

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.

Scenarios for the future of the European Legal sector, in the context of disruptive technologies, and its implications for the National Association of Young Portuguese Lawyers (ANJAP)

Framing, Scoping & External Environmental Scanning



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## **Abstract**

In the following Work Project, scenarios were developed based on scientific analysis and dealt with how the working environment of European lawyers could potentially develop in the future. The initial phases consisted of framing the focal issue, establishing a suitable time horizon, and performing an expert-examined external environment research. Then, a survey was conducted to build the foundational framework of scenarios and future strategies for the National Association of Young Portuguese Lawyers (ANJAP).

**Key Words: Foresight, Scenarios, Business Strategy, Legal, Future, Europe, Uncertainty.**

# Table of Contents

TABLE OF FIGURES .....	IV
LIST OF TABLES .....	IV
INTRODUCTION .....	1
PHASE I: FRAMING & SCOPING.....	2
1. FOCAL ISSUE .....	3
2. TIME HORIZON.....	4
PHASE II: EXTERNAL ENVIRONMENTAL SCANNING .....	5
1. MEGATRENDS.....	7
1.1 <i>Globalization</i> .....	7
1.2 <i>Digitalization</i> .....	8
1.3 <i>Global Knowledge Society</i> .....	8
2. TRENDS .....	10
2.1 <i>Digital Trends</i> .....	10
2.2 <i>Organizational, Social &amp; Political Trends</i> .....	13
2.3 <i>Legal Trends</i> .....	17
3. WEAK SIGNALS & WILD CARDS .....	20
4. SCANNING OUTPUTS .....	22
<i>Driving Forces</i> .....	23
5. THE SURVEY: A DELPHI-BASED APPROACH - PREDICTION OF POSSIBILITY & IMPACT.....	25
REFERENCES .....	32
APPENDIX .....	39
APPENDIX TABLE 1: DELPHI STATEMENTS .....	39
APPENDIX TABLE 2: DRIVING FORCES STATISTICAL DESCRIPTION .....	41
APPENDIX 3: SURVEY REPORT.....	42

**Table of Figures**

*FIGURE 1: TAXONOMY'S 1ST LEVEL: CONTEXTUAL ENVIRONMENT*..... 23  
*FIGURE 2: TAXONOMY'S 2ND LEVEL - TASK-ENVIRONMENT*..... 25  
*FIGURE 3: IMPACT/UNCERTAINTY MATRIX IN STATEMENT NUMERICAL ORDER*..... 27  
*FIGURE 4: IDENTIFICATION OF KEY UNCERTAINTIES* ..... 28  
*FIGURE 5: KEY UNCERTAINTIES' EXTREME OUTCOMES* ..... 30  
*FIGURE 6: COMPLETE CLASSIFICATION OF SCENARIO CONSTRUCTION ELEMENTS* ..... 30  
*FIGURE 7: TAXONOMY'S 3RD LEVEL - TASK-ENVIRONMENT & SCENARIO ELEMENTS INTERCONNECTION* ..... 31

**List of Tables**

**TABLE 1: DRIVING FORCES**..... 24  
**TABLE 2: EXAMPLES OF DELPHI STATEMENTS IMPLEMENTED IN THE SURVEY** ..... 26

## **Introduction**

Digitization and interconnectivity affect the world of work in a variety of terms, including work content, structure and interrelated activities. Traditional professions will most certainly be transformed, as business discussion is trending on emphasizing automation effects. New patterns of labour division are emerging – within companies, between companies as well as between humans and machines. The interconnection of the traditional economy with the digital world, will accelerate the structural change towards service providers. Employees need to match changing client needs with new qualifications to solve the upcoming complexity of highly automatized tasks. The importance of further education, requalification or in-house training will increase.

The legal profession is not being spared from this development. Hence, the legal market is transforming itself at an increasingly rapid pace due to such digital transformation. Traditional law firms are facing increased competitive pressure – not only from other peer firms, but also from legal tech start-ups or software companies, in function of innovative standard software. A relevant number of international commercial law firms already employ not only lawyers, but also project managers, economists or software developers. However, the industry's starting point remains legal expertise, which is processed and innovatively illustrated by the implementation of legal tech.

For this reason, the aim of this field lab was to provide the organization – The National Association of Young Portuguese Lawyers (ANJAP) – with possible, plausible and preferred future industry scenarios, and its implications on strategic options and the main organization objectives. Therefore, the scenario thinking process enables ANJAP to present a proactive approach in terms of modelling future strategic options to achieve the most effective level of preparation to navigate in the foreseeable horizon. Thereby, the framed issue was defined – in an explorative manner – to accurately anticipate how the legal profession will continue to exist in the

digital age and which parts of the internal and substantive legal field will undergo a dynamic transformation.

Thus, a combination of several scenario development and decision analysis techniques were deployed in order to accomplish a relevant degree of credibility when dealing with strategic foresight to support the future ANJAP's planning process. Furthermore, the scenario process was based on the Intuitive Logics (IL) School and followed its principal stages: (1) defining the scenario agenda; (2) eliciting a multiplicity of wide-ranging forces; (3) clustering the identified driving forces; (4) establishing the respective cluster's extreme, but plausible outcomes; (5) and ultimately, framing and developing scenario storylines including partially radical transformational changes. The key elements of the cooperation with ANJAP were, on one hand, an expert-based survey within the organizational network and, on the other hand, a two-rounded workshop which was held in two one-and-a-half hour sessions. Based on the results of the workshop, strategies were developed, encompassing internal and external domains, and intending to provide new opportunities as a newly positioned innovative ambassador for young aspiring lawyers in Portugal.

### **Phase I: Framing & Scoping**

The scenario thinking process began with the learning of the organization that agreed to take part in this work project, the National Association of Young Portuguese Lawyers (ANJAP), and its main challenges. In the first client meeting, it was stated that the association is about to enter the territory of "uncharted waters", as the modernization and the remodelling of the legal industry is set to take place. Therefore, the initial phase dealt with the framing of the focal issue and the establishment of a time frame in order to orient the scenario thinking process (Scearce et al. 2004). In other words, the focal issue defines the working scope, and the time horizon should represent a reasonable long-term planning horizon in relation to the framed issue (Wright and Cairns 2011),

allowing for a horizon of ruptures, meaning that there is enough time for changes in trends and historical relations. Finally, it is essential that the framed issue and the time frame are agreed upon with experts from ANJAP, so that the project effectively contributes to the future strategy of the organization.

### **1. Focal Issue**

The focal issue defined for this thesis is built on the expectations of a drastic change in the way the legal system will operate in the future, largely due to revolutionary technology. The legal industry is arguably the most document-intensive among all industries, therefore, one can conclude that such is considered a late bloomer in terms of reaping the benefits of what digitalization and the introduction of Artificial Intelligence can offer when compared to industries with substantially lower documentation levels. According to Professor Richard Susskind, OBE, the world's most referenced author on the future of legal services, technology and A.I. will play a critical role in enabling an increased accessibility to justice (Marr 2020), as well as to provide the largest digital transformation the sector has experienced. Previously, Susskind predicted in his 1996 book, *The Future of Law*, that clients and lawyers would mainly communicate through emails, which has now become a reality. In addition, not only the industry is set to undergo relevant modifications in its operation systems, but also the definition of a lawyer's profession. Once again, the principal factor is the innovation in technology, which in the Singapore's National Chief Justice Sundaresh Menon's vision, will be the single most potent force to reshape the profession in the years to come (Singapore Academy of Law 2019).

A technology-emerging issue was identified by Susskind, stating that law schools are generating 20<sup>th</sup>-century lawyers, when the demand for 21<sup>st</sup>-century lawyers is on the verge of the breakthrough, and consequently indicating that the formation of young lawyers will indeed suffer

significant modifications. Given the extremely high relevancy of advanced technology in both, the legal industry, and the profession itself as described above, the proposed focal issue is the following: **“The future of the European legal industry, in the context of data management transformation and revolutionary technology by 2035: A closer look at the lawyers’ profession and their role in society.”** Moreover, the following supporting questions emerged as supplementary expansion of the original focal issue: (1) How will software change the way lawyers advocate in the future? (2) How will law firms need to adapt to the growing demand for non-traditional legal services? (3) How innovative technology make the legal sector more transparent and accessible? (4) How will ANJAP evolve under the technological transformation in the legal industry? (5) How will automated processes affect the required skill set of aspiring lawyers? (6) How will innovative technologies affect organizational structures in legal firms?

## **2. Time Horizon**

The definition of the time horizon is correspondent to a horizon most suitable for ruptures inside the legal industry. Firstly, it is noticeable that this particular industry is now going through what was the industrialization and the digitalization of other sectors and has been in constant movement since 2005, as legal KPI’s indicate a doubling of resources in just a fifteen year-span (Bong 2021). Moreover, the 2016 *Future Trends for Legal Services* independent research study conducted by Deloitte Legal pointed that 77% of participants – consisted of 243 quantitative survey responses and 30 qualitative, in-depth interviews with in-house legal services purchasers – affirmed that technology had not yet substituted services performed by in-house lawyers, however, 52% believe the change would come to life in 5 years (Deloitte 2016), which indicate a considerable level of relatively short-term expectations.

In a financial perspective, it is forecasted that the global legal AI market will grow by 35.9% per year in revenue terms between 2019 and 2026 per Zion Market Research (Davis 2020). On the other hand, the expenditure in technology differs from, for instance, advanced economies to emerging ones. Therefore, artificial intelligence for example, could cause a widening in the wealth position gap of these countries (Alonso et al. 2020), and as a result, implying contrasting rates of technological implementation. To illustrate such point, a McKinsey's scenario forecast consisting of 46 countries indicates that approximately 30% of work activities could be substituted by 2030, however, ranging from zero to one third depending on the country's economic position and incentives to automation (Servoz 2019). Concluding, in order to revolutionary technology to be introduced and make a relevant impact in the legal industry not only in the most privileged economies, it is appropriate to expand the focal issue's horizon to 2035, where there is a stronger possibility for more affordable services and more advanced rates of technological implementation.

## **Phase II: External Environmental Scanning**

Having framed the issue in question and its time horizon which will guide the entire scenario thinking process, the following consists of scanning ANJAP's external environment. The scanning was performed in order to identify the main forces that could shape the previously stated focal issue. In other words, one scans an organization's environment to understand the external forces of change, or so-called "Driving Forces", so that they can develop useful responses that will secure or improve its position in the future. (Auster and Choo 1994). The scanning approach utilized to properly understand the contextual macroenvironment is focused on the identification of megatrends, trends, weak signals and wild cards, in a state of play by means of a PESTLED analysis (political, economic, social, technological, legal, environmental and demographic), serving as the main explorative guidance for desk research – it is worth mentioning that the

categorization of these factors has little, if any value (Cadle et al. 2010). Moreover, it is defined as an *active* form of scanning, emphasizing the attention on information resources that span the broad areas of technological, economic and political sectors in a regional, national and global scale (Morrison 1992). The considered factors present in the scanning analysis fit two criteria: they are outside of the sphere of influence or control of the organization, and they have a certain degree of impact upon it (Cadle et al. 2010). Additionally, the analysis considers these factors to predict the major industry success factors, as well as trends for future growth and market potential (Perera 2017). Moreover, this scanning protocol was selected due to the perception of a highly dynamic business environment where external factors are uncontrollable by the business (Cadle et al. 2010).

Megatrends are long-term processes of transformation which have been present for decades, present a broad scope, and have a global and cross-industry impact. Trends are defined as a form of declaration of the direction of change, having a somewhat smaller dimension, as their influence can be cross-industry or related to a specific niche. Weak signals are characterized as external warnings which are not present in a matured stage, therefore, not allowing for an accurate impact assessment and pointing towards the potential emergence of wild cards. The wild cards are events that are extremely unlikely to happen and present a surprising characteristic. However, if these events were to occur, they will have a major impact not only on the focal issue, but in the entire industry and most likely worldwide. Subsequently, driving forces were then extracted from the analysis as part of the Intuitive Logics (IL) scenario process and divided into five environment subdivisions: disruptive technology, law-specific, organizational structure of law firms, European society and European government regulations.

Overall, the environmental scanning is executed to get a macro-overview of an industry and its driving forces. Then, the identified driving forces were validated by subject (legal) experts

from ANJAP to ensure that the foundation of such research was indeed relevant to the focal issue. In the next step, based on the research, the subject experts participated in a survey, in which the focus was placed on an impact and uncertainty assessment regarding the identified driving forces. The objective of the survey was to build an *impact/uncertainty* matrix and extract the major scenario construction elements, the so-called key uncertainties, secondary uncertainties and pre-determined elements.

## **1. Megatrends**

### **1.1 Globalization**

The term globalization refers to the process of increasing worldwide interdependencies in many areas (economy, politics, culture, environment, communication) between individuals, societies, institutions and states. The main causes of globalization are technical progress, product and process innovations, especially in communication technologies such as the development of the internet and the digital revolution. Regarding the legal profession, it can be noted that throughout the globalization process, the general "market volume" and the associated number of lawyers have continuously increased (Henderson 2007). Globalization has a noticeable impact on the legal market and is reaching the sector, not only due to the increasing standardization of law within the European Union, but also due to close economic ties – for example with China and the USA. Large law firms specializing in commercial law have already reacted to the changes and have increasingly established branches in other countries. However, the globalization of the legal market does not only affect internationally operating large law firms. Small and medium-sized law firms are also increasingly confronted with legal issues that have an international dimension (Liu 2013).

## **1.2 Digitalization**

Digitization has fundamentally changed almost each and every industry in recent decades and is one of the driving forces for overall change in the 21st century. Since the digital revolution, the wheat has been separated from the chaff in the business world, as it is believed that largely fully digitized companies are 23 times more likely to acquire customers, 6 times more likely to retain customers, and 19 times more likely to be profitable (Cohen 2018). While digital transition is unstoppable, digital transformation in companies is not completely risk-free. According to a "McKinsey Quarterly's research," 1700 executives reported that the chance of generating less profit than planned from digital transformation is about 45% (Bughin et al. 2019).

When compared to other industries, the Legal Industry is behind in terms of technological expertise and implementation. In a 2018 report by Gartner, 81% of all legal companies were "unprepared" in terms of digitalization at that time (van der Meulen 2018). Nonetheless, one can speak of a clear digital upswing in the legal sector, especially due to the change during the current global health crisis. Law firms are less tech-averse, and leading firms have used time wisely to make their workflows more efficient in recent years. Global competition will force firms to lower their cost of services, leading to even more client-centric innovation. Customers will demand more for less, and digitization and disruptive technologies are key to delivering it. The implementation of digital tools in the legal industry is increasing significantly and will certainly not stop in the coming years (Brochner 2021).

## **1.3 Global Knowledge Society**

The global knowledge society impacts the legal industry in terms of an accelerated global war for talent (Krys and Fuest 2018), provided by a combination between a recent and significant decrease in the number of law school enrolments – consequently resulting in lower numbers of

graduates and a talent shortage – and the need for better educated prospects, caused by the profession’s digital transformation. In fact, the substantial lower level of enrolment seen in 2019 was only experienced back in 1975, putting an end to the continuous upward trend observed for over four decades (American Bar Association 2019). In developed countries, a major group of older employees is set to retire in a foreseeable future (the “baby boomers”), and despite the currently increase of young talents coming from universities to join the labour force, the number is incapable of offsetting the losses caused by the rate of retirements, creating an enormous talent gap. For instance, the U.S. Census Bureau’s 2017 National Population Projections indicates that the country will present a higher number of senior citizens than children – for the first time in history – by 2030 and all baby boomers will be older than age 65 (United States Census Bureau 2019). Other developed countries on different continents are already experiencing talent shortage, that is the case in Germany and Japan, highlighting the need to attract international talent. Regarding emerging market economies, the situation is expressed by an increasing demand for well-educated employees due to growing economies. Additionally, such developing nations present the largest quantitative talent pool in absolute numbers, as the number of students enrolled worldwide in higher education is expected to quadruple within 30 years from 99 million in 2000 to 414 million in 2030 (Krys and Fuest 2018).

The principal implication for the legal industry is that law firms tend to experience a more significant growth in younger and developing markets when compared to the already established large markets, due to lower costs and easy accessibility to aspiring lawyers. For instance, upstart cities in the U.S. are overtaking the top legal markets (Stokes 2019) – e.g.: New York and Washington – in terms of law firm growth, illustrating the shift to lower cost areas presenting larger talent pools. Finally, the direct implications of an aging population for the legal practitioner

translates into a future drastic increase in regulatory and healthcare issues, for instance to the Affordable Care Act (LexisNexis 2020).

## **2. Trends**

### **2.1 Digital Trends**

#### ***2.1.1 Blockchain Technology***

The Blockchain technology is expected to have a considerable impact on the lawyer's profession within the next 15 years. The original blockchain is an open-source technology that offers an alternative method to the traditional intermediary for transfers. The intermediary is replaced by the collective verification of the ecosystem, which offers an extremely high level of verifiability, security and speed. In a traditional environment, trusted third parties act as intermediaries for financial transactions.

Blockchain technology is not limited to finance. It can be applied to a multi-step transaction where traceability and visibility are required. The supply chain is a notable use case where blockchain can be used to sign contracts and verify product provenance. The technology could also be used for voting platforms or securities management – among countless other application areas. As the digital and physical worlds increasingly converge, there will be a considerably higher number of opportunities for the practical application of blockchain. The exponential and disruptive growth of blockchain will be conditioned by the convergence of public and private blockchains into an ecosystem where companies, customers and suppliers can collaborate in a secure, auditable and virtual way. In the legal sector, notaries and official registers (commercial register, land register, etc.) are currently still indispensable. These middlemen or central registers could be replaced by the blockchain principle (The National Law Review 2018).

Another area which is generated by blockchain technology is intelligent digital and automatic contracts, or the so-called smart contracts. In simple terms, these are programs that control the terms of a contract on a computer basis and can execute individual parts of the contract automatically. No intermediaries or lawyers are required for the execution of smart contracts, as the control and execution of contracts is based on databases (Cong & Zhiguo 2019).

### ***2.1.2 Artificial Intelligence***

Another trend to be mentioned regarding technology is the progress of artificial intelligence. However, in the legal context, such is referred to "Legal Tech". This term refers to the advance of artificial intelligence and its resulting influence on the legal profession whereby a more specific distinction must be made here. In general, the progress of these technologies guarantees lawyers more efficient, transparent and cost-effective work. The spectrum in this area includes software to support lawyers' office organization in the areas of bookkeeping, document management or accounting, as well as online services that increasingly take on standardized legal issues, up to developments such as chatbots, that could take over entire work processes automatically with the assistance of artificial intelligence (McKinsey & Company 2020).

In addition to the contact to potential clients through legal tech platforms, the networking of lawyers among each other also plays a critical role. The corresponding portals allow outsourcing of work processes, appointment representation and networking of legal know-how. Websites can provide a worldwide network of lawyers who can be consulted on international legal issues. Generally, changes in process automation, document review, self-service tools and intelligent databases encompass the following examples: *Legal Process Outsourcing (LPO)* service for lawyers, through external appraisal or the provision of project lawyers, personnel consulting and virtual data rooms via platforms automatic typesetting; *E-Discovery*: Search of large of data in

antitrust proceedings or M&A processes. In contrast to the finding certain texts in the mass, here it is a matter of classification and order of large databases; *Information Extraction*: Rule-based and supervised machine learning (AI) for searching through data sets, i.e., finding and compiling contract types, parties, terms; *Expert systems*, software-supported generation of risk analyses on specific legal issues such as risk analysis for bogus self-employment, severance pay amounts or notice periods (Dale 2018).

### **2.1.3 Legal Analytics**

Data or legal analytics is an emerged digital force defined as the science of collecting, inspecting, modelling and ultimately, formulating insights from large volumes of data (LexisNexis 2019) – which include for instance, trial results, witness testimony, court decisions and points of reference (Pansare 2020) – and adding a great deal of practicality to the profession. It assists lawyers by facilitating data breakdown and encouraging data-driven decision processes, as well as to generate tailored strategies toward specific cases. In other words, a law practitioner is able to select an analytical tool that fits with the principal needs of their department. Further, it is worth noting that this particular trend has a high degree of correlation with the megatrend of digitalization, which allowed first, legal cases' data to be recorded through a digital platform instead of written books. Therefore, legal analytics carries a certain level of dependency towards digitalization and demonstrates that it tends to move in an equivalent direction and speed.

The first relevant example is predictive analytics, which generates an accuracy-based forecast with the ultimate role of answering questions in the matter of how strongly certain case is related to another, determining cases timelines that lead up to final decisions or estimating a probability to predict certain behaviour within a relative level of accuracy (Wharton 2019), therefore, better managing client expectations based on the historical analysed data. The second is

language analytics, which facilitates court text and key sentence extractions that assist on practitioner's search query (LexisNexis 2019). For instance, this feature enables lawyers to recall previous judges' languages and implement in the argument of their own in order to become more appealing. The third example is illustrated by the visualization tools, which primarily focus on filtering the requested search, within an intuitive graphical representation, and illustrating the cases that are more attractive to the practitioner' default strategy (LexisNexis 2019). In a numerical perspective, the 2020 Legal Analytics Study conducted by LexisNexis and ALM Intelligence pointed out that 92% of the respondents planned on increase their use of legal analytics in the following 12 months, where over 50% have identified competitive pressures – in other words, the need to win the case – combined with client expectation as the major driving factors of such accelerated usage rate (LexisNexis 2020).

## **2.2 Organizational, Social & Political Trends**

### ***2.2.1 Disruptive Outsourcing***

A result of an increasingly globalized and digitized world is the increased incidence of outsourcing. The term outsourcing refers to a corporate strategy in which individual services, sub-areas or business processes of a company are shifted to suppliers and are no longer provided or taken over by the company itself. The most important reasons for outsourcing are: *increased efficiency*, as companies can focus on their core competencies; *better scalability*, as outsourcing increases the available capacity of manpower; *faster responsiveness*, as relevant tasks can be passed on to specialized third-party companies; *quality improvement* by passing on tasks to external experts; *cost savings* through external companies with a higher degree of specialization and often more financially favourable working conditions; and *lack of know-how*, as constantly changing work processes would otherwise necessitate the constant hiring of new specialists.

The global outsourcing market has almost doubled from 2000 to 2019, but since 2010 a state of stagnation is observed (market volume: circa 90 billion USD/year) (ISG 2020). However, since digital solutions became increasingly important in the last decades, client firms are looking for providers who can elevate the way they do business, by enabling flexibility, helping to leverage complex technologies, and by improving the firms' overall adaptation to the market. Therefore, the ability to understand the strengths of suppliers carries a higher degree of importance to achieve the perfect implementation of new digital methods to do business (Deloitte 2020).

While “traditional” outsourcing seems to have loosen its attractiveness for firms worldwide, “disruptive” outsourcing is on the rise. In the last century, firms normally used outsourcing to ameliorate back-office operations through cost reduction and performance improvement. Nowadays, disruptive outsourcing solutions are empowering competitive advantages by accelerating changes within firms, leading to a more agile and efficient back office. The main technologies driving disruptive outsourcing include: *cloud computing*, as the use of IT infrastructures and services that are not kept on site are leased as a service and accessed via a network (e.g., the Internet); *Robotic process automation (RPA)*, as the automated processing of structured business processes by digital software robots; and *cognitive automation*, relying on a combination of classic RPA and artificial intelligence which derives user behaviour from data patterns (Deloitte 2018).

### **2.2.2. Remote Work**

With the global use of the internet, it has suddenly become possible for the workforce, especially in the service sector, to perform some tasks off-site. This can bring many benefits including more time due to less commuting and fewer potential distractions in the workplace; lower costs due to not having to rent an off-site office; more mobility since employees are no

longer dependent on the physical workplace. However, remote working can also bring some disadvantages, including significantly reduced social contacts, which are essential in some industries; less control of working hours by superiors; and significantly less personal contact with customers (GitLab 2020).

In Europe, an average of 16.1% of workers sometimes or increasingly work remotely, with Sweden (37.2%), the Netherlands (37.1%) and Luxembourg (33.1%) topping the list. Portugal is just below the European average with a share of 15.5%. It is worth noting, however, that the data corresponds to the year of 2019, as the global health crisis experienced in such period is expected to have significantly increased the number of people working away from the office (Eurostat 2021).

