competitive markets which increases the level of optimization, but it does not mean that the competition is intense. As of July 2018, approximately 920 legal tech companies were active worldwide. Startups emphasizing innovation in the market pose additional competition. These startups emerge in both, the B2C and B2B sector. Since 2012, legal tech companies in this domain have been growing. Founders established more than 80% of identified B2C startups in the last five years, from 2008 to 2017. During the same period, the majority of B2B startups supporting economic advisory and corporate legal departments were established (70%). Legal tech startups for B2B are more prevalent in North America, while the B2C startups have a larger share in the European market (Kind, Ferdinand und Priesack 2019). In the context of Germany, there are over 100 companies broadly falling within the legal tech domain (Anwalt.org 2023).

The competition divides into two distinct groups: B2C, which directly provides services to individuals, and "business to lawyer" (B2L), as explained before, which addresses services to legal professionals within law firms or corporate legal departments. (Mina, Zerres und Zerres 2022). Notably, in the B2C category, companies such as "Flightright", specializing in compensation for flight disruptions, "geblitzt.de", automating the processing of speeding fines, and "smartlaw", offering automated contract creation for consumers and entrepreneurs, are

recognized according to the "Legal Tech Directory." In the B2B sector, key players include legal marketplaces like "Advocado", "Jurato", and "LegalBase". For automated document creation in law firms, noteworthy companies include "Lawlift" and "Cetonis". Pioneers in legal tech software for document analysis are "Leverton" and "rfrzn" (Legal Tech Verzeichnis 2023).

The market exhibits dynamic growth attributed to a high level of entrepreneurial activity. There is a greater prevalence of startups in the B2B sector compared to B2C. Increased investments in B2B ventures can largely explain this discrepancy. Remarkably, despite the multitude of offerings, the competitive behavior within the market appears to be moderate. This moderation is characterized by a coexistence rather than direct rivalry among entities. Possible explanations for this phenomenon lie in the representation of shared interests and the prioritization of driving innovation. The prevailing dynamics underscore a collaborative environment where the pursuit of innovation takes precedence over intense competition (Mina, Zerres und Zerres 2022).

While the industry experiences dynamic growth and sees a substantial number of startups, especially in the B2B sector, entities in the industry exhibit a coexistence rather than engaging in direct rivalry. The presence of numerous legal tech companies, both in the B2C and B2B sectors, contributes to a competitive environment. However, shared interests and a collective focus on driving innovation explain the moderation in competitive behavior. The collaborative dynamics in the market highlight a unique industry landscape where companies prioritize innovation over intense rivalry. Consequently, industry observers consider the legal tech industry fragmented, with no single entity commanding a significant market share.

### **5.7 Implications from the model**

The legal industry, confronted with the ongoing digitalization, undergoes significant transformations, especially in response to the dynamic legal tech market.

The interplay of the five forces, namely the threat of new entrants, the bargaining power of customers, and the threat of substitute products, along with the bargaining power of suppliers

and the rivalry among legal tech providers, characterize this market. The assessment of these forces for the three distinct customer groups follows, which are: People who seek legal advice, law students, and law firms or law departments.

Customer Force	People who seek legal advice	Law students	Law firms/ law departments
New entrance	+	+	●
Buyers	●	●	+
Substitutes	+	—	●
Suppliers	—	—	—
Rivalry	●	●	●

Influence: — Low ● Moderate + High

Table 1: Assessing the five forces for the three customer groups, own illustration

Finally, the startup’s basic strategic orientation for the three customer groups should follow from this matrix. Porter differentiates between three basic strategies, which differ according to market volume and type of competitive advantage: Cost leadership, differentiation and focusing (niche). The cost leadership and differentiation strategy can also appear in combination, as practice shows (f.e. IKEA). The following strategic approaches emerge from the matrix (Straub 2011).

For the first group (people who seek legal advice), the focus should be on a differentiation and cost leadership strategy, i.e., generating a competitive advantage by increasing the customer's appreciation of the product on the one hand and cost advantage compared to competitors on the other. The emphasis on cost roots in the threat posed by new entrants, especially as B2C customers face minimal switching costs. An easy transition to a new competitor is possible, often opting for a more cost-effective or product-differentiated alternative. Consequently, a need for an additional emphasis on product differentiation exists. Many customers seek tailored

solutions for their specific cases, and failing to provide customization increases the likelihood of customers switching to substitute products, such as visiting a lawyer or using a search engine. For law students, the basic strategic orientation requires cost leadership, as this customer group is particularly price-sensitive and does not fear any switching costs like the first group of B2C customers. As soon as a new market entrant emerges, offering similar services at lower costs than the previous provider, this customer segment will likely transition to the new provider.

The third group, namely law firms and legal departments, has the greatest buyer power over the company due to the size of their potential revenue streams, which will be discussed below. Suppose major B2B customers are not satisfied with the service or product offered. In that case, there is a risk of significant financial losses for the company if customers switch to a rival in the market (could lower market share) or demands a lower product fee. Therefore, the founders must pursue a differentiation strategy with this target group. Customers must feel valued and receive customized solutions for their needs in order to generate long-term company loyalty.

In general, the German legal tech market has a significant market potential. However, Germany's current legal tech landscape exhibits significant fragmentation, with startups catering to diverse geographies, jurisdictions, practice areas, and end-user markets.

## **8. Visions and goals**

This chapter looks at the critical aspects of the startup's vision and goals, distinguishing between short- to medium-term and long-term goals. Recognizing the different roles these goals play in shaping the course of the business, this chapter explains the strategic focus required for immediate growth and sustainability, as well as the enduring ambitions that represent the long-term impact of the business.

### **8.1 Short- to medium-term goals**

In the short to medium term, the focused objectives are strategically aligned to ensure rapid and sustainable growth. The primary goal is to achieve profitability within the first six months while fueling robust growth through expanding the customer network. While the product offering is being further refined, this phased approach involves gradually introducing new AI chatbots to the market. In the first phase, the chatbot will be developed for initial legal advice and mediation between private individuals and law firms. In further phases, specialized chatbots tailored to the specific needs of law students will be introduced, and finally, a comprehensive solution intended for internal use in law firms and legal departments. The company's overarching goal is to create broad acceptance and trust in the market for revolutionary AI solutions. This will be achieved by consistently delivering and continuously improving a reliable product. At the same time, the focus is on increasing brand awareness and consolidating its presence as a respected and innovative player in the legal tech landscape, which will be achieved through targeted marketing strategies and WOM.

### **8.2 Long-term goals**

As part of the long-term vision, the company wants to position itself as a reliable partner for law firms and corporate legal departments, enabling a seamless takeover of clients and employees. The aim is to be the first point of contact in Germany for people who want initial, non-binding legal advice or are looking for a qualified lawyer. The mission is also to become

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the most widely used resource for law students, providing them with comprehensive insight and assistance. In the future, the company will establish itself as the market leader for legal research software in Germany and serve the needs of legal departments in companies and law firms. Beyond national borders, the strategic vision includes international expansion, initially focusing on the DACH region (Germany, Austria, and Switzerland) and aiming for a market-leading position there. These long-term goals are intended to illustrate the company's innovation and sustainable influence on the legal landscape.

## **9. Operational organization**

The following sections refer to the operational organization, consisting of administrative formalities and critical strategic decisions such as the organizational structure, location choice, and legal form. Each element significantly influences the organization's basic structure, controls essential administrative processes, and shapes the strategic direction for the effective start. and further development of the startup.

### **9.1 Organizational structure**

When setting up the company organization, the primary goal is to create a lean and efficient structure characterized by clear responsibilities. The founding team comprises Alzen Kastrati, Leon Busch, and Marcel Friedrich. The founders will represent the core areas of legal, technology & software development, strategy & finance, and marketing & sales. Alzen Kastrati, with his background as software developer, is in the lead for the technology & software development division, Leon Busch for marketing and sales, and Marcel Friedrich for strategy & finance. As none of the founders has direct expertise in the legal domain, they will be sharing responsibilities here and consider external help in specific cases that might occur. A skills matrix highlights the respective skills of the founders and suggests hiring a legal expert to lead the legal division due to the need for more expertise in this domain (see Appendix 12). This will not only ensure that the startup itself acts in a legally appropriate manner but also benefit the offered chatbot solutions. The legal expert can interact directly with Alzen Kastrati, the person responsible for developing and maintaining the chatbots, to collaboratively develop new functionalities specifically designed for the requirements of legal stakeholders.

As the product is software, the business model inherently allows scalability without significantly increasing personnel. However, as business growth is anticipated, the strategic plan provides for gradually introducing support staff. These new hires will report directly to the four division owners, maintaining the clear lines of responsibility and efficiency of the

company's organizational structure. This approach ensures a dynamic yet organized operational framework that can adapt to the evolving needs of the business.

## **9.2 Location choice**

How relevant the location choice is for a company is determined by its business model. The location choice is especially relevant for businesses that require proximity to customers (see Chapter 7.3). Given the nature of the digital business model, which does not require physical proximity to the customers, the choice of a specific location is flexible. Ensuring broad accessibility, the company's business model allows the product to reach individuals across Germany, free from the constraints of a fixed location. The company has designated the residence of its founder, Alzen Kastrati, as its official registered office. The flat is located in Düsseldorf, Germany. This choice proves particularly advantageous for a startup in its early stages, as it eliminates additional location costs, with only rental expenses being initially incurred.

## **9.3 Legal form**

In order to find the proper legal form for the startup, various legal forms and considerations must be considered, as well as factors such as liability, taxation, and flexibility. All three founders are still students and have limited capital resources. Thus, the company will initially opt for the German legal form "Unternehmergeellschaft" (UG), known for its flexibility and lower capital requirements. This choice is tailored to the startup phase and allows to build up the company with manageable financial obligations. As the company grows and its position in the market is consolidated, a transition to the legal form of a limited liability company, "Gesellschaft mit beschränkter Haftung" (GmbH), is planned for 2025. This step benefits from greater credibility, better liability protection and a more established corporate presence (Bundesministerium für Wirtschaft und Klimaschutz 2021). The decision to transition from UG

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to GmbH is a strategic move to ensure that the legal structure aligns with the evolving needs and ambitions of the expanding business.

## **10. Financial plan**

The financial plan is inevitable to determine whether a business idea is viable in the end or not. It connects all the parts of the previously conducted analyses and translates them into measurable results. Potential investors and money lenders especially emphasize a strong focus on the financial plan as they want to select the best possible investments with high upsides and low downside risks (Business.gov.nl 2023). In the following, a normal case scenario, best case scenario, and worst case scenario were calculated. Based on this, a critical evaluation of the upsides and downsides of the business is possible.

### **10.1 Normal case scenario**

#### **Initial investment costs**

As the website and the chatbot are directly developed by the founders, and no external parties are included, there are no upfront investment costs besides the costs for the registration of the company and working equipment. The company's registration in the legal form UG, including formulated articles of association costs €1,066.26 in Germany (firma.de 2023). Regarding the working equipment, the plan is to acquire a company laptop with one additional screen and a company smartphone for all three founders. The company laptop will be the Lenovo Think Pad X1 Carbon Gen 11, regarded as the best programming laptop in 2023 by the PC Magazine and costs €919 (PC Magazine 2023). For a screen, €200 will be calculated, and per smartphone a predefined budget of €750 was set. Thus, the overall initial investment costs are €6,673.25. Furthermore, there are no costs for office equipment like chairs and tables, as the company headquarters will be at the home of Alzen Kastrati, one of the three founders.

#### **Financing**

Each founder will deposit €2,000 for an equal share of equity in the company. Thus, the minimum requirements of a €1 deposit for founding an UG are easily met. Even though the business is not capital intensive, the startup will use the KfW-Kredit „ERP-Gründerkredit –

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StartGeld” for €50,000 to avoid liquidity issues at the beginning of operations. The effective annual interest rate will be 5.2%, and the overall term of the loan will be six years with a redemption-free initial year. Raising capital from venture capital (VC) firms or private investors is not planned in the beginning through the low capital requirements as it would dilute the equity position of the founders. The founders will consistently reevaluate further need for financing, potentially also from VC’s and private investors.

### Revenue forecast

The revenue mix of the startup will vary throughout the first four years as the different products will be introduced at different times. In the first year, only the chatbot for initial legal advice and client mediation will be launched. In the second year, the chatbot for law students and job mediation will be introduced. Only in the third year the chatbot for internal legal research purposes within legal departments and law firms will be launched due to the high complexity of product development. The following table shows the development of income over the next four years. The assumptions underlying the expected income are described in more detail below.

		Revenues in €				
	Services	2024	2025	2026	2027	CAGR
<b>Chatbot 1</b>	<b>Initial legal advice</b>	23,604.00	47,208.00	70,812.00	99,136.80	61.34%
	<b>Client mediation</b>	49,570.64	148,711.92	223,067.88	312,295.03	84.69%
<b>Chatbot 2</b>	<b>Law student study support</b>	-	18,802.50	37,605.00	52,647.00	67.33%
	<b>Job mediation</b>	-	13,200.00	39,600.00	55,440.00	104.94%
<b>Chatbot 3</b>	<b>B2B Legal research</b>	-	-	39,000.00	117,000.00	200.00%
	<b>Σ</b>	73,174.64	227,922.42	410,084.88	636,518.83	105.66%
	<b>Growth</b>		211.48%	79.92%	55.22%	

Table 2: Revenue forecast 2024 - 2027, own illustration

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In the first year, the startup expects a small fraction of the 3,360,000 yearly initial legal advice seekers to utilize their chatbot solution. As the startup does not have awareness in the market from the beginning and it is the first chatbot service of its kind, a conservative market penetration of 0.1% is assumed by the startup. That makes 3,360 customers in the first year, of which the startup assumes 95% to pay €5 per month and the other 5% to use the subscription model for €7 per month with an average customer lifetime of 12 months. Consequently, the startup will generate revenues of €23,604 in the first year through people who seek initial legal advice by using the chatbot. Furthermore, the startup aims to build ten partnerships with law firms within the first year. These partner firms will be shown as preferred choices towards other law firms that are not in a partnership with the startup if the case of the legal advice seeker suits both. Thus, at least 10% of mediations are expected to be towards those partner firms. As 2,873 people will get mediated through the chatbot (assuming that only 90% of the non-abo model users will be mediated), 287 people will get mediated towards the ten partner firms for the average mediation fee of €172.72. This results in additional revenues of €49,570.64, which adds to overall generated revenues of €73,174.64 in year one.

In the second year, the startup expects the market penetration rate to increase significantly due to rising awareness and acceptance of the chatbot. It expects a doubling of the rate to 0.2%, which accumulates to a doubling in customers per year to 6,720 and revenues to €47,208. Additionally, the startup expects to be able to triple its law firm partnerships to 30 as positive cases from other partnerships can be pitched to future partners. Through the higher coverage of different law cases, the mediation share of partner firms is expected to increase from 10% to 15%. As the overall number of mediations doubles, the revenues will amount to €148,711.92. This makes overall revenues of €195,919.92 for initial legal advice and legal mediation services. Next to these two services, two new services will be launched through a new chatbot in year two. This new chatbot will serve as a study support tool for students and also mediates

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students who use the chatbot with law firms and legal departments of companies for a job. As 93.5% of the actual 116,683 law students in Germany pay for legal advice services throughout their studies, the startup expects 0.5% of the 93.5% to pay for the chatbot service in the beginning as the awareness for the product will be low and there might be skepticism due to bad experiences with other AIs. Of these 545 students 50% are expected to only pay €4 ones for five requests for testing or job mediation purposes. The other 50% are expected to pay €10 per month for the subscription model, with an average customer lifetime of 12 months. Overall, this makes €18,802.50 using the chatbot in the first year when assuming equal distribution of customer acquisitions per month. Furthermore, there will be revenues for the job mediation service. On average, law students are looking 1.21 times per year (see Chapter 4 market sizing) for a job throughout their studies, meaning the first-year users of the chatbot are looking for 659 jobs in total. Here, the startup expects that 20% of these jobs (=132 jobs) will be finally mediated through the chatbot. The final mediation number of 132 accounts for 0.41% of the total online law student mediation market of 32,223, which seems ambitious but possible. Regarding the partner firms, the startup plans to win all existing partners also for this service and to forge five new partnerships with legal departments of companies. As these 35 firms will be preferred over non-partner firms when it comes to the suggestions for law students, 20% of all mediations are expected to be for partner firms. By setting average prices (=the revenues after the fee application) for internship mediation of €300 per mediation and €1,800 per mediation for full-time job mediation, the startup arrives at €13,200 for the student mediation service in its introduction year and €32,002.5 in general for the second chatbot. Thus, the startup will generate overall revenues of €227,922.42 in year two.

In the third year, revenues related to the two chatbots are expected to increase further due to increasing awareness and acceptance in the market and the forging of new partnerships with law firms. The revenues from initial legal advice seekers and client mediation will now grow

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by 50% overall to €293,879.88, with €70,812 coming from initial legal advice seekers and €223,067.88 coming from client mediation. Despite the high growth rate of 50%, the market penetration of overall legal advice seekers is still below 0.5%, which indicates far more potential to grow and conservative assumptions. Regarding the chatbot service for students, the startup expects strong growth, especially driven by positive WOM from students and their fear of getting a disadvantage towards students who use the tool. The service's penetration rate throughout all students is expected to double, reaching a penetration rate of 1% among law students who are willing to pay for study support tools. Thus, revenues for the usage among students will be €37,605. For job mediation, the startup expects the revenues to grow even more and the mediation rate towards partner firms is expected to increase from 20% to 25% through new firm partnerships. The final revenues per year here reach €39,600, so the revenues for the second chatbot in its second year of usage reach €77,205. Next to the two established chatbot services, a new legal AI research chatbot service for internal usage in law firms and legal departments will be introduced. Overall, there are 49,000 law firms in Germany, which are all relevant as target groups for the service, 3,200,000 small and medium-sized companies, where approximately 10% have their own legal department, and 20,800 large enterprises, which all have a legal department (HERFURTNER 2023) (Destatis Statistisches Bundesamt 2023). Thus, there is an overall large target group for the service of 389,800 companies, of whom the startup aims to acquire at least 60 in the initial year of the service, with the goal of an average customer lifetime of five to ten years. Through the subscription model with monthly payments of €100, the generated revenues for this service in the first year will be €39,000, assuming equal distribution of acquired customers per month. Overall, this makes revenues of €410,084.88 in year three.

In the fourth and final year of the revenue forecast, the startup expects the customer base for initial legal advice and lawyer mediation to increase by 40%, reaching an overall market

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penetration on the quantity side of 0.52% of the initial legal advice market. This will lead to revenues of €411,431.83, with €99,136.80 coming from initial legal advice seekers and €312,295.03 coming from client mediation. Regarding the chatbot service for students, the startup expects the user number to increase by 50%, which will lead to revenues of €108,087, with €52,647 accounting for the general usage and €55,440 for the job mediation. Lastly, the revenues from the legal research chatbot for law firms and legal departments are expected to increase significantly by at least 200% as the tool already will have proven its reliability for other law firms and legal departments, which is especially important in the B2B sector. Thus, the customer base is expected to increase by around 15%, bringing €117,000 in revenues if all customers from the first year stay in the second year. The coverage among all potential law firms and legal departments is still only at 0.02%, showing how significant the potential of this revenue channel is and that the revenue estimation is relatively conservative. This outweighs the somewhat optimistic assumption for the student study support and student-law firm mediation market, which assumes by far the highest market penetration rates. Overall, year four brings €636,518.83 in revenues.

### **Operational costs and other expenses**

Operating expenses are all costs that occur during the day-to-day activities of the business and illustrate how capital intensive a company is (Murphy 2022). Overall, the startup business model is not capital intensive as the product is software and no classical supply costs, logistic costs, costs for production facilities, or distribution costs occur. On top of the operational costs, the following part also includes loan interest expenses and costs for the change of legal form, as both reduce earnings on the income statement. Installment payments and investments are not considered as they have no effect on the income statement. Nevertheless, fixed and variable costs occur for the startup every month, with salary costs for founders and employees being by far the most significant cost position. The following table illustrates the occurring cost positions

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throughout the first four years. Below the table, a more detailed explanation of the different positions can be found.

		Costs in €				
Cost positions		2024	2025	2026	2027	CAGR
<b>Fixed costs</b>	<b>Server</b>	6,120.00	6,120.00	6,120.00	6,120.00	0.00%
	<b>llama Index</b>	558.00	558.00	558.00	558.00	0.00%
	<b>Microsoft 365 Business Standard</b>	35.10	46.80	58.50	58.50	18.56%
	<b>Salary employees</b>	-	54,000.00	114,000.00	126,000.00	52.75%
	<b>General &amp; Administration</b>	2,000.00	2,000.00	2,000.00	2,000.00	0.00%
	<b>Salary founders</b>	72,000.00	82,182.90	143,847.33	257,752.82	52.98%
<b>Variable costs</b>	<b>External Accounting Service</b>	2,107.00	4,166.00	6,122.00	7,933.00	55.57%
	<b>IHK Fees</b>	128.84	175.61	322.42	501.82	57.34%
	<b>Marketing spendings</b>	7,317.46	22,792.24	41,008.49	63,651.88	105.66%
	<b>Loan interest</b>	211.67	192.26	149.93	107.60	-20.19%
<b>Other</b>	<b>Change of legal form to GmbH</b>	-	900.00	-	-	-
	<b>Σ</b>	90,478.07	173,133.82	314,186.66	464,683.62	72.53%
<b>Growth</b>		-	91.35%	81.47%	47.90%	

Table 3: Operational costs forecast 2024 - 2027, own illustration

Overall, the cost increase per year of 72.53% is far below the revenue increase of 105.55%, displaying a significant increase in profit margin throughout the years.

On the fixed costs side the server, llama Index, and General & Administration (G&A) remain constant over time. The server costs and llama index are based on a subscription model, and as the startup already plans to directly purchase a powerful server for €490 per month, with two small backup servers for €10 each per month, updates are not needed within the first year of operation. G&A costs are all occurring expenses that cannot be subsumed below the other cost position, for example, travel expenses or renting of coworking spaces. The salary of employees and Microsoft 365 Business Standard application is increasing for every newly hired employee. In year two, a legal expert will be hired for an average salary in the industry of €4,500 per

### *Group part*

month, which will increase to €5,500 per month after two years to incentivize the employee to work hard. In year three, with the launch of the legal research chatbot, an additional software developer will be hired for an average salary of €5,000 per month to support the founding software developer to further improve the chatbots and help with customer support.

On the variable costs side, all positions depend on the achieved revenue levels. All three founders earn a market average yearly salary of 20% of profits (profits before deducting their salary) and a minimum of €2,000 per month (=€24,000 per year) if 20% of the profits would be below that level. Until the UG becomes a GmbH in 2025, the 20% of profit target applies only to 75% of profits as 25% must be retained as retained earnings. In the first year, the profits are below that target level, and so the founders earn €2,000 per month each, which amounts to €72,000 in 2024. In the following years, the target level of 20% profits is exceeded. Costs for external accounting services depend on the revenues a company generates yearly. In Germany, the “Steuerberatungsvergütungsverordnung (StBVV)” defines how much can be charged for accounting services, including annual financial statements. As the revenues increase throughout the year, the spending on accounting services increases. The fees for the German “Industrie und Handelskammer” (IHK) were calculated with the official IHK calculator and depend on the earned yearly profits. Last, the spending for marketing is set to 10% of revenues and thus increases proportionally with the revenue increase. After salaries, marketing is by far the highest cost position due to the high importance of spreading awareness of innovative products. Regarding other occurring costs, the loan interest rate has been declining throughout the years as the overall debt level decreases through the installment payments of €833.33 per month. Furthermore, in 2025, costs of €900 for changing the legal form from UG to GmbH will be incurred. The change of legal form will happen in 2025 as the statutory retained earnings of 25% of profits are expected to surpass the €25,000 mark throughout the year.

### Profit forecast and return on sales

A profit forecast is essential for a company as it measures the health of the company and the ability to create value for shareholders. The figure below illustrates the profit development based on the forecasted revenues and costs for the first four years of the business.

