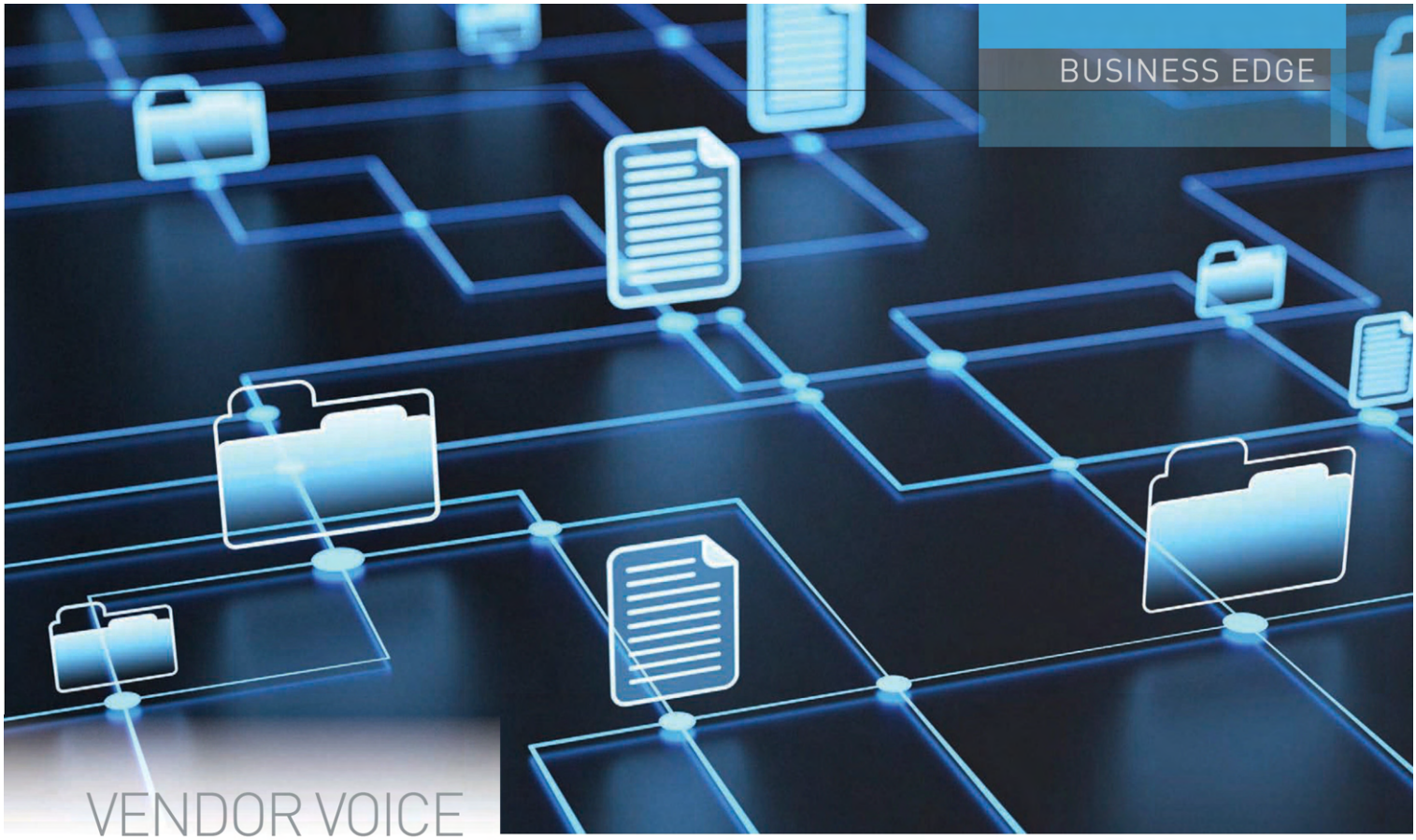


VENDOR VOICE

LawInsider Tackles Complex Agreement Language

The company's database offers access to documents that can aid legal industry members in writing strong agreements.

Six years ago, as a former in-house attorney at a large organization, LawInsider co-founder Preston Clark was convinced big data and artificial intelligence (AI) capabilities could transform the contract creation process.

After all, as Clark points out, attorneys rarely compose a new contract from scratch; typically, they begin by pulling portions of text from templates and clauses their firm or legal department has on file.

That system can pose some limitations, though. Attorneys can generally only use items their colleagues have created before, which may not be much help if someone is trying to draft a new type of document.