In the wake of digitization and its acceleration due to the Covid-19 pandemic, attitudes toward remote working in the Legal sector have also changed. According to a study conducted worldwide in July 2020, 97% of all law firms already use video meeting apps and 91% use remote desktop software. Nearly three-quarters use webinars to train their workforce, and nearly half of all firms use team chat apps as a means of communication. Although it is impossible to accurately forecast the global health crisis' impact on the Legal sector in this respect, based on the figures of the last decades, there is a recently established trend towards remote or hybrid working. Like all other companies in the service sector with digital output, there is no other way for the legal sector today to meet the newly encountered challenges (McEvoy 2020).

### **2.2.3 Employee Diversity**

According to a study performed by McKinsey & Company, companies with gender, ethnic and cultural diversity in their leadership ranks manage to outperform their competitors from a financial perspective. Additionally, the percentage of women on executive teams in Western economies is

somewhere between 10% and 20%, and rising. Representation of ethnic minorities is lower, ranging from 5% to 14%. It also shows that there is progress in gender diversity and more inclusion in boardrooms, however, at a slower pace (Dixon-Fyle et al. 2020).

In the legal industry, the need for diversity among employees has surged in recent years. According to the McKinsey report “*Women in Law Firms 2017*”, 83% of the firms surveyed have special programs to improve career opportunities for women. Every law firm surveyed by McKinsey offered the option to work part-time or a reduced number of hours. The issue of equality has become increasingly prevalent in the legal industry in recent years that in the United Kingdom, for instance, many top firms have voluntarily set diversity targets for partnerships. Their goal, depending on the firm, is to have 20% to 40% women in their ranks by 2030 (Brodherson et al. 2017). Nevertheless, the percentage of female partners in the U.K.'s top law firms is currently stagnating at around 19%; in Germany, for instance, such rate is at 12%. At certain of the more well-regarded firms, male associates earn up to 60% more in bonuses than women, and men earn up to 22% more at an average hourly rate (Brodherson et al. 2017).

#### ***2.2.4 Nationalistic tendencies***

Nationalistic right-wing parties and movements have been able to make their mark in numerous European countries in recent years. The political far-right spectrum ranges from right-wing populist to extreme right-wing parties, but is the right-wing populists in particular that are gaining support in Western Europe. The decisive difference between the two parties is demonstrated in their attitude towards the so-called system question: while right-wing extremists clearly reject the current state order and its principles and, in some cases, actively attack it, right-wing populists do not take an explicitly system-oppositional stance.

Nationalistic right-wing parties and movements have been able to make their mark in numerous European countries in recent years (Graham-Harrison et al. 2021). A current example of nationalist/anti-globalist tendencies in Europe and the associated repositioning of trade cooperation is the Brexit. In Europe, the movement and its critique towards a highly interconnected European continent have challenged the idea of the European Union (EU) as a political entity based on shared sovereignty, free movement of persons and economic integration, and governed by a common legal framework. Consequently, German exports to the UK plummeted by almost a third in January 2021 after the Brexit trade agreement came into force. According to preliminary calculations, exports had fallen by around 30 per cent compared to the same month last year (Imöl and Ivanov 2021).

## **2.3 Legal Trends**

### ***2.3.1 Growth of the Legal Services Market***

When compared to other sectors, the legal services market is relatively independent of economic cycles and seasons. The current international economic and financial crisis has had little impact on the overall demand for legal services in Europe – measured by turnover – and is experiencing relevant economic development. The specialist areas of information technology law, banking and capital market law, copyright and media law as well as social, agricultural and tax law have benefited most. In particular, law firm owners and commercially oriented law firms have recorded increases in turnover in recent years.

Regarding overall statistics, the global legal service market valuation is supposed to decrease from \$734.1 billion in 2019 to \$728.5 billion in 2020 at a compound annual growth rate (CAGR) of -0.8%. The main reason for this decline is the global recession due to the Covid-19 outbreak and implemented restrictions to contain it. Thus, if vaccination strategies succeed, the

worldwide market is supposed to quickly recover and surpass pre-pandemic levels, potentially reaching a CAGR of 5% in 2021 and resulting in a market value of \$845.7 billion in 2023. In addition, North America ranks first in percentage of global legal services market share, accounting for 56% in 2019, followed by Western Europe with 24% (Thomson Reuters 2020).

### ***2.3.2 The rise of Non-Legal Firm Competition***

The emergence of the Alternative Legal Service Providers (ALSP's) is given by the shift in the client's perspective of the legal practitioner and its changing needs, as they are now requiring a broader combination of background knowledge. The three major competitors are accounting firms, consultants and contracted lawyer services – producing a greater level of impact in the middle and lower market – and its unique characteristics lie in presenting more levels of employees, cost-effectiveness and higher degree of technology used for client-based interactions (American Bar Association 2019). For instance, one third of legal service purchasers that participated in the 2016 Deloitte Legal independent research, want their legal services provider to bring industry, commercial and non-legal expertise, as well as digital expertise, such as data privacy and cyber security (Deloitte 2016). In addition, more than half of law firms stated that they are currently utilizing at least one of the top five functions performed by ALSP's (Wilkins and Ferrer 2019). As a result of the industry segmentation, a new global market valued at \$14 Billion was generated and its companies' revenues jumped from \$8.4 Billion in 2015 to \$10.7 Billion in 2017 – corresponding to an expressive compound growth rate of 12.9%. In depth, the fastest growth is brought by ALSP's which law firms have formed as captive subsidiaries (approx. 30% growth per year), followed by independent ALSP's (approx. 15% growth per year) and last but not least, ALSP services provided by the Big Four: EY, Deloitte, KPMG and PwC (approx. 8% growth per year) (Thomson Reuters 2021).

Such industry's component is now moving into a mainstream segment of the legal sector and maturing in a fast pace, therefore, downgrading the usage of the terminology "alternative". Moreover, it is worth to acknowledge the elevated degree of control lawyers exert over the regulatory system, therefore, it is expected that incumbents have worked to limit the legitimacy of the "alternatives" to the traditional legal ecosystem (Wilkins and Ferrer 2019). In conclusion, the traditional legal firms will not be completely removed from the legal ecosystem and tend to remain its relevant status in the industry for the foreseeable future, where the surviving ones will be those which harness adaptive innovation to meet client needs (Wilkins and Ferrer 2019). Finally, the new dynamics of the legal sector tend to decenter traditional understanding of how to provide high-quality legal services, but maintaining the ideals of predictability, fairness and transparency (Wilkins and Ferrer 2019).

### ***2.3.3 Freelance Legal Services***

In November of 2019, the Solicitors Regulation Authority (SRA) announced that solicitors would be enabled to give legal advice on a freelance basis, meaning that they would no longer be required to be registered as a sole practitioner and to work as in-house counsel (Chambers Student UK 2021). Consequently, one can predict an ease of regulation regarding such position, a significant advantage over in-house counselling, however, the same could eventually turn to become a notable issue – "A Wild West model", was how the freelancing model was described by the Law Society (Chambers Student UK 2021). In addition, freelancers enjoy the ability of a higher degree of flexibility to working hours, as well as setting their own rates, which generally tend to be more cost effective to clients.

In fact, freelancing has been around the legal sector for decades prior, but with significantly lower levels of popularity. The major contributing factors for the popularity turnaround are "the

ease with which freelance services can now be procured for individualized and smaller scale projects through curated networks on online platforms” – stated Carolyn Elefant (2018) in an *Above the Law* article – and the challenges faced by the traditional law firm model brought by new market realities. Moreover, the adoption of a freelancing model in corporate law is given by the maturing of cloud computing processes and the idea of applying technology in a more meaningful manner (Younger 2020). In conclusion, the rise of freelancing is highly correlated with the emergence of non-legal firm competition, in the manner of widening the background diversity of the practitioner and aligning the new expectations of legal services providers.

### **3. Weak Signals & Wild Cards**

#### **3.1 Lisbon, the new European Tech Hub**

Portugal's tech industry is growing twice as fast as any other tech hub in Europe, and venture capital investments in Portuguese start-ups rose to a maximum of €485 million. In the past three years, private equity investment has more than tripled to €7 billion, according to industry figures. Investors are flocking to the recovering and capital-hungry economy. In addition, an elevated number of technological conferences are pitching their tents in Lisbon. Particularly well-known is the Web Summit, which announced last autumn that it would stay in Lisbon for another 10 years after a three-year trial period. The conference not only attracts over 80,000 industry insiders to the Altice Arena, but is also expected to bring revenues of around 3 billion euros over the next decade (Armand-Delille 2018). The city works to embrace new business ideas and accelerate business processes, facilitating the process to launch a start-up in Lisbon than in any other European tech hub. One of the city's best-known co-working spaces is Beta-i, considered one of the world's leading FinTech innovation labs (Font 2020).

### **3.2 Cyber Pandemic**

An internally identified weak signal in the legal industry is the sharp increase in the amount of information security analysts needed. In fact, such career is set to grow by an alarming rate of 31% over the decade, a significantly higher pace when compared to the average among other relative careers (Purdue University Global 2020). Moreover, Dennis Kennedy, adjunct Law professor at the University of Michigan and Michigan State University, predicts that a tech competence curriculum and cybersecurity training will be focal points in the future of the lawyer's profession (Aderant 2020).

The context behind it is that with the evolvement of digitalization – particularly illustrated by the upcoming next generation of mobile internet connection and the shift to remote work (Greenberg 2021) – the number of cyberattacks impacting any business type firm have experienced a continuous increase. Furthermore, cyberattacks have developed in a more sophisticated manner, enabling hackers to reach an international level of espionage and a large scale of internet disruption. In fact, it is forecasted that global cybercrimes will cost \$10.5 trillion annually by 2025, representing the greatest transfer of economic wealth in history and registering higher profitability than global drug trade, for instance (Morgan 2020). In addition, the elevated rate of importance in relation to law firms is justified by the 300% increase in the amount of data stolen, in the first quarter of 2017 in the U.K. legal system, when compared to the year prior (National Cyber Security Centre UK 2018). After all, it points towards the possibility of the next global crisis, a wild card referenced as a cyber pandemic. In comparison with the Covid-19 pandemic, an eventual cyber pandemic's rate of infection would be ten times quicker, spreading faster and further than any biological virus (World Economic Forum 2021).

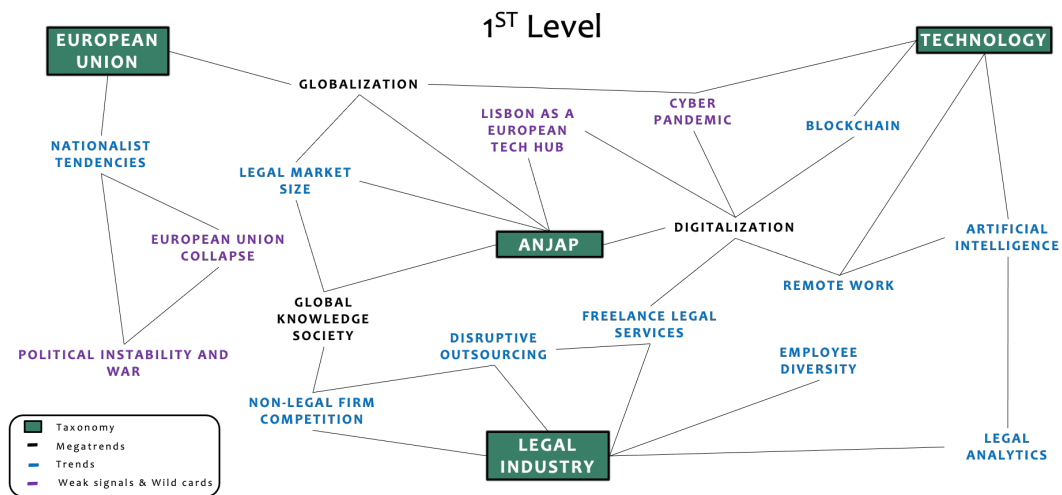
### **3.3 Political instability and war**

Another identified wild card is the danger of rising dictatorships and wars in Europe. Although the world is supposedly far away from such scenario and not experienced any major armed conflicts in Western Europe since the end of World War II, political escalations present the possibility of a reoccurrence of such events. Until the 1970s, nationalist dictatorships in the Iberian Peninsula were the reason for the late transition to democracy in Portugal and Spain, and until the 1990s, Eastern European states were under Soviet control. As previously mentioned, nationalist tendencies have been trending lately, and economic crises have given ruling autocrats the opportunity to expand their power, as opposition extremists benefit from insecurity and instability to increase their popularity (Gebrekidan 2020). Nevertheless, the protection of democracies is protected by mechanisms in the European Union (Bárd et al. 2016). In addition, exclusion from the European Economic Area or, in a radical case, war, would have extreme economic consequences and therefore, presents a significant lower degree of likelihood.

### **4. Scanning Outputs**

The external environmental scanning ultimately leads to three (3) principal outputs: first, the logical identification of the type of environment (or “causal texture”) dealt with. The scanned environment highlights the continuous industry digitalization and potential implementation of disruptive technological capabilities, as well as the emergence of ALSP’s and freelancing modelling, fitting into the categorization of a *turbulent field* (Emery and Trist 1965). A turbulent field is classified as the most complex causal texture, created by the dynamic properties arising from the interaction of the component organizations and from the field itself (Emery and Trist 1965); second, the establishment and understanding of the environment-organization relationship, giving birth to a PESTLED taxonomy – originated from the exploration of factors that lead to a

concise understanding of the dynamics of the relationship and interactions between the scanned variables (Burt et al. 2006) – which is subdivided into two (2) levels: the 1<sup>st</sup> level consists of the *contextual environment* that is understood in terms of the PESTLED macro factors (Figure 1), and the 2<sup>nd</sup> level consists of the *task environment* (or organization-specific) that is understood by an organization towards that particular environment (Burt et al. 2006); and third, the identification of the main driving forces.



**Figure 1: Taxonomy's 1st Level: Contextual Environment**

### Driving Forces

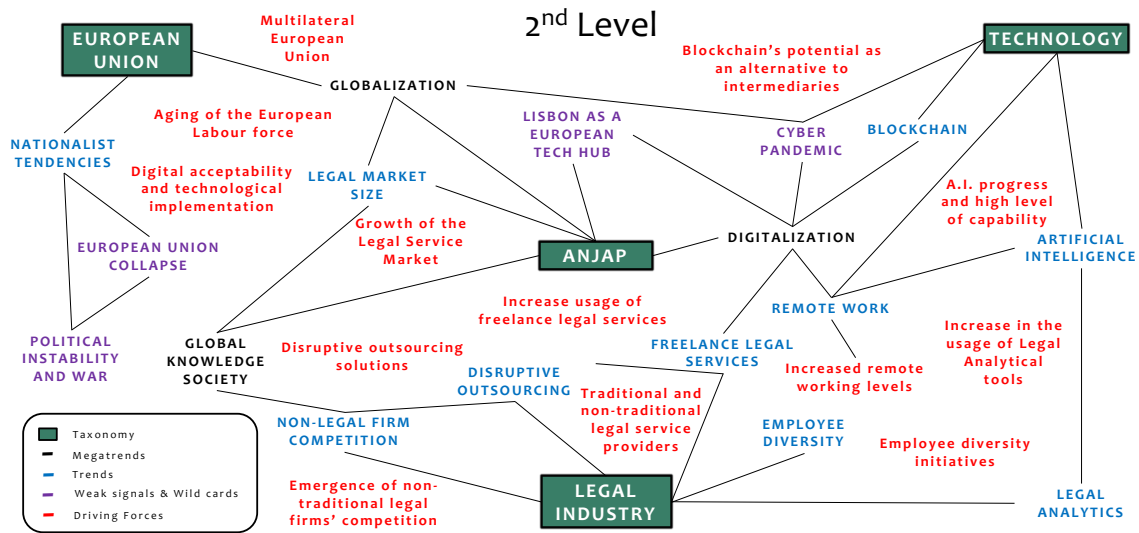
The final output of the performed external environmental scanning is the initial identification of driving forces, in other words, the forces of change outside the organization that shape future dynamics in both predictable and unpredictable ways (Searce et al. 2004). The driving forces were categorized into external environment subdivision – Disruptive Technology, Law-specific, Organizational Structure of Law Firms, European Society and European Government Regulations (see Table 1).

**ENVIRONMENT SUBDIVISION****DRIVING FORCE**

<b>Disruptive Technology</b>	<ol style="list-style-type: none"> <li>1. Artificial Intelligence’s progress and high level of capability;</li> <li>2. Blockchain’s potential as an alternative to intermediaries (as “the middleman”);</li> <li>3. Increase in the usage of Legal Analytical tools for data management purposes (Legal Tech).</li> </ol>
<b>Law-Specific</b>	<ol style="list-style-type: none"> <li>1. Overall growth of the Legal Service Market;</li> <li>2. The emergence of non-traditional legal firms’ competition;</li> <li>3. Increased popularity of freelance legal services;</li> <li>4. Increased legal outsourcing processes and implementation of disruptive outsourcing solutions.</li> </ol>
<b>Organizational Structure of Law Firms</b>	<ol style="list-style-type: none"> <li>1. Increased remote working levels;</li> <li>2. Considerably higher number of employee diversity initiatives.</li> </ol>
<b>European Society</b>	<ol style="list-style-type: none"> <li>1. Aging of the European Labour force;</li> <li>2. Higher degree of digital acceptability and technological implementation.</li> </ol>
<b>European Government Regulations</b>	<ol style="list-style-type: none"> <li>1. The number of regulations imposed towards traditional and non-traditional legal service providers;</li> <li>2. Extensive agenda and greater number of initiatives towards a multilateral European Union.</li> </ol>

**Table 1: Driving Forces**

Moreover, in order to comply with the scientific suggestion of multiple levels of environmental conceptualization (Burt et al. 2006) the identified driving forces were sent for a round of expert examination – in this case, coming from the client itself (ANJAP) – therefore, being validated while at the same time, turning into an organization-specific approach to analysing and understanding the environment, and serving as the foundation to construct the taxonomy’s 2<sup>nd</sup> level – organization-specific (Figure 2).



**Figure 2: Taxonomy's 2nd Level - Task-Environment**

**5. The Survey: A Delphi-based Approach - Prediction of Possibility & Impact**

As further scientific validation of the external environment analysis performed above, a survey was developed and delivered to 31 subject experts – in this case lawyers – and its ultimate objective was to predict how these driving forces were to shape the future dynamics. Therefore, a modified Delphi approach was utilized as the foundational methodology, since it enabled the transformation of the previously identified driving forces into statements (see Table 2 for Delphi statements examples & Appendix Table 1 for all Delphi statements) which focused on forecasting the occurrence of an event (Goodwin and Wright 2004) and allowing the subject experts to position themselves towards the foreseeable future inside the framed issue and horizon in question.

<i><b>DRIVING FORCE</b></i>	<i><b>Delphi Statement</b></i>	<i><b>Delphi Statement Number</b></i>
<i>Artificial Intelligence's progress and high level of capability</i>	By 2035, Artificial Intelligence will have replaced most of the low-hierarchy positions in the industry.	1

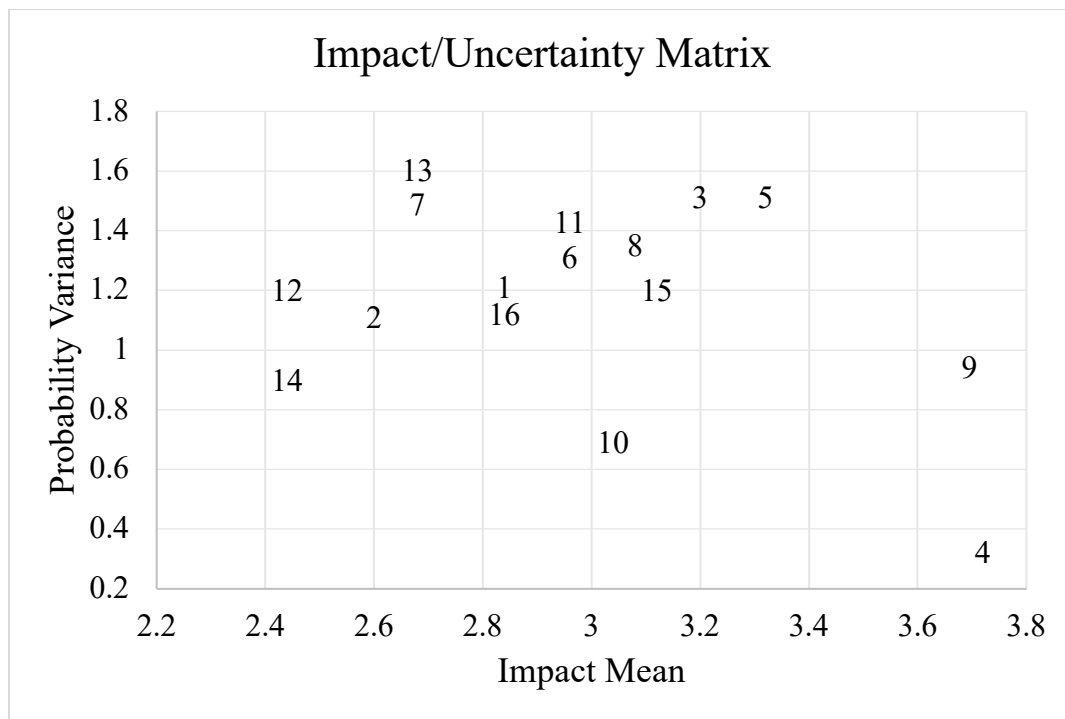
<i>Growth of the Legal Service Market</i>	By 2035, a continuation of globalization leads to a constant increase in demand for legal services.	4
<i>The emergence of non-traditional legal firms' competition</i>	By 2035, non-traditional legal companies – for instance the Big Four (EY, Deloitte, PwC and KPMG) – continue to expand their Tax & Legal departments heavily and will replace many large law companies.	5

**Table 2: Examples of Delphi Statements Implemented in the Survey**

The justification from selecting the Delphi methodology is given by its assistance towards scenario construction being focused on specific issues along with the help of experts on the focused subject (Renzi and Freitas 2015). Its principal structure consists of judgment inputs, which is achieved by a controlled exchange of information between subject experts – classified as the focus group. The data extracted by the Delphi methodology falls in the category of expert’s judgment rather than empirical evidence, generating subjective rather than objective variables – classified as singular and non-repeatable variables. Therefore, since there is weak or non-existent scientific evidence that these statements were to happen, the survey is not suitable for the application of empirical methodologies (Institute of Medicine 1990). Furthermore, the suggestion regarding the number of experts lies between 15 to 35, as the number of answers have equal weight, and the analysis of the result occurs with a lower degree of intricacy (Glenn and Gordon 2009).