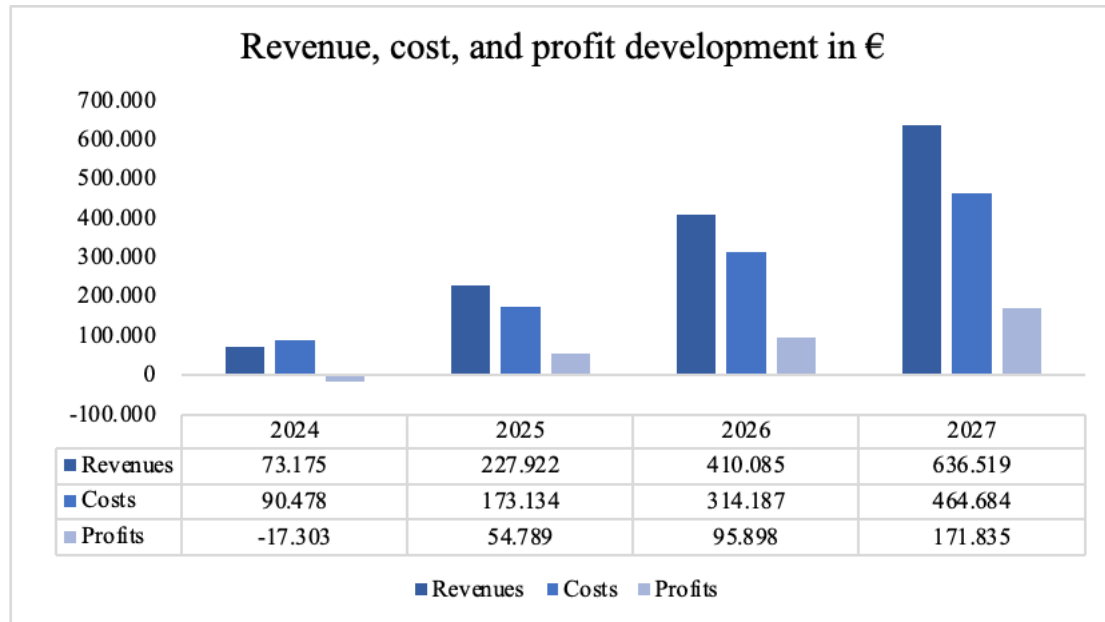


Figure 3: Profit forecast 2024 - 2027, own illustration

There is a clear positive trend in which revenues are growing faster than costs, leading to rising profits over time. In 2024, profits are still negative, but already in its second year, the startup is able to generate a solid profit of €54,789, which is equal to a return on sales (ROS) of 24.04%. In the last two years of the forecast, the overall profits increased significantly by around 80% per year. The ROS could be maintained at over 20%, with 23.38% in 2026 and 27% in 2027. All these numbers indicate a highly profitable business.

### Liquidity planning

Liquidity planning is essential for a business as it determines if a company will have the financial resources to pay future debts and liabilities. By definition, liquidity planning is a near-term finance planning task where an organization performs the daily coordination between in- and out-payments. Through this, a company avoids last-minute liquidity deficits and ensures it meets its short-term obligations. Furthermore, it ensures to avoid having too much cash, which

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costs the company money if the cash cannot earn interest (Gartner 2023). Regarding cashflow management, one general rule of thumb suggests that it is enough to cover three to six months' worth of operating expenses (Shelton 2023). Unlike the profit calculation, the liquidity planning considers all cashflows that go in and out of the business, so the monthly installment payments of €833.33 per month, which begin in the second year of operations, will be included in the liquidity planning.

The following figure showcases the liquidity development of the business from 2024 to 2027.

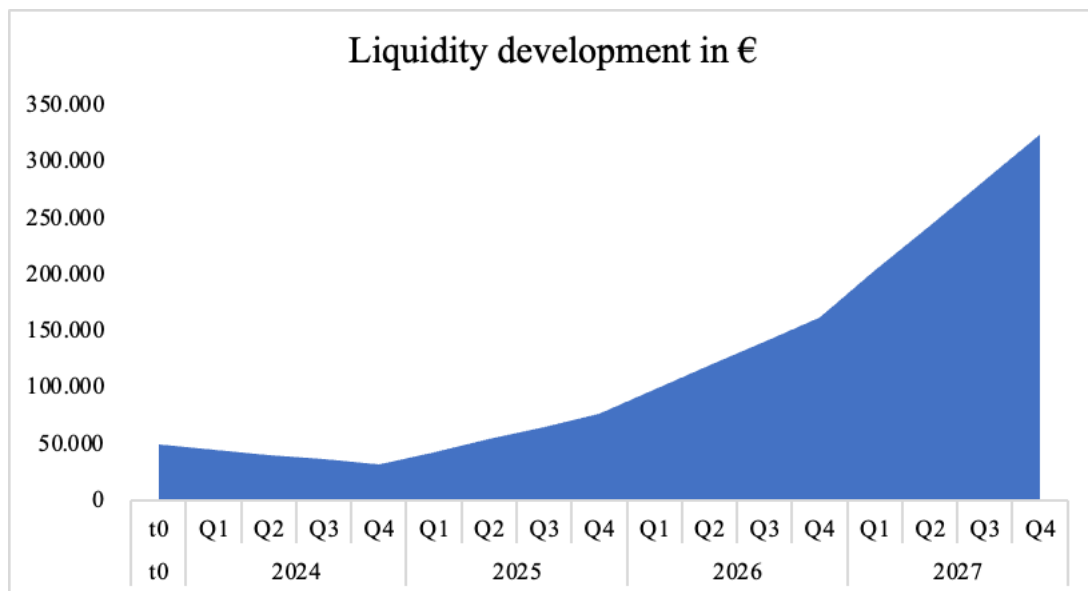


Figure 4: Liquidity development 2024 - 2027, own illustration

The chart displays an overall comfortable situation for the startup.

Through the loan deposit and the shareholder contributions, the startup starts its operations with around €50,000 in cash after deducting the initial investment of €6,673.26. The balance is slightly declining throughout 2024, reaching its all-time low in Q4 before increasing exponentially from Q1 in 2025. This is mainly driven by the significant profit increase, on which the monthly installment fee of €833.33 only has a small impact. The incline between the years is linear as the business is not seasonal, so the startup assumed yearly profits to be distributed equally between the months. As the liquidity level reaches high levels of around

€100,000 in Q1 2026, the startup should actively look for further investment opportunities to yield an appropriate interest on the money. If investment opportunities are rare or have a bad risk-reward ratio, the cash balance that exceeds three to six months' operating expenses can be distributed to the founders and employees as bonus. Keeping higher levels only cost the company money due to missed out interest yields.

### Break-even time analysis

A break-even time analysis allows businesses to better understand the relationship between costs and profits. It calculates how long a company will take to amortize all occurred costs and thus highlights when the company will be profitable (Finance Strategist 2023). For that, the cumulative costs were compared with the cumulative revenues. The loan deposit and installment payments are not included as they have no impact on the operational result of the business. The following figure compares cumulated costs and revenues for the startup.

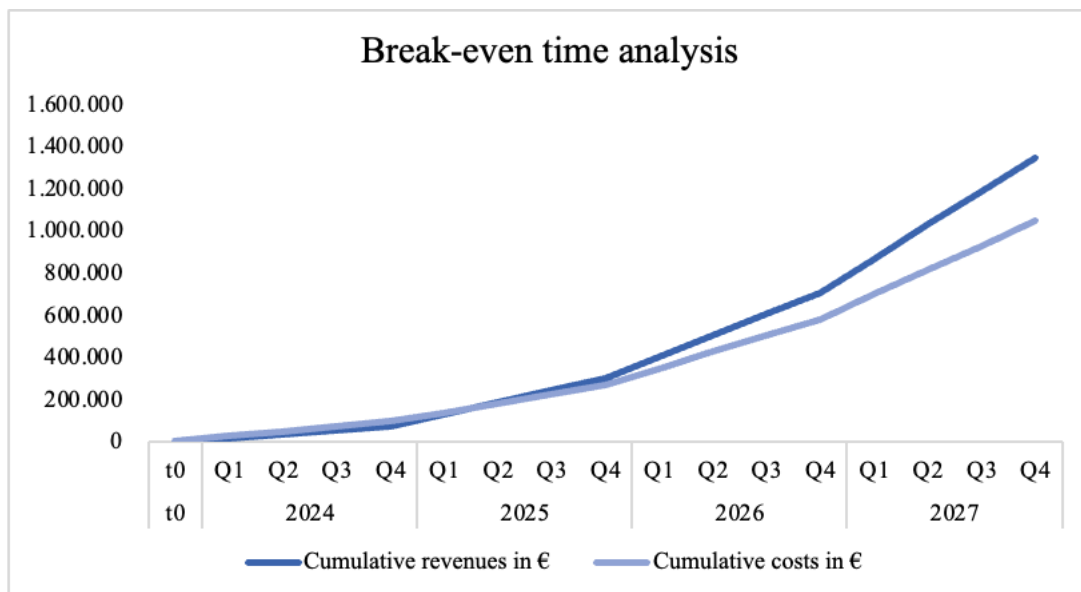


Figure 5: Break-even time analysis, own illustration

The figure shows that the startup will reach the break-even point in Q2 in 2025. This means that the startup will have amortized the cumulative costs until this time and will be profitable from now on. In 2025, cumulative revenues and costs are still similar, but from Q1 in 2026

revenues start excelling costs significantly in total growth. Overall, the illustrated development suggests an ongoing positive trend in the future if no unexpected environmental changes occur.

## **10.2 Best case scenario**

The best-case scenario illustrates what the startup can achieve in optimal market conditions. It is essential to mention that the business cases differ mainly in revenue assumptions as the cost positions are mainly fixed or proportionally dependent on revenues, and thus, improvement levers here are few. In contrast to the normal case scenario, it assumes a higher total demand for the offered services and a comfortable competitive position throughout the years. The higher demand in this scenario is driven by an economic recovery after challenging last few years and an increasing acceptance rate for AI technology among society. In times of economic recovery, companies are less financially restrained and more actively looking for new investment opportunities and partnerships. This will make it easier for the startup to build partnerships and convince companies to pay for their services. As the startup is the first company with an AI chatbot solution in all markets they enter (besides the B2B research software market), building strong B2B partnerships from the beginning will create higher barriers to entry for potential competitors and lead to a dominant market position of the startup. Furthermore, companies have a higher need for employees in good economic times, which aligns perfectly with the job mediation service. Additionally, the acceptance rate for AI technology might increase stronger than expected, especially leading to higher market penetration rates than assumed in the normal case scenario.

Given these positive developments, the startup expects to be able to already earn 40% more revenues in the first year and then increase revenues at a 15% higher rate on average (20% increased growth rate in 2025, 15% in 2026, and 10% in 2027). Costs, on the other side, will increase at a lower level as a large share of fixed costs remains unchanged, and only variable costs increase with the revenues. This leads to significant increases in profits each year,

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reaching a slight yearly profit in the first year of operations and increasing profits of 2027 by around 150% to €428,491 (see Appendix 13). Driven by the significant increase in profits, the liquidity situation also shows a steep incline in cash balance over the years (see Appendix 14). The slight drop in cash reserves after the initial investment gets back to old levels during Q1 in 2024 and keeps rising from then on. Similar to the normal case but even more, the startup has the challenge of managing the large sums of money effectively by finding attractive investments. Further considerations would be to increase the number of personnel, including a treasurer who is responsible for managing the money effectively, and to rent or buy an office location as soon as the personnel number reaches a certain level. The desired level of cash reserves should be kept around three to six months' worth of operating. Regarding the break-even time analysis, cumulative revenues surpass cumulative costs already in Q4 of the first year of operation in 2024 (see Appendix 15).

### **10.3 Worst case scenario**

The worst-case scenario showcases the development of the startup's financial situation if internal and external problems arise. In a worst-case scenario, the startup cannot launch its products as planned due to underestimated development complexity and personnel needs. For the first two chatbots, which address initial legal advice seekers and law students, this is not expected even in the worst-case scenario as the complexity level of the products is relatively low. Regarding the legal AI research chatbot for law firms and legal departments, the high product complexity will lead to a one-year delay in the product launch. On the external side, there are three main threats, which will all apply in the worst-case scenario. First, the overall demand for and acceptance of AI develops worse than expected. Secondly, an economic depression arises. Third, new competitors can win market share from the startup and start price wars. The first two states will be assumed for the whole forecast period, whereas competitive

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pressure is expected to arise from the second year on reaching its high in the third year of operations.

Given these adverse developments, the startup expects that only 70% of expected revenues 2024 will be achieved due to a worsening economic situation and lower demand for AI services. In 2025, the expected growth rate of revenues will be slowed down by 20% due to new market entrants. For 2026, the expected revenue growth rate decreases even by 30% as the level of competition increases through price wars for market share gains. Furthermore, a new software developer cannot be hired as planned due to the financially difficult situation. In 2027, the overall situation stabilizes a bit, but revenue incline rates are still 15% below the expected levels of the expected case scenario. To save costs, the startup will postpone the salary increase of their legal expert. Additionally, the startup expects to lose all revenues from the legal AI research chatbot in 2026 due to the one-year delayed product launch. In 2027, €78,000 expected revenues will be lost as the product needs to establish itself in the market first and cannot benefit from word of mouth and positive use cases like assumed if the product had been launched a year earlier. All this will lead to a significant decrease in profits per year, with 2024 and 2025 being negative and 2026 being the first profitable year with a marginal surplus of €8,970. In 2027, the startup will achieve a solid profitability level, reaching profits of €58,767 (see Appendix 16). Even though the profits were negative in the first two years, the biggest concern for the startup in a worst-case scenario will be the liquidity situation. Despite saving employee salary costs, the startup will run out of liquidity by the end of Q2 2025 if they do not raise additional capital (see Appendix 17). From Q2 in 2027, the liquidity situation starts to recover and rises back to healthy levels. Additionally, a conducted break-even time analysis illustrates that it will take the startup until the end of Q4 in 2027 to reach its break-even point (see Appendix 18).

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Overall, the worst-case scenario suggests that the startup will be able to achieve profitability after some, time even in extremely challenging and negative circumstances. This shows the robustness of the business and its operational model, which is more resilient against a crisis than asset-heavy businesses with large fixed cost positions. The key for the startup in such a situation will be to gather additional funding to secure its solvency. However, large sums of funding will be optional.

## **11. Final evaluation of the business idea**

The purpose of the evaluation is to critically analyze the key components of the presented business plan, aiming to assess its overall feasibility, strategic soundness, and potential for success in the identified markets. The main opportunities and risks of the three different markets are highlighted in the first three subchapters. The fourth part evaluates the financial outlook for the startup and last a comprehensive conclusion will be provided.

### **11.1 Legal research software market**

The evaluation of the legal research software market reveals several promising aspects and challenges. On the positive side, the market appears less developed than the broader legal tech market, with a growth rate that is almost twice as high and a high fragmentation among players. This suggests that entering the market could be relatively more straightforward, presenting an opportunity for new entrants. Despite the immature stage of the market, it already accounts for around 18% of the overall legal tech market, implying its large potential. Notably, the absence of AI integration in most legal research software and the lack of AI chatbot services provide a niche space for innovation. Additionally, there is a conspicuous gap in the market for legal research software tailored specifically for law students and legal advice seekers, offering an attractive prospect, particularly considering the increasing expenditures on study support tools and services (see Chapter 6.3.2 survey results). The potential for a first-mover advantage further enhances the appeal of market entry. Regarding profitability, the B2B market excels with high prices and margins whereas prices and margins are lower in the B2C market due to higher price sensitivity. This indicates overall higher attractiveness of the B2B market. However, on the downside, the requirement for internal usage within law firms and legal departments is substantial, potentially favoring larger tech companies with more significant resources. On top of that market entry barriers are relatively low, which poses the threat of a worsening competitive situation over time. Moreover, developing proprietary internal research software

tools by significant players like EY introduces competitive challenges that new entrants must navigate (see Chapter 6.3.3 results: expert interviews). This nuanced evaluation underscores the opportunities and obstacles inherent in the legal research software market.

### **11.2 B2C online client-law firm mediation market**

The B2C online client-law firm mediation market presents compelling opportunities and challenges. A notable advantage lies in being the first to integrate AI into this market, capitalizing on a growing trend that promises to divert market share from competitors, mediating clients through less convenient website-based platforms. The company benefits directly from the increasing demand for legal advice, driven by the rising complexity of the law and three significant challenges—demographics/migration, digitization, and climate change. The potential first-mover advantage is particularly valuable in a market where the network and relationships with law firms are pivotal. Early entry into the market poses a barrier for competitors attempting to establish similar connections. Another positive aspect of the market is the low price sensitivity of law firms, which enables the startup to charge high prices. However, challenges exist, including potential skepticism from clients seeking legal advice and mediation through an AI chatbot. The pessimistic economic outlook, especially in Germany (projected economic growth of 0.9% in 2024), might reduce people's willingness to consult legal experts in the near future, impacting market demand (Kiel Institut für Weltwirtschaft 2023). Furthermore, the company's success is highly dependent on the willingness of law firms to establish partnerships, highlighting a potential vulnerability in market dynamics.

### **11.3 Online student-legal job mediation market**

The online student-legal job mediation market is promising but presents some challenges. As the first to introduce AI in the student mediation market, the company stands to gain market share from competitors relying on less convenient website-based mediation services. A unique advantage lies in the cost structure, as companies pay only for successful student hires,

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contrasting with the traditional model where job advertisements on portals incur costs irrespective of success. Interviews with professionals from law firms express a strong interest in such a service and low price sensitivity, underscoring the perceived value (see Chapter 6.3 results: expert interviews). The first-mover advantage is particularly valuable in a market where network and relationships with law firms and legal departments are paramount, creating a barrier for early adopters. However, challenges include potential student distrust in AI chatbots, company preferences for alternate recruitment processes to avoid mediation costs and a historical decline in the number of law students. The advancing role of technology may further impact the demand for legal experts. Additionally, the success hinges on the willingness of law firms and legal departments to engage in partnerships, emphasizing a potential vulnerability in market dynamics.

### **11.4 Financial outlook**

The overall financial outlook for the startup looks promising. Due to its nature as an “asset-light” software provider, it does not have the challenge of covering high fixed costs and can scale its business relatively quickly. In the normal case scenario, the startup is expected to grow at a CAGR of 105% over the first four years of operation, reaching revenues of over €600,000 in 2027 and profits of over €150,000. In the best case scenario, it is even expected to grow at a CAGR of 115%, with revenues over €1,300,000 and profits over €400,000 in 2027. This illustrates the enormous potential of the business model, which is driven by a large addressable market, positive trends towards AI, a higher need for legal services, and the favorable market environment with a high fragmentation level of players and market gaps that the startup aims to cover. Even in a worst-case scenario, the startup is expected to reach profitability in its third year of operation and its break-even point at the end of 2027. This shows a high level of downside protection and low dependence on external factors for operating a profitable business. The startup's main financial threat is running out of liquidity to cover costs for the salaries of

the three founders and the legal employees. This threat is predominantly present within the first years after hiring an expensive legal expert. Thus, the liquidity situation needs to be monitored constantly towards a target cash reserve balance of around three to six months' worth of operating.

### **11.5 Conclusion**

In conclusion, the business faces a landscape of diverse opportunities and challenges across the evaluated markets. While promising with its relatively undeveloped state and high growth rate, the legal research software market poses challenges with the substantial requirement for internal usage within law firms and competitive pressures from established players. The B2C online client-law firm mediation market presents an advantageous position as the first AI integrator, capitalizing on a growing trend and rising demand for legal advice. However, skepticism toward AI chatbots, economic uncertainties, and dependence on law firm partnerships are notable challenges. The first-mover advantage and innovative cost structure offer distinct advantages in the online student-legal job mediation market. Nevertheless, challenges such as student distrust in AI chatbots, evolving technology impacts, and the dependence on law firm partnerships underline the need for strategic agility. On the financial side, high salary costs pose the most significant threat to and demand constant liquidity monitoring. As the founders navigate these complexities, their success pivots on a nuanced understanding of market dynamics, continuous innovation, and proactive engagement with industry stakeholders to establish robust partnerships. Pursuing these strategic imperatives will position the business to thrive in dynamic and evolving legal tech markets.

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## Statutory declaration

We declare that we have authored this thesis independently, that we have not used other than the declared sources / resources, and that we have explicitly marked all material which has been quoted either literally or by content from the used sources.

Date	Signatures			
20.12.2023				
	Anna Emer	Laura Person	Katharina Hardekopf	Marcel Friedrich

## Appendices

### Appendix 11: Transcribed expert interviews

#### 1. Expert interview: Franz Retzlaf (F.R.)

30 – 10 – 2023 04:05 PM

Marcel Friedrich

0:17

Yes.

Frank Retzlaf

0:20

Na.

0:22

Marcel Friedrich

Do we want to record straight away or just a brief introduction of what we do?

0:30

Frank Retzlaf

Yes, we can introduce ourselves briefly, I guess.

Maybe it's not bad to know who you want to talk to here.

0:35

Marcel Friedrich

Should I start or should I start briefly?

Frank Retzlaf

No, you're welcome to start, yes, that's right,

0:51

Marcel Friedrich

I'm Marcel. Yes, a good friend of Alsen, as I already mentioned, Alsen had a business idea and I'm currently in the process of writing a master's thesis.

Studying Grad Management in Lisbon in the Master's program and.

We just thought about what we could do and thought to ourselves that if a good colleague had an idea, a business idea, that we could investigate it further as part of the custom work. That's why we're currently writing a small business plan about it and. Of course, it also needs a small assessment from yes, from the customer side, whether the product has any market demand at all and that is more or less the reason why we are talking today.

1:27

Frank Retzlaf

Maybe that's exactly how Frank Retzlaff works for me. I have been a lawyer and tax advisor at I wei for over 20 years, as I have been a partner at another Big Four firm since 2007. I work primarily in the tax area, in the People Advisory Services division.

All topics that have something to do with personnel, employer obligations, then tax law across the borders, the remote work matrix structures, payroll tax, so everything that is a bit like tax law, but about the borders internationally with the employees, and I am responsible for our advisory offerings in Germany. Shared that we once of course also a big one. Science we also have a global coordinating office area and we really know what the consulting services are like. First of all, we would do compliance and certain tax returns for top VIPS, but of course we also try to really get involved in the compliance teams to a large extent and in the consulting services we are of course also very much concerned with the future. What are the new needs in the market, as has changed since the pandemic?

What are the new offerings that are in demand from accounts? What are the new advisory services, how will support be provided in the future? Artificial intelligence is playing an increasingly important role, what are the first layers of support and who is actually doing what? It's actually a very exciting time at the moment, certainly yes, it definitely sounds exciting, one more quick question, so I mean you wrote that your customers are actually mainly companies, right?

3:17

Frank Retzlaf

No private individuals okay, I understand well, I think I had 95 5%, that's partly private individuals of course, but either the service is paid for by the company, but sometimes there really are private individuals who really do pay us privately, but they're really families.

3:37

Marcel Friedrich

Yes, but then there are probably also people with more inheritance, right?

Frank Retzlaf

3:43

Yes and no. But of course there are people who have overlapping topics and who earn a little bit of money, otherwise we would really go somewhere else.

4:02

Marcel Friedrich

Yes, of course, well, thank you for the introduction. Maybe we'll go straight in. I've already sent you the questionnaire.

The questions I'm going to ask now won't deviate from that. So we will first go into this status quo part, how it currently looks for you and then also a small assessment from you regarding the technology that is more or less planned for us as and can you start the recording.

4:30

Frank Retzlaf

Ah OK, great,

4:34

Marcel Friedrich

let's start with the status quo at your company. We are currently starting with the internal processes. I'd be interested to know what your current working day is like.

What does it roughly look like, what kind of tasks do you have so that we can perhaps imagine it a bit more precisely?

4:55

Frank Retzlaf

I'd say it's everyday work, I guess. It looks like any consulting firm, like any law firm. So of course you work for your clients. Has certain client projects, I'll say the younger ranks among us consultants. Senior Consultants Managers usually work directly on various client projects, while the higher rankings upwards also do a lot of proposals.