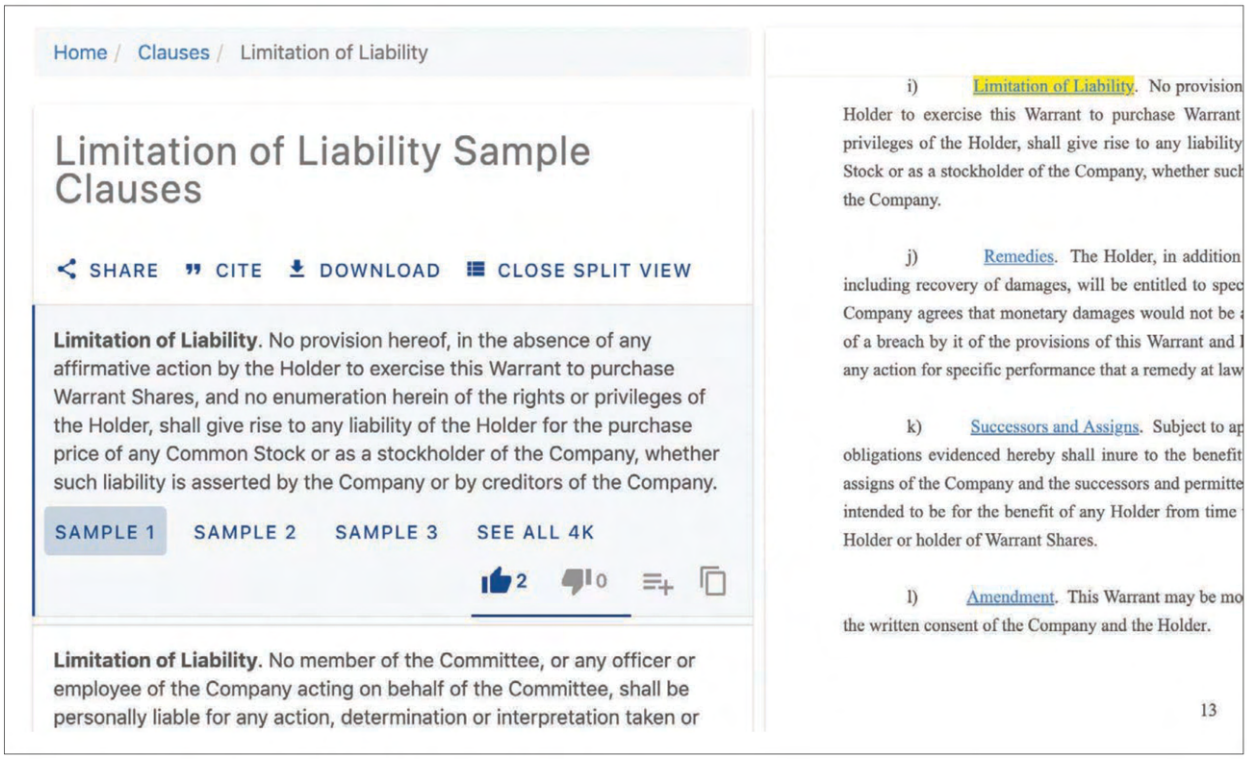
In addition, contract repositories tend to be found at larger law firms; small firms and solo practitioners may have fewer—if any—resources to draw from.

Clark, however, knew a significant corpus of public domain contracts was available for use, and he hadn't seen any other organization truly focus on building a great research tool around the documents.

With that inspiration, LawInsider—a subscription-based contract and clause database designed to help contract managers, business owners, lawyers, and other industry members draft corporate agreements more efficiently—was launched in 2014.

The LawInsider website offers access to millions of contracts that have been extracted from U.S. Securities and Exchange Commission (SEC) filings and other publicly available sources. New documents are cataloged and indexed on the site on a daily basis.

"What we really wanted to do was make it easier for attorneys to build and negotiate complex agreements," Clark says. "Attorneys have their own internal



Search results include a list of clauses that may relate to the topic users are searching.

templates and clauses they pull from as a starting place; we expand that library—and, in particular, make it easier to discover clauses that match to a specific or unique type of commercial agreement."

AALL Spectrum recently spoke with Clark about LawInsider's early days, the company's recent transition to a subscription-based service, and how the legal industry can expect to see AI technology evolve in the future.

How long did LawInsider's development phase take?

We started building our online database in 2014. We were sort of in stealth mode for our first five years. The database was available for search purposes from Day One, but we weren't offering any paid subscriptions or services.

We had over 100,000 registered users before we switched to a paid subscription model in January 2019. Today, it's very easy for an attorney to find our site, start a free trial, and ultimately decide to upgrade to a paid subscription—all without speaking to a salesperson. We even make it easy to cancel. That's pretty core to our business. We want to build products that get used and are worth paying for.

How does the paid subscription version of LawInsider differ from the free version?

LawInsider supports two user types—free and premium. Hundreds of people sign up for free accounts with LawInsider every day. It's a fast way to access a single document or complete a quick research assignment. Admittedly, the free version is pretty ad-heavy and comes with lots of use restrictions on the number of pages you can view and download on a monthly basis. It's similar to the *New York Times* model, in that your free access limits reset every month.