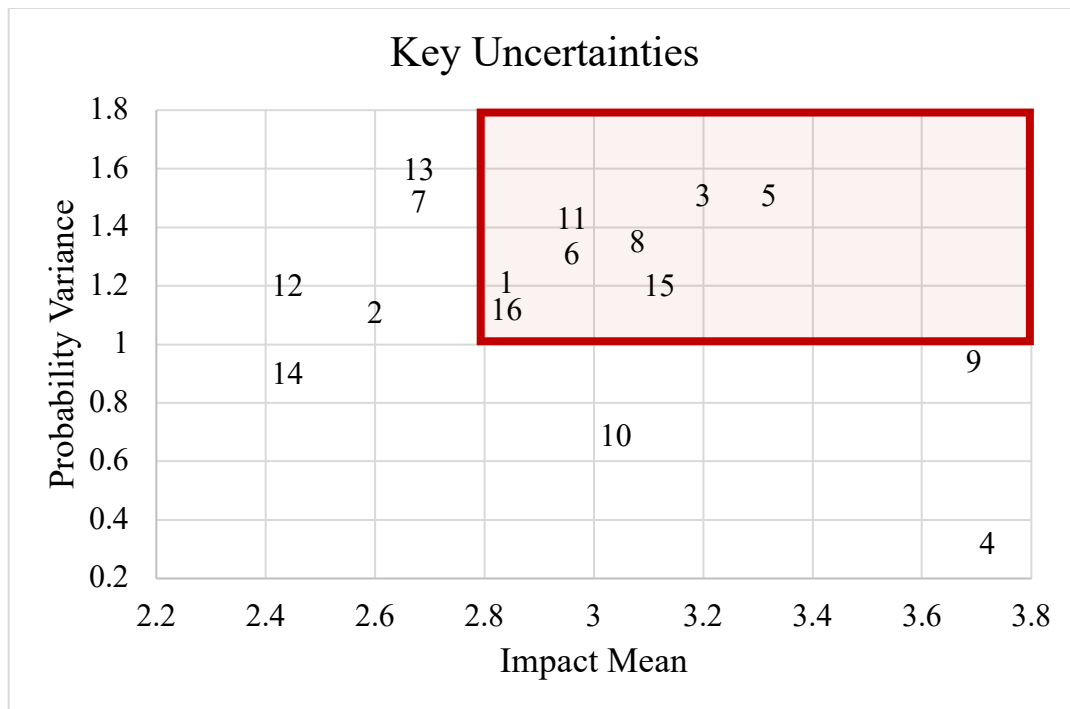
As previously stated, the survey assessed the subject experts’ perspective about various statements predicting the future of the legal profession (See Appendix Table 1), where the participants had to rate the different statements in three kinds of situational judgement: prediction of future development, prediction of possibility of an event in the future and ways to achieve or avert future situations (Glenn and Gordon 2009). The principal objective of such methodology is to reach a consensus among the experts, laying the ground for scenario elements (or variables)

categorization and subsequently, for the construction of scenario stories (Wright and Cairns 2011). Such element (or variable) categorization was attained by the implementation of a risk-assessment evaluation that captured the driving forces’ degree of unpredictability (vertical axis) and impact (horizontal axis) regarding the focal issue over the project time scale (Wright and Cairns 2011). For the impact assessment, the average of each statement was recorded (given “1: no impact” to “5: extremely impactful”). The evaluation of the uncertainties was reflected by the statistical variance analysis (see Appendix Table 2) of each statement’s respective likelihood – where a relatively high variance leads to a higher degree of uncertainty (divergence of expert’s opinions), while a relatively low variance leads to a lower degree of uncertainty (convergence of expert’s opinions) (Sundgren and Karlson 2013). After weighting the different trends according to each statement’s impact and level of uncertainty, the impact/uncertainty matrix (Figure 3) is obtained:



**Figure 3: Impact/Uncertainty Matrix in Statement Numerical Order**  
**\*See Appendix Table 1 for complete Delphi statement numerical description**

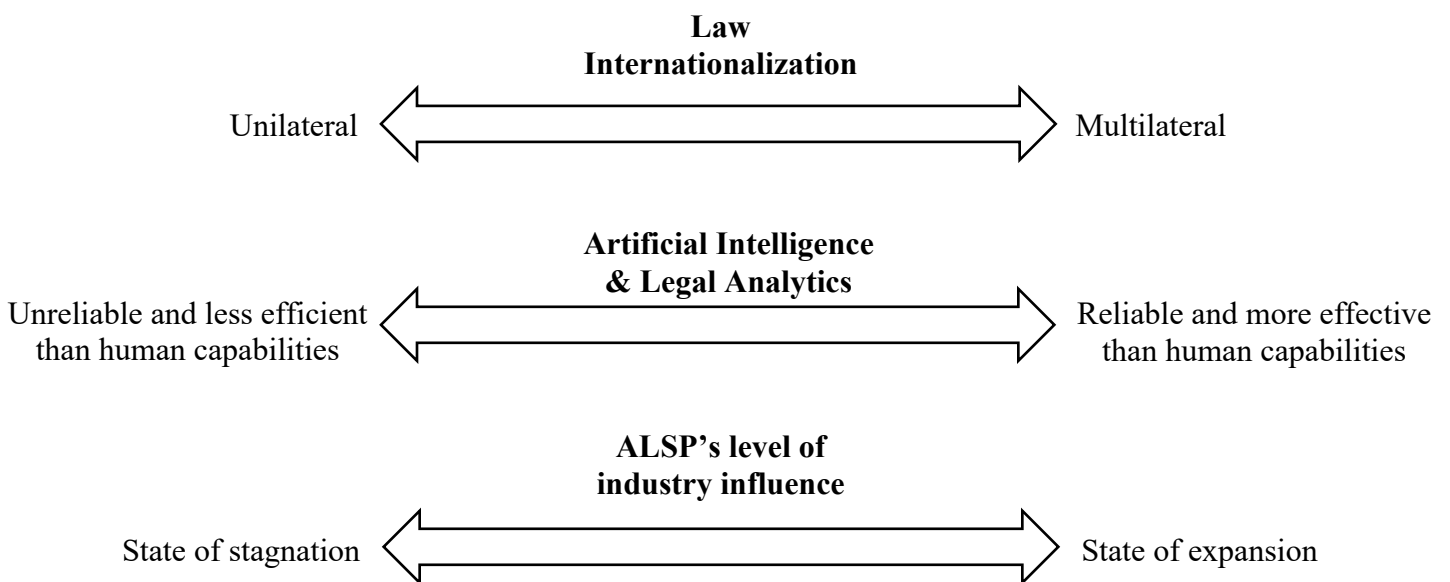
Then, focus shifted onto the prioritization of driving forces that have the higher level of impact and the higher degree of uncertainty (Figure 4), with the objective of utilizing them as the foundation of each scenario configuration. They were labelled as **critical or key uncertainties** (inside the red rectangle), in other words, these elements are viewed as unpredictable driving forces since there was a high degree of expert’s judgement divergence and therefore, presenting two contrasting variations (Goodwin and Wright 2004). These variations are defined by the identification of extreme, but plausible outcomes (see Figure 5). Moreover, these key uncertainties must present a level of independency among themselves, meaning that their potential resolutions (or variations) can plausibly co-exist in the same future (Wright and Cairns 2011).



**Figure 4: Identification of Key Uncertainties**

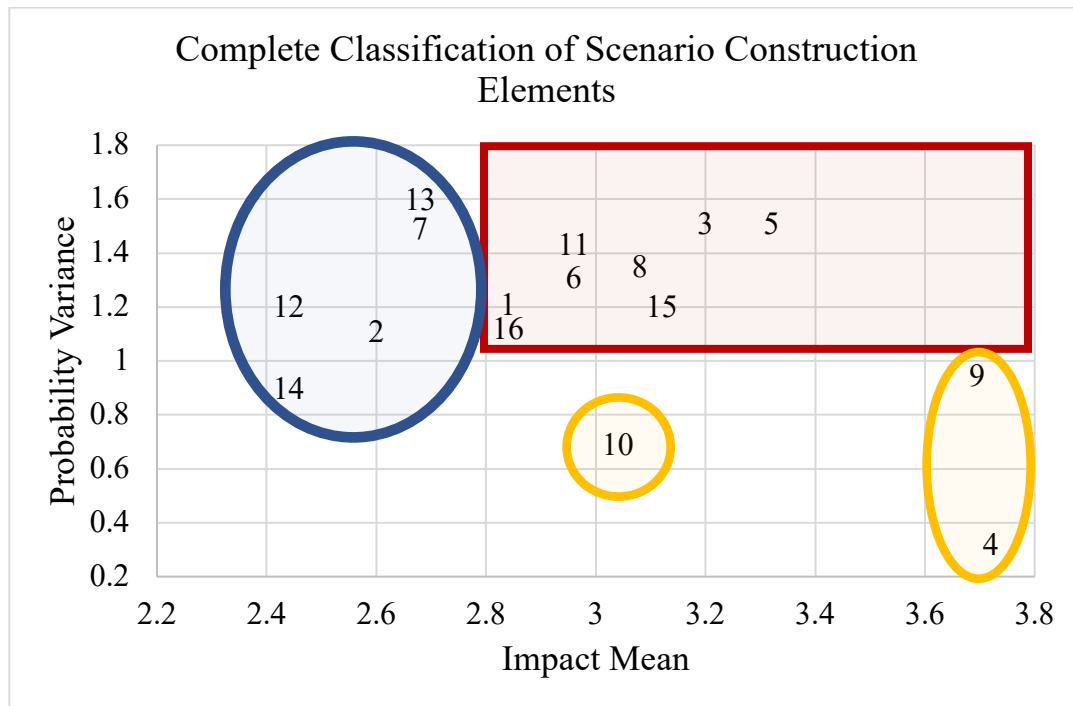
The next step consisted of clustering the driving forces into groups of “interrelated events” in terms of cause/effect, that is the emergence of the outcome of one driving force will have a

direct impact on the outcome of another; and chronology, that is the outcome of one driving force is dependent upon the prior reconciliation of another (Wright and Cairns 2011). A concrete cluster example is given by the combination of the following driving forces: *The forward progress towards Artificial Intelligence’s capabilities* and the *increase in the usage of Legal Analytical tools*. The forward progress of Artificial Intelligence’s capabilities is reasonably assumed to be correlated and having a direct impact to the increase in the usage of Legal Analytical tools in formal legal practice. In addition, the development of Legal Analytical tools will most likely be influenced over a 15-year time horizon by the A.I. progress made in the early part of the 2020’s, therefore, these driving forces formulate a cluster. Another cluster example is given by the combination of the driving forces related to the *number of regulations imposed towards the ALSP’s* and the *emergence of the non-traditional legal firms’ competition*, as the number of regulations is reasonably assumed to be impacted by the higher or lower number of non-traditional legal providers joining the industry. The objective of the clustering practice is to identify a smaller number of underlying driving forces that link these uncertainties at a deeper level (Goodwin and Wright 2004).



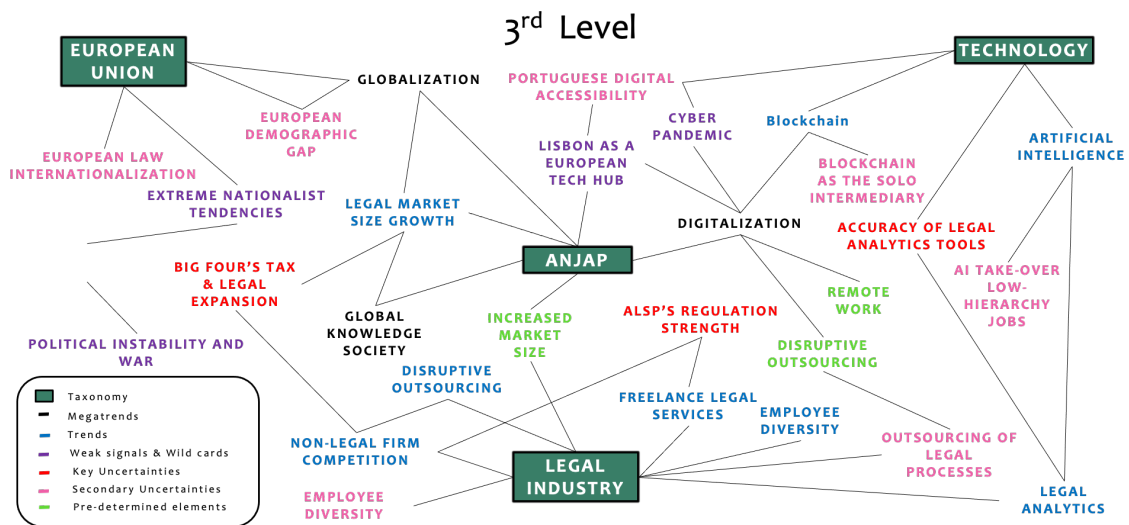
**Figure 5: Key Uncertainties' Extreme Outcomes**

The remaining driving forces that present a high level of impact, but a lower degree of uncertainty have been classified as "Pre-determined Elements" (Figure 6: inside the yellow circle) in the scenarios – in other words, they are characterized as forces of change that are perceived to be relatively certain over the established future horizon (Searce et al. 2004). It is important that these are also compatible with the variable driving forces to provide a certain degree of coherence in the contrasting scenarios. Additionally, the driving forces featuring a high level of uncertainty and a lower level of impact were classified as “secondary uncertainties” (Figure 6: inside the blue circle), which are also developed in an extreme variation manner, however, presenting a relatively inferior degree of importance regarding the focal issue (Wright and Cairns 2011).



**Figure 6: Complete classification of Scenario Construction Elements**

Driving forces that do not have a high impact have been given less weight in the scenarios. However, if they are important in combination with other identified driving forces, they must be mentioned for the following scenario construction (Goodwin and Wright 2004). Lastly, as previously stated, the final results from the survey allowed for the categorization of scenario construction elements: key uncertainties, secondary uncertainties, and predetermined elements. Therefore, it allows for an ad-hoc *task-environment* illustration that not only reflects on the organization’s vision towards the external environment, but features the interconnection of the discussed scenario elements above as a final scanning perspective. It gives birth to a taxonomy’s 3<sup>rd</sup> and final level (Figure 7).



**Figure 7: Taxonomy's 3rd Level - Task-Environment & Scenario Elements Interconnection**

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## Appendix

**Appendix Table 1: Delphi Statements**

<i><b>DRIVING FORCE</b></i>	<i><b>Delphi Statement</b></i>	<i><b>Delphi Statement Number</b></i>
<i>Artificial Intelligence’s progress and high level of capability</i>	By 2035, Artificial Intelligence will have replaced most of the low-hierarchy positions in the industry.	1
<i>Blockchain’s potential as an alternative to intermediaries (or “the middleman”)</i>	By 2035, Blockchain will have completely revolutionized the legal industry by eliminating most of the intermediaries.	2
<i>Increase in the usage of Legal Analytical tools for data management purposes (Legal Tech)</i>	By 2035, legal analytics tools will have a very high degree of accuracy and almost every tool will be more reliable and effective than human capabilities.	3
<i>Growth of the Legal Service Market</i>	By 2035, a continuation of globalization leads to a constant increase in demand for legal services.	4
<i>The emergence of non-traditional legal firms’ competition</i>	By 2035, non-traditional legal companies – for instance the Big Four (EY, Deloitte, PwC and KPMG) – continue to expand their Tax & Legal departments heavily and will replace many large law companies.	5
<i>Increased popularity of freelance legal services</i>	By 2035, the popularity of freelance legal services continues to increase due to the model’s simplicity.  By 2035, the popularity of freelance legal services will decrease given the legal industry’s undergoing modernization and their lack of funds to invest in legal tech.	6 & 7

<i>Increased legal outsourcing processes and implementation of disruptive outsourcing solutions</i>	<p>By 2035, large companies will predominantly outsource legal tasks to external law firms in the future. In-house lawyers will present a lower degree of importance since it has not the potential to maximize cost-effectiveness.</p> <p>By 2035, low-hierarchy jobs in the legal industry be completely replaced by new technologies due to disruptive outsourcing in order to increase cost-efficiency. The required skill set of young lawyers must adapt drastically (e.g.: technological knowledge, interpersonal communication skills, broader industry knowledge).</p>	8 & 9
<i>Increased remote working levels</i>	<p>By 2035, the percentage of remote work will remain at such elevated levels in a post-Covid environment.</p>	10
<i>Considerably higher number of employee diversity initiatives</i>	<p>By 2035, law firms will have accomplished all their diversity targets (e.g.: 40% women in executive positions).</p>	11
<i>Aging of the European Labour force</i>	<p>By 2035, there will be a large demographic gap between E.U. nations, affecting clients' expectations and purchasing behavior towards legal services.</p>	12
<i>Higher degree of digital acceptability and technological implementation</i>	<p>By 2035, the Portuguese society will have fully adopted (high degree of society's acceptance) digital legal services.</p> <p>By 2035, Portugal's pace of digital implementation will have the same pace when compared to its Northern European peers.</p>	13 & 14
<i>The number of regulations imposed towards traditional and non-traditional legal service providers</i>	<p>By 2035, the major alternative legal service providers (e.g.: The Big Four) will encounter weaker European regulatory restrictions, allowing these firms to exponentially grow its level of significance in key European legal markets.</p>	15
<i>Extensive agenda and greater number of initiatives towards</i>	<p>By 2035, the European Law Society will present a convergent regulatory</p>	16

*a multilateral European Union*

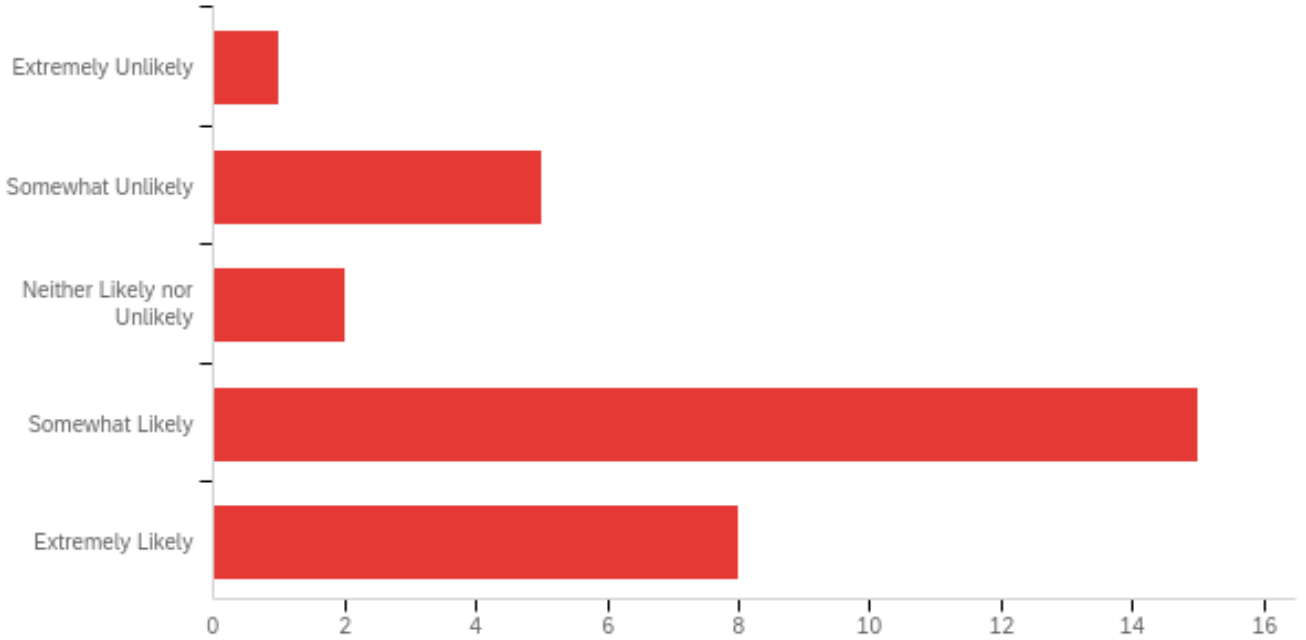
system due to increase of cooperation tendencies and multilateralism between E.U. nations. (e.g.: Narrowing the possibility of other nations leaving the E.U., resulting in higher overall cooperation).

**Appendix Table 2: Driving Forces Statistical Description**

<i>Delphi Statement Number</i>	<b>Mean Impact</b>	<b>Prediction of Possibility (Variance)</b>	<b>Mean of Possibility</b>
<i>1</i>	2.94	1.21	3.77
<i>2</i>	2.74	1.02	3.52
<i>3</i>	3.19	1.33	3.61
<i>4</i>	3.70	0.32	4.41
<i>5</i>	3.30	1.41	3.67
<i>6</i>	3.04	1.36	3.22
<i>7</i>	2.70	1.41	3.19
<i>8</i>	3.07	1.33	3.33
<i>9</i>	3.73	0.92	3.81
<i>10</i>	3.08	0.67	4.15
<i>11</i>	3.00	1.38	3.92
<i>12</i>	2.46	1.16	3.19
<i>13</i>	2.73	1.66	3.27
<i>14</i>	2.50	0.98	2.31
<i>15</i>	3.15	1.27	3.27
<i>16</i>	2.88	1.10	3.23

### Appendix 3: Survey Report

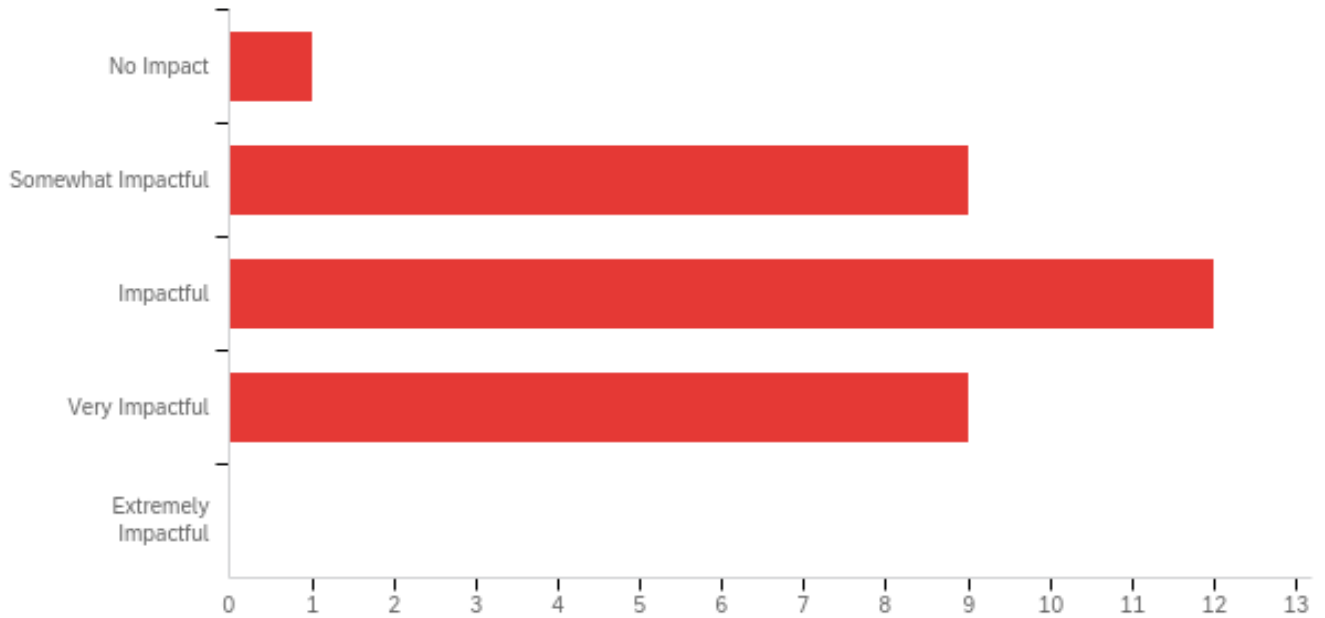
#### 1#1 - By 2035, Artificial Intelligence will have replaced most of the low-hierarchy positions in the in... - Prediction of Possibility



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Technology Driver 1: Artificial Intelligence	1.00	5.00	3.77	1.10	1.21	31

#	Answer	%	Count
1	Extremely Unlikely	3.23%	1
2	Somewhat Unlikely	16.13%	5
3	Neither Likely nor Unlikely	6.45%	2
4	Somewhat Likely	48.39%	15
5	Extremely Likely	25.81%	8
	Total	100%	31

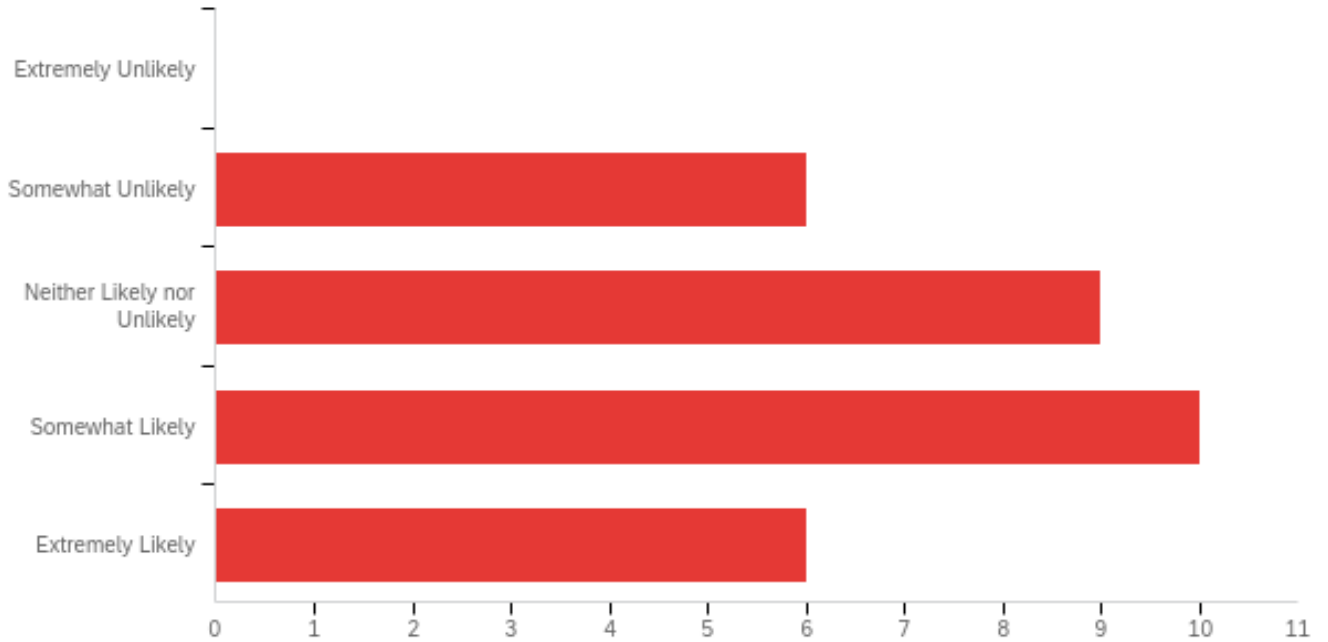
**1#2 - By 2035, Artificial Intelligence will have replaced most of the low-hierarchy positions in the in... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Technology Driver 1: Artificial Intelligence	1.00	4.00	2.94	0.84	0.71	31