Market and also do other things. But I don't think we're much different than other law firms.

5:43

Marcel Friedrich

Yes, how can one imagine it, so when a client approaches you, then it is brought to the team, now operationally, what are the activities there? Well, as I said, I don't come from a tax law background. That's why I asked. What exactly are the tasks involved in filling out research documents?

5:57

Frank Retzlaf

Yes, I'll put it this way, before a connect is even made, there is a client exceptions process that is the same for all lawyers. We have relatively strict requirements in terms of the Money Laundering Act, what do we actually have to fulfill, what documents do we need before we even accept a client.

How easy it is with private individuals, as a rule we only need a copy of their ID cards and would then use the appropriate anti-terrorists to automatically check what kind of colleagues they are who appear somewhere on money laundering lists, which in the case of companies we of course still need the Ultimate Beneficial, which is sometimes difficult if I now have a Siemens AG, where there are thousands of sub-companies, to have all the company trees, but that's actually always the case, the initial phase actually.

Of course, once everything has been clarified, we send out the mandate agreement. Let's do the other risk assessments in the system and then we can actually start working, regardless of the issue. OK, that's really everything. So we have, let's say, 4 main areas of auditing. Yes, I'll say. Our transaction consultancy Consulting steuern times so called as the main profession. We do, of course. are the auditors, we are usually advised, if nothing else due to the legal regulations we are not allowed to record, of course extremely on and otherwise, if everything is clarified so far, we start working normally, depending on what issues come to us, which in my area are more issues that have to do with natural persons, with personnel in the broadest sense, can of course also be there. In other areas, of course, he is also involved in the possible topics of, let's say, transactions, corporate tax issues, strategy consulting, so really everything.

8:03

Marcel Friedrich

In the area where you are mainly active now, tools in use, so possibly AIS, which you already use, or how exactly can we imagine that for you?

8:18

Frank Retzlaf

Yes, we have been doing that for many years.

Completely paperless. That means, of course, we have electronic filing tools, we have knowledge databases, we have exchange platforms that we use to get in touch with customers, where large amounts of data can be moved back and forth and we are actually working on the first As with the first bots. Is it already so fully developed, certainly not yet, that you can say it's comprehensive worldwide, we are active worldwide. Let's do that right away, it depends a lot on the individual accounts and the individual projects and the chatbots that we've already mentioned, which are now more in the test phase, as I understood it.

9:01

Marcel Friedrich

How are they used?

9:05

Frank Retzlaf

Also very different. So it also depends on the customer. So there are already accounts where we have massive chatbox deployments, they are usually accounts that have recurring questions, such as large expert populations where you do 8900 tax returns, where you then say we have a chatbot for such simple queries in addition to our questionnaire next to our tool where the accounts can go in when the database sees us where they are in the process. If he now has a question about his tax return, but these are, let's say, individual projects where it really depends, the question is also, does the customer want this, does he pay us for it or does he have another idea of the service,

9:40

Marcel Friedrich

all right okay understood, then we'll now come briefly to customer acquisition, I'd be interested to know how the new customers are generated, is it more of a recommendation-based business or do you also place advertisements and Or other.

10:04

Frank Retzlaf

Well, first of all, if you haven't been in the market for a long time, you'll automatically get every tender in your segment because the market knows you. The, that is, for certain questions. Because then, of course, certain colleagues are also approached because they are actually known on the market. So now, of course, the accounts that I'm particularly interested in, I send them to them. I approach them directly, you know a lot of accounts everywhere through linkedin and then you stay in contact, especially with the really big public companies, you know people there, then you get in, otherwise it's rather difficult, so we don't actually place any specific advertising, ok understood then the last point.

10:51

Marcel Friedrich

Regarding your current internal recruiting processes, I would be interested to know what the current recruiting process looks like? I assume you place job advertisements in job boards of some kind, possibly magazines. Are you perhaps also represented at events or do you recruit

directly from universities? Can you perhaps give me an insight into where your focus lies and how you recruit?

11:18

Frank Retzlaf

Well, firstly, I'd say that we naturally prefer to recruit interns and working students who have already been with us, which is why we're often at universities, at job fairs, Uni Days or Career Days, as they're all called, we have our own homepage where all the job advertisements are posted, and you can certainly also find them on Stepstone, Xing, whatever they're all called, that we really do not pay to place ads. I actually have less of that. Sometimes I also use headhunters to approach other candidates. Or if I want to contact very specific candidates. Otherwise, a.in is relatively fully automated, of course we also have a chat service center, of course we also have AI that scans all the applications that come in and I say then we are actually very fast, that means we also do recruiting interviews in person, if we are looking for something specifically for Hamburg for my team, for example, I'll switch. I've actually done it for everyone, but for most of them.

12:17

Marcel Friedrich

Of course, OK, well, then we've already ticked off the internal or status quo part. That again about the technology that we would offer. I would also be interested in internal processes, customer acquisition and recruiting. What would your interest in this area look like?

12:45

Frank Retzlaf

On processes, the question here is, do you think, as you've already mentioned, that you're already using it halfway through a test phase, more or less. Do you think that a specialized chatbot, like Chat GPT, only more specialized in the area that they do, internally?

13:08

Frank Retzlaf

And can. And their efficiency. Can increase.

And I definitely believe that. Mmm. Yes, yes, yes.

13:20

Marcel Friedrich

OK, all clear and what is the situation regarding willingness to pay do you say OK, a more general chatbot, somehow a chat GPT will do or does it have to be more specialized?

13:30

And I would also be willing to pay for that or is it more the case that you do it completely internally and wouldn't bring in anything external?

It would be for data protection reasons.

13:48

Frank Retzlaf

Not actually bringing in anything external. We have our own chat GPT, we probably don't have our own cloud, it's no different to how they are out there on the market and I think that will also be a trend that the large companies will of course all have their own.

Say chachi like cheese. You use it. Yes, of course, so it's probably more interesting for smaller law firms that don't have such a huge apparatus behind them

14:07

Marcel Friedrich

OK good. Then regarding. Customer acquisition. Would you be basically, they are interested in or sounds interesting when customers are referred to them by AI.

14:36

Frank Retzlaf

And I have, that would be interesting in principle. But in my experience, I have quite a lot of

medium-sized companies in my circle of friends, and of course ChatGPT and AI are sometimes used more than we are with AI and Chat GPT is particularly bad when it comes to telephone numbers, addresses and direct customers, which means you get an awful lot of errors and hardly any correct information. We've done a few tests ourselves recently and the results were really devastatingly bad.

15:10

Marcel Friedirch

I don't really see that yet. Maybe it's because the data in the GPT chat is not up to date.

15:18

Frank Retzlaf

But because people change super quickly, but I, I still see a bit of an issue here, how do I actually bring the right target groups together? Yes, so boachet GPT it's great, of course, if I now know exactly who I'm writing to, he really builds top letters and top materials that I say so account acquisition is then also the second step, of course, I need a concrete product that the customer bites on and that's often not the case in consulting. Consulting projects are all, let's say, a bit flexible. We're not selling a car or we're not selling a workation that's the same everywhere, but I imagine that's also challenging, in summary.

16:03

Marcel Friedrich

Yes, you are rather critical.

16:07

Frank Retzlaf

Outside of things like cover letters, that's something that can help. The big tenders are always then personal patches. In other words, if it's really about large-volume contracts over a hundred thousand euros, it's almost always still oral presentations, presentations of which are then longer procedures anyway, if it's then EU tenders, then it becomes more complex anyway.

16:35

Marcel Friedrich

Yes, sure, well, then to the last topic. Recruiting is therefore relatively similar to customer acquisition. Do you think that would be in recruiting?

Easier to implement, such a Ki to develop.

16:57

Frank Retzlaf

Yes, future employees will be in contact with you.

And I think that would also be a conceivable risk. I can already see this with the filters in our Shared Service Center, depending on how I set the filters, the fewer applications actually arrive. And you have to be extremely careful that AI doesn't sort out certain applications according to a certain pattern. For me, for example, I pay relatively little attention to school grades, but it's much more interesting. What did the candidates do at university, which universities are they from, what did they actually do there in addition, where did they work, because that's what a lot of students do.

They're still, they're just not running yet, they're running along, but they're not delivering.

But they're more likely to deliver properly, that is, I underestimate how much a Pole can and can't do based solely on grades, and they have huge differences in quality, which doesn't even matter whether they were in Lüneburg or at ETH Zurich, so there would be big differences.

18:13

Marcel Friedrich

Yes, definitely, we also saw it a bit more from a student perspective, that is AI is basically in there with you and then somehow filters the students, but that the students can also use the AI for themselves in their studies, but at the same time they can also upload their CV and then they are spit out opportunities at companies that match their CV. Exactly the model would be, if you get a student now, then you would just get a small share. So you somehow get a fixed amount as payment for placing the student. What do you think of this idea?

18:52

Frank Retzlaf

Well, it's conceivable, because of course we have far too few interns because we don't have enough junior staff. I think that's certainly a conceivable possibility. Yes, conceivable yes

19:02

Marcel Friedrich

OK, all right. Conceivable and perhaps with regard to willingness to pay? I know, of course it's always super difficult to estimate. How much would I be prepared to pay for something like that. Just a rough indication, maybe pro mediate students what would a willingness to pay be?

19:32

Frank Retzlaf

To say, I know the headhunter prices that you pay for real positions that are also extra mutant. But I think it's a student who really does a 6-month internship. How long does that last for me? The decisive factor. There's only one working student, he always has 8 hours a week, but that's for real interns. I think so. It's hard to estimate, but not three figures. In the early four-digit range, if they are good people yes

20:09

Marcel Friedrich

OK super good, that would have been my questions.

Thank you in any case for taking the time, you are welcome to stop

## **2. Expert interview: Klaus Schickler (K.S.)**

Note: The interview was conducted in German and translated into English using the trint software

15 – 11 – 2023 09:00 AM

XXX

Katharina Hardekopf [00:00:14] Good morning This is Katharina Hartkopf. Hello, Mr. Schickler has offered to interview him for expert interviews on the topic as part of my master's thesis. Great, thank you.

Klaus Schickler [00:00:41] Please stay connected to the device. Send the whole thing.

Katharina Hardekopf [00:00:50] Good morning This is Katharina Hartkopf.

Klaus Schickler [00:00:53] Good morning

Katharina Hardekopf [00:00:54] Yes, thanks for making it work out. Clearly Um. Yes I am very pleased that you are taking part in an interview. Um, that's right. It's about 20 minutes now. Maximum. Um, before we continue, I would first ask you for permission so that we would then include your answers as part of our master's thesis and then quote them.

Klaus Schickler [00:01:17] Um, you can.

Katharina Hardekopf [00:01:19] Alright Otherwise, we can also anonymize your name if you prefer.

Klaus Schickler [00:01:26] It doesn't matter to me.

Katharina Hardekopf [00:01:27] Alright perfect. Very good Um. Exactly. The questionnaire. It is divided into two parts. It is then a question of the status quo. And then, in the second step, to evaluate this chatbot technology.

Klaus Schickler [00:01:39] Um.

Katharina Hardekopf [00:01:40] Exactly.

Klaus Schickler [00:01:41] Read it first.

Katharina Hardekopf [00:01:43] Ah yes. perfect. Okay, then. Then you know what's in store for you. Very good Um. Good Exactly. Then I would now, um. Yes Start with the status quo. I'm surprised. I'm taking notes while I'm doing this.

Klaus Schickler [00:01:57] Yes

Katharina Hardekopf [00:01:58] Exactly. First of all, I would be interested to know what your typical everyday life at your law firm looks like at the moment.

Klaus Schickler [00:02:06] I've got this in front of me. The questions are clear. Well, very briefly in advance I've already written to you that you're dealing with an old cracker and a 57-year-old who is neither tech-savvy nor anything else. That you read that again as a basis.

Katharina Hardekopf [00:02:24] Yes, yes, of course I know.

Klaus Schickler [00:02:26] The entry fell in the law firm right down to my daily work routine or to fear of the employees as a whole.

Katharina Hardekopf [00:02:33] Or their daily work routine.

Klaus Schickler [00:02:35] Mine. Because my work usually comes from the fact that I simply leave here between seven and 7:30 in the morning. That's where I'm in the whole law firm. Sure, make ship in quotation marks. In other words, from turning on the light to turning on the computer micro program, i.e. starting up work orders. I'm looking at faxes. What is I process them I drink a coffee.

Katharina Hardekopf [00:03:09] Alright

Klaus Schickler [00:03:11] So then my secretary arrives. Then we all will. Then the pictures will be available for now. The processes from that day. We've looked up the files here. So for me, files are actually capture action. I then edit these foreign processes or these video templates. Then we'll search for the chapters in the meantime. Print out all emails that have been received up to that point. Even in theory, if someone left the message on the answering machine, I would call back within that time. About me, about things. Back to working the

files constantly, finding those emails again in between. Of course, telephone calls will take place at irregular intervals from 8:30 a.m. It may be that the phone doesn't ring at all for half an hour. It may be that in the next hour you will find what you ring the bell for. Then, of course, these clients are brought through to me. I have them in my room in all the files, which means I then pull out the respective file from the respective closet to make phone calls with the client. When I have spoken with the client or client, I then give an oral reason for what needs to be done. It may be, I don't even have to do it. I just leave the gone off again I just don't put a finger can be taken off again or I happen to something that needs to be done. And it actually went on all day until I, I say, the prosecution early in the afternoon. I'm not doing any. I'm not eating breakfast, I'm not having a good time. I don't take a lunch break, I don't take breaks in the afternoon, I work through it. Unfortunately there will be some time at the moment because we are too late for the break. Friends, when the normal mail arrives, this mail will be processed again. They have an interesting secretary who opens, stamps and so on how many files are looking for. And then I process the files in a similar way, just like the ones actually in the emails, the wrong ones also the wrong ones. We are now mandatory. Congratulations lawyer for using conciliation procedures once. Of course, there are questions just like emails, which are dealt with in the same way and that's how the whole thing works. Does 95 simply go differentiated or is striking enough. I usually stay there a little longer and then maybe look at something I didn't get around to all day because too extensive for me barely to make phone calls and then I go home at some point, let's say halfway around 6:00 on average.

Katharina Hardekopf [00:06:00] Okay, very good, thank you very much. You spoke about a lawyer earlier. So basically, I would be interested in whether you use special tools. You said you're not really that kind of surgery now.

Klaus Schickler [00:06:12] What I can say. That means the microphone is a lawyer.

Katharina Hardekopf [00:06:16] We are.

Klaus Schickler [00:06:18] The. But we who we use, but not in the extension either, in quotation marks actually. This is more or less a way of managing billing, etc., and so on. No matter how you could do accounting and the like, we don't pretend to exist, but maybe only I would probably only use 30% of what the program could actually do.

Katharina Hardekopf [00:06:39] Okay, okay, I understand.

Klaus Schickler [00:06:42] It doesn't even exist. There is of course an internal connection, of course. But the law given by itself is okay.

Katharina Hardekopf [00:06:50] And how are you currently attracting new clients?

Klaus Schickler [00:06:55] We currently acquire new customers exclusively through recommendations.

Katharina Hardekopf [00:06:59] Alright

Klaus Schickler [00:07:01] Internet, then. We have a homepage, of course, but. Pointless, but certainly not a good decision or anything. And it doesn't help. First of all, you have to become aware of the homepage. And no one does. And we're somewhere a long time ago. What should I? If you enter any terms traffic law, lawyer, Munich or anything, then we'll get to page three or somewhere. So the worst of all is not right in between. Make it more exclusive. No advertising, absolutely nothing. Only recommendations.

Katharina Hardekopf [00:07:34] Okay, I got it. Um. And how do you recruit employees? So you said you are. They have a secretary and.

Klaus Schickler [00:07:44] We're not recruiting anyone. I have. My secretary. Has it been 21 years, I think, and I still have an employee and a legal assistant who has certainly already been there for four years.

Katharina Hardekopf [00:07:57] Okay, okay, I understand.

Klaus Schickler [00:07:58] We don't want anyone else. We don't want any more excuses. We don't want anyone else either. It worked out in such a way that it is best this way. Or very difficult as a problem.

Katharina Hardekopf [00:08:14] Okay, okay, I understand.

Klaus Schickler [00:08:17] Perhaps I could ask what you're saying first. Working day, this working day is what I described from Monday to Friday. And I mean 52 weeks of vacation.

Katharina Hardekopf [00:08:29] Alright

Klaus Schickler [00:08:31] And then I'll come in here once more on the weekend. I'm there all day and no, I either come in on Saturday or Sunday and then usually do the games my own secretary. You've already got the wrong ones thrown in. Slotted for the mail. I'm stamping them. I'm going to answer the question such as deadlines or deadlines. I'm looking for the files, i.e. what actually important things do and what I do in the week also do the animals have the stuff away so that I can start again in peace and quiet on Monday?

Katharina Hardekopf [00:09:07] Okay, okay, I understand. Very good perfect. Then we have already answered the first part of the questionnaire here. Thank you so much for that. Right now, I would ask you a few questions about the assessment of chatbot technology.

Klaus Schickler [00:09:22] Yes

Katharina Hardekopf [00:09:23] Exactly. Um, you've got a question here.

Klaus Schickler [00:09:26] They say the following. I've read that expression. Of course How halfway interested person does one get something like that? Of course not. Yes, I don't have it. The law firm doesn't have it. The secretary can't. The employee, she said. No one has ever had anything to do with Z. There is no one at all. So what else is there in competition matters or something like that. That has the cuffs to venture into it again, I'll say now.

Katharina Hardekopf [00:10:02] And do you think that through this deployment, this specialized, uh, this chatbot, that your efficiency could be increased internally if you were to say now that you want to be a bit more digital, or would you say I'm happy to do that.

Klaus Schickler [00:10:20] I can't answer the question because I have no idea what that can and can't do.

Katharina Hardekopf [00:10:25] Alright

Klaus Schickler [00:10:27] In fact, I can only speak for the employees and also for myself. I've never seen anything before. I'm, of course, level some stuff that you can probably have poetry written there. And then you enter three changes so that you can't recognize the manufacturer or the author. Me but it's all just theory that I've read. I can't steal anything in practice.

Katharina Hardekopf [00:10:50] Okay, okay, I understand.

Klaus Schickler [00:10:54] That is why I find it very difficult to pay a lot when the further questions come up. How much? Yes, I can 23€ a month. If you had all employees, etc. on the €20, I would certainly not fail. If possible in quotation marks, I would have already explained to you that costs 250€ per month. Yes okay, I wouldn't be the amount at all. He can also 20€, he can also 50 men from intervention in his savings, that is certainly not a failure in the law firm. I can't answer you at all whether I can get into danger, for example. By operating on the next and point of customer acquisition, the tax office is to I would that I would be. If that would do anything, I would. I would do it for the sake of customer acquisition. Because I said earlier that you otherwise do not advertise apart from the recommendation and we do all other potential advertising, media or means. Everyone's already ruled out. So an ad in a newspaper or something or a leaflet or a veil or I don't know what. From our point of view, all of this is no longer effective and your own homepage is also not effective. And paying with any groups, for example, is likely to simply meet where click is paid. That's what I'm thinking about, too.

Katharina Hardekopf [00:12:28] Yes to do. Okay, no, but that's a good insight. So.

Klaus Schickler [00:12:33] Yes, so crystal clear. Yes I'm going to pay something for three days. There are now no customers in sight for that. It can't be insane much, of course. I would now say that is maybe, that can only be 10% or so. Because I have to do the work then. And I also have all the expenses that a law firm can make the recommendations is good, but of course not one can certainly not hear too much. From my point of view, what percentage is okay.

Katharina Hardekopf [00:13:05] Okay, I understand. Um, very good. Then we also ticked off the issue of customer acquisition. Um, recruiting is also irrelevant to you if you say you don't want to.

Klaus Schickler [00:13:16] That is then actually not relevant at all. I could only say that. We're looking for something now. I can only imagine that for the vacation agency or for us. Whereby we become that that. So no further amount or anything can be deducted then, but already.

Katharina Hardekopf [00:13:36] Yes, okay, okay, I understand. Very good Thank you, Mr. Schüttler. I would also like to ask you how do you see this whole, yes digitization topic in general with regard to the legal sector. In fact, the digitization of the legal sector. What is your assessment of how this will develop in the future?

Klaus Schickler [00:13:58] Me too. I always tell the client within the client that unfortunately I'm not a clairvoyant, otherwise I wouldn't be here. Because then I would do something else and not work 17 hours a day. I'm missing a flexible overview. Like I said, I'm somewhat interested in politics and everything. I find that valuable. Warn about this and say that this is a day that could be a disaster. I'm afraid that the Third World War could break out if some machines decide, all of which are now smarter than humans. I read advocates such as Mr Gates, etc., but that would not be completely caught up in the blue.

Katharina Hardekopf [00:14:49] Alright That means you can, they're already reading it and following the news, etc.

Klaus Schickler [00:14:57] I'm following a different path, I'd say now. Alright Of course Of course, digitization has arrived overall, of course in the legal profession. I actually mean things like a tip for many younger colleagues, of course, who no longer keep paper files, so they just come in with them to court with their laptop and then open it up and just have one of their files in there. Yes, yes. Otherwise, I believe that this principle is simply everyday work here, at least I am not aware that is used by anyone in the industry. Okay, but as I said, this has actually never been heard of before The one thing and I am in court relatively often and of course you always talk to colleagues. Then you always get said if a person had you this stone, I'm using it now or what not for a huge relief or anything else at all and not an issue at all.

Katharina Hardekopf [00:16:10] Okay, yes, very good. Thank you, Mr. Schick. Sure, that definitely helps. And exactly. We would be happy to send you our results once we have completed our custom work. As a thank you for also agreeing to interview me here. Um.

Klaus Schickler [00:16:32] I have. 88 or anything. I wrote them with a typewriter. Nobody had a computer in 1988, so no one talked privately. It's all natural. Maybe you had a Commodore 64 at some point to play somehow, or it started from such data. And so much has happened in such a law firm. Of course we do everything from the computer, now here is the series, etc. I don't think the next step in angle moves is at all possible. Not yet that anyone has to, anyway.

Katharina Hardekopf [00:17:12] Yes, okay. Great. Thank you so much. Thank you And you? Have a nice week.

Klaus Schickler [00:17:20] Thank you.

### **3. Expert interview: Barbara Großpietsch (B.G.)**

Note: The interview was conducted in German and translated into English using DeepL

06 – 11 – 2023

0:0:0.0 --> 0:0:1.250

Barbara

Question Yes was great.

0:0:2.130 --> 0:0:3.510

Anna Victoria Emer

Very nice top.

0:0:4.320 --> 0:0:10.420

Barbara

Right, wait a minute, I'm going to get rid of that right here, yes, I sent you a little something.

0:0:10.430 --> 0:0:11.270

Barbara

It's about Kaine.

0:0:11.700 --> 0:0:14.460

Anna Victoria Emer

Exactly, it's about.ca in legal advice.

0:0:16.70 --> 0:0:16.820

Anna Victoria Emer

Exactly.

0:0:14.960 --> 0:0:26.620

Barbara

Mhm, I've sent you the things that I can do in advance.

0:0:25.740 --> 0:0:31.280

Anna Victoria Emer

Super great, thank you that helps me a lot, I don't know if you've had time yet.

0:0:31.310 --> 0:0:36.160

Anna Victoria Emer

To look through the other questions, otherwise we can just do it together now.

0:0:35.720 --> 0:0:36.920

Barbara

Yes, exactly not that one.

0:0:36.930 --> 0:0:40.10

Barbara

I thought it would have been during the same ones exactly ah yes.

0:0:49.220 --> 0:0:49.510

Barbara

Exactly.

0:0:39.710 --> 0:0:56.740

Anna Victoria Emer

So that was first, um, just to sort of segment it, so to speak, what kind of chancellor it is, then you know the specialized and then we're more specific questions just for AI if you like, I can share my screen, then we can look at it together.

0:0:57.920 --> 0:0:58.860

Anna Victoria Emer

Like this.

