BIZCOMMUNITY

How startups are disrupting delivery of African legal services

By <u>Tom Jackson</u>

22 Sep 2017

"Having quantifiable, measurable, and verifiable data about justice needs and the challenges in a justice system is essential for the legal profession to move into the 21st century."



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That is the view of Connor Sattely, business accelerator agent at research institution <u>HiiL</u>, which is dedicated to providing access to justice worldwide and generates data on perceptions of the justice systems in various countries, such as efficiency, fairness, and effectiveness.

Sattely says this data is vital in ensuring future legal systems work better than at present.

"It enables policy makers and thought leaders to generate new reforms and procedures that can impact millions, because their efforts can be targeted on the areas which are needed most," he said.

In Africa, HiiL is putting startups and entrepreneurs at the heart of its strategy. The organisation is currently running its annual <u>Innovating Justice Challenge</u> across Africa, through which it seeks innovators developing platforms and tools addressing key pain points in justice systems.

"The HiiL Justice Accelerator finds and supports the world's best justice entrepreneurs, and through our startups we have been able to provide access to justice for 1.4 million people over the last five years," Sattely said.

Slowly but surely, investment in legal-tech is on the rise, especially in the United States.

"Additionally, law firms in the Netherlands and beyond are showing strong interest in creating, acquiring, and scaling legal innovations as a way of increasing their market share and profitability," Sattely said.

However, this is not yet the case in Africa, something HiiL wants to change.

"We think the time is right for justice innovation worldwide based on industry interest, justice sector need, and the global explosion in entrepreneurial talent," said Sattely.

DIYlaw

Increasingly, there are innovative startups on the continent looking to drag legal services kicking and screaming into the 21st century. Odunoluwa Longe is co-founder of Nigerian legal-tech startup <u>DIYlaw</u>, which won another startup challenge run by HiiL last year. DIYlaw <u>focuses on creating access</u> to legal services, information and service providers for entrepreneurs.

Longe said it is inevitable that the legal industry modernises at some point.

"The world is global and driven by technology, and the legal industry cannot be excluded. Whilst, because some parts of the legal profession are fiduciary and relational, there will always be human intervention, and technology cannot completely replace the legal profession, there is a considerable part of the profession that is repeatable and can and should be automated to create efficiency and scale," she said.

Technology can bring efficiency, scale, predictability, a smaller margin of error and speed to the provision of legal services, but Longe says the legal industry has been reluctant to change.

"The legal industry globally is a conservative one, in Africa, Nigeria, even more so. However, in recent times, there has been a wider acceptance of technology, with the Nigerian Bar Association organising panels around technology and law," she said.

Legal Legends

South African startup <u>Legal Legends</u> allows small businesses to purchase legal services at fixed, up-front prices on its platform. Co-founder Kyle Torrington agrees with Longe that change in the industry is inevitable eventually, especially if it is to provide legal services to those currently unable to access them or priced out.

"With the efficiencies that only technology can provide, and the associated reduction in the overhead costs required to run a business in the 21st century and still remain profitable, it is essential and incumbent on the legal profession to begin catering for the vast majority unable to traditionally afford such services, in order to finally ensure that every person's constitutional right of access to justice is fulfilled," he said.

"The use of technology inevitably has the effect of lowering the cost of legal services. This is achieved through automation, or having less assets on their books, thus lowering overhead costs which have traditionally been passed on to the client."

In spite of this potential, African legal-tech startups are still lacking the necessary funding, an issue HiiL is attempting to address.

"To the best of my knowledge, I do not know of any legal startups within South Africa specifically that have been able to raise equity seed, Series A or other rounds," Torrington said.

Indeed, in some cases, legal-tech startups may be disqualified from raising outside investment. For example, Legal Legends is effectively operated by admitted practising attorneys subject to the rules of the Law Society.

"This means that, unless another practising attorney buys in and funds the venture, we cannot take on any outside funding on an equity basis," Torrington said.

"In this regard, grant funding appears to be particularly attractive because it does not come with the necessary regulatory hurdles that equity funding might pose."

LawStrive

HilL is currently trying to fill this gap, but it is perhaps time for others to join the party. Samuel Olabamiji, co-founder of another Nigerian legal-tech startup - LawStrive - certainly feels this is the case.

"Legal startups in this part of the world haven't been really funded because it is a new trend. The major challenge being the slow transition of the average Africans from the use of traditional legal firms to legal-tech startups," he said.

"Some investors are not willing to make the first move on such sectors until more traction is gained by legal-tech startups. It is a gold-mine waiting to be unveiled."

Source: Disrupt Africa

ABOUT TOM JACKSON

Co-founder @DisruptAfrica. Tech and business journalist in Africa. Passionate about the vibrant tech startups scene in Africa, Tom can usually be found sniffing out the continent's most exciting new companies and entrepreneurs, funding rounds and any other developments within the growing ecosystem

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