#	Answer	%	Count
1	No Impact	3.23%	1
2	Somewhat Impactful	29.03%	9
3	Impactful	38.71%	12
4	Very Impactful	29.03%	9
5	Extremely Impactful	0.00%	0
	Total	100%	31

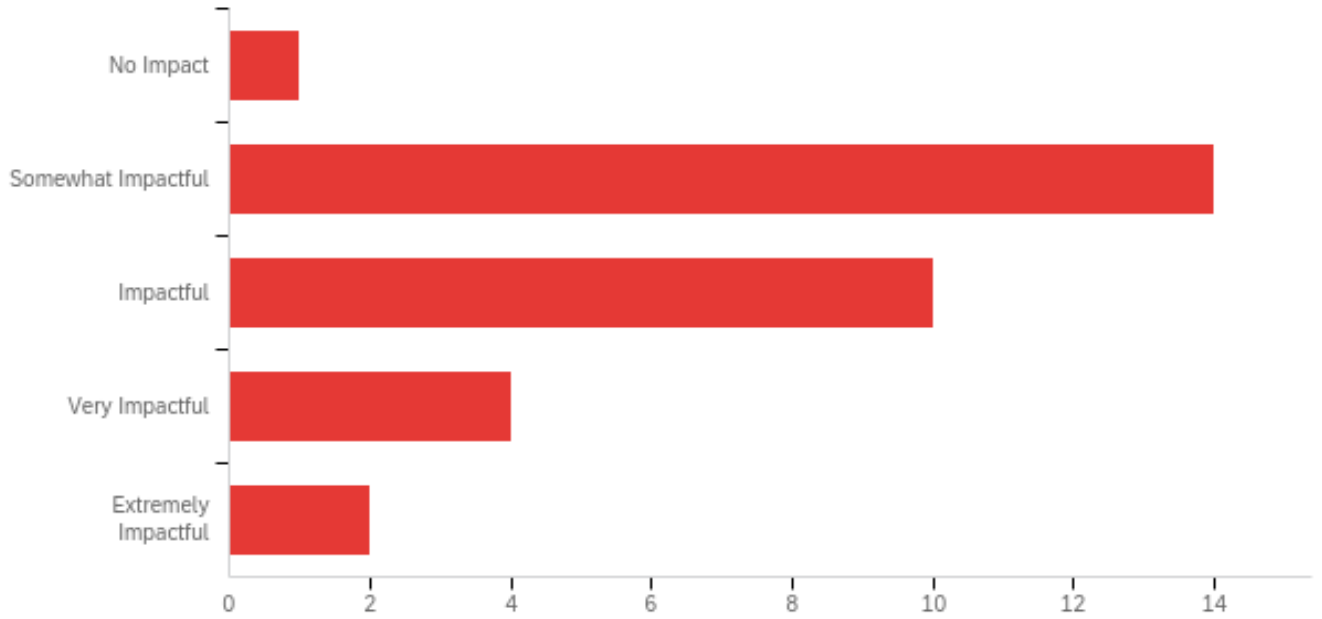
**2#1 - By 2035, Blockchain will have completely revolutionized the legal industry by eliminating most of... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Technology Driver 2: Blockchain	2.00	5.00	3.52	1.01	1.02	31

#	Answer	%	Count
1	Extremely Unlikely	0.00%	0
2	Somewhat Unlikely	19.35%	6
3	Neither Likely nor Unlikely	29.03%	9
4	Somewhat Likely	32.26%	10
5	Extremely Likely	19.35%	6
	Total	100%	31

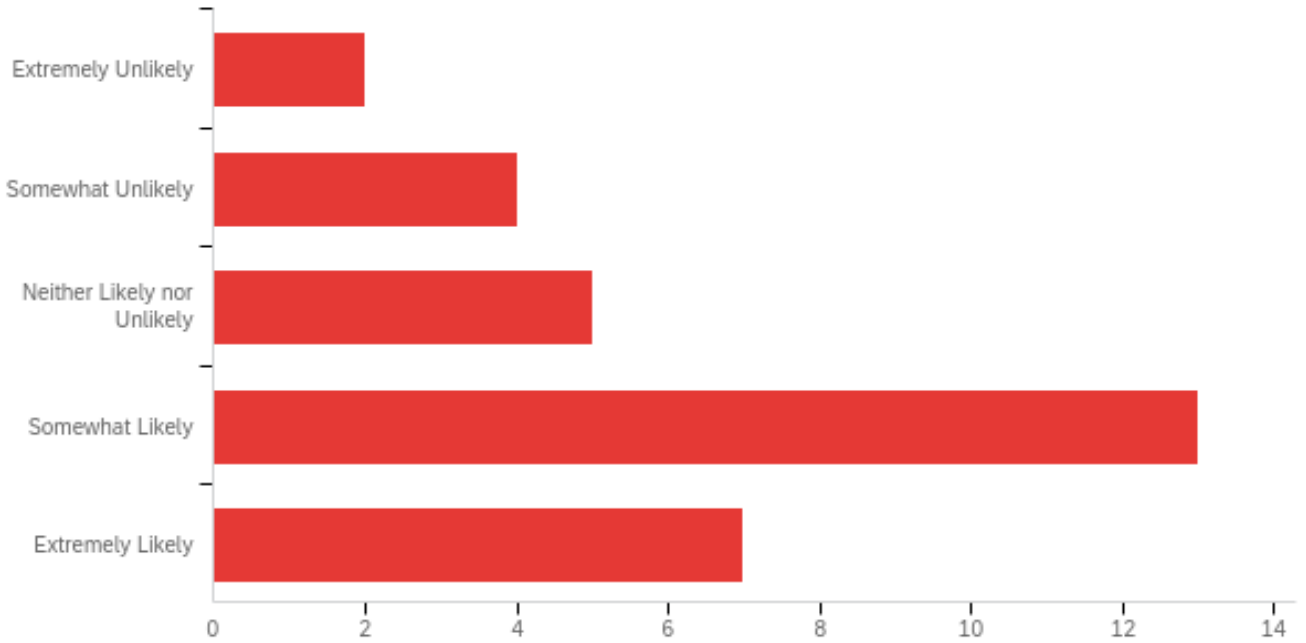
**2#2 - By 2035, Blockchain will have completely revolutionized the legal industry by eliminating most of... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Technology Driver 2: Blockchain	1.00	5.00	2.74	0.95	0.90	31

#	Answer	%	Count
1	No Impact	3.23%	1
2	Somewhat Impactful	45.16%	14
3	Impactful	32.26%	10
4	Very Impactful	12.90%	4
5	Extremely Impactful	6.45%	2
	Total	100%	31

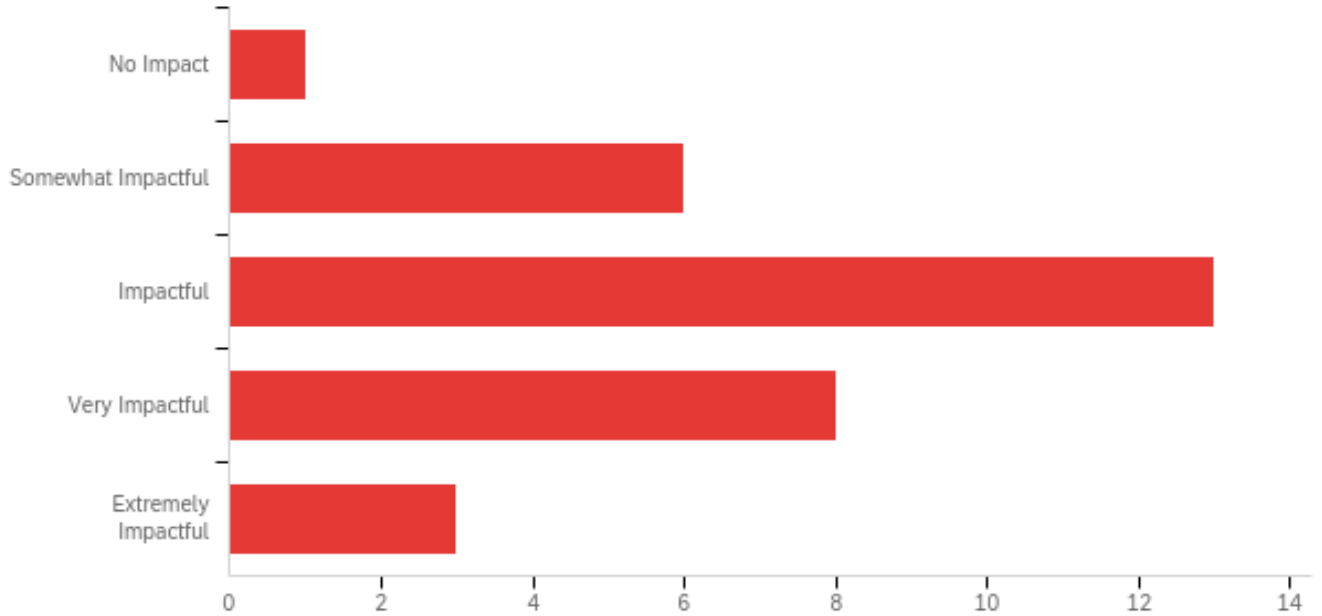
**3#1 - By 2035, legal analytics tools will have a very high degree of accuracy and almost every tool wil... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Technology Driver 3: Legal Analytics	1.00	5.00	3.61	1.16	1.33	31

#	Answer	%	Count
1	Extremely Unlikely	6.45%	2
2	Somewhat Unlikely	12.90%	4
3	Neither Likely nor Unlikely	16.13%	5
4	Somewhat Likely	41.94%	13
5	Extremely Likely	22.58%	7
	Total	100%	31

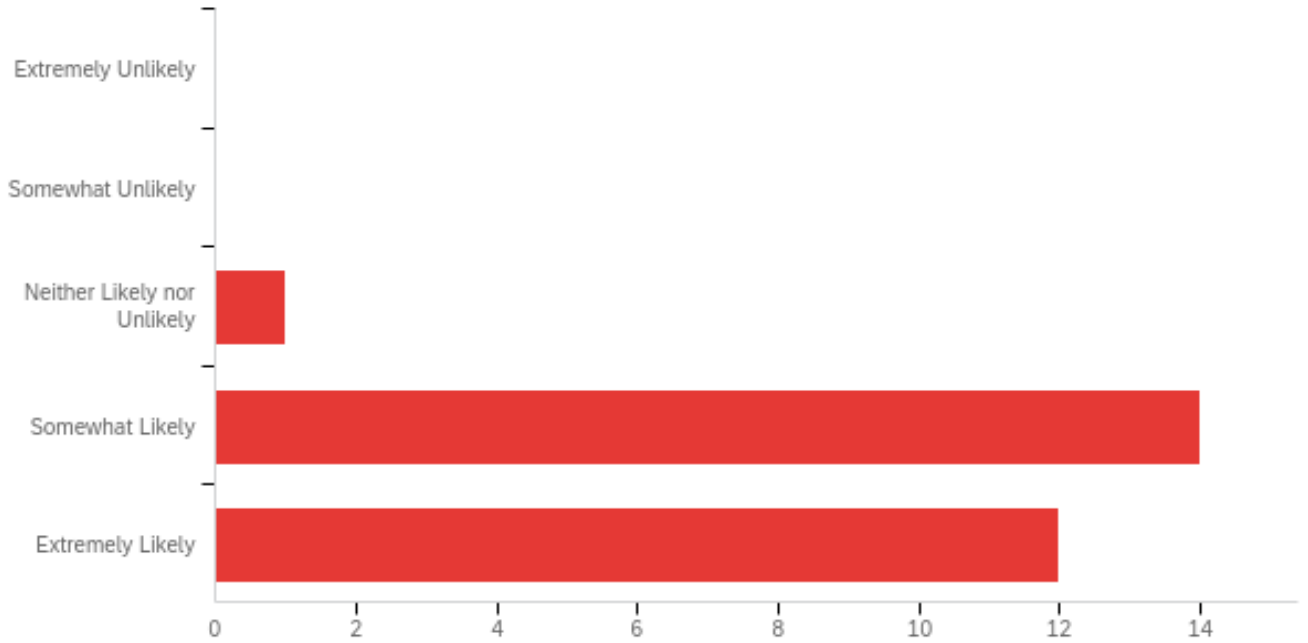
**3#2 - By 2035, legal analytics tools will have a very high degree of accuracy and almost every tool wil... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Technology Driver 3: Legal Analytics	1.00	5.00	3.19	0.96	0.93	31

#	Answer	%	Count
1	No Impact	3.23%	1
2	Somewhat Impactful	19.35%	6
3	Impactful	41.94%	13
4	Very Impactful	25.81%	8
5	Extremely Impactful	9.68%	3
	Total	100%	31

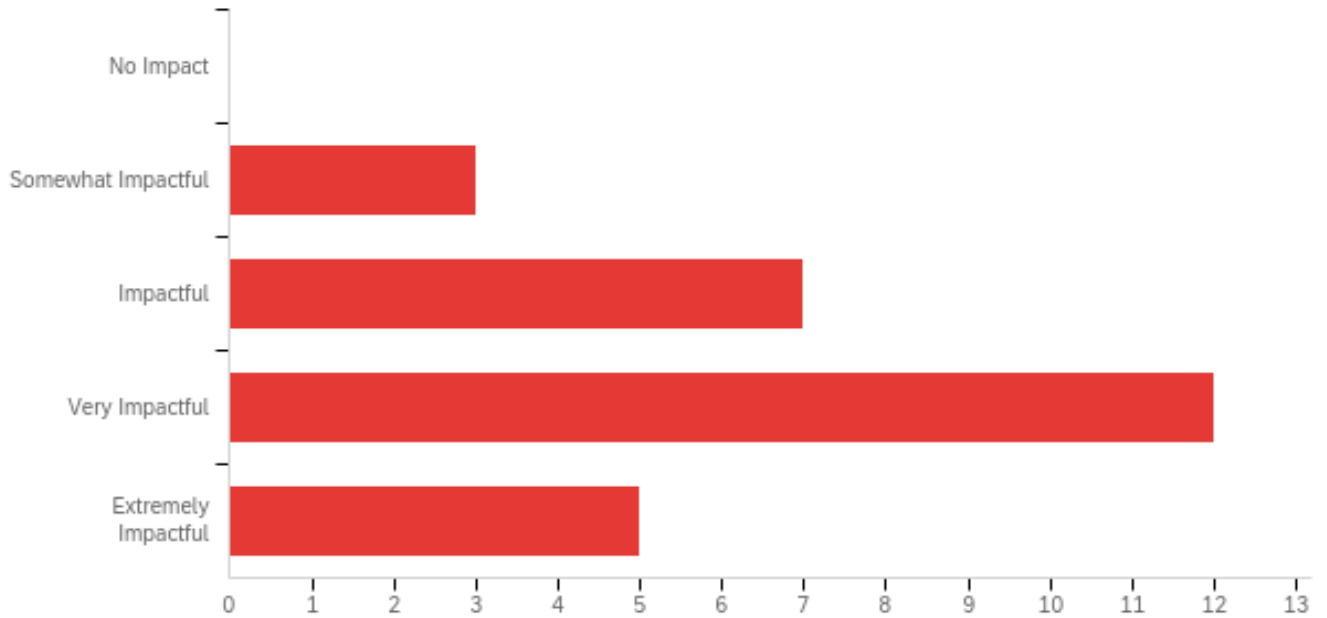
**1#1 - By 2035, a continuation of globalization leads to a constant increase in demand for legal service... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 1: Size and segmentations of the Legal Services Market	3.00	5.00	4.41	0.56	0.32	27

#	Answer	%	Count
1	Extremely Unlikely	0.00%	0
2	Somewhat Unlikely	0.00%	0
3	Neither Likely nor Unlikely	3.70%	1
4	Somewhat Likely	51.85%	14
5	Extremely Likely	44.44%	12
	Total	100%	27

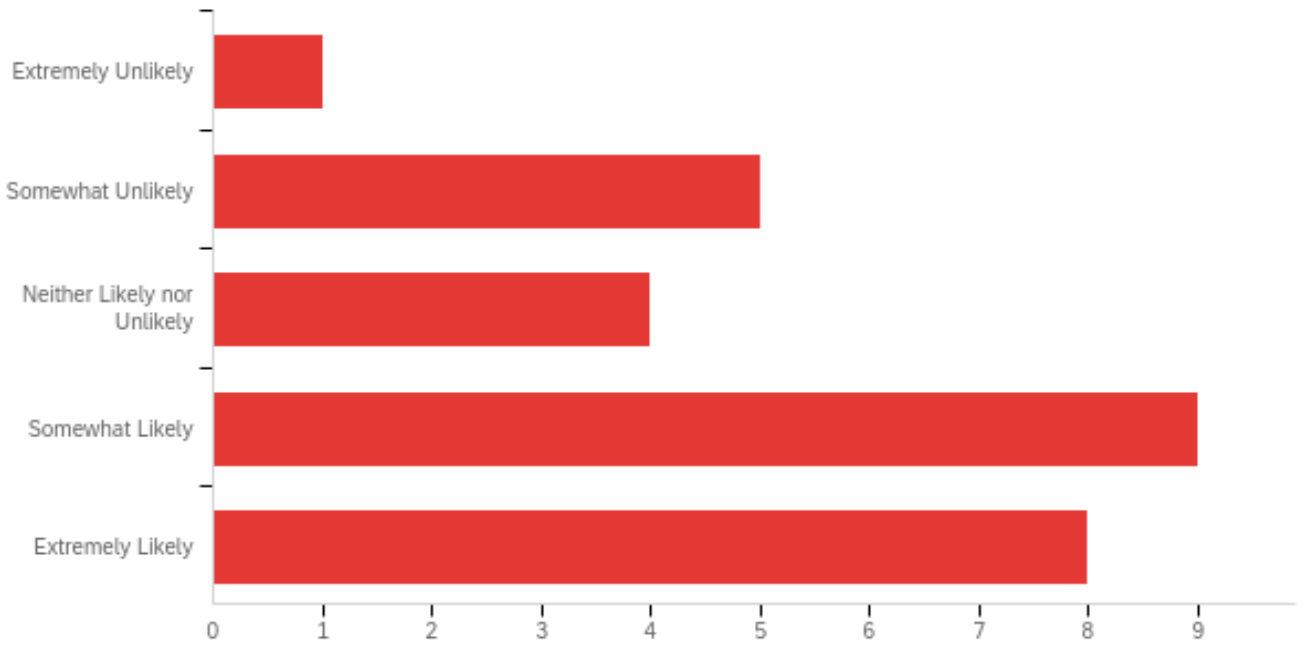
**1#2 - By 2035, a continuation of globalization leads to a constant increase in demand for legal service... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 1: Size and segmentations of the Legal Services Market	2.00	5.00	3.70	0.90	0.80	27

#	Answer	%	Count
1	No Impact	0.00%	0
2	Somewhat Impactful	11.11%	3
3	Impactful	25.93%	7
4	Very Impactful	44.44%	12
5	Extremely Impactful	18.52%	5
	Total	100%	27

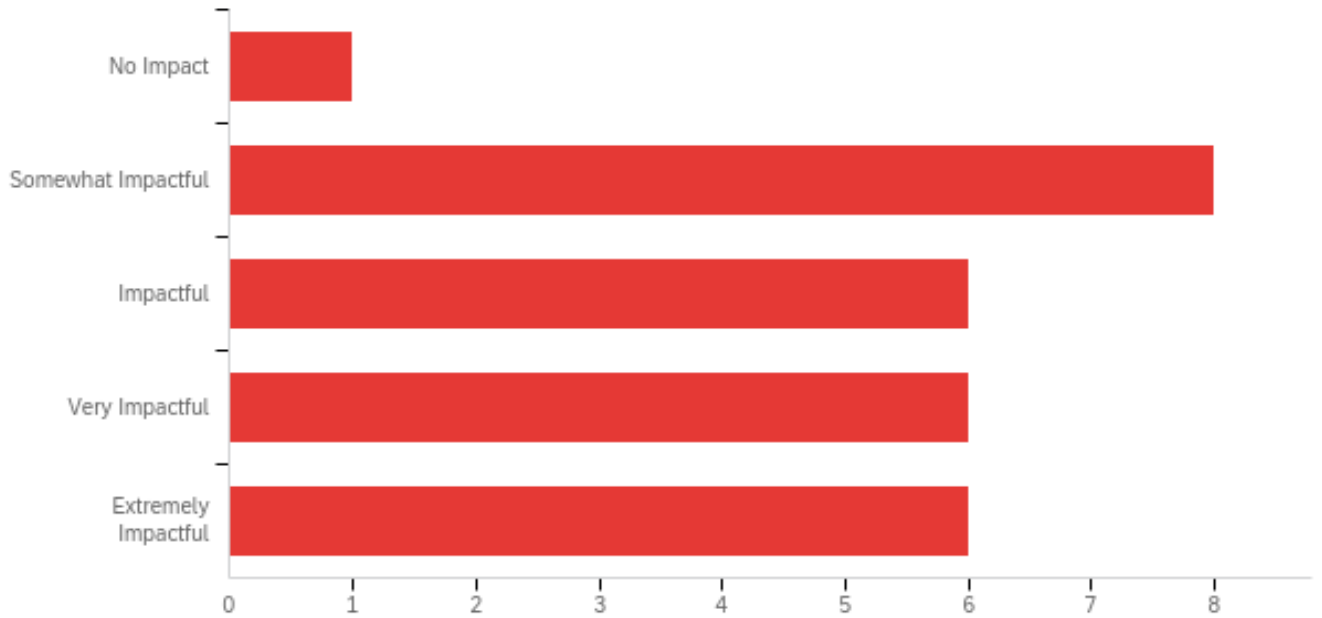
**2#1 - By 2035, non-traditional legal companies – for instance the Big Four (EY, Deloitte, PwC and KPMG)... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 2: The rise of Non-Legal Firm Competition	1.00	5.00	3.67	1.19	1.41	27

#	Answer	%	Count
1	Extremely Unlikely	3.70%	1
2	Somewhat Unlikely	18.52%	5
3	Neither Likely nor Unlikely	14.81%	4
4	Somewhat Likely	33.33%	9
5	Extremely Likely	29.63%	8
	Total	100%	27

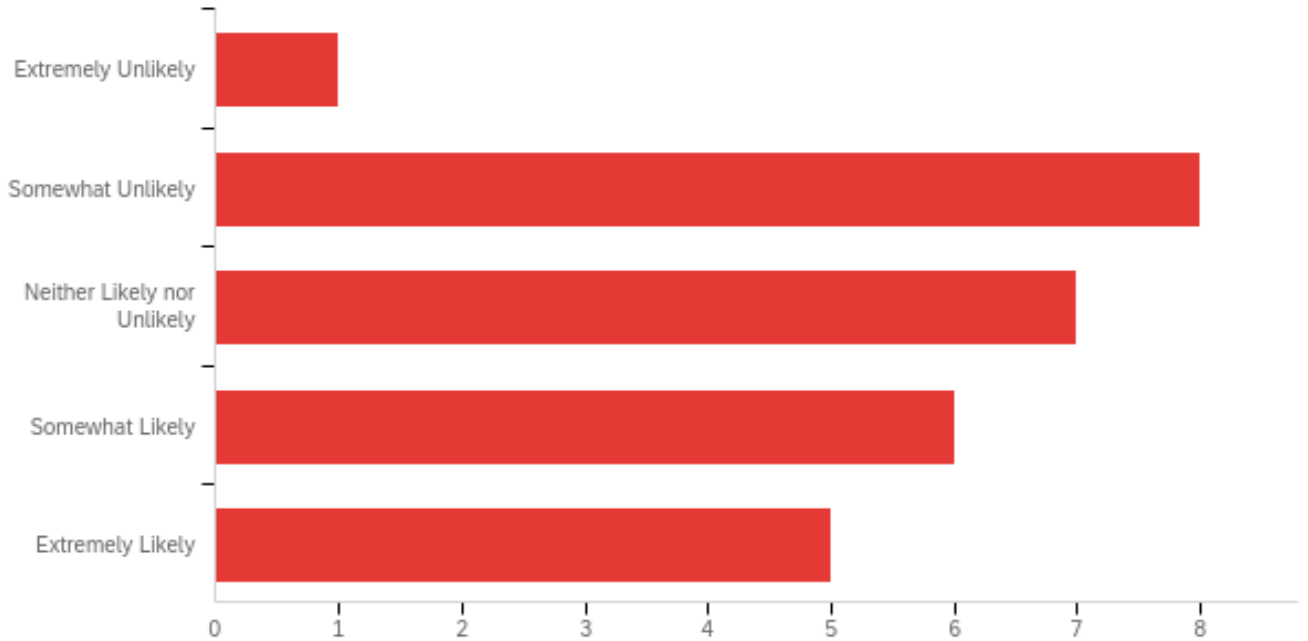
**2#2 - By 2035, non-traditional legal companies – for instance the Big Four (EY, Deloitte, PwC and KPMG)... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 2: The rise of Non-Legal Firm Competition	1.00	5.00	3.30	1.21	1.47	27