0:0:58.500 --> 0:1:1.880

Barbara

Yes, somehow I only see you I only see your nose and your mouth somehow.

0:1:6.270 --> 0:1:6.430

Anna Victoria Emer

Okay.

0:1:1.890 --> 0:1:8.130

Barbara

I don't know why I'm doing this either so now I see your eyes a bit yes, I've seen you for so long but never mind.

0:1:9.730 --> 0:1:12.850

Anna Victoria Emer

See if you can see my screen now and the question?

0:1:12.400 --> 0:1:15.30

Barbara

Can I see yes then yes exactly okay yes exactly.

0:1:15.550 --> 0:1:15.950

Anna Victoria Emer

Sure.

0:1:15.900 --> 0:1:19.330

Barbara

Exactly Oh God yes.

0:1:21.100 --> 0:1:21.600

Barbara

Exactly.

0:1:30.460 --> 0:1:30.850

Barbara

Mhm.

0:1:36.940 --> 0:1:37.230

Barbara

Berlin.

0:1:55.770 --> 0:1:56.250

Barbara

Mhm.

0:1:23.80 --> 0:2:10.630

Anna Victoria Emer

Exactly, yes, because maybe a bit of background, so our Master's thesis I'm writing with a group of three people and we're looking at how AI can be used in legal advice in the future and that's also the business plan for the future start-up of I, I'm working with Marcel, which means he's really going to make a website like Chitty, but specifically for legal advice, so we're also interviewing lawyers to see if there's any market potential at all and how different lawyers generally assess the market situation.

0:2:10.760 --> 0:2:13.460

Barbara

So playing everyday work?

0:2:14.650 --> 0:2:14.960

Anna Victoria Emer

Can.

0:2:14.320 --> 0:2:17.520

Barbara

The typical day at work for me is processing files.

0:2:24.410 --> 0:2:24.960

Anna Victoria Emer

Uh-huh.

0:2:18.960 --> 0:2:26.510

Barbara

So processing files and attending court hearings and client meetings, that's normal exactly.

0:2:26.820 --> 0:2:35.580

Anna Victoria Emer

Okay, everything clear and exactly the same, to speak often i and chi, come okay.

0:2:34.10 --> 0:2:36.180

Barbara

Wednesday 10 no, I don't have to.

0:2:36.190 --> 0:2:37.130

Barbara

I only use this.

0:2:38.230 --> 0:2:42.400

Barbara

Electronic lawyer's mailbox I don't have an electronic file yet either.

0:2:42.410 --> 0:2:59.140

Barbara

The colleagues here only have electronic files, I don't yet, but I only do electronic legal communication via the computer between the judiciary, exactly the judiciary and colleagues, which is a kind of encrypted work facilitation.

0:2:59.150 --> 0:3:1.80

Barbara

In any case, yes, that's what I do.

0:3:1.110 --> 0:3:13.250

Barbara

It's called BA BA, so I don't know why it's called BA, but it's called electronic or nationwide electronic lawyer's mailbox or something like that.

0:3:13.470 --> 0:3:17.750

Anna Victoria Emer

Okay, all right, but no chips or other benefits.

0:3:17.300 --> 0:3:19.60

Barbara

No, no, no, I'm not doing that, no?

0:3:19.630 --> 0:3:27.340

Anna Victoria Emer

All right, and exactly how do you mainly acquire new customers, i.e. via the Internet or really like that?

0:3:29.650 --> 0:3:30.140

Anna Victoria Emer

Mhm.

0:3:27.820 --> 0:3:39.520 Barbara So actually recommendations and some go stop on the site yes something Internet, but I basically do our not target somehow ne exactly I do not.

0:3:41.960 -->0:3:42.180 Barbara If.

0:3:39.990 --> 0:3:42.470 Anna Victoria Emer Okay, everything clear and exactly that.

0:3:43.640 -->0:3:49.860 Anna Victoria Emer Trial I am, I think, otherwise there are no employees with you in the can.

0:3:55.920 -->0:3:56.380 Anna Victoria Emer Mhm.

0:3:49.420 --> 0:4:6.510 Barbara Yes, exactly exactly, I only have I am here in cooperation, that is, I use the office with them and I am but as I said, since I here dictate everything into my thing purely so exactly I have no employees exactly I do everything myself unfortunately.

0:4:460 --> 0:4:7.780 Anna Victoria Emer Okay.

0:4:8.30 -->0:4:11.730 Barbara My cost does, but is also stressful precisely.

0:4:11.430 --> 0:4:14.970 Anna Victoria Emer Okay, all right, then do you really have the question?

0:4:14.510 -->0:4:16.490 Barbara Exactly exactly Mhm.

0:4:16.550 --> 0:4:34.520 Anna Victoria Emer Okay, all clear, then we come to your general assessment of just such a chatbot Chitty, so do you personally think that offered a highly specialized chat that could increase efficiency internally and would then be interested in such a service?

0:4:34.550 --> 0:4:43.240 Anna Victoria Emer So it's really not about replacing lawyers, but about increasing efficiency within the firm.

0:4:47.640 --> 0:4:48.0 Anna Victoria Emer Where?

0:4:47.980 --> 0:5:3.520 Barbara I would be so at the moment I am not interested in it, I know that the colleagues do, I also have on my training the fellowmen who refer the lectures there, who are partly in very large agencies, the benefits that too.

0:5:7.160 -->0:5:10.960 Barbara Yes, efficiency could be increased, so I see it.

0:5:13.660 -->0:5:14.530 Barbara Yes. Oh, yeah.

0:5:16.180 -->0:5:17.420 Barbara Through that I.

0:5:21.240 --> 0:5:30.880 Barbara From that of the cut of my clients I think I don't need s, so I'm not getting interested in such a service service exactly.

0:5:31.850 -->0:5:33.480 Anna Victoria Emer Okay, Oh.

0:5:32.950 --> 0:5:46.530 Barbara If this isn't established, I'll tell you, I don't want to shut myself down completely, but if it is established yes, or I do not know about Mauritius, then at some point there's no idea, just so yes ne exactly.

0:5:47.20 --> 0:5:51.580 Anna Victoria Emer Okay, all clear so you really need to be actively persuaded to just.

0:5:51.260 --> 0:6:8.130 Barbara Exactly, I should be persuaded to be active exactly yes, because I've been working since 1996 and I'm telling you some reliefs like this whole electronic is really great, saving most of all extreme cost and also time.

0:6:17.220 --> 0:6:7.620 Anna Victoria Emer Yes.

0:6:10.870 --> 0:6:23.600 Barbara Yes, but you get comfortable when you're older, and yes, but if I, if someone says here, that would bring you something, and then I would, if I were convinced.

0:6:24.340 --> 0:6:24.860 Anna Victoria Emer Mhm.

0:6:25.430 -->0:6:28.50 Barbara Would I do that too?

0:6:28.80 --> 0:6:08.810 Barbara Yes exactly?

0:6:28.600 --> 0:6:34.970 Anna Victoria Emer Yes okay, everything clear and so if, then it would be almost like a subscription model.

0:6:34.980 -->0:6:39.950 Anna Victoria Emer That could take office fit for 20€ a month.

0:6:39.980 --> 0:6:42.910 Anna Victoria Emer And just maybe as a comparison for you chitty.

0:6:46.40 --> 0:6:56.740 Barbara Yes.

0:6:42.920 -->0:6:47.410 Anna Victoria Emer The premium version costs 20€ a month.

0:6:47.440 -->0:6:48.350 Anna Victoria Emer Do you find that?

0:6:48.360 --> 0:6:50.230 Anna Victoria Emer Would it be a reasonable price?

0:6:53.330 --> 0:6:553.750 Anna Victoria Emer Okay.

0:6:50.360 --> 0:6:55.80 Barbara Yes, yes, could I mh?

0:6:55.480 --> 0:7:20.120 Anna Victoria Emer Okay, okay, then it came to customer acquisition, so would you be basically interested in the fact that this service would also automatically pass customers to your office, which is also about the specific case and right now with you in the case of families and inheritance, which would then be directly finally passed on?

0:7:28.190 --> 0:7:28510 Anna Victoria Emer Yes.

0:7:21.400 --> 0:7:30.150 Barbara Yes, I could imagine this if I can't imagine how they do this about AI, but basically It shut up on it.

0:7:37.210 -->0:7:39.470 Barbara Yes, Na.

0:7:31.200 --> 0:7:52.610

Anna Victoria Emer

Ok, and would you be prepared to do that on a commission basis, so to speak, that would be okay, and would you be prepared to make a payment, how much you would be prepared to pay in terms of sales per commission?

0:7:53.880 --> 0:8:1.350

Barbara

Hm, difficult question, it always depends a bit on the dispute, values at cancel are usually high.

0:8:8.360 --> 0:8:10.990

Barbara

Yes, but I'd say about 5 or 10% I could imagine.

0:8:11.520 --> 0:8:22.10

Anna Victoria Emer

Okay, all right, great, I've already paid okay, all right, and now to the last question, from customer acquisition to bulging, so now not customers, but employees.

0:8:22.40 --> 0:8:31.200

Anna Victoria Emer

Employees I know you don't have any employees now, but imagine, somehow in the future, would you hire someone new?

0:8:44.730 --> 0:8:45.250

Barbara

Uh-huh.

0:8:31.490 --> 0:8:59.390

Anna Victoria Emer

What about the app for recruiting new employees because, for example, a large target group for our service would be law students and so would you be interested in recruiting a certain percentage of potentially suitable candidates, for example recent graduates, for a law firm?

0:9:1.60 --> 0:9:5.120

Barbara

Not for me personally, no can.

0:9:4.480 --> 0:9:6.420

Anna Victoria Emer

Okay, was the weather?

0:9:6.430 --> 0:9:9.420

Anna Victoria Emer

Einbeck Okay, that's it.

0:9:9.160 --> 0:9:19.490

Barbara

If I have another topic, so I don't know if that leads to your Master's thesis, because we, so I've only heard that on the radio and no, I also heard it at the inheritance law training.

0:9:19.500 --> 0:9:35.570

Barbara

It's being discussed that the case resolution should also be done via Krn, i.e. the classic, really nasty, disgusting divorce, house-dog money investments bel.

0:9:35.580 --> 0:9:39.840

Barbara

All this nasty denying is done via AI.

0:9:40.110 --> 0:9:41.920

Barbara

That means you give ne so that?

0:9:41.930 --> 0:9:45.360

Barbara

That's also discussed or complicated.

0:9:45.390 --> 0:10:0.320

Barbara

The inheritance law cases are also so complex, so the Ministry of Justice is working on it, so that you can also I'll put it this way, I don't think I'm experiencing this anymore, but that in some legal cases, you can also work on it.

0:10:8.550 --> 0:10:8.890

Anna Victoria Emer

Uh-huh.

0:10:2.50 --> 0:10:11.130

Barbara

areas, the legal advice replaced or at least supported by AI that is already being discussed and that is of course spooky.

0:10:11.800 --> 0:10:15.250

Anna Victoria Emer

Yes, definitely the way to go.

0:10:27.400 --> 0:10:31.120

Anna Victoria Emer

Yes to yes.

0:10:13.930 --> 0:10:35.200

Barbara

That's okay, yes, but all these people have to make all these AI decisions and so on, so that's crazy, that's, if one day it comes to that, but that's being discussed, that's being discussed.

0:10:35.620 --> 0:10:37.720

Anna Victoria Emer

But do you really see it that way?

0:10:37.750 --> 0:10:46.760

Anna Victoria Emer

So do you really see it as a support for lawyers or really as a danger that one day it could really be completely dismissed?

0:10:46.270 --> 0:10:55.740

Barbara

So I can't really imagine it in the end, because I think people are structured in such a way that they still want to have personal contact.

0:10:55.770 --> 0:11:7.250

Barbara

Otherwise we're all sitting at home and we've all entered something somewhere and then you have the perfect solution and then you're completely isolated, so I can't quite imagine it, but in some areas?

0:11:15.970 --> 0:11:16.360

Anna Victoria Emer

Okay.

0:11:10.370 --> 0:11:25.220

Barbara

Yes, I can imagine that or so in such very simple stories that you have such a simple divorce or something that you have all this and that is of course a danger for the lawyers and of course I mean we students for years this is a bit more difficult.

0:11:28.410 --> 0:11:41.200

Barbara

I found this difficult subject matter scary, or we all found it scary, when this colleague presented it, that it's at least being discussed, and that's already the case in other areas.

0:11:41.810 --> 0:11:42.230

Anna Victoria Emer

Yes.

0:11:42.330 --> 0:11:46.630

Barbara

I mean in San Francisco, colonels now ride without drivers.

0:11:46.690 --> 0:11:48.940

Barbara

The test phase is over and they're driving?

0:11:49.40 --> 0:11:50.350

Barbara

Are you sitting in a waiter now?

0:11:50.510 --> 0:11:50.990

Anna Victoria Emer

Okay.

0:11:50.380 --> 0:11:52.60

Barbara

And there's more sitting there, that's all.

0:11:54.390 --> 0:11:54.750

Anna Victoria Emer

Yes.

0:12:5.270 --> 0:12:7.680

Anna Victoria Emer

Oh okay, yeah like that.

0:11:54.360 --> 0:12:13.800

Barbara

That's true and that's how it should be in so many areas of life, so and in the world of justice, I think that's really true, I don't know if what I told you was super helpful, because I have a small store, but maybe it already has.

0:12:17.340 --> 0:12:18.180

Barbara

Oh, so good.

0:12:13.680 --> 0:12:26.80

Anna Victoria Emer

It's really helpful that we really have every assessment here and examples like you're talking about with divorces and so on, that really helps us enormously with the insights there.

0:12:26.830 --> 0:12:37.730

Barbara

Well, as I said, that's already there, theoretically you hack everything in, yes, credit, your share package, blah, blah, blah, and then you get all that in front of you.

0:12:40.360 --> 0:12:41.130

Anna Victoria Emer

Yes yes.

0:12:37.740 --> 0:12:45.450

Barbara

You get a solution, presented via AI, yes, that's it, then nobody needs to study anymore.

0:12:47.210 --> 0:12:47.420

Barbara

Yes.

0:12:44.90 --> 0:12:52.110

Anna Victoria Emer

2 We'll see how it turns out, but I think it will definitely happen, so it's inevitable.

0:12:52.120 --> 0:12:56.240

Anna Victoria Emer

Standing the later depends on how long then really, but yes earlier.

0:12:55.760 --> 0:13:14.590

Barbara

So something will certainly be there is now this meeting here and I think in London it was just now or is just now that you decide how to deal with this AI is always the abuse, then to consider in the background, but so I think it remains exciting exactly.

0:13:16.570 --> 0:13:16.970

Barbara

Obi.

0:13:18.530 --> 0:13:18.970

Barbara

Moment.

0:13:13.930 --> 0:13:22.850

Anna Victoria Emer

Great but thanks to Barbara that really helped me and exactly.

4. Expert interview: Annette Horstkotte (A.H.)

Note: This questionnaire including answers was translated from German into English by DeepL

## 1. Status Quo

Internal processes

Working day-to-day

- Describe how the typical daily life at your office looks today

*Conducting personal meetings, conducting telephone calls, editing emails, dictating/writing texts, browsing documents/dossiers, checking legal status, timetable control*

- Do you use special tools, such as ChatGPT or other software to facilitate work?
- If so, which ones are helpful and to what extent?

*Software for lawyers RA Micro*

*Allows electronic record keeping and resample calendar*

Client acquisition

- How do you currently acquire new customers (internet vs. recommendations)?

*Acquisition mainly through personal recommendation*

Recruiting

- What does your recruiting process look like?
  - Job ads in online job boards or magazines?
  - From events?
  - Directly from universities?

*Recruiting is not currently taking place*

## 2. Assessment of chatbot technology

Internal processes

- Do you think that a chatbot specialized in law (like ChatGPT, only with better quality answers due to specialization in law) could increase your efficiency internally and would you be interested in such a service? (Info: Chatbot is not intended to replace lawyers, but to make your work easier and increase your efficiency)

- Would you be prepared to pay money, in the form of a subscription model, for such a service?
  - If so, how much?
  - Do you think a total monthly price of €20 is reasonable (all employees can then use the service on their computers/laptops)

*No, because I still work with text building blocks to a small extent - my area of activity is not standardized. General patterns/ templates can also be used via Word or the lawyer software. The adjustment must be made individually and the legal situation must also be examined on a case-by-case basis.*

*Not at the moment, because I don't promise to take advantage of it.*

#### Client acquisition

- Would you generally be interested in an AI (artificial intelligence)-based service that automatically refers clients to your law firm who match your case to your law firm's specialization?
  - Would you be prepared to pay money for such a service, in the form of a predetermined percentage of the turnover of the successfully referred client
    - If yes, how high would the percentage of turnover be?

*Already now, a potential client can filter out a specialization of the desired lawyer through search functions on lawyers' portals. In a possible way, the information that the client makes could better identify who he needs than it can. Therefore, AI could be interesting in this area.*

*I would prefer a fixed amount (less than €50-100).*

#### Recruiting

- Would you be interested in an AI (artificial intelligence)-based service that automatically matches suitable candidates/employees with your law firm (criteria for a match can be defined by you in advance)?
  - Would you be prepared to pay money for such a service in the form of a predetermined fixed amount per successfully matched person?
    - If so, how much would the fixed amount be?

*Disappears see above*

## 5. Expert interview: Jens Koch (J.K.)

Note: The interview was conducted in German and translated into English using the trint software

20 – 11 – 2023 03:05 PM

Katharina Hardekopf [00:00:03] Um. That's right, it has to work now. Exactly. I've already done a bit of research beforehand. Brief question about the number of employees. You have 450 employees and 140 of them are lawyers. And they are also scientists at the same time. important

Jens Koch [00:00:19] Hmm, yeah. No, not entirely. So these are the professionals, The 140. For you, these are lawyers. It's divided up. About 60, 40, I'd say. Mostly patent attorneys and therefore lawyers. And lawyers are basically all with a technical background due to their education. Scientifically, as a mechanical engineer, I am computer scientists, biologists and physicists. So the whole spectrum of people there. And our lawyers mainly deal with trademark law. And in the case of infringements, the connection with the patent attorney and so do copyright and such stories. So we're doing everything that only concerns the so-called green area. There is, for example.

Katharina Hardekopf [00:01:08] Alright Alright perfect. Um. How high is your annual turnover? Well, you're welcome to specify the range. You don't have to.

Jens Koch [00:01:18] The one. You won't get it out because it's actually secret, though. Alright

Katharina Hardekopf [00:01:25] Okay, I got it. Um. As far as your customers are concerned, they are mostly local. Germany-wide And. Internationally based. Perhaps you would also like to give a percentage.

Jens Koch [00:01:36] We are mostly international. We have a lot of customers from Japan, the USA, but also Germany and Europe. From the distribution point of view, I would say. 1/3 Japan, third USA and 1/3 of wealth.

Katharina Hardekopf [00:01:55] Alright Great. perfect. And maybe you could tell me something about your average customer. With regard to age, gender, occupation and income.

Jens Koch [00:02:06] Yes, this is actually the patent process that is long-term. These are mainly mandates. What I'm doing here, for example with my mechanical engineering department in Japan, is actually a bit focused on. That is big industry, and it is a bit different from Yamaha. There are various others who register their things in Europe right here. And we please do the same here in Europe from the USA. Here we have Microsoft and others who send us the stuff and then do their European stuff here. So there you can't say that an applicant with a certain income. These are actually very long-term relationships and someone has also had to hire quite large volumes. Otherwise, we also have a lot of medium-sized companies. It is actually the case that large companies in Germany actually have their own departments and, in particular, they have fewer of them. So far it is Hungary, Volkswagen, BMW, etc. where they don't really do anything, they do on the opposite side. What we have are medium-sized companies, for whom we also work in outsourced departments. Sometimes you also see our own departments and that's where we do the special things that we can't do ourselves, do for others, like everything that has to do with it. It depends on the size. So I'm already an adult. Do you dare to set up your own Berlin conference? And then you can have two or three men. But then we can't do certain things. Or do you also not dare to do it? Infringement lawsuits, appeal proceedings, bipartite proceedings. Since the specialists come in and.

Katharina Hardekopf [00:03:44] Alright Understood. Alright Very good Um.

Jens Koch [00:03:49] Perfect as an inventor. They also exist. Sometimes, however, we actually have a small company for now. Or start ups, for example. A whole lot. There are a few startups that seem to have the most little money, a lot of hope, but think and do. And the decisive thing to be the first to go to the bank and then get money.

Katharina Hardekopf [00:04:10] Yes Alright Very cool perfect. Then I would jump into the questionnaire now. And indeed. It consists of two parts. We would start with the status quo first. I would like to understand how your processes are like, the day-to-day work, etc. looks. And then I'd like you to give me an assessment of the time in technology. Um, that's right. With regard to internal processes What is your typical everyday life at the law firm right now?

Jens Koch [00:04:39] Then read it out. There is always a whole lot of legend. It's a bit out of structure. I have it with me personally. I have an entire department and more staff and lawyers please. These are then absolutely limited meetings that I then have. raids. This is done one by one. And then I have negotiations. Where do rare client meetings on specific topics then go? So a lot when they actually talk about it. That's what stories tend to do. And I am also on such a committee that heads the law firm. So it's a lot of communication and a typical lawyer with us now. As far as the workflow is concerned, I would actually do a lot of file processing. You have one case that you then work on and or several cases per day, which you then simply solve. Write, then send it out again at some point, get answers and then finally implement it.

Katharina Hardekopf [00:05:39] Alright Alright Understood. Do you use special tools such as ZGB or other software that definitely doesn't work.

Jens Koch [00:05:47] We don't even want that right now, that no one does that, because it ends up in secret. And training is what we do so much like coming public. All that is registered here is when it is sometimes secret at the beginning. That in the Czech Republic goes in here, then give, it goes off. So we don't want to do that. But such things will certainly play a major role in the future. What tools we have is, of course, data processing. So now the paperless file is here. Everything should just be on the screen. In the past, you have entire file galleries, these things in them and then you don't have the feeling that they were closed at some point. It could take years. Infringement proceedings useful and procedural. In ten years, the lid will still be on and when it's finished, it'll be faster. Stop it. That's all for now. Files, all stored electronically. This means that there are certain providers, fluid programs for law firms, which are managed in the law firm. Of course, there is also public space there. If so, then partly again, depending on which, it is knitted correctly for one or the other. So you can put that together accordingly. There aren't many, that's always just three or four providers.

Katharina Hardekopf [00:07:08] Okay, okay, I understand. With regard to customer acquisition How do you currently mainly acquire new customers? Is this done over the Internet or is it purely based on recommendations?

Jens Koch [00:07:20] So there are many different channels and ways to properly establish this. On the market, of course, there are also many recommendations that you come there who simply call. I am looking forward to taking care of my clients in Japan. I meet them with what they need, but it's the development that I'm trying to get new ones of course. Give talks there, then we go to conferences, always find talks there or simply just meet clients and possibly new clients again. So a mixture of several ways of doing the whole thing and then, of course, doing something like doing something on the Internet. We've tried it once. I wanted to encourage myself to do similar webinars, but it's just a huge effort. And I did that and.

Katharina Hardekopf [00:08:13] Alright And what does your recruiting process look like? Um. Do you post job advertisements online? Job boards, magazines?

Jens Koch [00:08:23] Yes, so everything That's changing a bit, of course. In the past, it was just ads on job boards, where we sort of put that up. Well, that works a lot. That makes sense for difficult cases. It is also possible that you take parents there. But that is really an issue about all these tenders, which we also made directly to universities in some cases earlier. There are many job boards at universities that have had Condor in Munich up to date and then get people through it. There are different ways. Alright

Katharina Hardekopf [00:09:00] Yes Very good perfect. Then we would now move on to Jack Bauer technology. And indeed. I would be interested to know whether you would think that a chatbot specialized in law, such as Z. Is there only better quality in the answers and precisely this specialization in legal issues that could increase your efficiency internally? And would you be fundamentally interested in such a service?