A premium account comes with unlimited, ad-free access to LawInsider for $30 per month, per user, or $300 per year. We also offer heavy discounts for team subscriptions of two people or more, as well as for students and international users.

What other industry members use this product?

A great aspect of our database is its broad distribution. Our primary users are attorneys, but we also serve law librarians, knowledge management professionals, legal ops, legal translators, paralegals, and contract managers. More than 30 percent of our users are international. We have, on average, 40 attorneys from every Am Law 100 firm.

Did law librarians help develop the product at any point?

Not as much as we would have liked. The majority of our customers are individual attorneys who are paying directly out of pocket for access to our database, and those are the folks who have been most vocal about our product road map. That is starting to change as more law librarians are

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hearing about us and reaching out. Our next chapter of growth will require a much deeper relationship with law librarians than we've had in the past. We're looking forward to that.

What would you say is LawInsider's most unique selling point?

We do one thing well. Most of the research tools available to law librarians and attorneys are bundled inside huge enterprise packages sold by billion-dollar businesses. Our focus is on contract and clause search, and we think that focus is our biggest differentiation. Drafting and negotiating complex commercial agreements is hard, and we're a pretty inexpensive way for attorneys to do this hard work faster.

What's also interesting, from a business perspective, is that we have a bottom-up business model—think LinkedIn—meaning we are primarily discovered and purchased by individual attorneys, not law firms. Because we have this bottom-up model, it enables us to build deep relationships with our end users and keep our prices down. If we were a larger corporate business model, we'd have to pay salespeople to get on airplanes. That materially affects the price of a product. LawInsider is $300 per user, per year. It's really easy for an independent attorney on their own to pull out a credit card and say, "I want this product." As a team, we're really focused on making the product and buying experience better and easier.

How have you marketed LawInsider to industry members over the years?

Believe it or not, we've done zero traditional marketing. No ads, no conferences, no partnerships. This will change going into 2020, but we were very intentional about creating a product-driven growth strategy. I've led large sales and marketing teams at other companies; it's expensive, and as a fully bootstrapped business, we wanted to focus on building a product that—at least in the beginning—didn't require a big sales organization to get off the ground.

What are some of the most popular product elements?

Our two most popular user-driven features are the lists and split view functionalities. Lists is a simple tool that enables attorneys to easily sort and assemble new agreements by clicking on the save button within documents and clauses they discover on the site. One of the biggest complaints we had in the early days of the site was that attorneys would lose track of the numerous clauses and contracts they discovered when searching. Lists was designed for attorneys to keep track of their favorite search results.

Split view is a brand-new tool we built for power users of our clause search feature. The common use case for attorneys searching for a particular type of clause on our site is to look through a set of sample clauses. But invariably, they also need to verify the source of the clause. With split view, you can search through thousands of clauses and quickly review their source without leaving the page.

Did the legal industry's emphasis on delivering services in a more cost-effective manner since the Great Recession influence how you designed the product in any way?

Yes! In business, there are cycles of bundling and unbundling—our phone services, cable, and internet are the most common examples. Netflix was an unbundled version of what cable companies were providing us for years. The big players in the legal research market are the classic bundled model. They buy the smaller competitors, and the bundle gets bigger and more expensive. Ultimately there are very few new and innovative research tools like LawInsider in the market as a result of the large-scale bundling. So, one of our commitments is to stay independent and offer a reasonably priced, unbundled research product for people who need exactly what we offer. We think this commitment helps attorneys deliver better work, more cost-efficiently.

What do you feel the future of legal research will look like?

There are probably way smarter people than me to give an opinion on this. That said, I think we are in this frothy, ambiguous moment of AI and machine learning. Everyone likes things that have AI and machine learning attached to them. Need a new product? Just add AI at the end of the name, right?

In reality, we are still three to five years away from AI being where we want it to be in legal research, and there'll be a lot of puffery, claims, and promises before it gets good. At LawInsider, we think and talk a lot about how machine learning can improve the drafting and negotiation of commercial agreements in the future. We also think the platform we're building will enable some incredible innovations in that direction—but the reality is that we're all still on Chapter One of that type of innovation. So, we'll do our best to avoid giving any of our products AI-ish names in the meantime.

What else is next for LawInsider?

Staying focused on offering search capabilities is what's next for us—and as our search capabilities improve, we want a larger database to work with. To that end, we're working hard to expand beyond our current corpus. Multilanguage search and integration partnerships are on the horizon for 2020.

Also, right now, it is very difficult for law librarians to enable 10 or more attorneys within their firms to use our product. One of our biggest focus areas in the coming year is to make corporate accounts a more central part of our business. ■

LAWINSIDER FAST FACTS

Year founded: 2014

Headquarters: Seattle and San Francisco

Number of employees: 11

R+A Research + Analytics
IM Information Management