#	Answer	%	Count
1	No Impact	3.70%	1
2	Somewhat Impactful	29.63%	8
3	Impactful	22.22%	6
4	Very Impactful	22.22%	6
5	Extremely Impactful	22.22%	6
	Total	100%	27

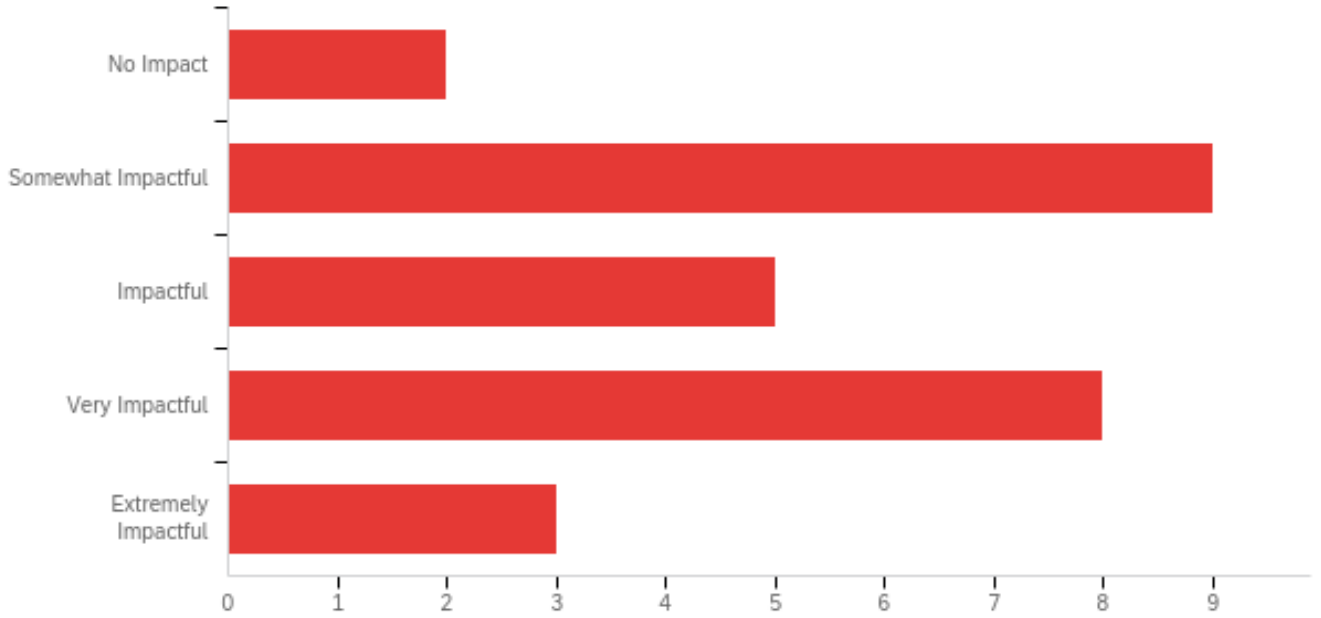
**3#1 - By 2035, the popularity of freelance legal services continues to increase due to the model’s simp... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 3: Freelance Legal Services	1.00	5.00	3.22	1.17	1.36	27

#	Answer	%	Count
1	Extremely Unlikely	3.70%	1
2	Somewhat Unlikely	29.63%	8
3	Neither Likely nor Unlikely	25.93%	7
4	Somewhat Likely	22.22%	6
5	Extremely Likely	18.52%	5
	Total	100%	27

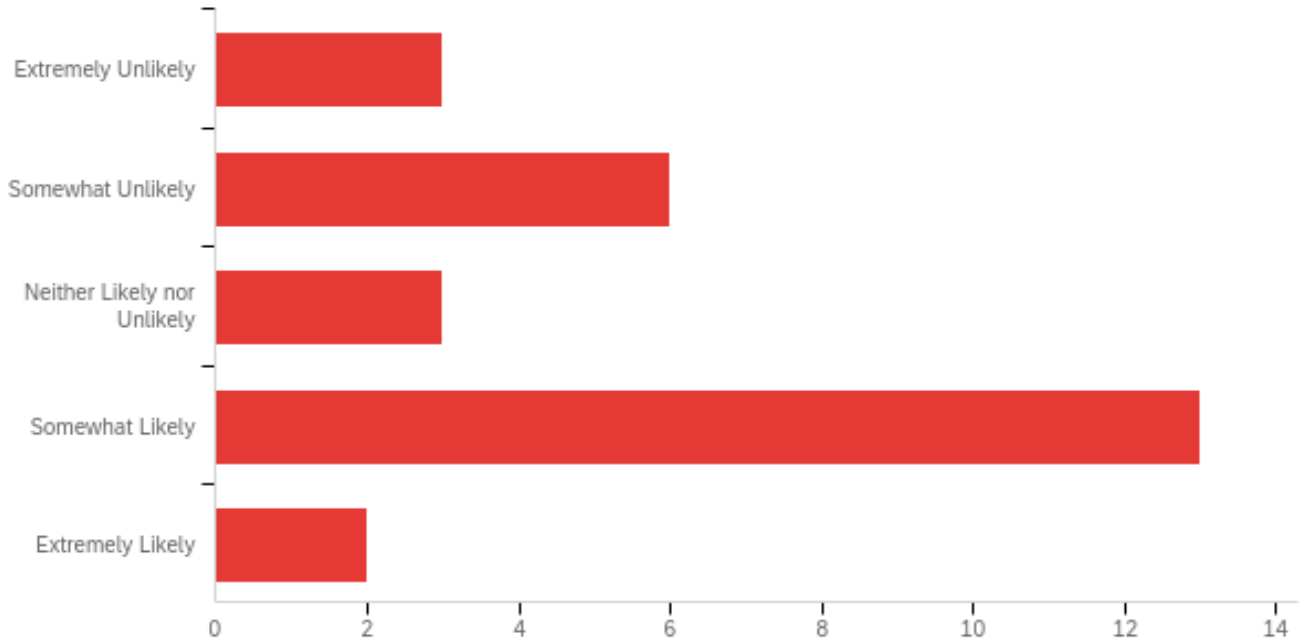
**3#2 - By 2035, the popularity of freelance legal services continues to increase due to the model’s simp... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 3: Freelance Legal Services	1.00	5.00	3.04	1.17	1.37	27

#	Answer	%	Count
1	No Impact	7.41%	2
2	Somewhat Impactful	33.33%	9
3	Impactful	18.52%	5
4	Very Impactful	29.63%	8
5	Extremely Impactful	11.11%	3
	Total	100%	27

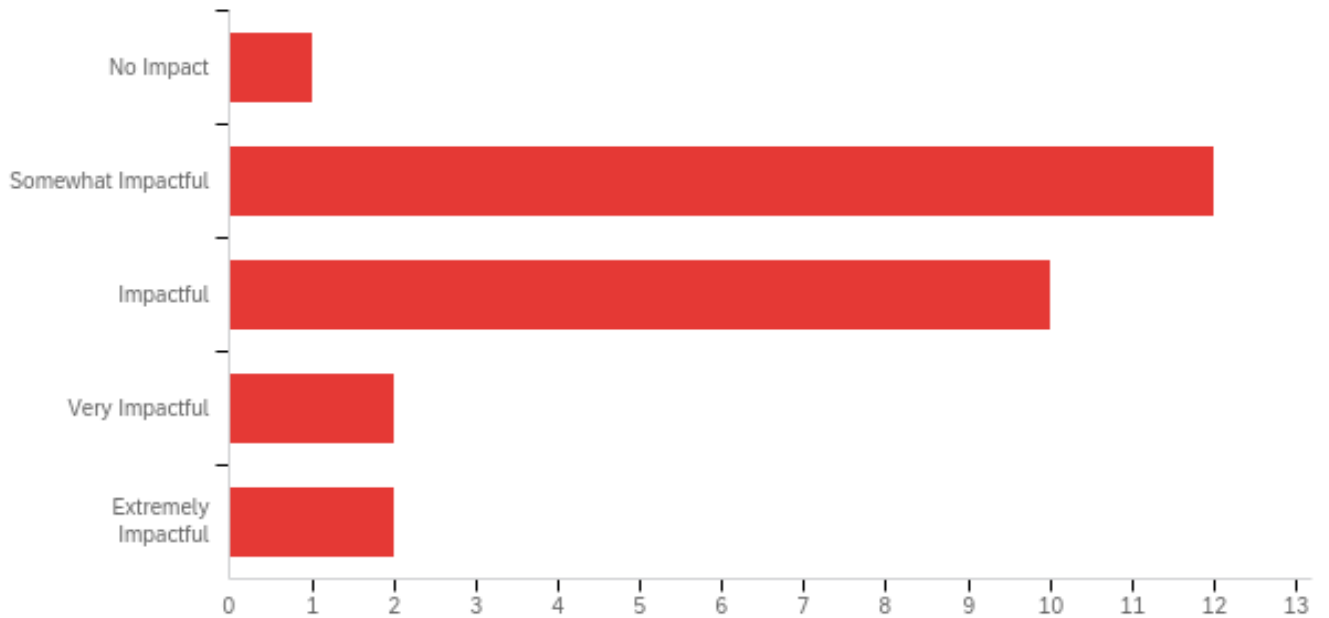
**4#1 - By 2035, the popularity of freelance legal services will decrease given the legal industry's unde... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 3: Freelance Legal Services	1.00	5.00	3.19	1.19	1.41	27

#	Answer	%	Count
1	Extremely Unlikely	11.11%	3
2	Somewhat Unlikely	22.22%	6
3	Neither Likely nor Unlikely	11.11%	3
4	Somewhat Likely	48.15%	13
5	Extremely Likely	7.41%	2
	Total	100%	27

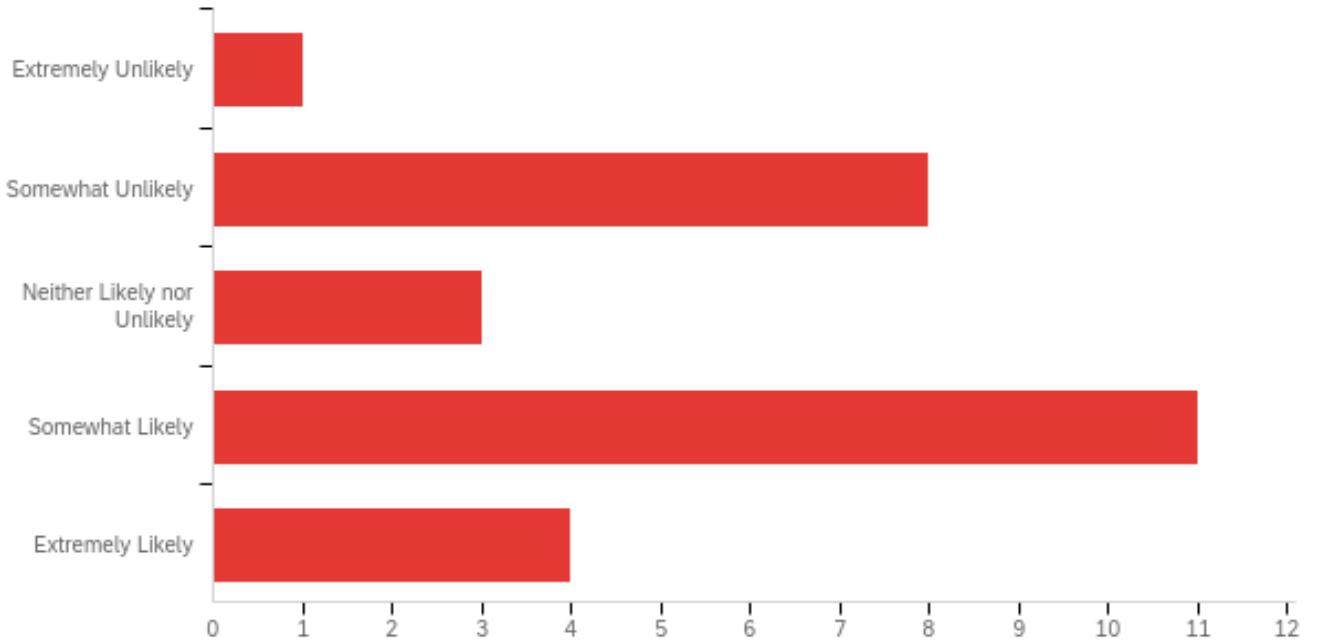
**4#2 - By 2035, the popularity of freelance legal services will decrease given the legal industry's unde... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 3: Freelance Legal Services	1.00	5.00	2.70	0.94	0.88	27

#	Answer	%	Count
1	No Impact	3.70%	1
2	Somewhat Impactful	44.44%	12
3	Impactful	37.04%	10
4	Very Impactful	7.41%	2
5	Extremely Impactful	7.41%	2
	Total	100%	27

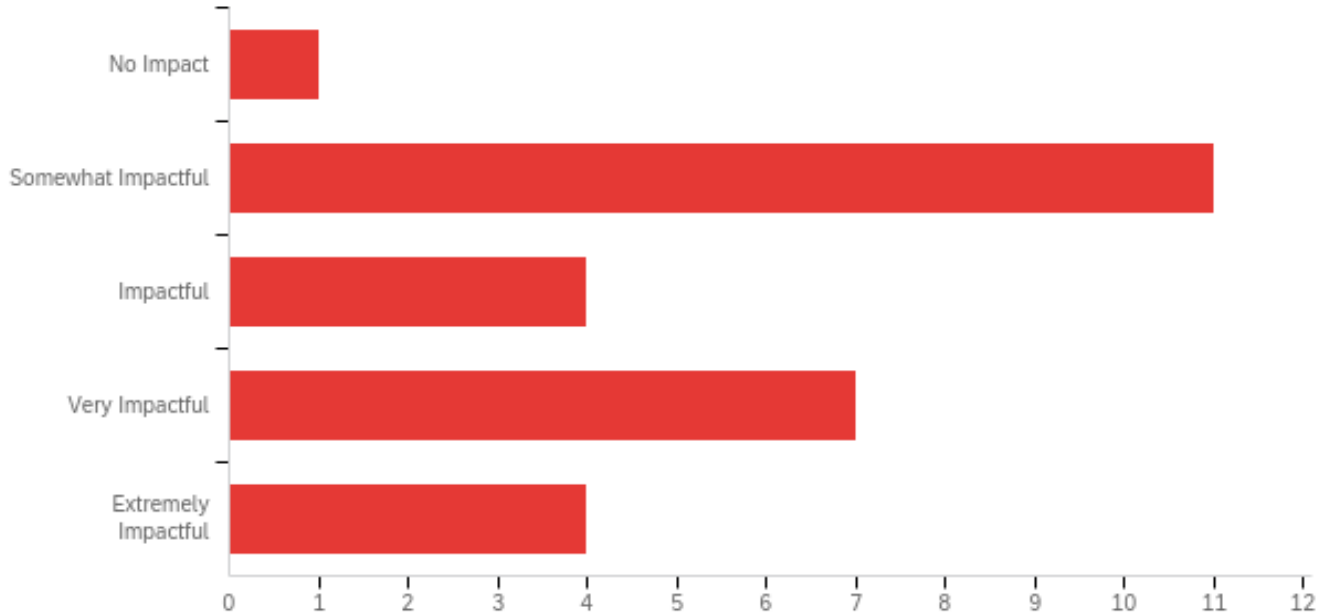
**5#1 - By 2035, large companies will predominantly outsource legal tasks to external law firms in the fu... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 4: Outsourcing of Legal Processes	1.00	5.00	3.33	1.15	1.33	27

#	Answer	%	Count
1	Extremely Unlikely	3.70%	1
2	Somewhat Unlikely	29.63%	8
3	Neither Likely nor Unlikely	11.11%	3
4	Somewhat Likely	40.74%	11
5	Extremely Likely	14.81%	4
	Total	100%	27

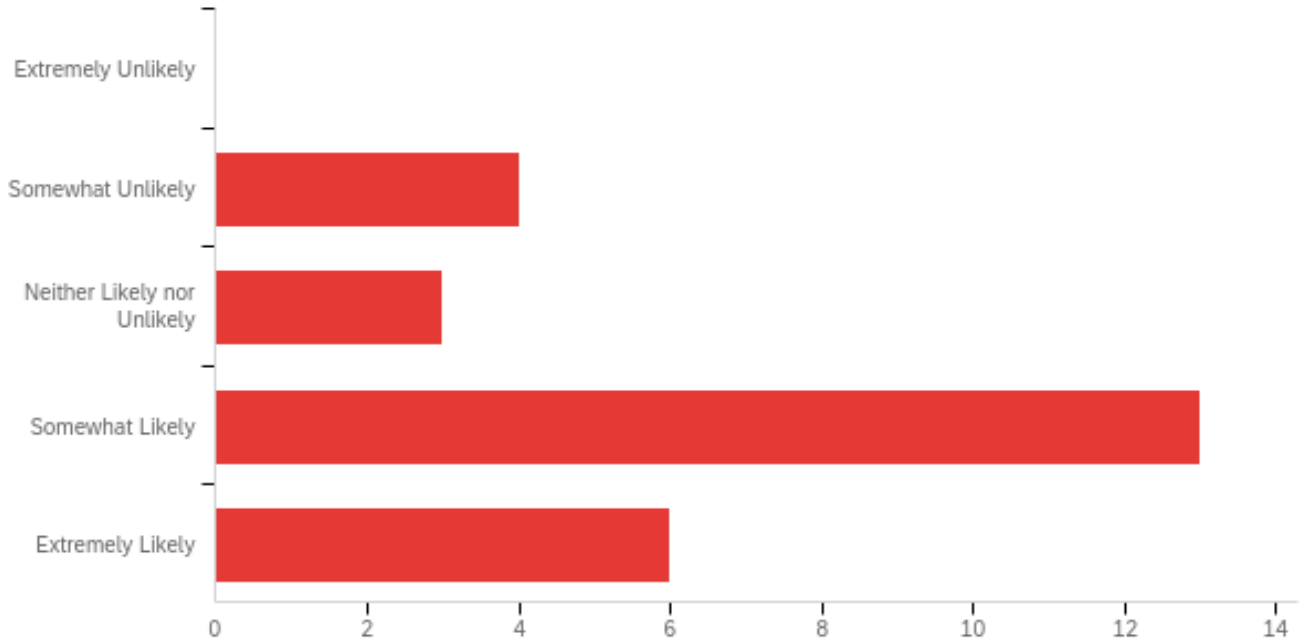
**5#2 - By 2035, large companies will predominantly outsource legal tasks to external law firms in the fu... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Law-specific Driver 4: Outsourcing of Legal Processes	1.00	5.00	3.07	1.18	1.40	27

#	Answer	%	Count
1	No Impact	3.70%	1
2	Somewhat Impactful	40.74%	11
3	Impactful	14.81%	4
4	Very Impactful	25.93%	7
5	Extremely Impactful	14.81%	4
	Total	100%	27

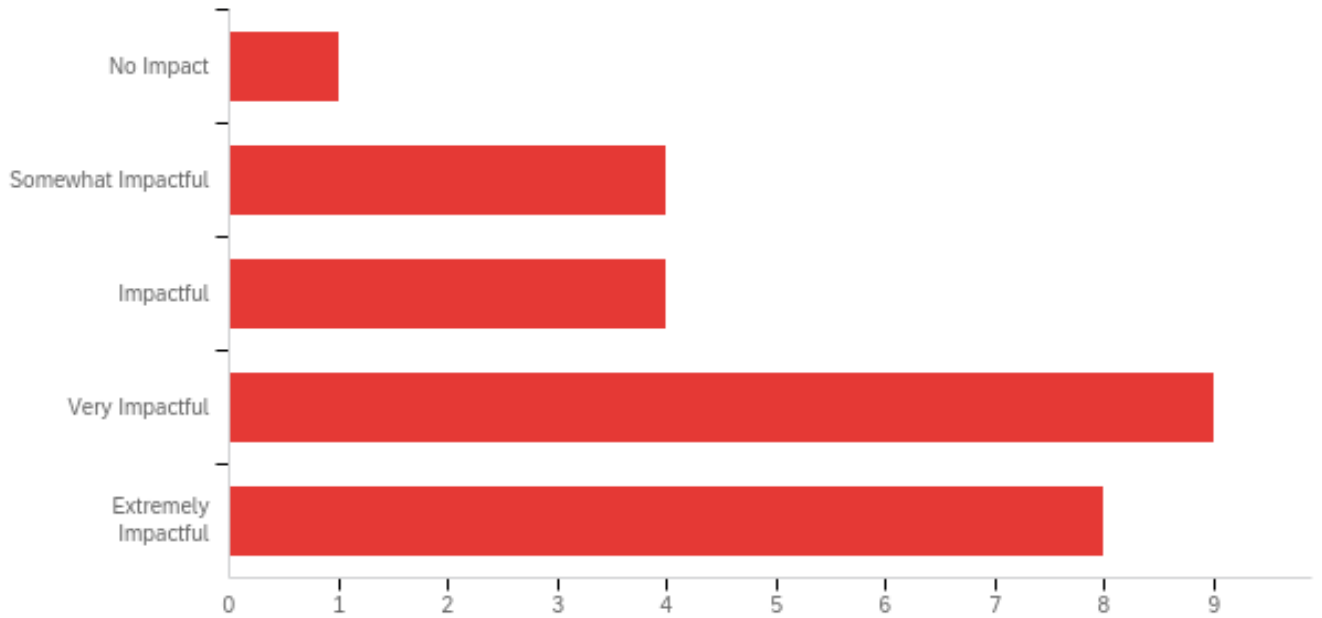
**1#1 - By 2035, low-hierarchy jobs in the legal industry be completely replaced by new technologies due... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Organizational Structure Driver 1: Disruptive Outsourcing	2.00	5.00	3.81	0.96	0.92	26

#	Answer	%	Count
1	Extremely Unlikely	0.00%	0
2	Somewhat Unlikely	15.38%	4
3	Neither Likely nor Unlikely	11.54%	3
4	Somewhat Likely	50.00%	13
5	Extremely Likely	23.08%	6
	Total	100%	26

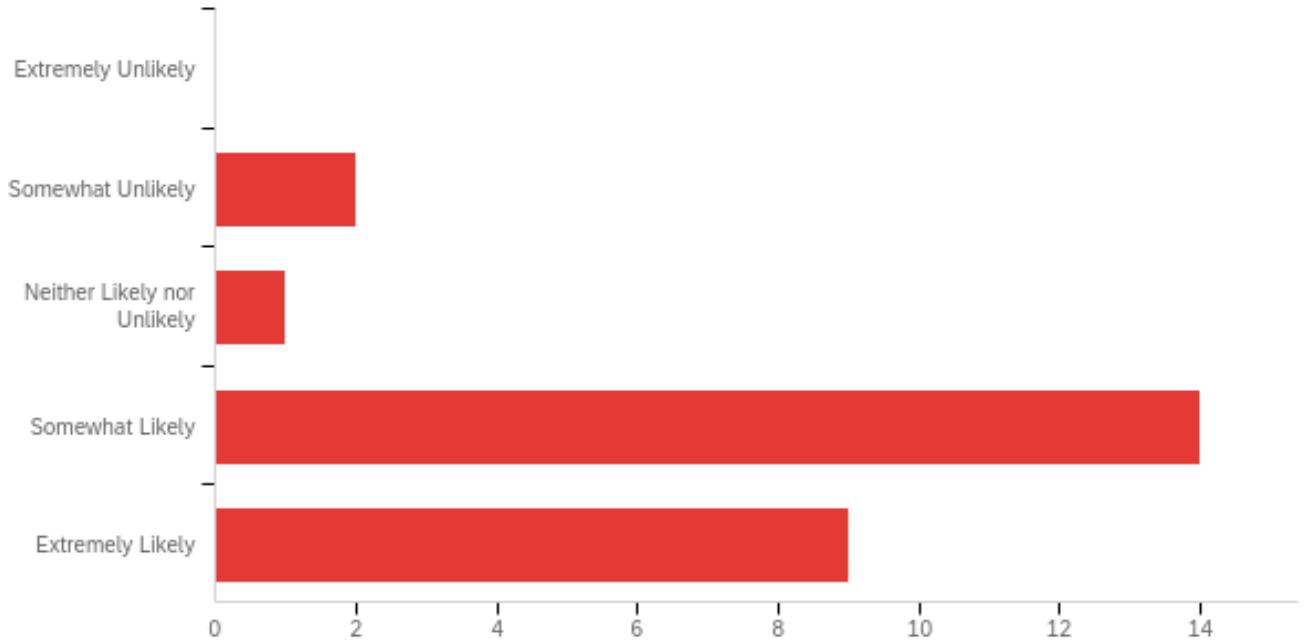
**1#2 - By 2035, low-hierarchy jobs in the legal industry be completely replaced by new technologies due... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Organizational Structure Driver 1: Disruptive Outsourcing	1.00	5.00	3.73	1.16	1.35	26