Jens Koch [00:09:23] The others who ask them how the whole thing works, so I don't think it plays a big role, won't avoid what I'm seeing now. But when we're in the early stages. It's really amazing what that stuff produces. Now we're at our best right now. So it is content control that is the reason. So a flower is described there. An increase at first glance. It's logical that a kilo of air is just as heavy as a kilo of beef. And when you think about it, maybe not quite right, but it's a good read for now. I find it astonishing that we are only the first stage, which means that we are passing this on relatively quickly. There have been attempts like this before. Years ago, for example, there were license agreements, there was a program that developed license agreements, someone tried to make simple and then tried to use building

blocks. And in fact this contract, as it has a definite beginning, has an end. Certain things must be called patents, based on things and certain things that are similar somewhere and those that can then, you could curl up something for yourself and then continue with the other person. point. Yes, he actually does. And things are knowledgeable in a science. But it's not like it was there yet. So that wasn't cold stuff, that was more simply databases that. A bit of thinking for yourself and learning in the process. This will certainly also find its way into us. And indeed, the offices are already on and are trying to research. So patents always require research. Typical path of a patent. An inventor arrives after work, whatever. A report, then we drop him off at the office and German and then she looks at the one auditor who checks that and the examiners, that looks what is already there and what is already there? They are just old patent specifications, because with the data from European databases you have purely worldwide, they also look in China, Japan or anywhere else and you can do that very well with these machines. So if things are already changing and I could imagine writing about humans in such a way that they mostly work with their hunting area and quickly teach that they can do that. Well, I already believe that change is happening. I can imagine, yes, driving a car, that is one of the approaches. But what is wrong with the current thing here? These are my initial variables as inventor possible names, goals, registrations. He knows exactly what the new trash is, but maybe one will get through and the customers will tell the whole story.

Katharina Hardekopf [00:11:54] Yes, yes, very cool, exciting. And would you be prepared to pay for such a service in the form of a subscription model, for example? If there was a tool market like this now.

Jens Koch [00:12:03] And to put it bluntly, any service that brings something economic is likely to attract interest, no question about it. But is it time to think about what can he actually do? So what I believe is that in various legal professions, many activities will be omitted or will always be done by people, but they will be taken over by Mercedes, i.e. pay gas fees. But this is already seeing the pure computer, they may be able to do a bit more and process all the correspondence right away. That, I think, is all right. It can do everything electronically. If that isn't a bit clever, then it can probably spare one or the other employee there. Somehow, and also in terms of trademark law, I think you can have a lot done right there. Arguments are probably the first as to whether rupee and PP are now somehow confused, that there are certain catalogues of queries that are then carried out and that is what I think such a computer can do and unfortunately also take a position accordingly. So it is possible. So I do believe

that what is possible will also go even further. Others also say that's all for me. At the moment, you can't even imagine what these things are capable of and since then they're amazing, but they're not yet useful and that's just a bit of work again. It was a huge hype and all of God's data is now all unemployed, so what wasn't? So I'm giving you hypes as well as autonomous driving so car rental is announced. So a few years ago, but I'm starting that yes, it still will. It's a bit of a tricky alternative. Introduce this way.

Katharina Hardekopf [00:13:43] Yes, yes, that's right. And do you think such a monthly price of a total of €20 is appropriate, for example? So that all employees can then use the service on their computers in this way? Probably for a law firm where you work.

Jens Koch [00:13:55] That so that's the question, by the way, what can it do if something like that would one see. I just assume that it is failing due to data protection and problems since 100 spend, of course. If it has a server in the USA and that can guarantee that it is secure or not. But there is in someone who has the data all the data from the competition and and the question that and what does he do with the data and so that's always a bit of stuff, but if there's anything good of course you already have such subscription things now you already have biblical things. So we take translation programs, bibles and classics, for example. You can compare that with that. It's so good now that I'm always surprised how well people are aware of it. Or have language software. It used to be like that, when you dictated and then you gave it to the secretary to whom it was written. Just a four-eye principle. Yes, then looked and something is wrong there too or something is the right thing to do. Okay, so something corrects that. In the meantime, it is going to hang in sones or what is new that will be easy to try and then it will be trained. That too. In others, I have my texts there and no one has to write them anymore. So there will certainly be a lot going on there and they now seem to be so good that they can really be used. These programs that we use, that actually. Our translator It's up and running. It used to be like that, you translated every thing. Nowadays, you take that thing, throw in the Bible first, give you a few words. All right, what that is. So classic was always goals, transmissions, then the result is transmission, ring-shaped design, of course total cheese. This among themselves is no less, but that is in a specific type of transmission. You have to enter that what the work is driven by. And enter these few words, then he can work with them and then the result is a relatively reasonable result. And then they look at it again to see if it fits that way. But then it's just proofreading.

Katharina Hardekopf [00:16:07] Yes

Jens Koch [00:16:08] Well and that is of course significantly long again. Yes

Katharina Hardekopf [00:16:12] Absolutely. Very good

Jens Koch [00:16:14] They also have a paid subscription, where you pay. I think you pay a monthly fee and not per piece or something like that, so there are also models like that.

Katharina Hardekopf [00:16:26] Yes, yes, okay. Um, about customer acquisition. Um, that's right. Would you be fundamentally interested in using such a tool so that we can then automatically refer customers to your law firm?

Jens Koch [00:16:43] Yes, something like that actually already exists. So if you're always on Google now, there are also ways to get you placed a bit higher up there. Well then you actually do that. point. That you have a presence on the Internet, because that's when you swear off and you're already trying it out. So it just has to be a big platform that is the one. There are all these ironing things, things that give out their rankings and so that you don't completely fall down there, you have as good from then on that things are carried across the market simply work on retrieval with them.

Katharina Hardekopf [00:17:23] Yes, yes, we had imagined it in such a way that the person who currently needs legal advice then enters their problem statement, for example, and then the corresponding law firms are also specifically prepared.

Jens Koch [00:17:36] There are a lot of tradesmen, but somehow they seem to have a water connection and then I get a list of such and then we can make smaller offers and stuff like that, so I already mean platforms like that, but of course, I can imagine that there are already professions for such legal advice that they do not rule out now.

Katharina Hardekopf [00:17:55] Yes okay, and there. In other words, they would then also be prepared to pay for a successfully brokered customer in the form of a percentage of turnover determined in advance.

Jens Koch [00:18:08] Yes So. Of course I always say service that makes a difference. You pay something for it. After all, it actually has to do something good. And then you have as much as if you understand everything you can do about the question. You also have to process everything and manage everything. So that's the least you can do when you have a law firm like this that you see. It is also like other various things about programs and things and the service provider for everything possible, everything good, some whistleblower. Absolute nonsense. But he needs to work for once. Crystal clear Well, those of my service providers. You have to have contact in front of the house. You must cost your money, so much money. But you have to be careful. And then that's one. But then you just went through everything, guys. And then, at some point, they have huge lists. All of this must also be managed somewhere. Who probably also proceed quite selectively and he developed all the different Adler programs, still take.

Katharina Hardekopf [00:19:10] Yes, okay, I understand. Exactly the same question about recruiting. If then, for example, those who law students use this tool because they do so while preparing for exams or. I don't know what to use. They then also have the option to upload their CV to this tool. And they, the law firms, could then also use that. That is, of course, also a question of the extent to which this now creates added value, as the profiles are, but in principle they would also be willing to pay for.

Jens Koch [00:19:41] Yes, it is always a question of size and what is there. But we're doing what actually already is. So these platforms, the recruiting platforms for students too, something like that, that's already on the market and is also being used. So I think most applications now come via such platforms, these are the ones that they also have other platforms, including employees who evaluate very quickly, somehow someone goes or something, there are comments on this and there is data that is relatively known so far and where everyone is also kind of offloading their experiences. So there are already a few in the area.

Katharina Hardekopf [00:20:20] Yes Alright Very good perfect. That would actually be my questions then. Um. I would just stop recording here. Yesterday Not that it's deleted then. That was a bit stupid. perfect.

## 6. Expert interview: Erik Rössel (E.R.)

Note: This questionnaire including answers was translated from German into English

### 3. Status Quo

Internal processes

Working day-to-day

- Describe how the typical daily life at your office looks today

*I typically start my working day by checking my emails and my diary. My secretary also puts things in my office in the morning for which, for example, a resubmission or (pre)deadline has been entered for the day in question. These things are then prioritized. The rest of the process is determined by what is actually due. Typically, I either work on files, have client appointments or am in court. Since coronavirus, however, most appointments with clients have actually been remote; it's more the exception that we meet in person at the office. During the day, I regularly discuss specific issues with my colleagues. We also work together on many projects.*

- Do you use special tools, such as ChatGPT or other software to facilitate work?
- If so, which ones are helpful and to what extent?

*I currently rarely use ChatGPT and similar applications (in my day-to-day work). However, this also has to do with the fact that I primarily advise/represent in quite complex construction projects and do not yet see the (sensible) use of AI in my daily work. Furthermore, in my view, ChatGPT in particular is not a classic search engine for us lawyers, but an application for generating texts. It is also unsuitable, for example, for researching judgments or similar, as it simply lists incorrect and/or non-existent references. I only use ChatGPT for simple questions or to have something rephrased. However, I have to say that I still lack the knowledge to formulate the "prompts" as efficiently as possible. However, I do of course use Microsoft Word and its spell checker for typos, which is also AI in the broader sense.*

Client acquisition

- How do you currently acquire new customers (internet vs. recommendations)?

## *Recommendations*

### Recruiting

- What does your recruiting process look like?
  - Job ads in online job boards or magazines?
  - From events?
  - Directly from universities?

*As well as*

## **4. Assessment of chatbot technology**

### Internal processes

- Do you think that a chatbot specialized in law (like ChatGPT, only with better quality answers due to specialization in law) could increase your efficiency internally and would you be interested in such a service? (Info: Chatbot is not intended to replace lawyers, but to make your work easier and increase your efficiency)
  - Would you be prepared to pay money, in the form of a subscription model, for such a service?
    - If so, how much?
    - Do you think a total monthly price of €20 is reasonable (all employees can then use the service on their computers/laptops)

*Yes, but I think €20 is a bit cheap, I think that law firms would be prepared to pay more for it. For example, with a per capita license.*

### Client acquisition

- Would you generally be interested in an AI (artificial intelligence)-based service that automatically refers clients to your law firm who match your case to your law firm's specialization?
  - Would you be prepared to pay money for such a service, in the form of a predetermined percentage of the turnover of the successfully referred client
    - If yes, how high would the percentage of turnover be?

*Yes, I think 10% would be an idea.*

### Recruiting

- Would you be interested in an AI (artificial intelligence)-based service that automatically matches suitable candidates/employees with your law firm (criteria for a match can be defined by you in advance)?

- Would you be prepared to pay money for such a service in the form of a predetermined fixed amount per successfully matched person?
  - If so, how much would the fixed amount be?

*Yes, but I think that already exists in some form. For example, Legalhead, a kind of Tinder for jobs in law firms. The generation of "swipes" or "matches" is probably also a form of AI. I would pay 20% of the referred candidate's annual salary for a successful placement.*

## 7. Expert interview: Julie Dorval (J.D.)

20 – 11 – 2023 10:00 AM

0:0:0.0 --> 0:0:0.570

Marcel Friedrich

Umm.

0:0:2.350 --> 0:0:3.360

Marcel Friedrich

OK, perfect.

0:0:3.770 --> 0:0:6.180

Marcel Friedrich

I started recording now again.

0:0:6.190 --> 0:0:8.190

Marcel Friedrich

Thank you for taking your time.

0:0:8.630 --> 0:0:17.550

Marcel Friedrich

Just at the beginning to clarify, you are OK with me recording and transcribing the the meeting?

0:0:18.250 --> 0:0:18.390

Julie Dorval

Yes.

0:0:19.330 --> 0:0:21.40

Marcel Friedrich

OK, good.

0:0:21.160 --> 0:0:25.190

Marcel Friedrich

Then quickly going through the questions.

0:0:25.270 --> 0:0:30.280

Marcel Friedrich

Um, so first about the status quo of your company.

0:0:32.510 --> 0:0:41.700

Marcel Friedrich

You, uh, starting with the internal processes of your day to day business, can you please describe a typical day?

0:0:41.710 --> 0:0:43.710

Marcel Friedrich

Looks like in your company.

0:0:47.170 --> 0:0:47.520

Julie Dorval

Yeah.

0:0:47.530 --> 0:0:50.260

Julie Dorval

I mean, it's difficult to say because it depends.

0:0:50.330 --> 0:0:51.970

Julie Dorval

Um, it's depends.

0:0:51.980 --> 0:0:54.220

Julie Dorval

It depends on the project, but basically.

0:0:54.970 --> 0:0:59.840

Julie Dorval

And but yeah, basically I spent the day on the computer.

0:0:59.850 --> 0:1:16.480

Julie Dorval

Some some days I have meeting some other notes and I just spend a day doing legal research and and drafting or correcting things that were submitted by other people.

0:1:16.490 --> 0:1:43.530

Julie Dorval

So that's why it depends like at the moment I think my job is like 5050 of like correcting and and drafting and there are also more like administer administrative things which have to be done because we basically have projects for the European institutions and yeah.

0:1:43.540 --> 0:1:46.200

Julie Dorval

So we also have to deal with things like.

0:1:48.10 --> 0:1:52.520

Julie Dorval

Contracts with external experts and and this kind of things.

0:1:52.530 --> 0:2:1.560

Julie Dorval

But basically my work is like, yeah, legal research on the on the computer.

0:2:1.570 --> 0:2:7.360

Julie Dorval

And then, like, yeah, some days I have some meetings relating to the to the projects.

0:2:7.870 --> 0:2:14.300

Julie Dorval

I'm working on if there's some things that need to be discussed or yeah.

0:2:13.540 --> 0:2:16.220

Marcel Friedrich

Umm, yeah, OK.

0:2:16.630 --> 0:2:23.260

Marcel Friedrich

And do you use also special tools for your research or other task?

0:2:23.270 --> 0:2:29.240

Marcel Friedrich

Like for example, do you use chat, GPT or other kind of software that makes your work life easier?

0:2:30.560 --> 0:2:34.890

Julie Dorval

Umm, actually I do not use chat GPT.

0:2:34.900 --> 0:2:40.80

Julie Dorval

I know that some colleagues are sometime using it.

0:2:40.130 --> 0:2:59.670

Julie Dorval

The thing is that I actually tried to use a chat GPT as it was recommended by some colleagues for some things, but it was really not working for legal research at all because it was just and I did not use it to do something from scratch.

0:2:59.720 --> 0:3:3.980

Julie Dorval

I used it in order to verify some stuff that I found.

0:3:4.840 --> 0:3:4.990

Marcel Friedrich

Yep.

0:3:5.170 --> 0:3:21.150

Julie Dorval

And basically the result was that charge GPT was saying absolute nonsense on things that were very easy because I just and to take one example, I needed to look at a EU directive.

0:3:21.200 --> 0:3:32.490

Julie Dorval

It was on the fireworks and basically in the directive it says OK, this type of fireworks is like category one.

0:3:32.500 --> 0:3:40.450

Julie Dorval

It can be sold without any kind of license or or whatever without and.

0:3:41.0 --> 0:3:55.240

Julie Dorval

Yeah, like special authorization and but they were for some kind of fireworks depending on the categories, Member States, they could add some further like obligations.

0:3:55.530 --> 0:4:1.440

Julie Dorval

And I just wanted to make sure that I that I did not miss something.

0:4:1.930 --> 0:4:7.840

Julie Dorval

So I started by like asking very general question to chat GPT about the regulation.

0:4:10.10 --> 0:4:10.260

Marcel Friedrich

Umm.

0:4:7.850 --> 0:4:13.620

Julie Dorval

I do not remember what it was about the directive and basically charged GPT.

0:4:13.930 --> 0:4:25.600

Julie Dorval

Just answer to me talking about a complete different legislation and I was answering to it and saying sorry, but I'm not talking about this directive.

0:4:25.610 --> 0:4:36.700

Julie Dorval

I'm talking about that directive and I all the time put like the exact number and the exact title and it's already took like 3 rounds before it start.

0:4:40.280 --> 0:4:40.510

Marcel Friedrich

Umm.

0:4:50.290 --> 0:4:50.470

Marcel Friedrich

No.

0:4:36.750 --> 0:4:56.330

Julie Dorval

It understood what I was talking about and and then when I asked like more specific question, it was also absolutely not working and it was inventing things like it was telling me something and then I was saying, yeah, OK, in which article is this?

0:4:56.380 --> 0:5:1.880

Julie Dorval

And then it was saying I don't know Article 3 and article three was not at all.

0:5:3.930 --> 0:5:10.260

Julie Dorval

About the topic that I asked and it it went on like this that I said no.

0:5:10.270 --> 0:5:11.940

Julie Dorval

Article 3 is about this.

0:5:11.950 --> 0:5:12.880

Julie Dorval

Not about that.

0:5:12.930 --> 0:5:14.40

Julie Dorval

And it's then charge.

0:5:14.50 --> 0:5:19.980

Julie Dorval

GPT was like giving another article, which was again not relevant until the moment that it said.

0:5:20.490 --> 0:5:24.700

Julie Dorval

I know in fact, I'm sorry, but I was wrong in the 1st place.

0:5:34.140 --> 0:5:34.390

Marcel Friedrich

Umm.

0:5:24.710 --> 0:5:38.410

Julie Dorval

The the directive does not say this, so for me and it's not just one time, I think I tried to use it maybe three times and all the times it was exactly the same that it was saying nonsense.

0:5:38.420 --> 0:5:46.940

Julie Dorval

Although I really try to start from something very broad and then go like nowhere and narrower.

0:5:46.950 --> 0:5:51.50

Julie Dorval

But yeah, it was really not conclusive actually.

0:5:56.360 --> 0:5:56.910

Julie Dorval

Yes.

0:5:51.880 --> 0:5:57.540

Marcel Friedrich

So peachy actually makes a lot of mistakes, so OK.

0:5:56.920 --> 0:5:58.250

Julie Dorval

I mean it really.

0:5:58.340 --> 0:6:11.970

Julie Dorval

It's absolutely unreliable and I have, umm other colleagues that also that I asked them like are you actually using it and they said exactly like they had exactly the same experience as me.

0:6:11.980 --> 0:6:17.120

Julie Dorval

They said, yeah, I actually tried, but it was saying absolute nonsense.

0:6:17.600 --> 0:6:41.340

Julie Dorval

So in fact, I think that the colleagues that are using it most probably they are using it for other things than than legal because maybe they are using it to get some some ideas because you know for example sometimes we need to develop like questionnaires for some stakeholders and then maybe it can be useful.

0:6:44.180 --> 0:6:44.410

Marcel Friedrich

Umm.

0:6:41.350 --> 0:6:45.880

Julie Dorval

But if you want something specific, at least for me, it never worked.

0:6:52.720 --> 0:6:52.920

Julie Dorval

Yes.

0:6:46.880 --> 0:6:54.510

Marcel Friedrich

So not like, uh, good health for research, more like generating ideas and maybe for structuring purposes.

0:6:55.0 --> 0:6:55.900

Julie Dorval

Yeah, exactly.

0:6:55.80 --> 0:6:56.450

Marcel Friedrich

OK, understand.

0:6:59.860 --> 0:7:0.350

Marcel Friedrich

Good.

0:7:0.770 --> 0:7:9.660

Marcel Friedrich

Then regarding your client acquisition and can you maybe explain how your company is acquiring new clients?

0:7:9.670 --> 0:7:18.520

Marcel Friedrich

Is it more like based on referrals and recommendations or are you just known in the industry or is it also like via?

0:7:20.280 --> 0:7:20.810

Marcel Friedrich

Yeah.

0:7:20.820 --> 0:7:25.380

Marcel Friedrich

A job for uh via um via the Internet or something like that.

0:7:26.20 --> 0:7:31.230

Julie Dorval

No, basically I think I wrote it in the Word document like we do.

0:7:31.240 --> 0:7:46.230

Julie Dorval

Not there is actually no need to make advertisement because we are only working with public institutions and basically we got the jobs that we are doing by public tenders.

0:7:46.520 --> 0:7:56.830

Julie Dorval

So basically, the institutions are saying, OK, we want to carry out a study on this and then it's open to companies to a bit.

0:8:6.440 --> 0:8:6.660

Marcel Friedrich

Umm.

0:7:56.840 --> 0:8:14.810

Julie Dorval

So we need like to prepare proposals and then submit the explain in the proposals how we are going to do the project and we are in competition with similar companies and basically then the institution is like grading based on certain criteria.

0:8:15.820 --> 0:8:16.320

Julie Dorval

Umm.

0:8:16.360 --> 0:8:19.30

Julie Dorval

Which company wins the tender?

0:8:19.480 --> 0:8:19.700

Marcel Friedrich

Mm-hmm.

0:8:23.110 --> 0:8:23.250

Marcel Friedrich

No.

0:8:19.40 --> 0:8:27.70

Julie Dorval

So that's the reason why there is no advertisement, because it's just working on public tender.

0:8:27.270 --> 0:8:30.680

Marcel Friedrich

Umm, so this is the only way how you acquire new clients.

0:8:31.0 --> 0:8:31.200

Julie Dorval

Yeah.

0:8:30.910 --> 0:8:31.540

Marcel Friedrich

OK.

0:8:31.550 --> 0:8:32.20

Marcel Friedrich

Understood.

0:8:33.750 --> 0:8:42.580

Marcel Friedrich

Umm, OK then next topic recruiting like recruiting new employees do now about the process.

0:8:43.140 --> 0:8:45.870

Marcel Friedrich

I'm your company is using.

0:8:46.340 --> 0:8:54.100

Marcel Friedrich

Is it more based on you go to universities and acquire uh, well, recruit new employees from there?

0:8:54.110 --> 0:8:56.980

Marcel Friedrich

Or is it also about via job portals?

0:9:12.290 --> 0:9:12.520

Marcel Friedrich

Umm.

0:8:58.710 --> 0:9:27.140

Julie Dorval

Umm, I think actually I do not know the specific way they're doing it, but usually they are publishing job advertisement both on the internal website and on LinkedIn and I'm not sure if on other portals and then and then people are applying but they are you have to apply through the internal website.

0:9:27.450 --> 0:9:51.30

Julie Dorval

So basically, even if you see the job ad on LinkedIn, then there is a link that is sending you back to the internal website and on the internal website there is some kind of formula where you have to fill in information, update your CV, the letter of motivation you have to write directly on this formula.

0:9:51.260 --> 0:10:6.510

Julie Dorval

I remember well, at least when I applied it was like this and yeah, but for example I've heard from some people that some they were using some like IT truths for recruitment.

0:10:8.780 --> 0:10:9.40

Marcel Friedrich

Umm.

0:10:6.560 --> 0:10:9.480

Julie Dorval

But I have absolutely no idea if they are.

0:10:9.570 --> 0:10:13.140

Julie Dorval

If they're doing it or not, I know that before.

0:10:13.150 --> 0:10:22.860

Julie Dorval

No, because what they were doing is really that they were going like one CV after another, filling it like some filling in some kind of Excel sheet.

0:10:23.420 --> 0:10:30.770

Julie Dorval

But I do not know nowadays if they are using other IT tools or or not.

0:10:31.830 --> 0:10:32.520

Marcel Friedrich

Yeah.

0:10:32.630 --> 0:10:41.740

Marcel Friedrich

And you're probably also don't know like, so if you spend money or if yes, how much you spend on recruiting, right.

0:10:42.480 --> 0:10:52.50

Julie Dorval

No, I mean there is like one HRT team which is not that big and actually they are involving everyone in the recruitment process.

0:10:52.60 --> 0:10:55.940

Julie Dorval

So basically, usually they are.

0:10:55.950 --> 0:11:22.800

Julie Dorval

I think that the first selection is made by the HR team, so I would say maybe, yeah, two or three people and then for the they are calling some people for interview and then in the interview there is always one person from HR and then two people that are just like regular employees and it can be like more senior people.

0:11:22.810 --> 0:11:27.80

Julie Dorval

But also, trainees are also doing the recruitment.

