Legal APIs Driving Value And Demand Through Data Integration

How APIs Are Driving Value And Data Integration Throughout The Legal Industry

If attorneys at law firms aren't thinking about data analytics, their clients might be. In a recent survey conducted by Lex Machina, 31% of legal analytics users reported that they adopted analytics because of competitive pressure; 44% identified client expectations as one of the biggest factors driving their use.

Facing these demands, attorneys and legal operations managers are looking for better ways to use, visualize and share data to produce better outcomes for their clients and their firms. Legal APIs make this possible—and make legal analytics easier and more impactful.

An API—Application Programming Interface—is a way for different pieces of software to communicate with each other. It can take data from one platform and integrate it into another, making multiple datasets - which may consist of different data types -simultaneously visible—if not combined. As such, APIs bring software to life by synthesizing big data across disparate systems.

The legal profession has its own disparate systems and big data. If lawyers and legal operations managers can see, interact, and combine all of their data with data from external sources in a single dashboard or portal, they can build greater insights to improve both their practice and their business operations. The result? A competitive edge.

Integration Yields Optimization

Data doesn't grow on trees, however. Legal analytics depends on users making data come to life through democratized insights. Consider that the best way for a law firm to maximize the value of its subscriptions and tools is to have as many people in the firm as possible using them. The resulting network effect ensures that people in the firm are fully with the firm's internal and external data, leading to them being maximally informed. This then increases the value the holdouts will get from engaging—and when they do, everybody becomes yet better informed. And so on.

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This can only happen if all that data being fed in and consumed is effectively integrated into one place—which an API allows.

Justin Brownstone, Principal Product Manager at Lex Machina, believes that firms will eventually start offering to integrate their internal data with clients' in-house data to optimize matter insights. External data, such as litigation analytics, put these internal sources into context for even more competitive analysis.

"A company [may] know their cases, but they don't know what happened in cases where they haven't seen this plaintiff's lawyer before, or it's a novel type of suit," Brownstone says. "I won't be surprised if law firms who start offering that type of service have an edge."

Integration Through Partnership/Developer Advocacy

In turn, clients who are asking for better data and better insights have put a demand on Lex Machina for better enablement of data and insights.

Accordingly, Brownstone notes, Lex Machina releases its API on April 19, 2022. Just as Brownstone describes the need for lawyers to collaborate more with their clients and with each other, Lex Machina saw a need to collaborate more with law firms.

"APIs are a true partnership," Brownstone says. "If you're going to take our data and integrate it directly into your own site, then we're going to have to help you more and [have] a closer working relationship."

In turn, Lex Machina hopes to overcome what may be its biggest obstacle to widening the legal analytics market: a knowledge gap.

In the company's Legal Analytics survey, more than two-thirds of respondents reported using legal analytics in their organizations; more than 98% of those users found value in legal analytics specific to litigation practice—as did, more strikingly, 78% of non-users. Even though most non-users are theoretically on board with legal analytics, a common hurdle is technical literacy. When asked to enumerate all of the reasons they're not using legal analytics in their organizations, the three responses non-users most commonly cited were:

- Unfamiliarity with available products (46%);
- Lack of understanding of what "legal analytics" is (41%); and,
- Lack of training and/or expertise (29%).

Brownstone says he's already spoken with law firms who are attempting to address these issues by putting data directly into workflows. "Law firms want to put data when and where lawyers need it so that there is no longer a need to exit into different products and understand how to use each of them," he said.

While the software knowledge required to implement an API may seem like a barrier to some organizations, companies and firms are already working to close the knowledge gap. For example, Lex Machina is hiring its first developer advocate. They will work with customers to help integrate the company's API and draw improved insights from Lex Machina data and the company's data combined. The goal is for law firms, legal departments, and peripheral organizations to have developers and data scientists of their own creating new data solutions with APIs, like companies in other industries. Some already do.

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