#	Answer	%	Count
1	No Impact	3.85%	1
2	Somewhat Impactful	15.38%	4
3	Impactful	15.38%	4
4	Very Impactful	34.62%	9
5	Extremely Impactful	30.77%	8
	Total	100%	26

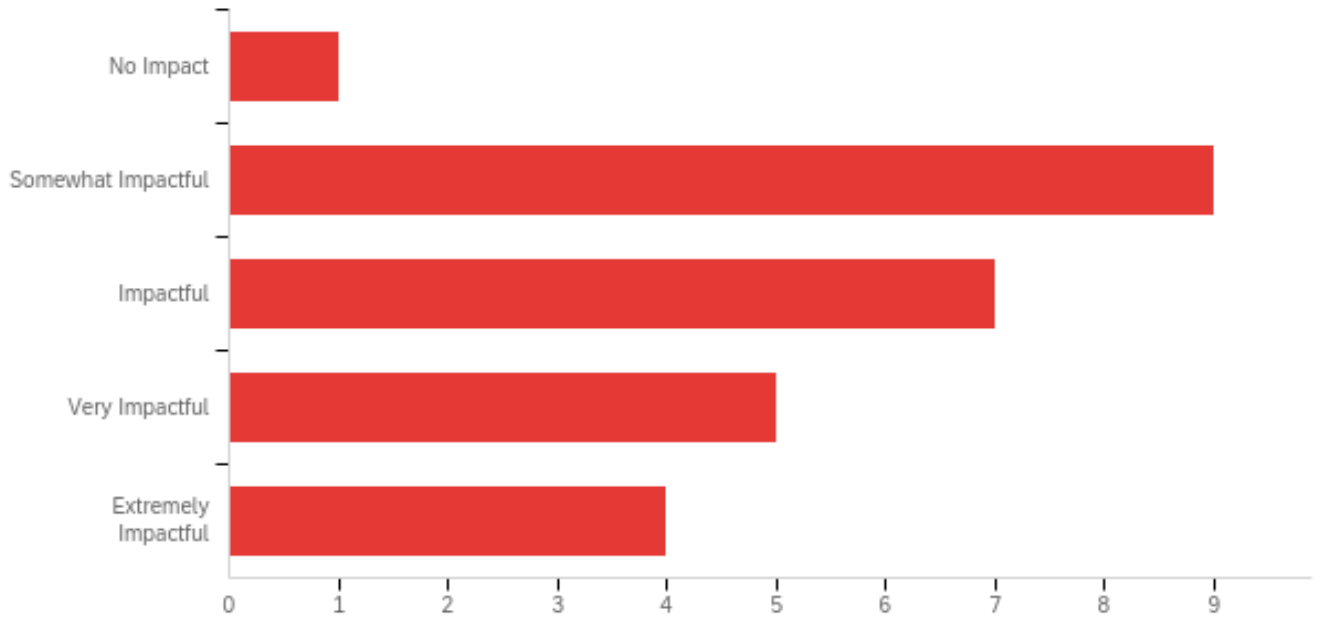
**2#1 - By 2035, the percentage of remote work will remain at such elevated levels in a post-Covid enviro... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Organizational Structure Driver 2: Remote Work	2.00	5.00	4.15	0.82	0.67	26

#	Answer	%	Count
1	Extremely Unlikely	0.00%	0
2	Somewhat Unlikely	7.69%	2
3	Neither Likely nor Unlikely	3.85%	1
4	Somewhat Likely	53.85%	14
5	Extremely Likely	34.62%	9
	Total	100%	26

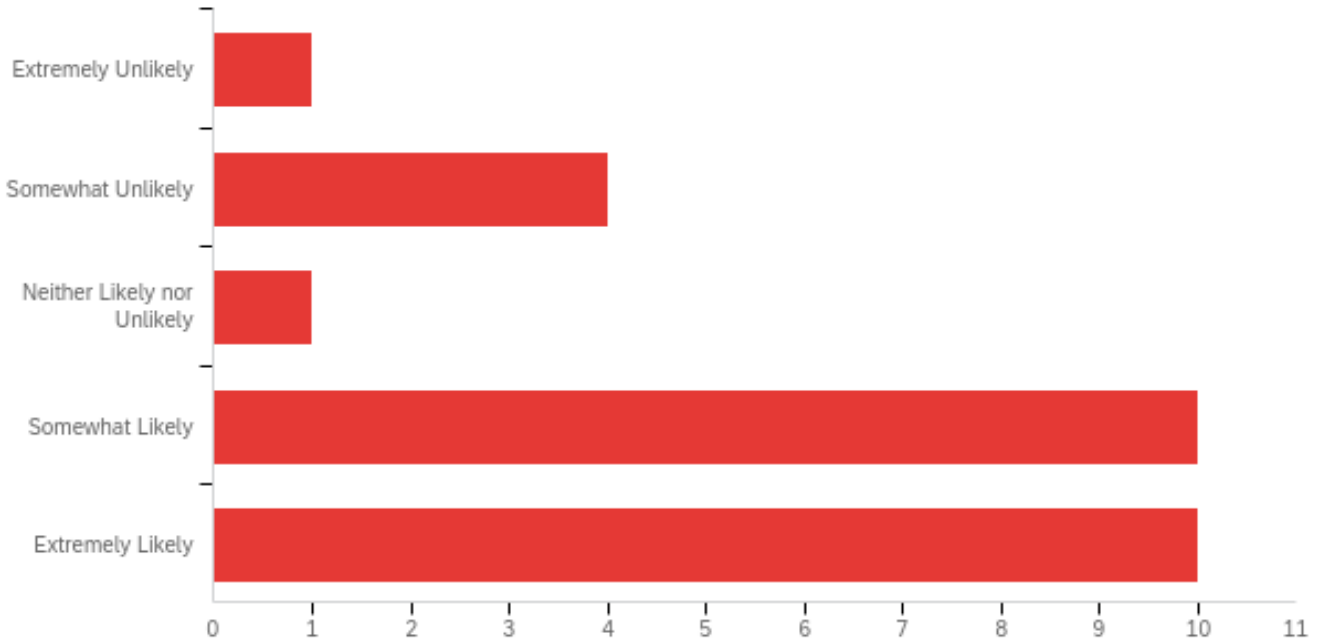
**2#2 - By 2035, the percentage of remote work will remain at such elevated levels in a post-Covid enviro... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Organizational Structure Driver 2: Remote Work	1.00	5.00	3.08	1.14	1.30	26

#	Answer	%	Count
1	No Impact	3.85%	1
2	Somewhat Impactful	34.62%	9
3	Impactful	26.92%	7
4	Very Impactful	19.23%	5
5	Extremely Impactful	15.38%	4
	Total	100%	26

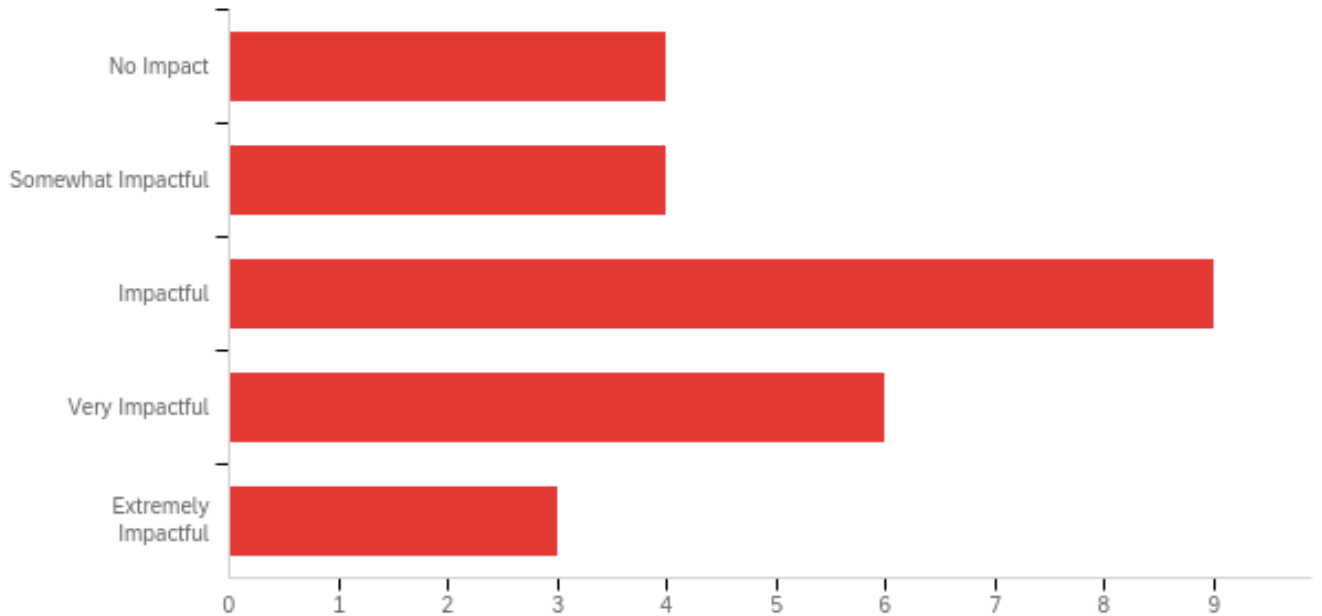
**3#1 - By 2035, law firms will have accomplished all their diversity targets (e.g.: 40% women in executi... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Organizational Structure Driver 3: Employee Diversity	1.00	5.00	3.92	1.17	1.38	26

#	Answer	%	Count
1	Extremely Unlikely	3.85%	1
2	Somewhat Unlikely	15.38%	4
3	Neither Likely nor Unlikely	3.85%	1
4	Somewhat Likely	38.46%	10
5	Extremely Likely	38.46%	10
	Total	100%	26

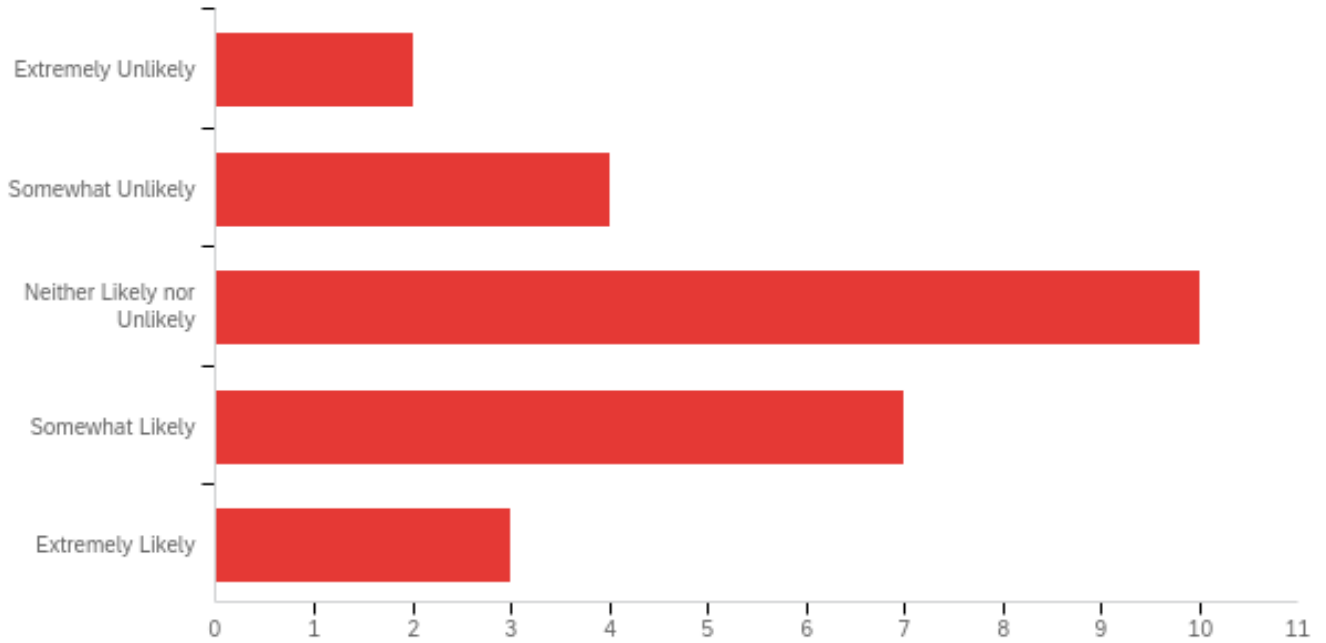
**3#2 - By 2035, law firms will have accomplished all their diversity targets (e.g.: 40% women in executi... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Organizational Structure Driver 3: Employee Diversity	1.00	5.00	3.00	1.21	1.46	26

#	Answer	%	Count
1	No Impact	15.38%	4
2	Somewhat Impactful	15.38%	4
3	Impactful	34.62%	9
4	Very Impactful	23.08%	6
5	Extremely Impactful	11.54%	3
	Total	100%	26

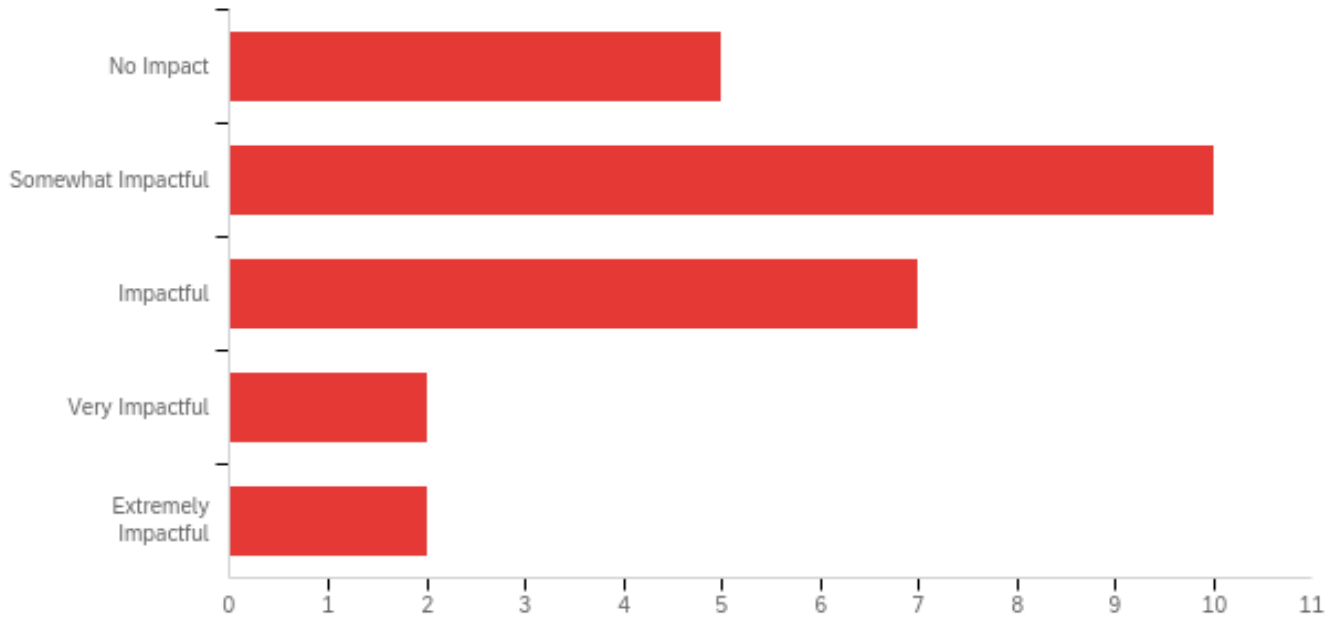
**1#1 - By 2035, there will be a large demographic gap between E.U. nations, affecting clients' expectati... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Society Driver 1: European Demographic Scenario	1.00	5.00	3.19	1.07	1.16	26

#	Answer	%	Count
1	Extremely Unlikely	7.69%	2
2	Somewhat Unlikely	15.38%	4
3	Neither Likely nor Unlikely	38.46%	10
4	Somewhat Likely	26.92%	7
5	Extremely Likely	11.54%	3
	Total	100%	26

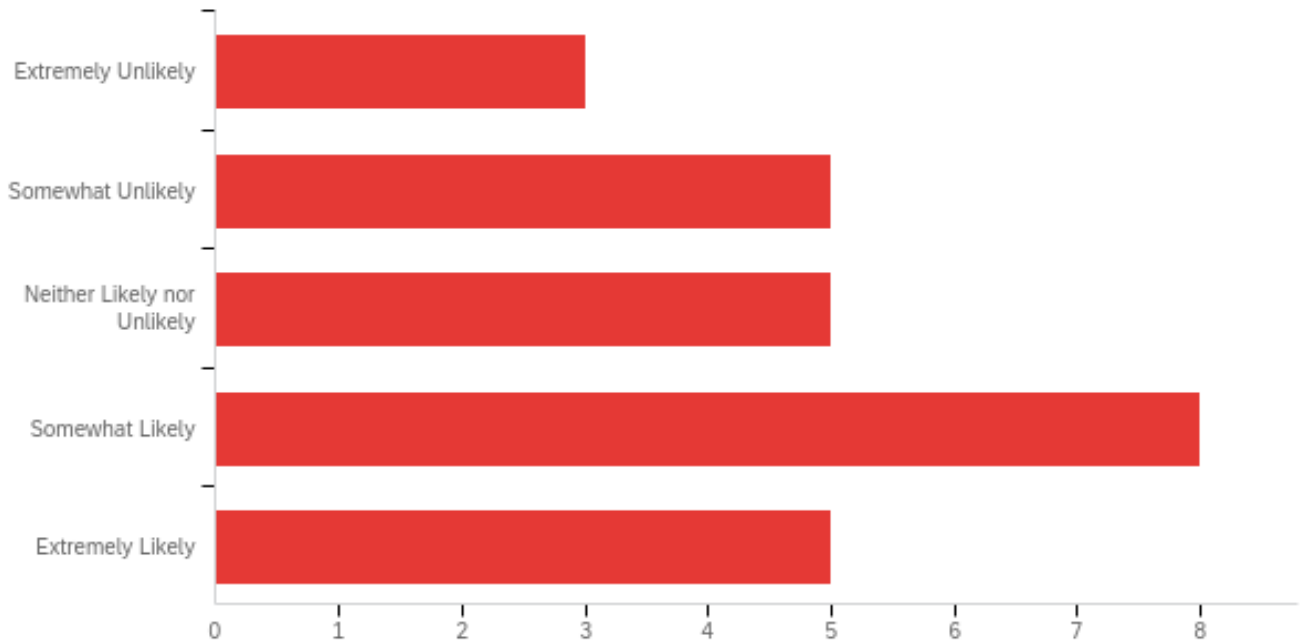
**1#2 - By 2035, there will be a large demographic gap between E.U. nations, affecting clients' expectati... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Society Driver 1: European Demographic Scenario	1.00	5.00	2.46	1.12	1.25	26

#	Answer	%	Count
1	No Impact	19.23%	5
2	Somewhat Impactful	38.46%	10
3	Impactful	26.92%	7
4	Very Impactful	7.69%	2
5	Extremely Impactful	7.69%	2
	Total	100%	26

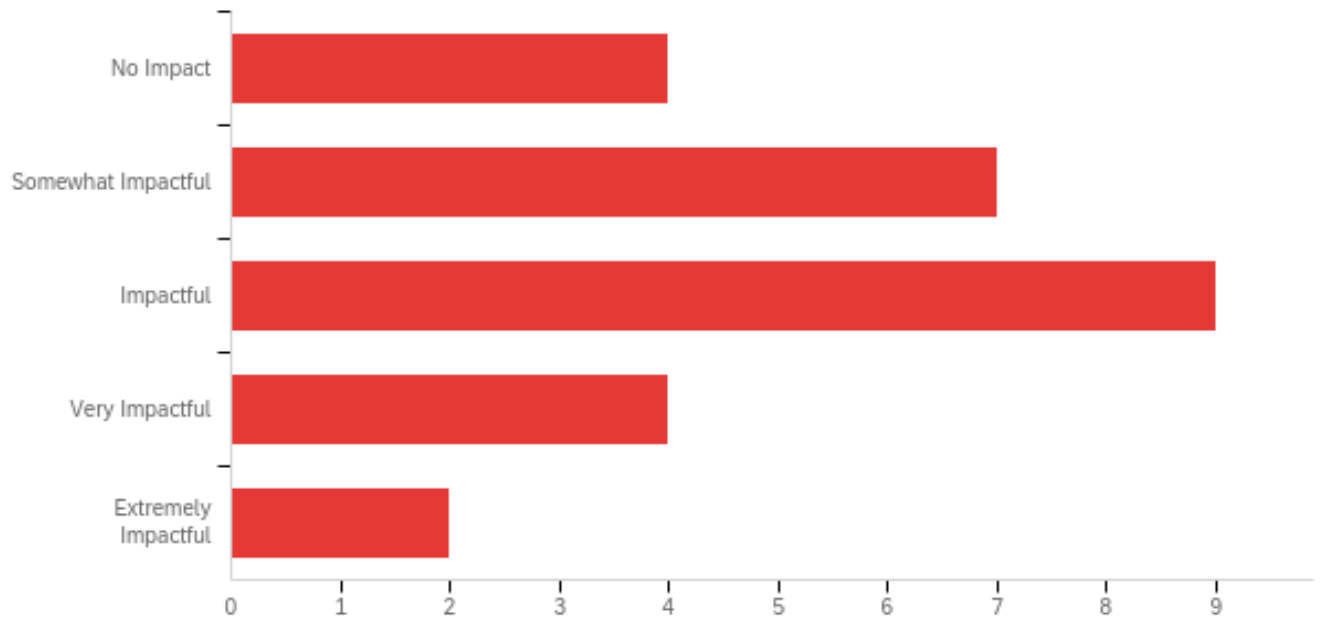
**2#1 - By 2035, the Portuguese society will have fully adopted (high degree of society's acceptance) dig... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Society Driver 2: European Digital Accessibility	1.00	5.00	3.27	1.29	1.66	26

#	Answer	%	Count
1	Extremely Unlikely	11.54%	3
2	Somewhat Unlikely	19.23%	5
3	Neither Likely nor Unlikely	19.23%	5
4	Somewhat Likely	30.77%	8
5	Extremely Likely	19.23%	5
	Total	100%	26