0:11:27.90 --> 0:11:28.210

Julie Dorval

Actually, it's really.

0:11:29.910 --> 0:11:31.750

Julie Dorval

Open to to everyone.

0:11:32.450 --> 0:11:33.330

Marcel Friedrich

Umm, no.

0:11:34.400 --> 0:11:38.610

Marcel Friedrich

OK, understand goods and then next chapter.

0:11:38.620 --> 0:11:44.190

Marcel Friedrich

Now it's more about the chatbot technology that we are going to develop.

0:11:44.480 --> 0:11:45.260

Marcel Friedrich

Umm.

0:11:45.920 --> 0:12:2.150

Marcel Friedrich

Again, starting with the internal processes and do I think is a chat box similar to chat GPT but more specialized in law and without the mistakes that should be T has would be useful for you.

0:12:2.160 --> 0:12:3.480

Marcel Friedrich

And would you use it?

0:12:5.160 --> 0:12:12.770

Julie Dorval

Yeah, I think if it would be without the mistakes, I mean, I would not fully rely on this.

0:12:12.780 --> 0:12:19.450

Julie Dorval

But as I told you, maybe sometimes to double check things or sometimes you know it's faster to.

0:12:19.460 --> 0:12:24.150

Julie Dorval

It may be faster to just write to the chat box.

0:12:24.160 --> 0:12:46.770

Julie Dorval

For instance, if you're looking for one specific court decision and and you just, you just have

no idea like the whether, first of all they work or decisions on the specific topic and the references, then it could be for instance umm one.

0:12:48.220 --> 0:13:7.410

Julie Dorval

One thing that could be that could be useful just to be able to have directly the reference so that you go then to read the judgment without having first to look for the for the reference yourself, which may take time.

0:13:20.890 --> 0:13:21.140

Marcel Friedrich

Yeah.

0:13:21.150 --> 0:13:21.380

Marcel Friedrich

Yeah.

0:13:21.390 --> 0:13:22.900

Marcel Friedrich

That's umm.

0:13:7.420 --> 0:13:29.980

Julie Dorval

If you're only using like keywords or so, and yeah, but otherwise, I mean, there are things that I think you cannot completely replace in my opinion, but like all of these, drafting and so on, I don't think that it's that that easy.

0:13:29.990 --> 0:13:35.280

Julie Dorval

And the other problem with was Chad books like chat.

0:13:35.290 --> 0:13:42.450

Julie Dorval

GPT is that basically as they are like gathering information from all over the place.

0:13:42.780 --> 0:14:1.760

Julie Dorval

They are not able to tell you where one information comes from specifically and so, but the problem is that and I for my job, you always need to cite the sources and this is basically not possible with chat box like chat, GPT.

0:14:1.950 --> 0:14:8.260

Julie Dorval

So that's the reason why I think if you ask for something specific then you look for it yourself.

0:14:14.60 --> 0:14:14.350

Marcel Friedrich

Umm.

0:14:16.590 --> 0:14:17.90

Marcel Friedrich

Yeah, sure.

0:14:8.490 --> 0:14:19.210

Julie Dorval

It's OK, but you cannot just rely on this and then draft something completely from based on artificial intelligence.

0:14:19.690 --> 0:14:22.500

Marcel Friedrich

Uh, and this was also not our idea.

0:14:22.510 --> 0:14:28.980

Marcel Friedrich

Like, of course we we don't wanna build a chatbot that is going to do all your work.

0:14:28.990 --> 0:14:34.200

Marcel Friedrich

It would be more like a helpful tool that is better than chat, GPT, and more trustful.

0:14:34.210 --> 0:14:37.270

Marcel Friedrich

And yeah, this was basically the idea that we had.

0:14:38.240 --> 0:14:47.390

Marcel Friedrich

And yeah, and then next question, so you said if there would be a tool like this, you would use it?

0:14:50.250 --> 0:14:56.640

Marcel Friedrich

I know you are not like, um, the person who who does the decisions regarding that.

0:14:57.210 --> 0:15:10.0

Marcel Friedrich

But good thing a price of like €20 per month would be reasonable for the company, so that all the employees can use this tool.

0:15:10.10 --> 0:15:11.900

Marcel Friedrich

Or do you think this is too high?

0:15:12.750 --> 0:15:13.940

Marcel Friedrich

To low.

0:15:15.290 --> 0:15:15.480

Marcel Friedrich

Yeah.

0:15:15.470 --> 0:15:15.810

Julie Dorval

Umm.

0:15:15.490 --> 0:15:16.380

Marcel Friedrich

What is your opinion on that?

0:15:27.640 --> 0:15:27.870

Marcel Friedrich

Umm.

0:15:17.430 --> 0:15:37.890

Julie Dorval

I mean, honestly, I have no idea how much they're paying for some like IT tools like that, they have some some license for I guess it's more than this, but and I think that for a whole company, €20 per month is more or less nothing.

0:15:38.280 --> 0:15:38.640

Marcel Friedrich

No.

0:15:37.900 --> 0:15:46.800

Julie Dorval

I mean, for instance, I know that when you have, I mean it's completely different, but some, you know, you have those legal.

0:15:49.560 --> 0:15:55.590

Julie Dorval

Let's say legal online library and this per month is like extremely expensive.

0:15:55.600 --> 0:16:2.220

Julie Dorval

Actually, my company does not have any and any registration to this kind of library.

0:16:2.230 --> 0:16:6.420

Julie Dorval

But law firms they have, and it's like, really, really expensive.

0:16:7.60 --> 0:16:7.290

Marcel Friedrich

Umm.

0:16:6.430 --> 0:16:13.990

Julie Dorval

If you have this so I think that's €20 per month, is more or less like very very small.

0:16:16.340 --> 0:16:16.540

Marcel Friedrich

Yeah.

0:16:16.460 --> 0:16:22.840

Julie Dorval

Price in my opinion, but once again I have no idea what are their like costs in general.

0:16:23.570 --> 0:16:25.100

Marcel Friedrich

OK. Understand.

0:16:25.770 --> 0:16:26.720

Marcel Friedrich

OK.

0:16:26.730 --> 0:16:33.210

Marcel Friedrich

Then I think the parts client acquisition, we can skip that.

0:16:33.270 --> 0:16:45.830

Marcel Friedrich

And because you said already that everything is going through channels and and then we just jump straight through the recruiting part and the last.

0:16:46.850 --> 0:16:52.590

Marcel Friedrich

But I'm going to ask you something about umm, so the real thing.

0:16:52.600 --> 0:17:14.170

Marcel Friedrich

It would be interesting for your company to have kind of a partnership with I'm the company that would be us that has the other artificial intelligence tool that is going to connect law students.

0:17:14.180 --> 0:17:16.70

Marcel Friedrich

With your company based on your CV.

0:17:16.910 --> 0:17:17.240

Julie Dorval

Umm.

0:17:19.420 --> 0:17:23.10

Julie Dorval

Are you mean to, let's say, direct them so?

0:17:36.680 --> 0:17:36.960

Marcel Friedrich

Umm.

0:17:23.20 --> 0:17:40.10

Julie Dorval

For instance, if the law students are looking for for job that they could specifically ask the chat box and the chat box would tell them OK, based on your areas of interest, you should look at this company, let's say.

0:17:40.990 --> 0:17:42.0

Marcel Friedrich

Yeah, exactly.

0:17:42.10 --> 0:17:42.660

Marcel Friedrich

Yeah, I can.

0:17:42.670 --> 0:17:46.260

Marcel Friedrich

Maybe explain exactly what you plan here.

0:17:46.340 --> 0:17:55.210

Marcel Friedrich

So the plan is basically that we also provide a chatbot for law students that they can use umm for that studies.

0:17:55.280 --> 0:18:22.950

Marcel Friedrich

Just like helpful tool to yeah, do some research to get some explanation of stuff and the same tool would be also able if you want that you can upload your CV and then based on the CV the the the chatbot will say this are companies that are suitable for you and your CV and then they could directly apply.

0:18:23.790 --> 0:18:36.210

Marcel Friedrich

We are a link and if there would be a partnership and the process would be easier for the students and yeah, at the end if the student really gets the job.

0:18:37.20 --> 0:18:40.250

Marcel Friedrich

Uh, there would be of course, like a little fee for it.

0:18:40.640 --> 0:18:43.960

Marcel Friedrich

This was would be basically the the model.

0:18:45.640 --> 0:18:49.530

Julie Dorval

OK, for this I really I actually I have no idea.

0:18:49.540 --> 0:19:8.10

Julie Dorval

I mean, I know that from the student perspective for sure that this is like very interesting because usually you are a bit struggling and universities not really giving you advice and looking for jobs and the possibilities that you have.

0:19:8.140 --> 0:19:13.430

Julie Dorval

But for the company I have, I really have no idea.

0:19:14.540 --> 0:19:14.820

Marcel Friedrich

Umm.

0:19:13.440 --> 0:19:25.880

Julie Dorval

Actually, I know that sometimes they are looking for very specific specify a profiles and then for this cases it can be.

0:19:25.930 --> 0:19:34.970

Julie Dorval

It can be interesting that then they are able to reach like a broader audience, but I'm not sure because I really do not know.

0:19:34.980 --> 0:19:39.280

Julie Dorval

For instance, every time that they are putting a job advertisement, how many?

0:19:40.60 --> 0:19:40.670

Julie Dorval

See this?

0:19:40.680 --> 0:19:42.950

Julie Dorval

There, they're receiving.

0:19:43.180 --> 0:19:45.340

Julie Dorval

I'm not sure if they're struggling to.

0:19:46.990 --> 0:19:47.190

Marcel Friedrich

No.

0:19:46.820 --> 0:19:59.200

Julie Dorval

Generally, for lawyers, I think that they are not struggling so much because there are a lot applying, but it's sometimes for some things that are more specific.

0:19:59.210 --> 0:20:23.460

Julie Dorval

For instance, we have lawyers, but we also have people that are working more with like policy and for some areas in which the company I'm working for is working, such as like a marine, they would need like people that studied political science but also have a scientific background.

0:20:27.90 --> 0:20:27.300

Marcel Friedrich

Umm.

0:20:23.820 --> 0:20:29.440

Julie Dorval

And sometimes it's a little bit difficult to find to find this kind of profile.

0:20:31.260 --> 0:20:31.540

Marcel Friedrich

Yeah.

0:20:31.580 --> 0:20:41.630

Marcel Friedrich

Yeah, we thought also that it might be interesting for companies because usually when you do a job at advertisement and you have to pay money.

0:20:42.350 --> 0:20:53.520

Marcel Friedrich

Uh, regardless, if you find an employee at the end or not, and our model would be that you just pay if the employee really gets hired at the end.

0:20:54.650 --> 0:20:55.350

Julie Dorval

You can see.

0:20:57.790 --> 0:20:58.940

Marcel Friedrich

Now probably depends.

0:20:58.950 --> 0:21:6.350

Marcel Friedrich

Like how difficult it is for the company and the specific, uh, yeah, kind of profit that they are looking for.

0:21:6.360 --> 0:21:9.320

Marcel Friedrich

How interesting it would be at the end for the company, right?

0:21:9.840 --> 0:21:10.80

Julie Dorval

Yeah.

0:21:10.900 --> 0:21:17.360

Marcel Friedrich

Umm oh, OK, I'm this would be all my questions.

0:21:17.550 --> 0:21:22.660

Marcel Friedrich

Do you have another thing in mind that I maybe forgot to ask you?

0:21:22.670 --> 0:21:24.680

Marcel Friedrich

Or would you say everything is covered?

0:21:26.190 --> 0:21:28.980

Julie Dorval

No, I do not have anything else in mind.

0:21:36.820 --> 0:21:37.60

Marcel Friedrich

Umm.

0:21:28.990 --> 0:21:40.820

Julie Dorval

I actually I told you that I could ask someone who was working in the in the law firm in Brussels and I didn't take the time this weekend to text him so I would do it.

0:21:41.80 --> 0:21:44.330

Julie Dorval

Uh, I would do it tonight and I will.

0:21:44.380 --> 0:21:49.120

Julie Dorval

I will ask him whether he would have time and if so, I will.

0:21:51.230 --> 0:22:0.260

Julie Dorval

I would either ask him if I can forward his email address to you, or if he prefers that he's writing to you, so I will.

0:22:0.570 --> 0:22:2.800

Julie Dorval

I will let you know what what he says.

## 8. Expert interview: Stefaan Raes (S.R.)

23 – 11 – 2023

0:0:0.0 --> 0:0:4.30

Marcel Friedrich

Oh, OK, so the transcription is started again.

0:0:4.40 --> 0:0:5.460

Marcel Friedrich

Thank you for taking your time.

0:0:6.880 --> 0:0:13.50

Marcel Friedrich

Do you agree that I record and transcribe the UM your meeting?

0:0:13.650 --> 0:0:14.290

Raes Stefaan

Yes, I do.

0:0:15.10 --> 0:0:19.441

Marcel Friedrich

OK, then starting straight with the questions i.e.

0:0:20.210 --> 0:0:22.620

Marcel Friedrich

All the send you the question.

0:0:22.630 --> 0:0:22.860

Marcel Friedrich

Yeah.

0:0:27.600 --> 0:0:28.0

Raes Stefaan

OK.

0:0:22.870 --> 0:0:32.810

Marcel Friedrich

And I will just go through all the questions that I have here, starting with the status quo of the company about your internal processes.

0:0:32.820 --> 0:0:39.560

Marcel Friedrich

Can you briefly describe how your day to day work in the law firm looks like?

0:0:40.420 --> 0:0:41.310

Raes Stefaan

Yes, of course.

0:0:41.440 --> 0:0:57.200

Raes Stefaan

So I generally I usually work in the office and not at a distance, so I come to the office every day and then I usually start working between 9:00 and 10:00 o'clock in the morning and then it until well it may be until 7:00.

0:0:57.210 --> 0:1:4.60

Raes Stefaan

O'clock eight o'clock 9:00 o'clock in the evening and sometimes when I return home and after my dinner.

0:1:4.70 --> 0:1:6.950

Raes Stefaan

I I still do some work now.

0:1:7.210 --> 0:1:12.560

Raes Stefaan

Most of the work we do is is well as a partner.

0:1:12.570 --> 0:1:24.380

Raes Stefaan

I'm organizing the team so I have meetings with the team members to instruct them what they have to do in certain cases and to give them feedback and to discuss their work.

0:1:30.710 --> 0:1:30.930

Marcel Friedrich

Mm-hmm.

0:1:24.850 --> 0:1:49.760

Raes Stefaan

So I'm coordinating the work of like 5 or 6 associates, but I do some of the drafting myself, so the drafting of opinions of advice is we give and the draftings of briefs that we filed in the lawsuits and in proceedings before the competition authorities, because I'm, I'm a competition lawyer.

0:1:50.200 --> 0:1:57.370

Raes Stefaan

Sometimes we go to the competition authority to orderly defend the case, or we go to the courts, to Orly defend the case.

0:1:58.270 --> 0:1:59.900

Raes Stefaan

So that's a typical day.

0:1:59.950 --> 0:2:14.760

Raes Stefaan

We also before the COVID we used to visit collagens at their premises, but we still receive clients here, but less and less because most of the meetings with clients are of course at the distance.

0:2:17.80 --> 0:2:17.290

Marcel Friedrich

Umm.

0:2:14.770 --> 0:2:19.310

Raes Stefaan

Now after COVID and via teams or or via zoom.

0:2:18.940 --> 0:2:20.150

Marcel Friedrich

Well umm.

0:2:19.860 --> 0:2:20.760

Raes Stefaan

So that's about it.

0:2:20.770 --> 0:2:24.630

Raes Stefaan

But I'm not like we we have a firm of 120 attorneys.

0:2:31.980 --> 0:2:32.260

Marcel Friedrich

So.

0:2:35.360 --> 0:2:36.90

Marcel Friedrich

Yeah, yeah.

0:2:25.270 --> 0:2:37.720

Raes Stefaan

So my work is not is perhaps typical for the partners here, but it's not typical for all attorneys because the associates, they of course have other although missions to accomplish, then we have.

0:2:38.460 --> 0:2:38.650

Marcel Friedrich

Yeah.

0:2:38.120 --> 0:2:40.70

Raes Stefaan

That's about my typical working day, yeah.

0:2:40.740 --> 0:2:41.80

Marcel Friedrich

Yeah.

0:2:41.320 --> 0:2:43.450

Marcel Friedrich

OK, understand.

0:2:43.860 --> 0:2:44.990

Marcel Friedrich

So regarding.

0:2:58.650 --> 0:2:58.770

Raes Stefaan

Yes.

0:2:47.340 --> 0:2:59.590

Marcel Friedrich

Tools that you might use in your day to day business, of course, I now as a partner, it's more of a managing function and the operating stuff is done by the attorneys probably.

0:2:59.940 --> 0:3:0.750

Raes Stefaan

Yeah, yeah.

0:3:0.760 --> 0:3:1.200

Raes Stefaan

Yes. Well.

0:3:0.580 --> 0:3:6.510

Marcel Friedrich

But can you maybe give an insight also about tools that that their journeys are working with?

0:3:6.520 --> 0:3:7.670

Marcel Friedrich

Are they working with chat?

0:3:7.730 --> 0:3:7.860

Raes Stefaan

Yes.

0:3:7.680 --> 0:3:9.190

Marcel Friedrich

GPT sometimes.

0:3:9.200 --> 0:3:10.570

Marcel Friedrich

Do they have special software?

0:3:12.90 --> 0:3:12.520

Raes Stefaan

Yes.

0:3:12.590 --> 0:3:17.100

Raes Stefaan

So the the chat GPT, we don't I I'm not aware.

0:3:17.110 --> 0:3:28.660

Raes Stefaan

Perhaps we have a department that does contracts, and perhaps they use it to review contracts or to draft like standard clauses.

0:3:28.670 --> 0:3:29.520

Raes Stefaan

I'm not sure.

0:3:29.570 --> 0:3:31.380

Raes Stefaan

I don't think so, but I don't use it.

0:3:31.390 --> 0:3:35.680

Raes Stefaan

My team doesn't use it so far software to make our work.

0:3:36.520 --> 0:3:38.230

Raes Stefaan

Umm easier.

0:3:46.440 --> 0:3:46.650

Marcel Friedrich

Umm.

0:3:53.330 --> 0:3:53.540

Marcel Friedrich

Umm.

0:3:38.240 --> 0:3:59.180

Raes Stefaan

Well, we have the the Dragon speech, so the one you dictate and then it comes immediately in a text I use that sometimes because it makes us when time course and the these are the main I think these are the main things that we use for the time being.

0:3:59.750 --> 0:3:59.970

Marcel Friedrich

Umm.

0:3:59.770 --> 0:4:2.840

Raes Stefaan

Younger term is than I may use other devices but I'm not.

0:4:2.850 --> 0:4:4.160

Raes Stefaan

I'm not aware I I don't know.

0:4:4.810 --> 0:4:5.220

Marcel Friedrich

Yeah.

0:4:5.220 --> 0:4:5.720

Marcel Friedrich

OK.

0:4:5.730 --> 0:4:6.700

Marcel Friedrich

Understand.

0:4:10.10 --> 0:4:10.210

Raes Stefaan

It's.

0:4:6.850 --> 0:4:10.340

Marcel Friedrich

Then next topic, client acquisition.

0:4:10.730 --> 0:4:12.480

Marcel Friedrich

Which would interest me.

0:4:12.490 --> 0:4:19.600

Marcel Friedrich

Here is how does your current or typical client acquisition process look like?

0:4:28.910 --> 0:4:29.300

Raes Stefaan

Yes.

0:4:19.610 --> 0:4:31.680

Marcel Friedrich

Is it more about referrals and you are just known in the industry or is it also that you're directly approach them or do you yeah, make advertisements?

0:4:29.360 --> 0:4:33.320

Raes Stefaan

Well, I I, I I've been here since nine years.

0:4:33.600 --> 0:4:34.220

Raes Stefaan

Almost.

0:4:34.660 --> 0:4:41.100

Raes Stefaan

And I had a career before in the computer as the head of the competition authority and also as a judge.

0:4:41.550 --> 0:4:49.240

Raes Stefaan

So I am and so I've known in the market by the colleague, who also by potential clients.

0:4:49.840 --> 0:4:58.240

Raes Stefaan

So if they have a case where there's competition law problem, they may come to me without me having to do any effort.

0:4:58.350 --> 0:4:58.720

Raes Stefaan

Right.

0:5:0.920 --> 0:5:1.200

Marcel Friedrich

There are.

0:4:58.730 --> 0:5:5.560

Raes Stefaan

Because I have a name in the in that market, and they're also internal referrals.

0:5:5.970 --> 0:5:7.770

Raes Stefaan

So this is a large law firm.

0:5:7.830 --> 0:5:11.760

Raes Stefaan

They also treat other matters and competition law, and perhaps in these other matters.

0:5:11.770 --> 0:5:17.460

Raes Stefaan

So for clients of other departments of the firm, there are questions of competition law.

0:5:17.470 --> 0:5:19.10

Raes Stefaan

And then it comes to us as well.

0:5:47.280 --> 0:5:47.470

Marcel Friedrich

You know.

0:5:19.650 --> 0:5:48.610

Raes Stefaan

And then of course, we and the main tool we use here to point out results that we have had in certain cases or there are like, well, how do you call this their own like commercial organizations who have a rankings of law firms in certain areas and for competition law that is more or less worldwide than these rankings are published.

0:5:49.560 --> 0:5:53.750

Raes Stefaan

And then we try our best with interviews with the organization.

0:5:53.760 --> 0:5:56.310

Raes Stefaan

Who issues the rankings?

0:5:56.320 --> 0:6:0.20

Raes Stefaan

To have a good ranking as possible, and that's an advertisement too.

0:6:0.640 --> 0:6:7.840

Raes Stefaan

And then finally, and probably the main source of us being proactive in searching new clients is LinkedIn.

0:6:8.870 --> 0:6:9.90

Marcel Friedrich

Umm.

0:6:11.630 --> 0:6:12.20

Marcel Friedrich

Yep.

0:6:12.70 --> 0:6:17.240

Marcel Friedrich

OK, then next topic, uh recruiting.

0:6:17.950 --> 0:6:18.100

Raes Stefaan

Yes.

0:6:18.40 --> 0:6:19.20

Marcel Friedrich

I'm yeah.

0:6:19.30 --> 0:6:25.10

Marcel Friedrich

Again, it would just interest me how your current recruiting process looks like.

0:6:29.390 --> 0:6:29.510

Raes Stefaan

Yes.

0:6:33.330 --> 0:6:33.640

Raes Stefaan

Yes.

0:6:25.20 --> 0:6:33.910

Marcel Friedrich

What are the main recruiting channels that you utilize like directly from universities or job portals for example?

0:6:33.650 --> 0:6:35.540

Raes Stefaan

So it's it's a bit centralized here.

0:6:35.550 --> 0:6:43.350

Raes Stefaan

We have a human resources department and they centralized it and they go to the to to the job days at the university.

0:6:59.170 --> 0:6:59.380

Marcel Friedrich

Umm.

0:7:3.900 --> 0:7:4.50

Marcel Friedrich

No.

0:6:43.360 --> 0:7:9.650

Raes Stefaan

So every year, but for us, well, when you see if, if, if someone is going to graduate at law school, it's interested in competition law, this person, they will find the way to us automatically because they know which law firms are working in competition law on the Brussels market, they more or less know which are the profiles of this law firms because that's all accessible information to them.

0:7:9.660 --> 0:7:15.580

Raes Stefaan

And they can look at LinkedIn or they can look at the rankings, or they can look at the websites of the law firms.

0:7:18.250 --> 0:7:18.500

Marcel Friedrich

Umm.

0:7:21.790 --> 0:7:21.970

Marcel Friedrich

You know.

0:7:15.630 --> 0:7:25.150

Raes Stefaan

Or generally well informed to students, or they hear about it from other colleagues and and then they approaches themselves.

0:7:25.520 --> 0:7:42.500

Raes Stefaan

But when we have a vacancy and we are in the urgent need off of having a new associate or then then a vacancy is published, but it's very rare that we make use of a headhunter.

0:7:44.140 --> 0:7:44.460

Marcel Friedrich

Hmm.

0:7:42.570 --> 0:7:52.870

Raes Stefaan

Very rarely, I understand that's only in occasional circumstances, and then I don't only speak for computational department of the firm where I'm in, but for the firm as a whole.

0:7:53.800 --> 0:7:55.300

Marcel Friedrich

Yeah, but then you are.

0:8:1.170 --> 0:8:1.430

Marcel Friedrich

Umm.

0:7:54.610 --> 0:8:4.970

Raes Stefaan

So they just publish it via via media, social media, Facebook, LinkedIn, Instagram right at.

0:8:4.480 --> 0:8:14.810

Marcel Friedrich

Do you also do you also use advertisements like paid advertisements, or is it more like I mean?

0:8:13.170 --> 0:8:16.600

Raes Stefaan

I think so, but exceptionally, but we try to avoid that.

0:8:16.960 --> 0:8:17.300

Marcel Friedrich

Yeah.

0:8:16.610 --> 0:8:19.160

Raes Stefaan

But I think so sometimes happens.

0:8:19.170 --> 0:8:19.480

Raes Stefaan

Yes.

0:8:17.310 --> 0:8:20.130

Marcel Friedrich

Yeah, I understand. Umm.

0:8:20.10 --> 0:8:30.100

Raes Stefaan

And then, well, if we really want specific profile or someone with a bit more experience, well we know the market ourselves.

0:8:30.150 --> 0:8:35.850

Raes Stefaan

So suppose we wanted to hire someone with five years of experience in competition law, right?

0:8:36.370 --> 0:8:36.710

Marcel Friedrich

Umm.

0:8:36.960 --> 0:8:40.460

Raes Stefaan

Well, I know him unless and I return your partner here as well.

0:8:40.470 --> 0:8:59.20

Raes Stefaan

We know more or less who in what law firm has which seniority and whether or not it is worth our while to approach that person to show an interest for us of hiring her or him. You see?

0:8:58.700 --> 0:8:59.220

Marcel Friedrich

Yeah, yeah.

0:8:59.440 --> 0:9:9.920

Raes Stefaan

So, so the Intel we have, we know of, like, OK, there may be someone at another law firm was five or six years experience, but it's no use to approach that person.

0:9:9.930 --> 0:9:19.80

Raes Stefaan

It will backfire because we know this person is perfectly happy in the law firm where he or she is and has prospects of growing further in that law firm.

0:9:19.510 --> 0:9:49.280

Raes Stefaan

So we'd be making fools of ourselves if we put our time into and then that person will certainly tell the older this more senior attorneys in his or her law firm, the partners, and then we look a bit, doesn't it doesn't look very good on us, but there are some of whom we know of whom whom we may sense that they are not very happy where they are and they are of course good targets because we sometimes have handled cases together with that law firm or against that law firm.

0:9:49.500 --> 0:9:53.780

Raes Stefaan

So we have a pretty good idea of the quality of the of the work of the person as well.

0:9:54.190 --> 0:9:54.640

Raes Stefaan

That's a.

0:9:54.330 --> 0:9:54.790

Marcel Friedrich

Yeah, sure.

0:9:54.850 --> 0:9:59.280

Raes Stefaan

That's information you cannot have if just if you just put them advertisement.

0:9:59.290 --> 0:10:0.270

Raes Stefaan

Someone comes in here.

0:10:0.280 --> 0:10:1.440

Raes Stefaan

You've never seen before.

0:10:1.670 --> 0:10:9.320

Raes Stefaan

You don't know about and then the it's much more difficult than on the basis of two or three interviews to assess the qualities of that personal profile.

0:10:10.300 --> 0:10:10.480

Marcel Friedrich

Yeah.

0:10:11.160 --> 0:10:17.990

Marcel Friedrich

And can you maybe name a number like per year?

0:10:18.80 --> 0:10:22.410

Marcel Friedrich

How much students intern do you employ?

0:10:22.420 --> 0:10:26.380

Marcel Friedrich

And also, how many new, uh you don't have?

0:10:23.830 --> 0:10:28.80

Raes Stefaan

Still, the 10 terms of three or four, three or four period.

0:10:28.460 --> 0:10:28.780

Marcel Friedrich

OK.

0:10:28.340 --> 0:10:29.140

Raes Stefaan

And it's for.

0:10:29.150 --> 0:10:30.540

Raes Stefaan

It's for a shorter period.

0:10:30.550 --> 0:10:31.720

Raes Stefaan

I usually one month.

0:10:32.10 --> 0:10:33.420

Raes Stefaan

Well, there are two formulas.

0:10:40.460 --> 0:10:40.660

Marcel Friedrich

Umm.

0:10:33.430 --> 0:10:46.70

Raes Stefaan

Either it's when they're Holly, when there's holidays for these students, and so it's summer internship generally, and then it's usually for one month, June, July, August of or September.

0:10:46.680 --> 0:10:46.870

Marcel Friedrich

Umm.

0:10:47.30 --> 0:11:11.530

Raes Stefaan

Let's all times we take one summer intern for each of these months or sometimes less depends and then another formula in Belgium is that in some universities the students can, in lieu of a course they cannot obtain credit when doing an internship in the real world, like in the law firm or at the administration of something.

0:11:11.680 --> 0:11:12.940

Raes Stefaan

And sometimes we do that as well.

0:11:13.750 --> 0:11:14.200

Marcel Friedrich

Yeah.

0:11:14.50 --> 0:11:17.360

Raes Stefaan

Yeah, not not very often. Well.

0:11:14.260 --> 0:11:27.550

Marcel Friedrich

And four weeks is 4 weeks is pretty common for an internship because I'm not coming more from like business administration and there it's pretty common that you minimally do like 10 weeks.

0:11:28.980 --> 0:11:30.30

Raes Stefaan

You opt in weeks.

0:11:32.420 --> 0:11:33.480

Marcel Friedrich

Umm OK.

0:11:42.250 --> 0:11:42.600

Marcel Friedrich

Yeah.

0:11:42.610 --> 0:11:43.510

Marcel Friedrich

OK, I'm this.

0:11:30.40 --> 0:11:45.230

Raes Stefaan

It's OK, but then part time during during the academic year, as such during the school year, as such, to have someone here 10 weeks full time, no, that's that doesn't exist because this person have to follow other posters as well.

0:11:45.240 --> 0:11:46.550

Raes Stefaan

And how can they do this?

0:11:46.560 --> 0:11:48.430

Raes Stefaan

They can only do this when they use the time.

0:11:51.260 --> 0:11:51.660

Marcel Friedrich

Yeah, yeah.

0:11:48.440 --> 0:11:54.610

Raes Stefaan

If you're full time here, when they do it on the time, but this this when we do this for the students, we don't pay them.

0:11:54.860 --> 0:11:55.560

Raes Stefaan

It's not.

0:11:56.220 --> 0:11:58.30

Marcel Friedrich

Umm, no.

0:11:55.940 --> 0:12:1.770

Raes Stefaan

It's not remunerated, whereas for the summer internships we pay them, but not the very big amount.

0:12:4.650 --> 0:12:4.850

Marcel Friedrich

OK.

0:12:1.780 --> 0:12:7.980

Raes Stefaan

But interestingly enough, we pay them a market market value for that kind of job.

0:12:8.120 --> 0:12:8.590

Marcel Friedrich

Yeah.

0:12:8.600 --> 0:12:9.150

Marcel Friedrich

Yeah.

0:12:9.200 --> 0:12:10.810

Marcel Friedrich

OK, good.

0:12:10.940 --> 0:12:16.590

Marcel Friedrich

Then we are done with the status quo and coming to the chatbot technology that we are.

0:12:19.730 --> 0:12:19.880

Raes Stefaan

Yes.

0:12:18.40 --> 0:12:23.520

Marcel Friedrich

They're making research on, again, starting with the internal processes.

0:12:24.110 --> 0:12:36.360

Marcel Friedrich

Do you think that chat box similar to chat, GPT but specialized in law would be a great help for your attorneys in their day to day business?

0:12:38.390 --> 0:12:42.330

Marcel Friedrich

Like especially a chatbot that is there for research purposes.

0:12:42.840 --> 0:12:43.300

Raes Stefaan

Yes.

0:12:43.380 --> 0:12:45.750

Raes Stefaan

Well, yes, I think so.

0:12:45.840 --> 0:12:47.780

Raes Stefaan

So for the what?

0:12:47.790 --> 0:12:53.830

Raes Stefaan

What thing for us is research purposes, perhaps, but more I think umm.

0:12:57.270 --> 0:12:57.530

Marcel Friedrich

Umm.

0:13:7.490 --> 0:13:7.720

Marcel Friedrich

Umm.

0:12:54.30 --> 0:13:21.340

Raes Stefaan

For like due diligence, so when we have to go through documents to see in in the in the context of certain transactions such as takeovers and acquisitions, but sometimes you have to go to a lot of documents to see whether to target that our client wants to acquire has not, any does not have any dead corpses in in the closet.

0:13:22.400 --> 0:13:22.640

Marcel Friedrich

Umm.

0:13:21.350 --> 0:13:30.420

Raes Stefaan

You see whether there are no, no competition law problems that may still pose a problem after the takeover.

0:13:30.430 --> 0:13:33.500

Raes Stefaan

So for that kind of due diligence, it would be useful.

0:13:34.130 --> 0:13:44.340

Raes Stefaan

And also a thing is one of the of the main investigative tools of the competition authority is to do a dawn rate.

0:13:44.790 --> 0:13:52.530

Raes Stefaan

So they come to the premises of a company unannounced, and then they seize number of documents on paper support.

0:13:52.540 --> 0:14:1.270

Raes Stefaan

But now more and more electronically and then they can find proof of an infringement of competition law over cartel, for instance.

0:14:2.330 --> 0:14:10.80

Raes Stefaan

And then they have to share all these documents with the undertaking where the downright took place, and with the attorneys of the Thunder taking.

0:14:10.90 --> 0:14:21.450

Raes Stefaan

So that's us by apotheosis and then you have to go through these documents to see whether they have proof or whether the country they can be used to discharge us.

0:14:22.220 --> 0:14:26.510

Raes Stefaan

And it can be very many documents and there are specialized companies who do that.

0:14:35.20 --> 0:14:35.280

Marcel Friedrich

Umm.

0:14:26.520 --> 0:14:35.840

Raes Stefaan

They go through these documents, but it would be would be useful to be able to do that in House as well on a smaller scale.

0:14:35.850 --> 0:14:37.420

Raes Stefaan

So I think they're that could be useful.

0:14:37.430 --> 0:14:37.920

Raes Stefaan

I don't know.

0:14:39.730 --> 0:14:40.460

Marcel Friedrich

Yeah.

0:14:37.930 --> 0:14:41.200

Raes Stefaan

I'm not very familiar with chat bots.

0:14:40.770 --> 0:14:50.60

Marcel Friedrich

And so probably you also do you already have maybe some some hints from colleagues or something like that?

0:14:50.70 --> 0:14:53.170

Marcel Friedrich

They already tried chat GPT for this purposes.

0:14:53.690 --> 0:15:2.380

Marcel Friedrich

I'm and yeah, they were all already now like how efficient chat GPT is for this kind of work.

0:15:4.720 --> 0:15:5.370

Raes Stefaan

I don't know.

0:15:5.380 --> 0:15:6.620

Raes Stefaan

I feel information about that.

0:15:6.660 --> 0:15:7.380

Marcel Friedrich

OK, OK.

0:15:6.680 --> 0:15:8.270

Raes Stefaan

No, no.

0:15:8.280 --> 0:15:12.950

Raes Stefaan

But but I understand that the expectation is like, well my colleagues.

0:15:12.960 --> 0:15:19.490

Raes Stefaan

My other colleague here was a partner in contract slot, so the draft and the review contracts with a lot of standard clauses, right?

0:15:18.120 --> 0:15:20.430

Marcel Friedrich

Umm yeah.

0:15:29.940 --> 0:15:30.210

Marcel Friedrich

Yeah.

0:15:30.220 --> 0:15:30.830

Marcel Friedrich

Yeah, sure.

0:15:20.20 --> 0:15:31.340

Raes Stefaan

And he has no, it's now three associates working for him, and his expectation is that in a number of years, it could reduce the number to two associates instead of three. Yeah.

0:15:31.170 --> 0:15:33.370

Marcel Friedrich

Umm OK.

0:15:33.520 --> 0:15:36.880

Marcel Friedrich

I'm regarding the price of such a product.

0:15:38.960 --> 0:15:44.210

Marcel Friedrich

Do we have maybe a number in mind or a comparing to other tools?

0:15:44.220 --> 0:15:47.420

Marcel Friedrich

What you think like this would be a price.

0:15:45.410 --> 0:15:49.980

Raes Stefaan

No, but but the €20 mentioned here is very low, so low.

0:15:49.170 --> 0:15:51.670

Marcel Friedrich

Yeah, yeah, I already heard that from your colleague.

0:15:51.680 --> 0:15:51.960

Marcel Friedrich

Uh.

0:15:53.410 --> 0:15:53.730

Raes Stefaan

Oh yeah.

0:15:51.970 --> 0:15:56.20

Marcel Friedrich

Inspired and from others too, so this was just the first.

0:15:56.20 --> 0:15:56.610

Raes Stefaan

Yeah.

0:15:56.810 --> 0:15:58.0

Marcel Friedrich

Yeah, idea from us.

0:15:56.680 --> 0:16:1.750

Raes Stefaan

Yeah, you have to know we we have new selectors and that's a source of information.

0:16:1.880 --> 0:16:13.950

Raes Stefaan

So when we do research, we have on the content of of competition law as applied as applicable to the case of a client, then we we we we read books of course, but less and less.

0:16:14.480 --> 0:16:44.550

Raes Stefaan

But we also do research and there are a number of specialized number of specialized newsletters, and that they have data available and you can subscribe to them and then you can have easy access with the use of of of keywords you see and I can tell you that by the

prescription for, there are three or four such news letters and that are specialized in competition law.

0:16:54.150 --> 0:16:54.630

Marcel Friedrich

Yeah, yeah.

0:16:44.990 --> 0:16:55.420

Raes Stefaan

And I can tell you that to have a subscription, it's like between 10,000 and \$15,000 per year and we do it.

0:16:55.430 --> 0:16:56.220

Raes Stefaan

We have all of them.

0:16:56.470 --> 0:16:58.120

Raes Stefaan

We have all three or four of them.

0:16:58.130 --> 0:16:58.420

Raes Stefaan

We do.

0:16:58.430 --> 0:17:3.520

Raes Stefaan

You have to have them when you have our practice to be able to to be up to date.

0:17:4.280 --> 0:17:6.70

Marcel Friedrich

Yeah, sure hope.

0:17:5.450 --> 0:17:6.500

Raes Stefaan

So that gives you an idea.

0:17:6.510 --> 0:17:7.990

Raes Stefaan

We can spend some money on such.

0:17:8.310 --> 0:17:9.350

Marcel Friedrich

Yeah, yeah, yeah.

0:17:10.490 --> 0:17:12.600

Marcel Friedrich

And they would go far to low.

0:17:12.610 --> 0:17:13.70

Marcel Friedrich

Definitely.

0:17:14.480 --> 0:17:20.270

Marcel Friedrich

Then I think client acquisition won't be so interesting for you.

0:17:20.390 --> 0:17:21.260

Raes Stefaan

The log?

0:17:21.270 --> 0:17:27.830

Raes Stefaan

Perhaps a bit a bit less, but yeah, well, yeah, probably.

0:17:26.620 --> 0:17:28.890

Marcel Friedrich

Yes, so.

0:17:27.890 --> 0:17:33.490

Raes Stefaan

Probably you think that the thing the thing with competition or is there are two there are two two aspects.

0:17:33.500 --> 0:17:46.370

Raes Stefaan

So either there is a problem and then the client comes to us and then yeah, well, there is already a problem, but it doesn't happen that often because they only see the problem when there's an investigation by a competition authority, right?

0:17:47.0 --> 0:17:47.230

Marcel Friedrich

Umm.

0:17:46.920 --> 0:17:57.310

Raes Stefaan

So that like, not one new investigation is started not every day by the Belgian Competition

authority and by the European Commission, which is also a competition authority, where we get cases.

0:17:58.70 --> 0:17:58.880

Raes Stefaan

Do you have cases?

0:17:59.430 --> 0:18:1.860

Raes Stefaan

So OK, so that's rather limited.

0:18:1.870 --> 0:18:3.620

Raes Stefaan

But another thing is compliance.

0:18:3.710 --> 0:18:11.700

Raes Stefaan

So more and more undertakings are preventively they want coaching, training, they want to know what they do, what they can't do.

0:18:21.490 --> 0:18:21.700

Marcel Friedrich

Umm.

0:18:12.90 --> 0:18:28.810

Raes Stefaan

If compliance programs that count of work and for that of course there are a number of companies who are aware, but there are a number of companies, certainly in Belgium, smaller companies or mid sized companies who are not aware at all of potential implications or infringement of competition law.

0:18:33.610 --> 0:18:34.640

Marcel Friedrich

Yeah, yeah.

0:18:29.20 --> 0:18:37.950

Raes Stefaan

So there's a market there where we could develop business, but I I I'm not sure whether we need artificial intelligence to do this.

0:18:38.620 --> 0:18:39.330

Raes Stefaan

I don't know.

0:18:39.340 --> 0:18:48.720

Raes Stefaan

Potentially I I I I I know insufficiently about possibilities about of artificial and then and and intelligence food excluded, you see.

0:18:49.380 --> 0:18:57.170

Marcel Friedrich

Yeah, I I can maybe explain like how we thought about this tour regarding client acquisition.

0:19:6.80 --> 0:19:6.420

Raes Stefaan

Umm.

0:18:57.180 --> 0:19:27.20

Marcel Friedrich

So the tool is basically not from your firm side, it's more from the the acquisition directly from the client side, meaning that clients, if they have a lawsuit against them or they have a legal question, they can ask the chat board and the chat board, uh, now it's a specialized companies that are nearby or in general and then you can get the connection through the chat box.

0:19:27.530 --> 0:19:30.160

Marcel Friedrich

So it will basically coming from the client side.

0:19:30.970 --> 0:19:36.860

Marcel Friedrich

So we think that it's more relevant for like B2C sector and not for the B2B.

0:19:37.350 --> 0:19:37.710

Raes Stefaan

OK.

0:19:37.320 --> 0:19:51.820

Marcel Friedrich

But do you think maybe that's companies that are that might be not super aware of all the law firms might use a chatbot to ask him which law firm they can consult for their issue?

0:19:52.0 --> 0:19:52.830

Raes Stefaan

Yes, of course.

0:19:53.80 --> 0:19:54.50

Raes Stefaan

Yeah, sure, yeah.

0:19:51.830 --> 0:19:55.50

Marcel Friedrich

Or do you think hmm OK.

0:19:56.110 --> 0:19:56.860

Raes Stefaan

Yes, I'm sure.

0:19:57.390 --> 0:19:57.990

Marcel Friedrich

Yeah, and.

0:19:57.810 --> 0:19:58.460

Raes Stefaan

Yes, I'm here.

0:19:58.620 --> 0:19:59.0

Raes Stefaan

Yeah.

0:19:59.40 --> 0:19:59.880

Raes Stefaan

Yeah, certainly no.

0:20:0.410 --> 0:20:0.920

Marcel Friedrich

OK.

0:20:1.380 --> 0:20:5.130

Marcel Friedrich

And do you have like a number?

0:20:5.140 --> 0:20:15.210

Marcel Friedrich

Maybe in percentage of the of the revenues that you would do with the client or a total number that is common in the industry, if you get the client mediated?

0:20:18.300 --> 0:20:19.760

Raes Stefaan

I'm sorry I don't understand.

0:20:20.960 --> 0:20:21.510

Marcel Friedrich

Yeah, I'm.

0:20:20.910 --> 0:20:22.140

Raes Stefaan

Ohh yeah, yeah, yeah.

0:20:22.190 --> 0:20:23.880

Raes Stefaan

No, no, I've no idea.

0:20:24.50 --> 0:20:24.980

Raes Stefaan

No, no idea.

0:20:24.700 --> 0:20:26.450

Marcel Friedrich

OK, OK. Yeah.

0:20:26.0 --> 0:20:28.90

Raes Stefaan

No, no, no, not that.

0:20:28.610 --> 0:20:38.720

Marcel Friedrich

But is it a common practice in the industry that clients get media mediated through a third party for law firms?

0:20:39.140 --> 0:20:40.910

Raes Stefaan

No, I don't think so.

0:20:38.730 --> 0:20:41.580

Marcel Friedrich

Or is it not really umm.

0:20:40.980 --> 0:20:42.470

Raes Stefaan

No, I don't think so.

0:20:42.850 --> 0:20:44.360

Raes Stefaan

Not that I'm aware of now, no.

0:20:44.810 --> 0:20:50.30

Marcel Friedrich

But you're saying there might be a market for it, or do you think it's not super interesting?

0:20:55.430 --> 0:20:55.670

Marcel Friedrich

Umm.

0:20:49.820 --> 0:20:55.690

Raes Stefaan

But it's a small it's just, well, our main clients are Belgian clients, of course. Huh.

0:20:56.250 --> 0:20:58.670

Raes Stefaan

So it's a small market, huh, bond?

0:21:3.20 --> 0:21:3.590

Marcel Friedrich

Yeah, sure.

0:21:9.530 --> 0:21:9.770

Marcel Friedrich

Umm.

0:21:12.150 --> 0:21:12.370

Marcel Friedrich

Yeah.

0:20:58.740 --> 0:21:14.770

Raes Stefaan

So it's not difficult in Belgium for to get information like Google, you, Google or you look at LinkedIn or you call someone from your network or you're in one or other service club of other captains of industry, right, you see?

0:21:15.730 --> 0:21:16.400

Marcel Friedrich

Yeah, yeah, sure.

0:21:16.30 --> 0:21:19.210

Raes Stefaan

So inflicted that the the the main according to me.

0:21:28.360 --> 0:21:28.550

Marcel Friedrich

Umm.

0:21:19.510 --> 0:21:32.720

Raes Stefaan

It's a bit old fashioned and the main source of for us of getting new cases and new clients is mouth to mouth advertising and someone has been helped by us and then he says ah, you have this problem.

0:21:32.730 --> 0:21:36.30

Raes Stefaan

We had it too, and we went there and they are very good that kind of.

0:21:37.200 --> 0:21:38.830

Marcel Friedrich

Umm, no.

0:21:39.540 --> 0:21:40.580

Marcel Friedrich

OK.

0:21:40.620 --> 0:21:42.900

Marcel Friedrich

Then last year.

0:21:41.180 --> 0:22:0.180

Raes Stefaan

And this this idea of service clubs and federations etcetera, that's very well developed in Belgium, especially in Flanders, Brussels, you look like two or three associations of employers and yeah and then the Service Corps would all professions confirmed it.

0:22:0.300 --> 0:22:1.700

Raes Stefaan

That's very well developed.

0:22:1.710 --> 0:22:13.720

Raes Stefaan

And then very many people who could want to avail themselves of the services of a law firm like ours are in these networks and they know their way around to see so.

0:22:14.270 --> 0:22:17.200

Marcel Friedrich

Umm. Yep.

0:22:17.330 --> 0:22:18.100

Marcel Friedrich

OK.

0:22:18.110 --> 0:23:3.610

Marcel Friedrich

Then last topic, recruiting and here again the question, would it be interesting for your company or in general law firms to um, you have kind of a partnership with for example a company like I'll start with the product that is matching CV's of students with your umm yeah, because the things that you want to hire but with the characteristics that you want to hire and then umm yeah, mediating the students umm to your company for a full time employment or internship.

0:23:6.0 --> 0:23:7.470

Marcel Friedrich

Yes, OK. And.

0:23:15.820 --> 0:23:16.10

Marcel Friedrich

Umm.

0:23:4.510 --> 0:23:17.260

Raes Stefaan

I think so, yes, I think so, because now you need in charge here is depending on what I just explained to you, for competition mode that my partner and I, we have intelligence about them who's working where.