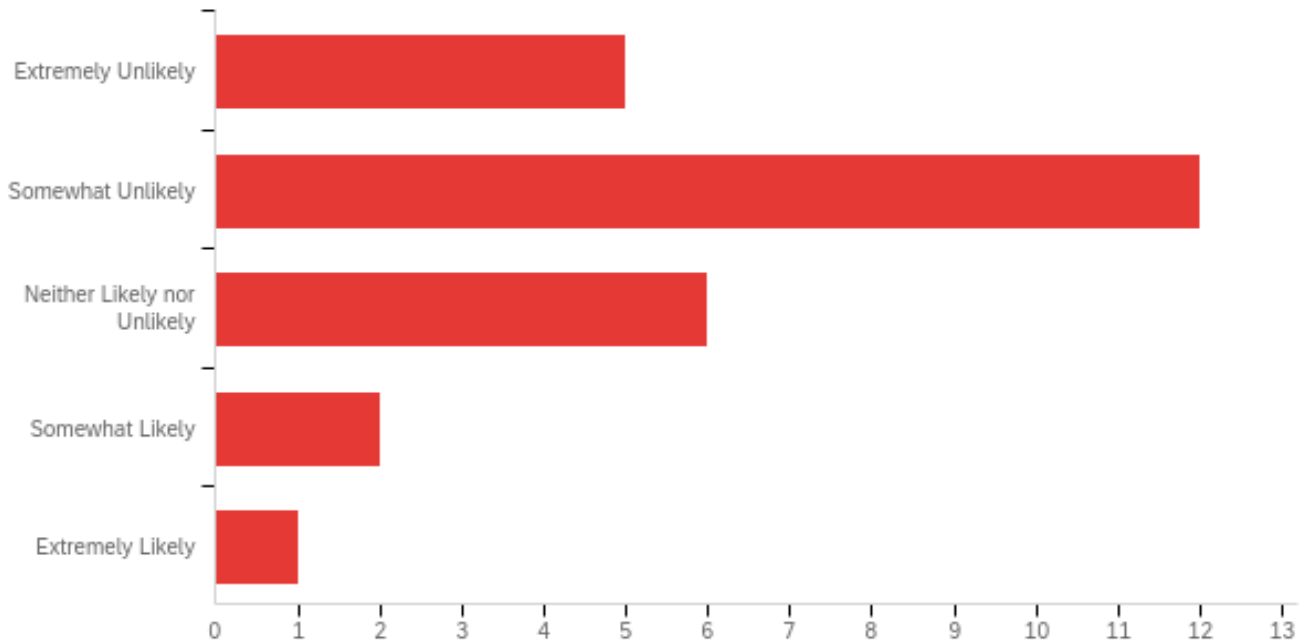
**2#2 - By 2035, the Portuguese society will have fully adopted (high degree of society's acceptance) dig... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Society Driver 2: European Digital Accessibility	1.00	5.00	2.73	1.13	1.27	26

#	Answer	%	Count
1	No Impact	15.38%	4
2	Somewhat Impactful	26.92%	7
3	Impactful	34.62%	9
4	Very Impactful	15.38%	4
5	Extremely Impactful	7.69%	2
	Total	100%	26

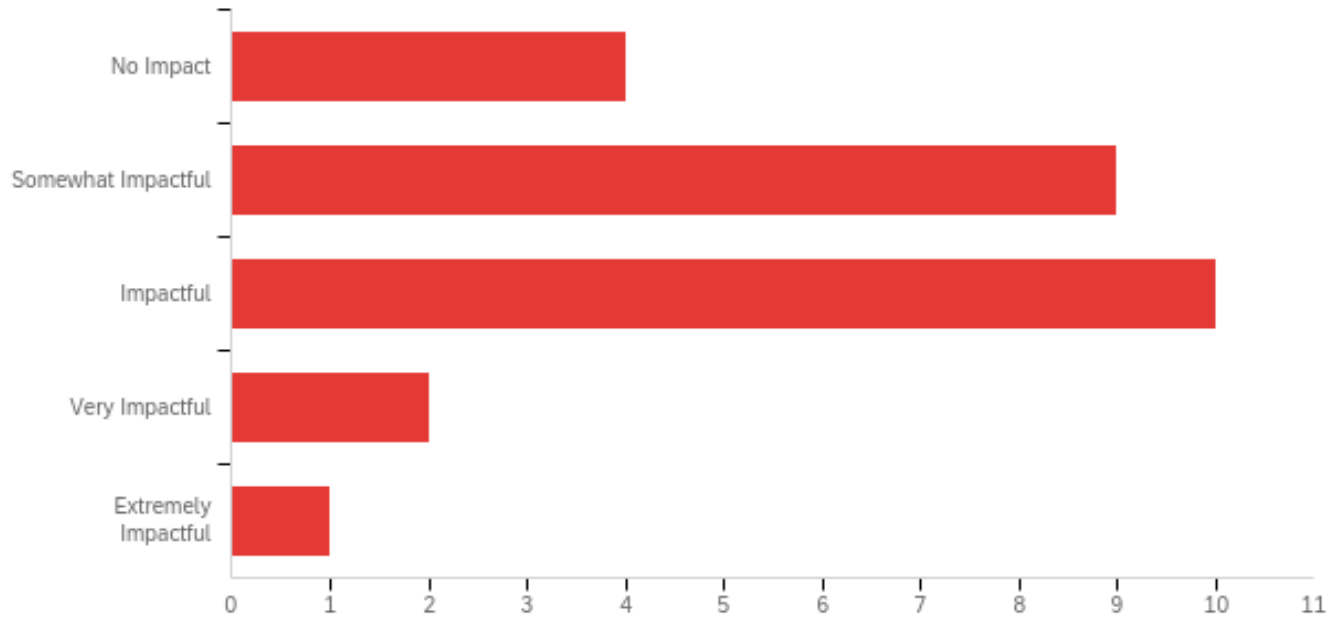
### 3#1 - By 2035, Portugal's pace of digital implementation will have the same pace when compared to its N... - Prediction of Possibility



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Society Driver 3: Rate of Technological Implementation	1.00	5.00	2.31	0.99	0.98	26

#	Answer	%	Count
1	Extremely Unlikely	19.23%	5
2	Somewhat Unlikely	46.15%	12
3	Neither Likely nor Unlikely	23.08%	6
4	Somewhat Likely	7.69%	2
5	Extremely Likely	3.85%	1
	Total	100%	26

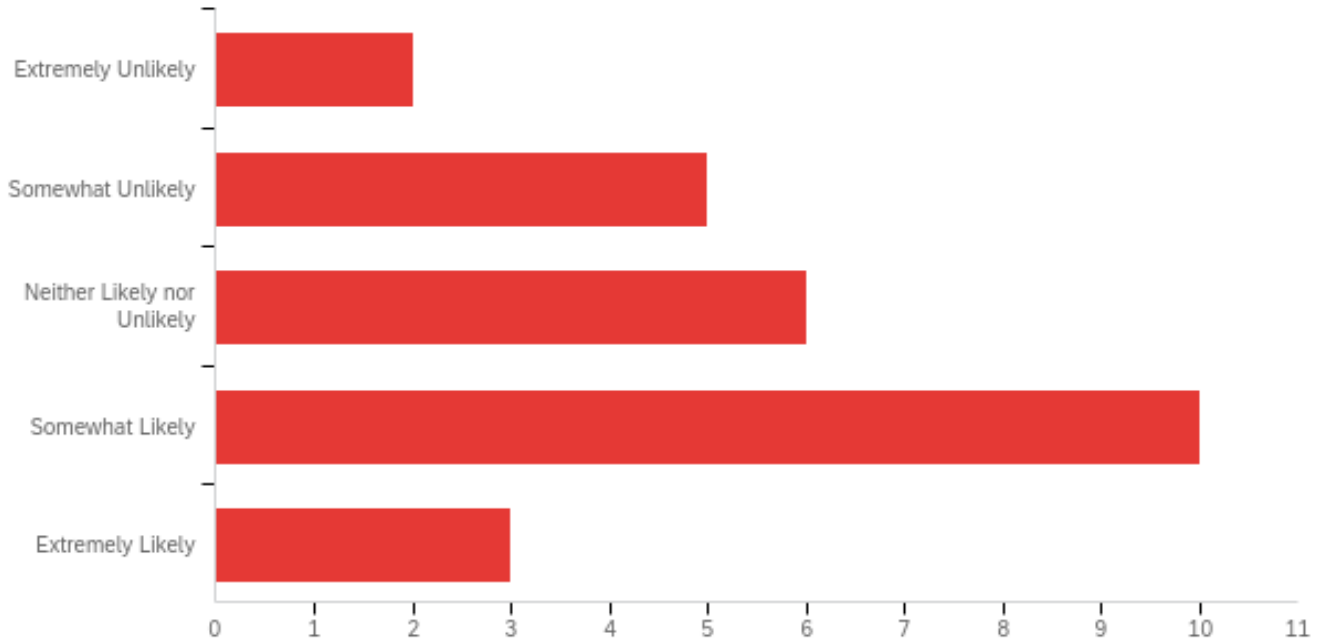
**3#2 - By 2035, Portugal's pace of digital implementation will have the same pace when compared to its N... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Society Driver 3: Rate of Technological Implementation	1.00	5.00	2.50	0.97	0.94	26

#	Answer	%	Count
1	No Impact	15.38%	4
2	Somewhat Impactful	34.62%	9
3	Impactful	38.46%	10
4	Very Impactful	7.69%	2
5	Extremely Impactful	3.85%	1
	Total	100%	26

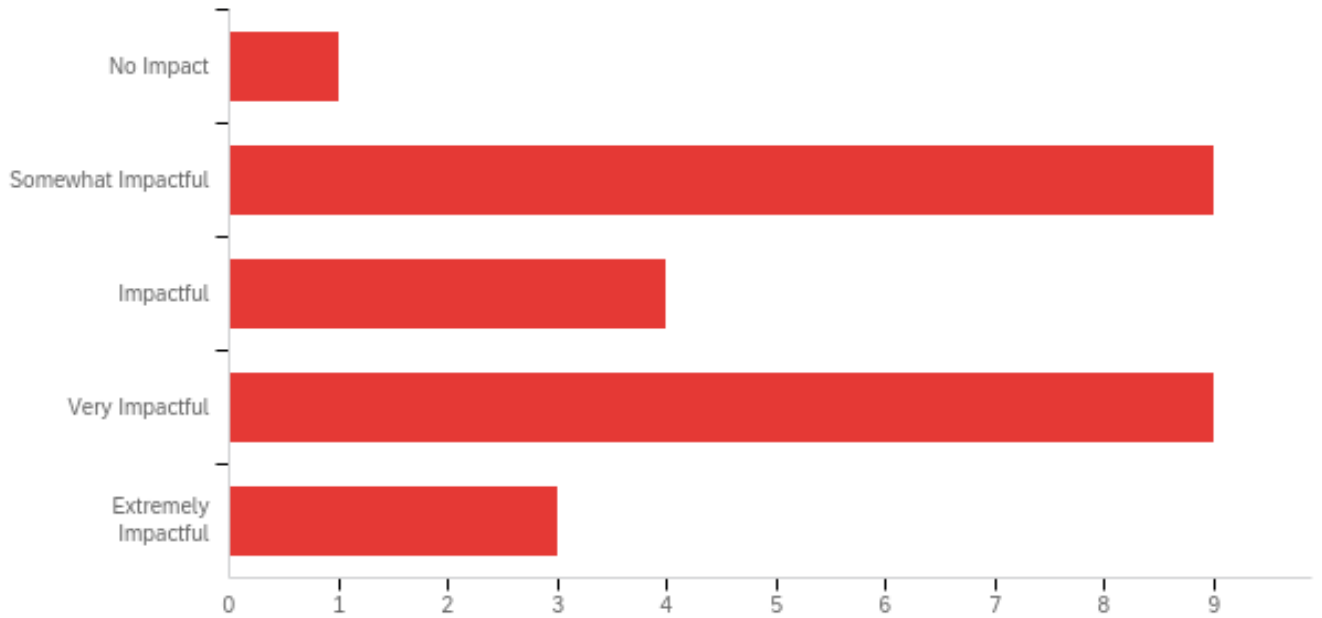
**1#1 - By 2035, the major alternative legal service providers (e.g.: The Big Four) will encounter weaker... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Regulations Driver 1: ALSP's Regulations	1.00	5.00	3.27	1.13	1.27	26

#	Answer	%	Count
1	Extremely Unlikely	7.69%	2
2	Somewhat Unlikely	19.23%	5
3	Neither Likely nor Unlikely	23.08%	6
4	Somewhat Likely	38.46%	10
5	Extremely Likely	11.54%	3
	Total	100%	26

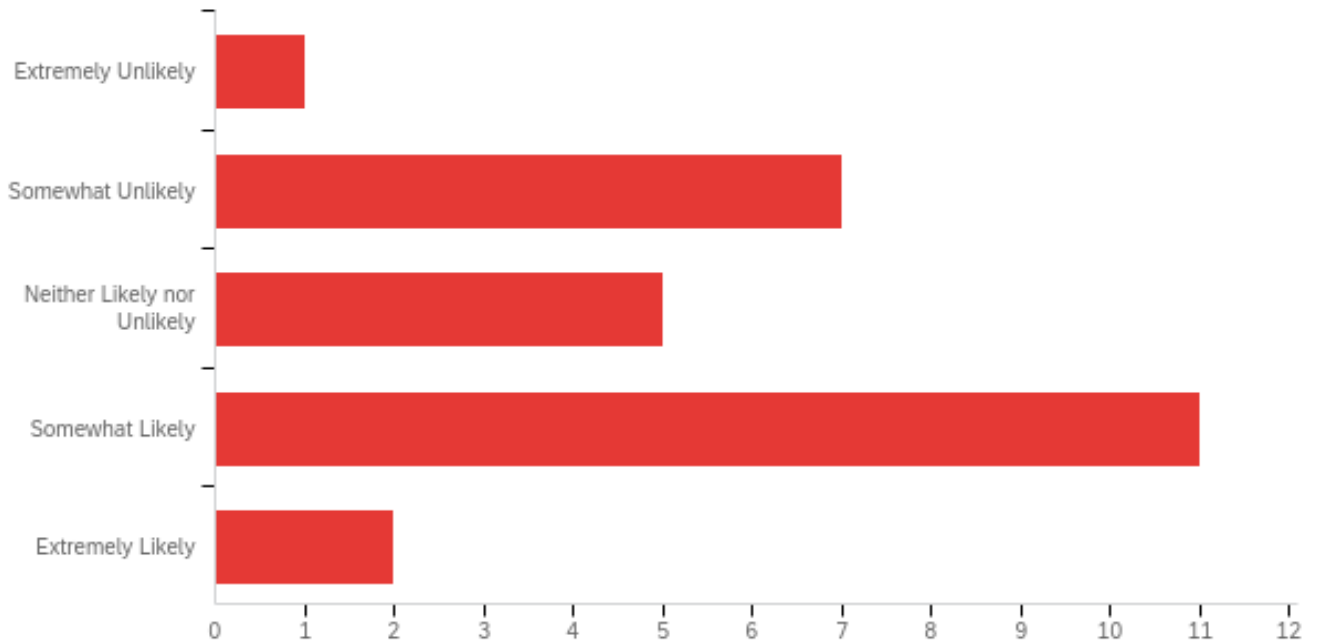
**1#2 - By 2035, the major alternative legal service providers (e.g.: The Big Four) will encounter weaker... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Regulations Driver 1: ALSP's Regulations	1.00	5.00	3.15	1.13	1.28	26

#	Answer	%	Count
1	No Impact	3.85%	1
2	Somewhat Impactful	34.62%	9
3	Impactful	15.38%	4
4	Very Impactful	34.62%	9
5	Extremely Impactful	11.54%	3
	Total	100%	26

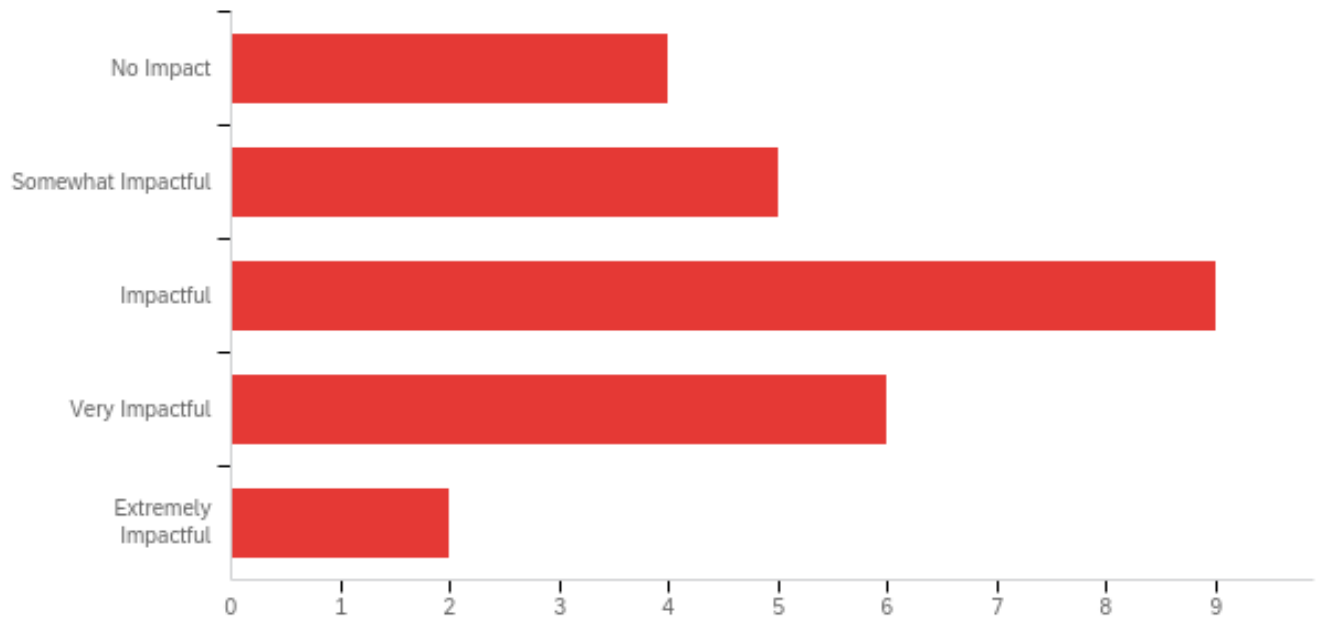
**2#1 - By 2035, the European Law Society will present a convergent regulatory system due to the increase of... - Prediction of Possibility**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Regulations Driver 2: Law Internationalization	1.00	5.00	3.23	1.05	1.10	26

#	Answer	%	Count
1	Extremely Unlikely	3.85%	1
2	Somewhat Unlikely	26.92%	7
3	Neither Likely nor Unlikely	19.23%	5
4	Somewhat Likely	42.31%	11
5	Extremely Likely	7.69%	2
	Total	100%	26

**2#2 - By 2035, the European Law Society will present a convergent regulatory system due to the increase of... - Impact on Lawyer's Profession (if statement occurs)**



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	European Regulations Driver 2: Law Internationalization	1.00	5.00	2.88	1.15	1.33	26

#	Answer	%	Count
1	No Impact	15.38%	4
2	Somewhat Impactful	19.23%	5
3	Impactful	34.62%	9
4	Very Impactful	23.08%	6
5	Extremely Impactful	7.69%	2
	Total	100%	26

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.

Scenarios for the future of the European Legal sector, in the context of disruptive technologies, and its implications for the National Association of Young Portuguese Lawyers (ANJAP)

Strategic Options & Implications



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Work project carried out under the supervision of:

Dr. António Alvarenga

21-05-2021

## **Abstract**

In the Strategic Options & Implications phase, the spotlight is placed back to the organization (ANJAP), where a workshop is conducted in a participatory manner – featuring an ANJAP managerial team. The purpose of the workshop was to implement multiple decision analysis techniques in function of the previously developed scenarios. The principal outcome is the formulation of three framework-based strategic options, while being assessed in a quantitative and mathematical manner to indicate its relative performance against the organization's objectives and different scenarios. Lastly, it serves as a ground foundation to formulate final recommendations.

**Key Words: Foresight, Scenarios, Business Strategy, Legal, Future, Europe, Uncertainty.**

**Table of Contents**

**ABSTRACT ..... II**

**TABLE OF FIGURES .....IV**

**PHASE IV: STRATEGIC OPTIONS & IMPLICATIONS..... 1**

**1. Workshop Methodology: Multi-Criteria Decision Analysis (MCDA)..... 1**

**1.1 Strategy Assessment Session ..... 2**

**Strategic Options..... 5**

**Strategy A: The Classic ..... 5**

**Strategy B: The Modern..... 6**

**Strategy C: The Disruptive ..... 8**

**1.2 Scenario Assessment Session..... 9**

**REFERENCES ..... 16**

**APPENDIX ..... 17**

**Appendix 1: Strategy-Scenario Combination Assessments ..... 17**

**Appendix 2: Complete Aggregate Scores Calculations ..... 18**

**Table of Figures**

**FIGURE 1: ANJAP'S BUSINESS IDEA** ..... 3

**FIGURE 2: ANJAP'S STRATEGY DIAMOND** ..... 4

**FIGURE 3: STRATEGY-SCENARIO COMBINATION VS OBJECTIVE 1** ..... 10

**FIGURE 4: ANJAP'S OBJECTIVE SWINGS** ..... 11

**FIGURE 5: THE CLASSIC STRATEGY & WELCOME TO THE JUNGLE SCENARIO PERFORMANCE ASSESSMENT** ..... 12

**FIGURE 6: AGGREGATE SCORE MATRIX** ..... 13

## **PHASE IV: Strategic Options & Implications**

### **1. Workshop Methodology: Multi-Criteria Decision Analysis (MCDA)**

The workshop's principal idea was to integrate the usage of scenario planning and Multi-Criteria Decision Analysis (MCDA), as such combination is considered to attain a high degree of support in strategic decisions and to play a complementary role with each other (Montibeller et al. 2006). The MCDA methodology complements the scenario planning process in its lack of a detailed phase of options' evaluation, where the performance of those strategies is appraised. It is designed for evaluating options considering decision-makers' multiple, and often conflictive, objectives, while providing a valuable support for the design of robust options and allowing for a performance analysis of each strategy on each of the organization's objectives (Montibeller et al. 2006). In addition, decision modelling within each developed scenario can provide a more structured evaluation avoiding the possibility of overlooking relevant interests (Stewart et al. 2013).

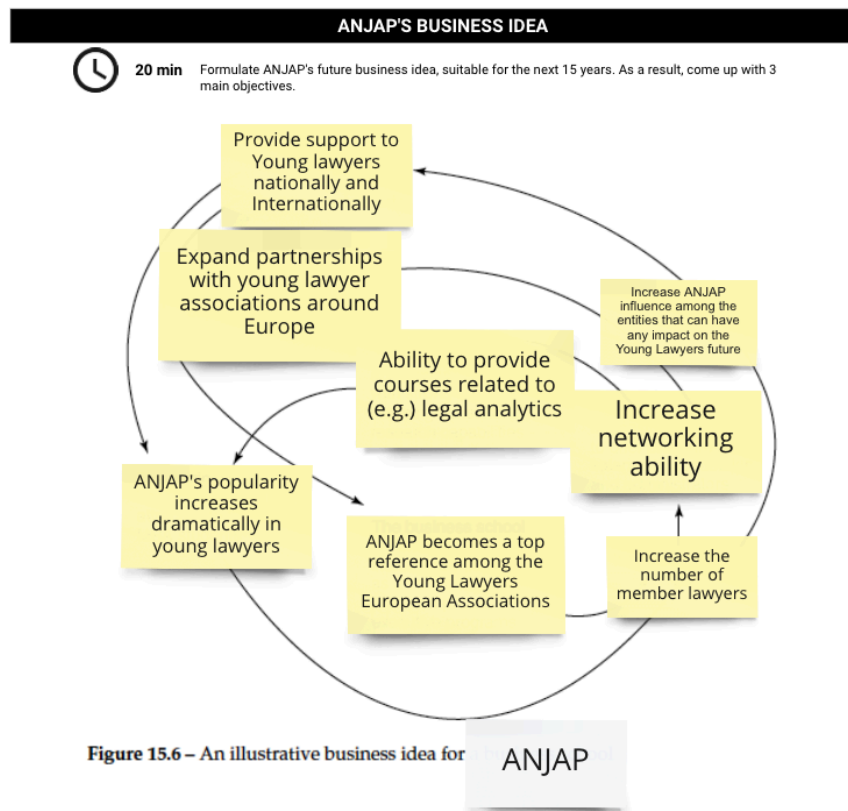
Moreover, the workshop was inspired by the approach formulated in Paul Goodwin and George Wright's illustrative case study, where the authors conduct a series of steps towards the upshot of a company's decision-making capability (Goodwin and Wright 2004). Such format was adapted and consisted of two sessions performed with a 5-member team from ANJAP – in this case, responsible for managerial roles within the association – featuring a collaborative approach by the active participation of subject experts, and two different points of focus: strategy and scenario assessment. The purpose was not to ultimately create an optimal solution for the association, but to combine scenario planning with decision analysis, in other words, to formulate a structured debate among the participants to increase the level of awareness of key issues developed in each scenario (Goodwin and Wright 2004). Furthermore, the final strategical output

was translated into a strategical performance assessment against all scenarios that employs a mathematical (or quantitative) and widely researched framework: Multi-Attribute Value Theory, (MAVT) with the intention of constructing means of associating a real number with each alternative in order to produce a preference order on the alternatives consistent with the decision-maker value judgments (van Herwijnen 2005). The MATV assesses the value (or utility) of a score on an attribute – in this case, the ANJAP’s objectives – and relative weight of each attribute. In a practical manner, it identifies how each developed strategy performed over the range of plausible legal scenarios.