0:23:17.310 --> 0:23:17.660

Raes Stefaan

Right.

0:23:18.190 --> 0:23:18.570

Marcel Friedrich

Yeah, yeah.

0:23:18.370 --> 0:23:21.610

Raes Stefaan

But it does not involve students who do not work at.

0:23:23.450 --> 0:23:23.720

Marcel Friedrich

Umm.

0:23:21.620 --> 0:23:25.520

Raes Stefaan

While we can't know them, of course, but the HR more in general.

0:23:32.410 --> 0:23:33.670

Marcel Friedrich

Umm, no.

0:23:25.530 --> 0:23:37.850

Raes Stefaan

I think that there's sometimes a problem here to attract the the right profiles and yeah, could be that could be organized in a more efficient way as you describe.

0:23:37.860 --> 0:23:47.780

Raes Stefaan

I think there could be a possibility there, but but again as you saw in my in the Word document I sent you yesterday, I I'm not the one who is going to take an initiative regarding that here.

0:23:48.200 --> 0:23:48.530

Marcel Friedrich

Yeah.

0:23:48.540 --> 0:23:48.950

Marcel Friedrich

Yeah, sure.

0:23:47.790 --> 0:23:49.780

Raes Stefaan

It would have to be served on another level.

0:23:50.690 --> 0:23:51.60

Marcel Friedrich

Yeah.

0:23:51.70 --> 0:23:55.840

Marcel Friedrich

Yeah, I'm just interested in the opinion of experts of the industry on.

0:23:54.530 --> 0:23:56.420

Raes Stefaan

Yeah. OK.

0:23:59.550 --> 0:23:59.990

Raes Stefaan

Understand.

0:23:56.310 --> 0:24:1.300

Marcel Friedrich

Yeah, you don't need to be the person that yeah makes the decision at the end.

0:24:2.120 --> 0:24:2.270

Raes Stefaan

No.

0:24:1.760 --> 0:24:10.460

Marcel Friedrich

And then regarding that the last question, do you now how much a service like that?

0:24:10.930 --> 0:24:13.890

Marcel Friedrich

Umm yeah, words.

0:24:14.350 --> 0:24:14.680

Marcel Friedrich

Yeah.

0:24:14.690 --> 0:24:23.720

Marcel Friedrich

What amounts you would be like willing to spend for it, probably like a little fee of the UM, yeah.

0:24:23.730 --> 0:24:29.410

Marcel Friedrich

Off the yearly or monthly salary that the person is earning.

0:24:27.200 --> 0:24:31.250

Raes Stefaan

Yeah, well, I know that.

0:24:31.260 --> 0:24:37.280

Raes Stefaan

That's one of the reasons why we don't avail ourselves too much of the services of the head hunters.

0:24:38.450 --> 0:24:46.920

Raes Stefaan

What they get it maybe 1-2 or three months of salary of the person they brought into contact with the employer and I.

0:24:46.930 --> 0:24:49.760

Raes Stefaan

I don't think that the firm would be willing to spend that much.

0:24:50.770 --> 0:24:51.540

Marcel Friedrich

Yeah, yeah, sure.

0:24:51.940 --> 0:24:52.240

Raes Stefaan

We'll see.

0:24:54.430 --> 0:24:54.720

Marcel Friedrich

Yeah.

0:24:54.730 --> 0:24:56.980

Marcel Friedrich

Yeah, we we need to find.

0:24:57.410 --> 0:24:58.880

Marcel Friedrich

They are good sweet spot there.

0:24:58.890 --> 0:25:11.640

Marcel Friedrich

Of course, we won't take the same prices at hand head hunters, but what we also saw thought would what would be interesting is that the firm just has to pay if the person really gets hired at the end.

0:25:11.650 --> 0:25:18.740

Marcel Friedrich

And for example, when you will do advertisements, there might be cases where you spend money, but you don't get a person.

0:25:19.670 --> 0:25:20.980

Raes Stefaan

Yeah, yes.

0:25:21.90 --> 0:25:23.450

Raes Stefaan

Yeah, that could be subject to negotiation.

0:25:23.460 --> 0:25:25.290

Raes Stefaan

Yeah. What, what?

0:25:24.150 --> 0:25:25.330

Marcel Friedrich

Yeah. OK.

0:25:25.300 --> 0:25:26.990

Raes Stefaan

Your fee would be for such a service.

0:25:27.0 --> 0:25:28.460

Raes Stefaan

Yeah, I think so, yeah.

0:25:29.300 --> 0:25:31.280

Marcel Friedrich

Towards uh then.

0:25:31.290 --> 0:25:42.30

Raes Stefaan

I think the the firm would be would not be well advised if they were approached with the concrete pros proposal and they were just not want to take it even into consideration.

0:25:42.40 --> 0:25:43.120

Raes Stefaan

They would be well advised.

0:25:43.130 --> 0:25:44.510

Raes Stefaan

I think there may be a need, yeah.

0:25:44.640 --> 0:25:45.90

Marcel Friedrich

Yeah.

0:25:45.140 --> 0:25:45.570

Marcel Friedrich

Yeah.

0:25:45.610 --> 0:25:47.90

Marcel Friedrich

OK, good.

0:25:47.150 --> 0:25:48.730

Marcel Friedrich

That's it with my questions.

0:25:49.100 --> 0:25:49.440

Raes Stefaan

OK.

0:25:49.320 --> 0:25:55.880

Marcel Friedrich

Do you think I forgot something in the context of the topic or?

0:25:56.80 --> 0:26:1.170

Raes Stefaan

Ohh I already future questions yesterday when I filled out of four my son back to you.

0:26:1.180 --> 0:26:3.360

Raes Stefaan

So no, for the time being.

0:26:5.510 --> 0:26:9.100

Raes Stefaan

So you you are a student yourself who you are.

0:26:9.550 --> 0:26:10.490

Raes Stefaan

Ohh OK yeah.

0:26:8.430 --> 0:26:12.930

Marcel Friedrich

Yes, I'm assumed I'm doing my master thesis at the moment.

0:26:13.590 --> 0:26:14.180

Raes Stefaan

OK.

0:26:14.190 --> 0:26:18.160

Raes Stefaan

And you're working alone on this project or is it together with other students?

0:26:18.540 --> 0:26:20.180

Marcel Friedrich

No, with three other students.

0:26:20.580 --> 0:26:21.190

Raes Stefaan

OK.

0:26:21.240 --> 0:26:22.540

Raes Stefaan

Ohh interesting yeah.

0:26:22.620 --> 0:26:24.10

Raes Stefaan

And which university are you?

0:26:29.540 --> 0:26:30.430

Raes Stefaan

Ohh, more on.

0:26:24.800 --> 0:26:31.170

Marcel Friedrich

In uh, at Nova, it's in Lisbon and Portugal, yeah.

0:26:32.40 --> 0:26:32.520

Raes Stefaan

All right.

0:26:32.580 --> 0:26:33.380

Raes Stefaan

Well, very nice.

0:26:33.910 --> 0:26:35.200

Marcel Friedrich

The Web Business School, yeah.

0:26:33.390 --> 0:26:36.430

Raes Stefaan

Yeah, this one very nice, very nice.

0:26:36.500 --> 0:26:37.10

Raes Stefaan

OK.

0:26:37.180 --> 0:26:38.180

Raes Stefaan

But you're a German national.

0:26:39.280 --> 0:26:40.690

Marcel Friedrich

Yes, I'm German.

0:26:44.160 --> 0:26:44.440

Raes Stefaan

OK.

0:26:40.700 --> 0:26:47.840

Marcel Friedrich

So I did my bachelor in Germany and then I went yeah, over for my master here to Portugal.

0:26:49.760 --> 0:26:50.680

Raes Stefaan

OK, very good.

0:26:53.410 --> 0:26:53.860

Marcel Friedrich

Yeah.

0:26:53.940 --> 0:26:54.350

Marcel Friedrich

Thank you.

## **9. Expert interview: Maximilian Klobe (M.K.)**

Note: This questionnaire including answers was translated from German into English

### **1. Appreciation of chatbot technology:**

- Do you think that a rightfully specialized chatbot (like ChatGPT, only with better quality in the answers by specializing in law) could increase the efficiency of lawyers and would you be interested in such a service? (Info: Chatbot is not meant to replace lawyers, but to make your work easier and increase your efficiency)

*A specialized chatbot is suitable to better channel requests in an early phase of consulting activity and to enable a precise allocation of resources. An increase in*

*efficiency is then also possible in the actual consultation phase. The chatbot could help lawyers find legislation faster and more accurately, get an initial overview of existing jurisprudence, or pre-formulate documents in mass proceedings.*

- Would you be willing to pay money, in the form of an abomodel, for such a service?
- If so, how much?

*100€-200€*

- Consider a monthly price of a total of 20€ reasonable.

*The price of 20€ is very reasonable.*

## **2. Regulatory framework:**

- Are there special regulations or restrictions on the provision of legal advice through technology, e.g. chatbots?

*BRAO, RVG, RDG*

## **3. Data protection and security:**

- What are the most important considerations for handling personal and sensitive legal information in accordance with German data protection laws?

*It concerns, inter alia, aspects of digital sovereignty, i.e. with the corresponding tools it is necessary to ensure that data storage and data processing are carried out within the framework of European data protection legislation and European data security legislation.*

## **4. Technology**

- What degree of automation do you think law firms can achieve?

*The highest degree of automation can be achieved in standardized processes (Musterfeststellungsverfahren). Other jurisdictions with a high potential for automation in the area of proceedings preparatory activities could be in the field of family law/inheritance law. There is less potential for automation in public law (frequent discretionary decisions), labour law (often individual case assessment) and criminal law. A flat percentage statement is difficult to make.*

## 5. Collaboration with law firms

- In your experience, what challenges or considerations can arise when introducing a legal tech platform to law firms?

*Incorrect use of the platform. Legal tech platform should be seen as an additional tool that can increase productivity and not as a substitute for legal advice. Quality control must be ensured when using the platform. Tool must be embedded in the overall concept (e.g. appropriate training for lawyers).*

## 6. Advice for start ups

Based on your experience, what advice would you give to a legal tech start-up entering the German market?

*Provide clear information about the opportunities and limitations of possible products. Make it clear which procedural steps a legal tech tool can usefully take over and which steps should be left to the lawyer's personal work.*

*Offer accompanying information on the product (complete solution).*

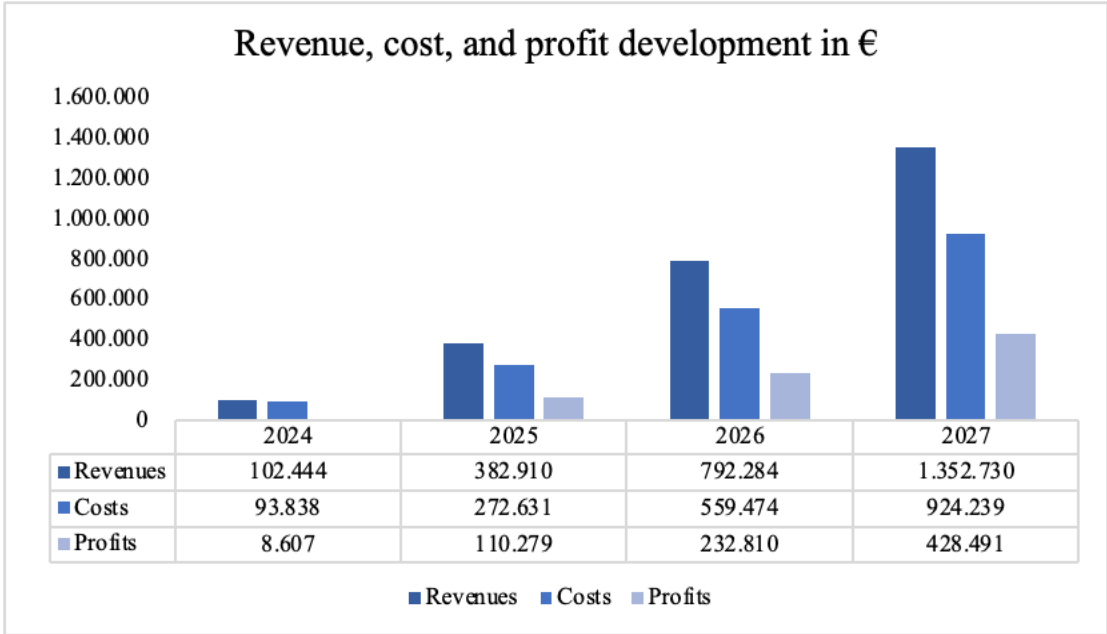
## Appendix 12: Skills matrix of the founders

Skills matrix	Founding team		
	Alzen Kastrati	Leon Busch	Marcel Friedrich
Action/execution skills	●	●	●
Communication skills	●	●	●
Business expertise	●	●	●
Legal expertise	●	●	●
IT skills	●	●	●
Analytical skills	●	●	●
Creative/conceptual/methodological skills	●	●	●

Legend: ● low ● medium ● strong

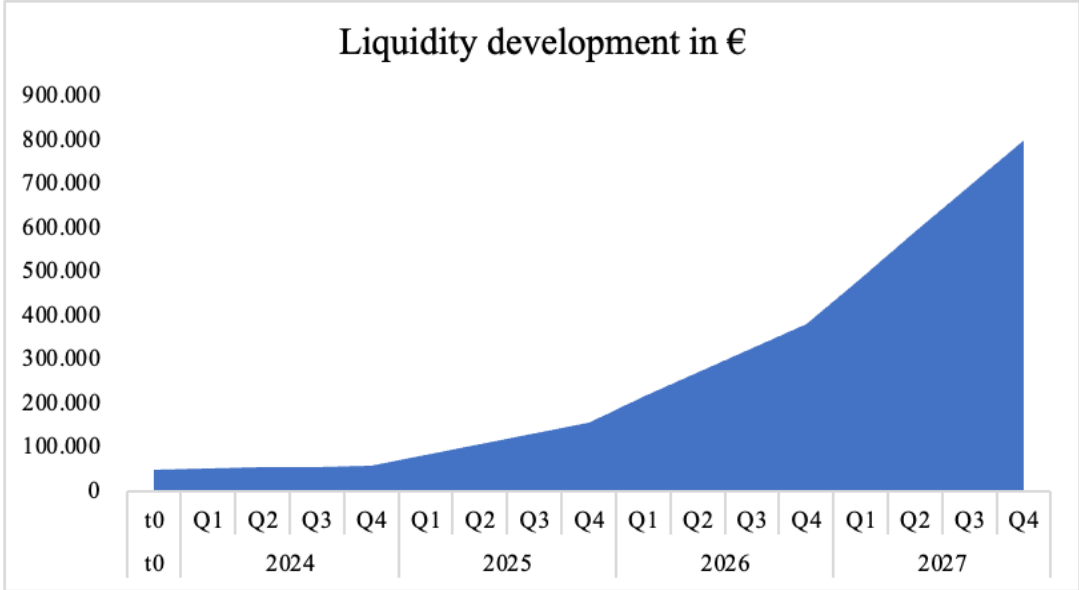
Source: own illustration

Appendix 13: Best case scenario - revenue, cost, and profit development in €, 2024 – 2027



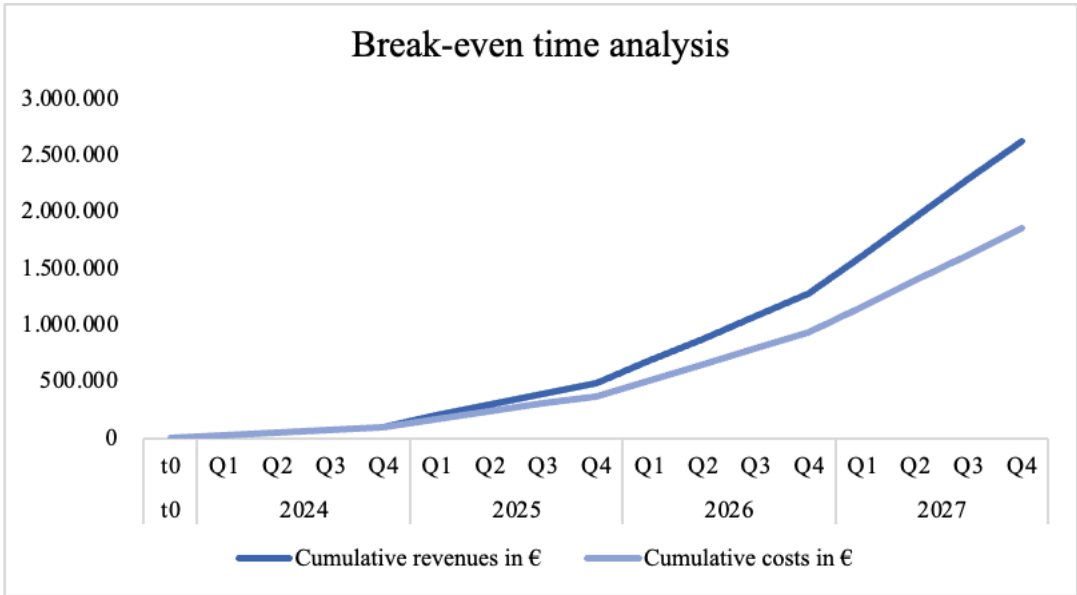
Source: own illustration

Appendix 14: Best case scenario - liquidity development in €, 2024 – 2027



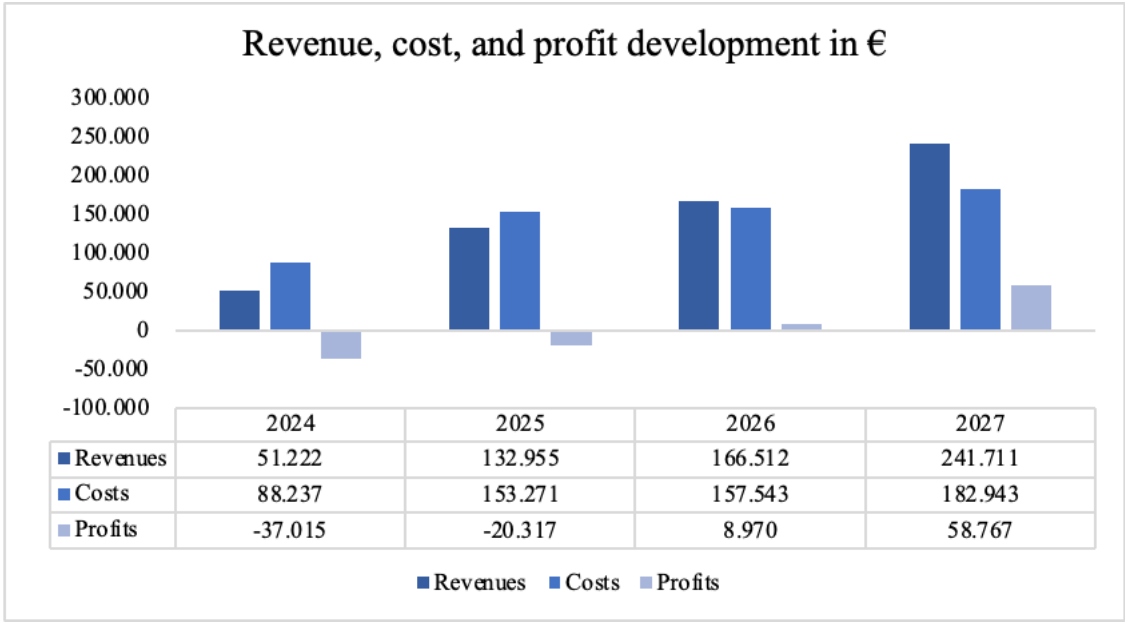
Source: own illustration

Appendix 15: Best case scenario - break-even time analysis



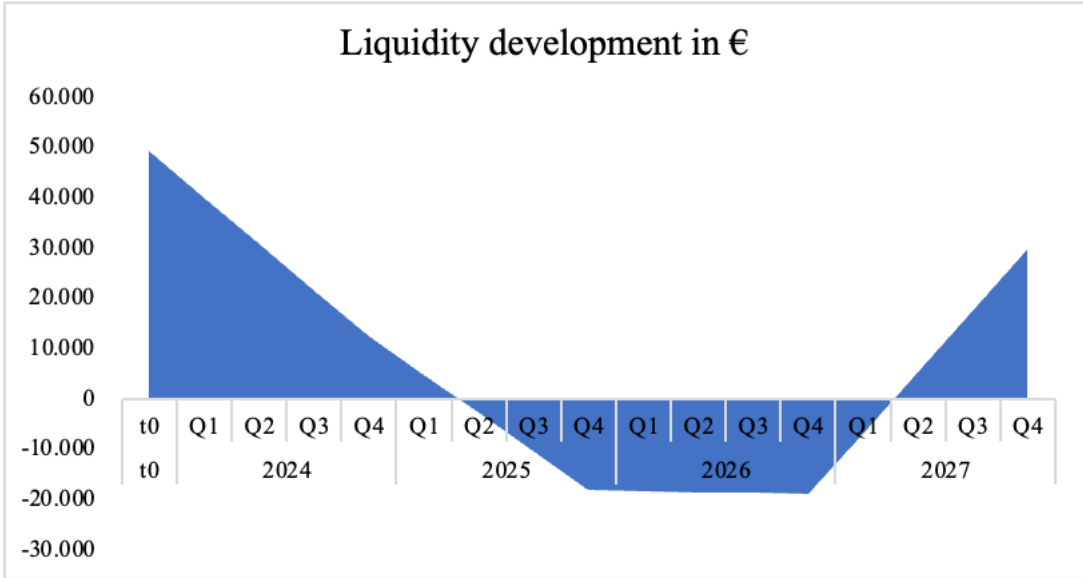
Source: own illustration

Appendix 16: Worst case scenario - revenue, cost, and profit development in €, 2024 – 2027



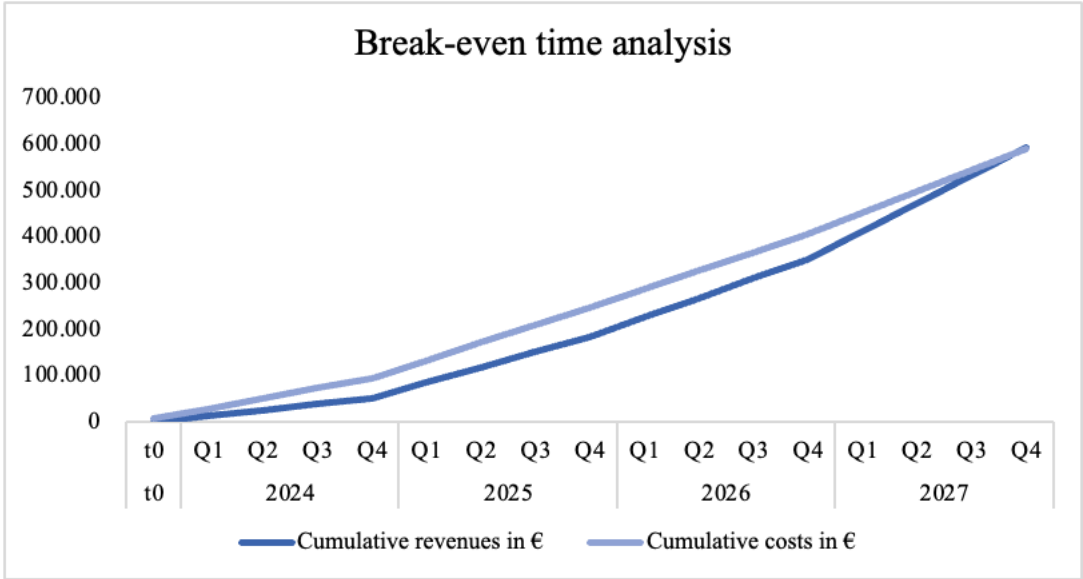
Source: own illustration

Appendix 17: Worst case scenario - liquidity development in €, 2024 – 2027



Source: own illustration

Appendix 18: Worst case scenario - break-even time analysis



Source: own illustration