### **1.1 Strategy Assessment Session**

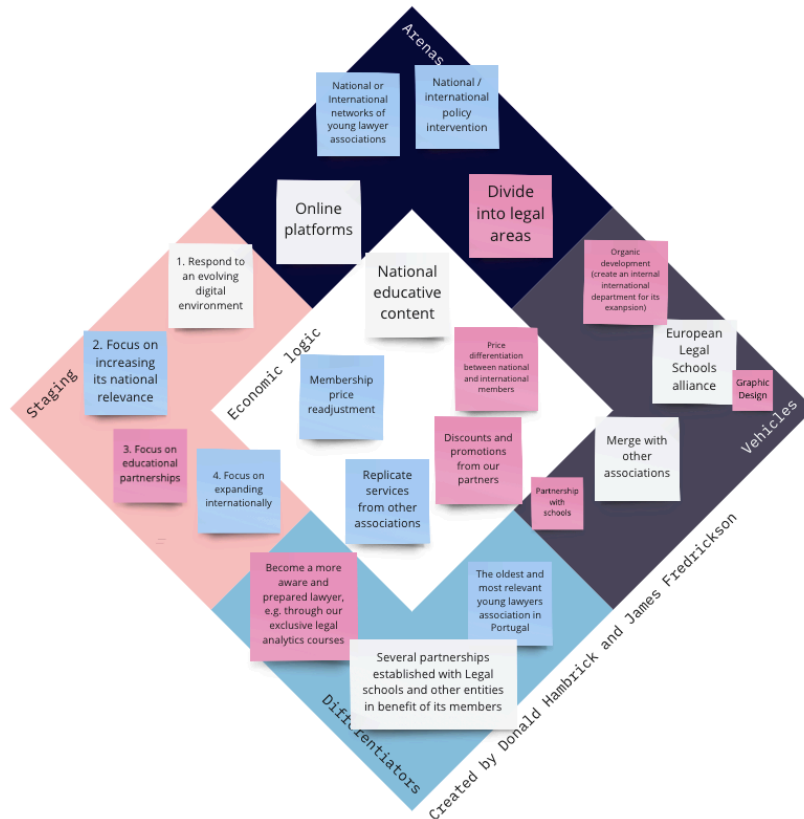
The first workshop session presented the focus point of strategical formulations, by first conducting an assessment into ANJAP’s future business idea model (Figure 1) – defined a systemic linking of the business’ competencies and strengths, which specifies three major elements of a business’s attempt to be successful: competitive advantage, distinctive competencies, and the growth mechanism or positive feedback loop, which if in a stable environment, would become a robust business idea and less replicable by competitors (Goodwin and Wright 2004). The modelling expresses the logic of the organization’s ability to survive and develop in terms of organizational characteristics, which can be articulated and tested against environmental assumptions (Heijden 2010). In order to fit the terms of a considered successful business idea for the future, ANJAP’s team had present an innovative and unique insight about how the organization could interact with the legal industry, or in other words, how to combine its core competencies to create new added value for its customers (Heijden 2010): to assist in the formulation of the so-called 21<sup>st</sup> century (highly digitalized) lawyer by providing Legal Tech coursework and to be able to support young lawyers on both a national and international scale.

Such initial phase was responsible for extracting the association’s main objectives to be accomplished inside the previously stated time horizon range of fifteen years, which are necessary for a complete and accurate evaluation of strategies (Goodwin and Wright 2004). The established objectives are the following: **increase number of member lawyers; increase ANJAP’s influence among the entities that can have any impact on the young lawyer’s future; and finally, to become a top reference among the young lawyer’s European associations.**



**Figure 1: ANJAP's Business Idea**

Moreover, the strategy diamond framework (Hambrick and Fredrickson 2001) was introduced to assist in the design of three alternative strategies that ANJAP could implement: **the classic, the modern and the disruptive**. Such framework functions by breaking down the five elements of a business strategy: Arenas – “Where will we be active?”; Vehicles – “How will we get there?”; Differentiators – “How will we win the marketplace?”; Staging – “What will be our speed and sequence of moves?”; Economic Logic – “How will we obtain our returns?” (Hambrick and Fredrickson 2001). Further, the strategy diamond (Figure 2) presents a unique essence among most of the strategy related frameworks since it strictly focusses on the composition and design of the strategy itself – the output – rather than the inputs to strategic thinking (Hambrick and Fredrickson 2001). As a result, the linking and clustering between selected factors inside the five elements’ area derived the conclusion to the basic structure of each alternative strategy.



**Figure 2: ANJAP's Strategy Diamond**

## **Strategic Options**

### **Strategy A: The Classic**

In the “classic” approach to align with ANJAP’s future goals a conservative path was selected to not overstretch the complexity of the organization's activities. Therefore, the focus lies on a nationwide (Portuguese) expansion with the ultimate objective of offering the most complete national associate network among relatable associations. The organization should be divided into legal areas in prospect to be represented throughout the country and to channel specific expertise more effectively. Additionally, each member must present a relatively high degree of autonomy, while being linked to other member through structured relationships. Each association’s division is more flexible and generates greater proximity to each legal field, leading to a lower level of coordination effort at the top of the organization. Consequently, every member presents a higher degree of motivation and identification with the organization due to greater responsibility. Nevertheless, this transformation process should proceed in an organic pace so that the organizational financial means and human capacities are not excessively exploited.

In attempt to address new members and to expand its media coverage, ANJAP has improve its rankings in popular internet research engines. Furthermore, traditional communication tools such as several social media platforms (e.g., Instagram, Facebook, LinkedIn) and work-related online platforms (e.g., Zoom), should be vastly implemented or enlarged. The strategy involves the utilization of SEO (Search Engine Optimization) and SEA (Search Engine Advertising), where paid advertisements are promoted prominently in the research engines. Additionally, social media marketing, affiliate marketing, mobile marketing and email marketing also can have an enormous impact depending on the financial means of the organization. Further tools to increase interaction

between new members and the organization are web blogs, online magazines, webinars, video tutorials and podcasts.

In order to be present throughout the country, ANJAP must set up the goal of partnering with as many Portuguese law schools as feasible to become the premier national partner. This can be furnished by emphasizing its history as being the oldest and most connected young lawyer's association in Portugal. In addition to the area-wide linkage, it must also be pointed out in self-promotion for possible new members, that by joining the organization, new additional benefits such as discount promotions from ANJAP's partners are derivable. Hereby, members have the advantage of establishing new relationships with institutional partners, such as the Portuguese Sports Federation or the Algarve Science Federation, as well as receiving sales promotions from a variety of commercial partners. Finally, concerning the strategy's economic logic, it would maintain the already in place membership price structure in order to be highly attractive to national prospects.

### **Strategy B: The Modern**

The Modern strategy was structured around the selection of an international-based arena, where ANJAP would operate and ultimately create a relevant level of influence among other lawyer's associations and the European Legal landscape. This specific strategy features the division of the association into various legal sectors instead of dividing it among the commonly used practice areas (e.g.: corporate, civil and criminal). Such approach allows the association to bring lawyers from contrasting practicing areas together and under one cohesive and understandable umbrella (Myrvang 2021). At the same time, presenting a sector focus enhances the ability to consider the additional business context that does not constitute legal rules (Myrvang 2021).

In order to cope with the already highly digital work environment and the possibility of disruptive technologies to be vastly implemented across the legal industry, ANJAP will take an offensive approach towards its online platforms, making them advanced when compared to other relatable associations. Additionally, the association will focus on the vehicle of forming partnerships with European Schools to benefit from a higher level of cooperation between member states and utilizing it as an opportunity to create international relevance among European Law schools and relatable associations. A concrete example comes from partnering with universities participating in the European Universities initiative, one which aims to build a European Education Area by 2025 – seeking to foster EU-members cooperation to further enrich the quality and inclusiveness of national education and training systems (European Commission 2021). Moreover, ANJAP would also present an organic growth approach by establishing an international department inside the association, with the principal purpose of handling cross-border networking and relatable international issues. Among the strategy's differentiators, the standout factors are the high-quality practical training focused on increasing the prospect lawyer's awareness regarding digital capabilities, as well as international-based benefits highlighted by passes for in-person and online conferences (or webinars) and accommodation arrangements.

This strategy consists of a three-step staging process, featuring (1) the response to the evolving digital environment by the higher development of its online platforms, (2) triggering the desired outcome of the maximization of its national relevance when combined with the already in place national partnerships. Lastly, (3) creating an international outlook by establishing strategical partnerships with higher education institutions across the European block to provide legal-focused educational content (e.g.: legal webinars & legal analytics and A.I. training). Finally, the strategy's economic logic consists of a membership price readjustment to a relatively premium price, given

a higher quality and relevance of services offered, but also presenting discounts over the range of services to member lawyers.

### **Strategy C: The Disruptive**

In the third potential strategy, ANJAP will merge with multiple relatable associations to achieve a monopoly position to the greatest extent possible. In doing so, ANJAP will try to work with similar organizations under one umbrella organization, both nationally and internationally, in order to have a greater presence in the industry. The organization would thus represent not only a portion of young lawyers in Portugal, but most lawyers in the country. Additionally, the long-term goal is for the organization to then join forces with similar organizations from other countries, creating a pan-European network of lawyers.

This radical strategic direction would entail many changes at the organizational level. As a first step, the new, large organization would have to divide itself into different departments for the different specialties (e.g., criminal law, civil law, etc.). With the significantly increased membership numbers in this strategy, this would greatly simplify management. Targeted seminars could then be offered to attorneys working in smaller niches. The increased bargaining power of the organization would then also make it possible to offer broader courses at a lower cost. Webinars, for instance, would not be offered to just a few hundred members, but to thousands of lawyers from every age group.

Another point would be the greater financial resources such an organization would have to upgrade its infrastructure. The actual global health crisis made it explicit how far behind some industries are in the digital field. Under this strategy, the new organization would invest intensively in expanding its online platform to become even more attractive to potential members. In addition, ANJAP would also be able to increase its membership fees. On one hand, a broader and more

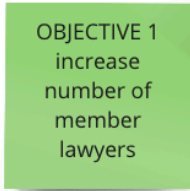
targeted offering of training and support justifies this increase; on the other hand, the lack of competition would mean that the organization would have to worry less about a loss of members as a result of such measure.

On a global level, ANJAP is currently a relatively small organization in this industry. This strategic alignment would allow the organization to compete on an exponentially larger level playing field with other global big players. It would also increase the exchange of different lawyers from different age groups. Prospect lawyers would be able to gather knowledge through the experience of the senior lawyers, while the senior group would be kept up to date by offering modern education. In addition, closer cooperation with lawyers from other countries would be greatly expanded, thus increasing the attractiveness of the organization. In contrast, the formulation of such large organization also entails considerable risks. Members might turn away from ANJAP due to the merging aspect, since prospect lawyers would still appreciate the smaller, personal and tailored structures. Finally, it would be a transformational and dynamic organizational change, which if not carefully implemented, could end up negatively affecting ANJAP.

## **1.2 Scenario Assessment Session**

The second session switched the point of focus from strategy formulation to the discussion of each constructed scenario, with the purpose of considering the legal industry's development around the categorized key driving forces, as well as the secondary uncertainties and pre-determined elements. The scenarios were internally discussed by the legal experts, leading to the introduction of additional inputs that were inserted inside a designed scenario-radar framework. The framework served as a validation tool, confirming each scenario's degree of plausibility and possibility in a participatory manner.

The next stage featured the implementation of the previously stated Multi-Attribute Value Theory (MAVT) as the practical approach where the ANJAP team was responsible for the ranking of all strategy-scenario combinations by allocating scores ranging from 0 to 100 – in multiples of 10 – translating into a performance assessment of the best to worst strategy-scenario combination against each set objective. Such assessment made in consideration of *Objective 1* was performed as follows (Figure 3):



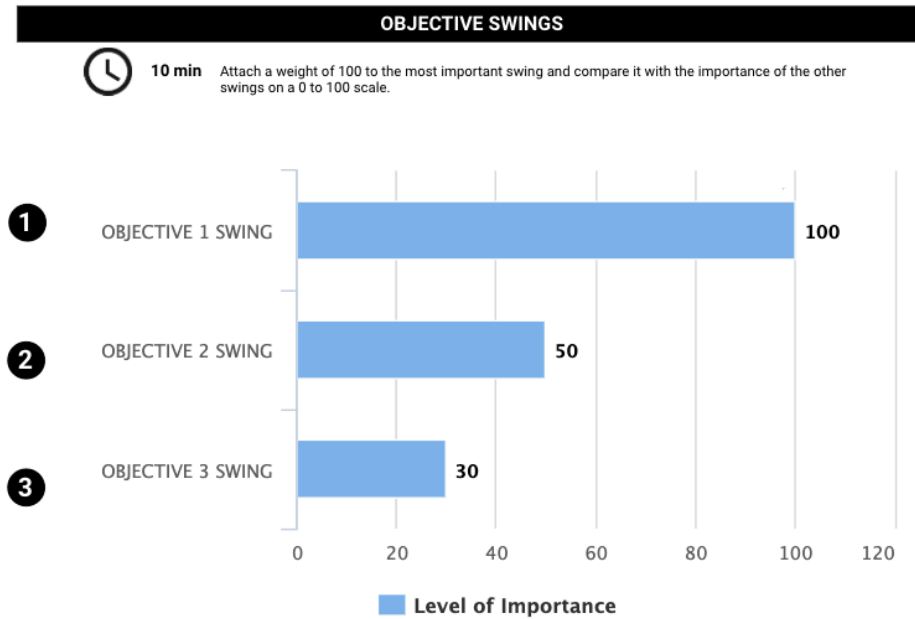
STRATEGIES	SCENARIOS		
	WELCOME TO THE JUNGLE	THE BOYS ARE BACK IN TOWN	NOT ALTERNATIVE ANY LONGER
Strategy A: The Classic	50	30	20
Strategy B: The Modern	30	50	40
Strategy C: The Disruptive	10	80	60

**Figure 3: Strategy-Scenario Combination vs Objective 1**

**\*See Appendix 1 for the complete range of Strategy-Scenario Combination Assessments**

Additionally, the stated objectives were measured in terms of level of importance and variation of its scales by the swing methodology or swing weights (Parnell and Trainor 2009) – e.g.: Objective 1 Swing: Least growth of member lawyers to highest – which involves the “swinging” of the value measure from its worst to its best level (Parnell and Trainor 2009). Such methodology ensures that the weights obtained are not solely measured in terms of importance – assigned to measures independent of the variation of the measure range (Parnell and Trainor 2009). In addition, swing weights present a sound mathematical foundation derived directly from the

additive value model equation (Kirkwood 1997), and in this case, followed the Simple Multi-Attribute Rating Technique Exploiting Ranks (SMARTER), where an ordinal ranking of value measures based on swings was utilized and then converted into normalized weights (Edward and Barron 1994). Then, the highest ranked swing was automatically allocated a score of 100 and served as a comparison reference to the remaining objective swings (Figure 4).



**Figure 4: ANJAP's Objective Swings**

The obtained weights were then normalized so that they sum to 100 – achieved by dividing each weight by the sum of weights and multiplying by 100. Such quantitative approach enabled the final formulation of swing weights that were multiplied by the previously obtained scores to obtain the aggregate score for each set of strategy-scenario combination against the determined objective. For instance, the performance of “**The Classic**” strategy in the “**Welcome to the Jungle**” scenario is calculated as follows (Figure 5):

Objective	Weight	Score	Weight x Score
1: Increase number of member lawyers	55	50	2750
2: Increase ANJAP's influence among the entities that can have any impact on the young lawyer's future	28	60	1680
3: To become a top reference among the young lawyer's European associations	17	50	850
	100		5280/100 = <b>52.80</b>

***Figure 5: The Classic Strategy & Welcome to the Jungle Scenario Performance Assessment***

**\*See Appendix 2 for complete Aggregate Scores Calculations**

Finally, the aggregate score matrix (Figure 6) is obtained by repeating such process for all the remaining strategy-scenario combinations, in other words, aggregating the strategies' performance across the entire criteria to form an overall assessment. The matrix reflects on the categorization of the most efficient strategy-scenario combination in accordance with the most relevant objective set by ANJAP. It is worth mentioning that the MAVT is a compensatory technique, meaning that the methodology allows for the compensation of a weak performance of one criterion by a strong performance of another (van Herwijnen 2005).

STRATEGIES	SCENARIOS		
	WELCOME TO THE JUNGLE	THE BOYS ARE BACK IN TOWN	NOT ALTERNATIVE ANY LONGER
Strategy A: The Classic	52.8	41.8	36.3
Strategy B: The Modern	41.8	56.2	49.0
Strategy C: The Disruptive	19.0	72.7	70.7

**Figure 6: Aggregate Score Matrix**

In conclusion, the final steps consisted of switching backwards to the previously formulated business idea to validate its structure against the newly introduced strategy-scenario combinations, in other words, testing it against the possible future development and labelled as “*wind-tunnelling*” of strategic options (Goodwin and Wright 2004). Such metaphor attempts to increment the idea of scenarios being used as test conditions for the assessment of the value of options (or strategies) that extracts the strong and weak points of a proposed design (Heijden 2010). Lastly, the workshop enabled the formulation of credible and feasible strategies which could be implemented by ANJAP and served as inspiration for final recommendations and the setting of KPI’s.

### **The Classic Strategy Relative Performance**

Comparing the *Classic* strategy with the formulated field of strategic options, it is worth stating that regarding its aggregate score and the performance ranking, the *Classic* must be attributed a sub-dominant role in order to evaluate the success of all strategies and to allow suggestions for improvements. The best methods and procedures are, however, to be identified

through comparisons. This orientation towards best values should contribute to the development of own strengths as well as to the reduction of weaknesses and stimulate a continuous improvement process. The *Classic strategy* ranks 3<sup>rd</sup> in comparisons within all three scenarios, therefore, it must be classified as the most underperforming option.

Ultimately, the performance score points out towards a non-desirable possibility as it was twice outscored in three scenarios and thus, not likely to be considered. Its best performance can be aligned with the “Welcome to the jungle” scenario”, as a divided European Union with contrasting paces of digital implementation is identified as the most favourable scenario (52.8 points), whereas the worst performance can be affiliated with the “Not-alternative any longer”, scenario (36.3 points), one accentuating high digitalized and interconnected Law field landscape. Finally, as a conservative approach of expansion regarding the digital and geographical landscape, the *Classic strategy* consists of a few elements which are not the most desirable in relation to the time frame of this project.

### **The Modern Strategy Relative Performance**

The aggregate score matrix illustrates that *the Modern* strategy does not dominate the other alternative strategies in terms of performance, however, it also does not present the worst performance when analysing all strategy-scenario combinations. The strategy ranks 2<sup>nd</sup> under all three scenarios (“Welcome to the Jungle”, “The boys are back in town” and “Not Alternative any longer”), therefore, it can be categorized as not the most attractive, while at the same time not being the most undesirable or underperformer. In conclusion, the scores show that *the Modern* strategy is indeed worth to be considered it, however, to a limited extent since not every single strategical component appears to be effective when the scenarios are introduced. Its best performance was associated with “The boys are back in town” scenario, one featuring a more

favourable environment for the creation of an international association outlook – scoring 56.2 on aggregate – and its worst performance was associated with the “Welcome to the Jungle” scenario, one featuring a less cooperative European landscape – scoring 41.8 on aggregate. Lastly, the relatively neutral scoring in both, best and worst performance, reveals that international strategical elements embedded in *the Modern* structure must be considered when and if merging any alternative strategy due to its relevant degree of importance.

### **The Disruptive Strategy Relative Performance**

Comparing the *Disruptive* strategy with the formulated field of strategic options, one can see a polarizing result. On one hand, it performs excellently for the scenarios "The Boys are back in Town" (72.7 points) and "Not Alternative any Longer" (70.7 points), dominating against the field regarding the respective scenarios. On the other hand, this strategy would be nowhere near effective in the case of the occurrence of "Welcome to the Jungle" (19.0 points). This can be explained by the fact that the basis of this strategy depends, among other aspects, on strong international cooperation within the European Union. Moreover, this strategy assumes that technological progress is well advanced, and that the large organization would benefit from offering a variety of modern training opportunities to a very large group of lawyers of different ages.

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## Appendix

### Appendix 1: Strategy-Scenario Combination Assessments

OBJECTIVE 2  
Increase ANJAP  
influence among the  
entities that can  
have any impact on  
the Young Lawyers  
future

STRATEGIES	SCENARIOS		
	WELCOME TO THE JUNGLE	THE BOYS ARE BACK IN TOWN	NOT ALTERNATIVE ANY LONGER
Strategy 1	60	60	60
Strategy 2	60	60	60
Strategy 3	30	60	80

OBJECTIVE 3  
ANJAP becomes a  
top reference  
among the Young  
Lawyers European  
Associations

STRATEGIES	SCENARIOS		
	WELCOME TO THE JUNGLE	THE BOYS ARE BACK IN TOWN	NOT ALTERNATIVE ANY LONGER
Strategy 1	50	50	50
Strategy 2	50	70	60
Strategy 3	30	70	90

## Appendix 2: Complete Aggregate Scores Calculations

Objective	Weight	Score	Weight x Score
1: Increase number of member lawyers	55	30	1650
2: Increase ANJAP's influence among the entities that can have any impact on the young lawyer's future	28	60	1680
3: To become a top reference among the young lawyer's European associations	17	50	850
	<i>100</i>		4180/100 = <b>41.80</b>

### The Classic Strategy & The boys are back in town Scenario Performance Assessment

Objective	Weight	Score	Weight x Score
1: Increase number of member lawyers	55	20	1100
2: Increase ANJAP's influence among the entities that can have any impact on the young lawyer's future	28	60	1680
3: To become a top reference among the young lawyer's European associations	17	50	850
	<i>100</i>		3630/100 = <b>36.30</b>

### The Classic Strategy & Not Alternative any Longer Scenario Performance Assessment

Objective	Weight	Score	Weight x Score
1: Increase number of member lawyers	55	30	1650
2: Increase ANJAP's influence among the entities that can have any impact on the young lawyer's future	28	60	1680
3: To become a top reference among the young lawyer's European associations	17	50	850
	<i>100</i>		4180/100 = <b>41.80</b>

The Modern Strategy & Welcome to the Jungle Scenario Performance Assessment

Objective	Weight	Score	Weight x Score
1: Increase number of member lawyers	55	50	2750
2: Increase ANJAP's influence among the entities that can have any impact on the young lawyer's future	28	60	1680
3: To become a top reference among the young lawyer's European associations	17	70	1190
	<i>100</i>		5620/100 = <b>56.20</b>

The Modern Strategy & The boys are back in town Scenario Performance Assessment

<b>Objective</b>	<b>Weight</b>	<b>Score</b>	<b>Weight x Score</b>
1: Increase number of member lawyers	55	40	2200
2: Increase ANJAP's influence among the entities that can have any impact on the young lawyer's future	28	60	1680
3: To become a top reference among the young lawyer's European associations	17	60	1020
	<i>100</i>		4900/100 = <b>49.00</b>

The Modern Strategy & Not Alternative any Longer Scenario Performance Assessment

<b>Objective</b>	<b>Weight</b>	<b>Score</b>	<b>Weight x Score</b>
1: Increase number of member lawyers	55	10	550
2: Increase ANJAP's influence among the entities that can have any impact on the young lawyer's future	28	30	840
3: To become a top reference among the young lawyer's European associations	17	30	510
	<i>100</i>		1900/100 = <b>19.00</b>

The Disruptive Strategy & Welcome to the Jungle Scenario Performance Assessment

Objective	Weight	Score	Weight x Score
1: Increase number of member lawyers	55	80	4400
2: Increase ANJAP's influence among the entities that can have any impact on the young lawyer's future	28	60	1680
3: To become a top reference among the young lawyer's European associations	17	70	1190
	100		7270/100 = <b>72.70</b>

The Disruptive Strategy & The boys are back in town Scenario Performance Assessment

Objective	Weight	Score	Weight x Score
1: Increase number of member lawyers	55	60	3300
2: Increase ANJAP's influence among the entities that can have any impact on the young lawyer's future	28	80	2240
3: To become a top reference among the young lawyer's European associations	17	90	1530
	100		7070/100 = <b>70.70</b>

The Disruptive Strategy & Not Alternative any Longer Scenario Performance Assessment