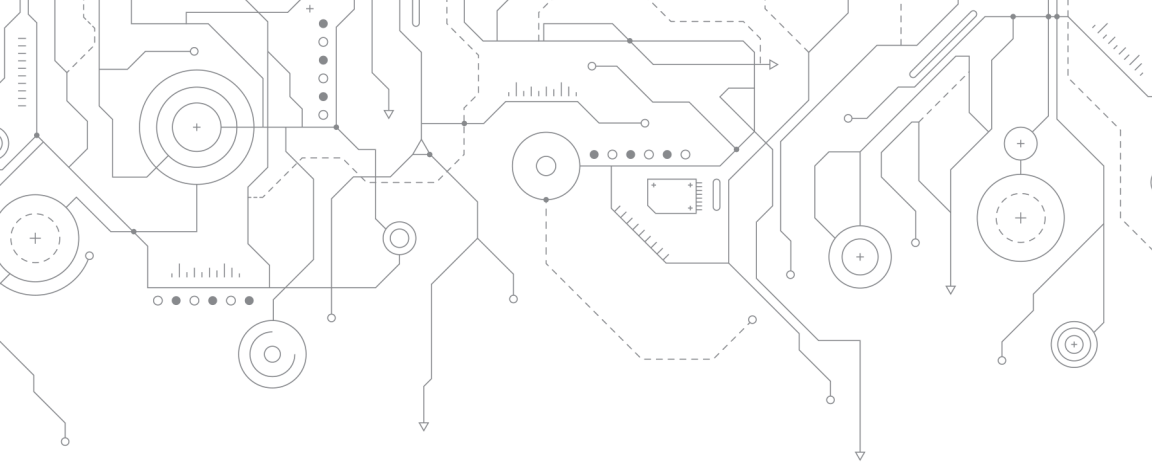

# SUCCESSFUL INNOVATION

## OUTCOMES IN LAW

A Practical Guide for Law Firms, Law Departments and Other Legal Organizations

DENNIS KENNEDY

*Successful Innovation Outcomes in Law*
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# TABLE OF CONTENT

ABOUT THE AUTHOR ..... 1

INTRODUCTION ..... 3

**PART I: An Innovation Primer ..... 9**

1. Is Legal Innovation Different? ..... 14
2. Optimization vs. Innovation ..... 17
3. The Adjacent Possible: Learning and Borrowing from Other Professions ..... 19
4. Innovation Models ..... 22
5. Ten Types of Innovation ..... 25

**PART II: Core Principles ..... 29**

6. Why—What—How ..... 30
7. Focus on the Customer ..... 31
8. Business Models ..... 33
9. Diversity is Essential ..... 35
10. Quantity vs. Quality ..... 37
11. Constraints and Beautiful Constraints ..... 40
12. People, Process, and Technology ..... 42
13. Lawyers and Ideas: A Limiting Factor? ..... 46
14. External Ideas ..... 49

**PART III: Creating and Improving Innovation Programs ..... 51**

15. Basic Plan / Roadmap and Budget ..... 52
16. Game Plan for Getting Started ..... 55
17. Requests to Make if You are Put in Charge ..... 58
18. Personnel and Who's in Charge ..... 61
19. Teams ..... 64

20. Internal Selling....68
21. Small Wins....71
22. Road Shows and Demos....73
23. Innovation Committees....75
24. Bringing in Help....78
25. Coaching and Mentoring....80
26. Advisory Boards....83

**PART IV: A Taxonomy of Innovation Tools....85**

27. Scientific Method....86
28. Experimentation, Results, and Failures....89
29. Feedback: Ask Your Customers....90
30. Brainstorming and Design Thinking....92
31. Prototypes....98
32. MVPs....101
33. Visual Tools: Canvases, Maps and Kanban Boards....103
34. Metrics, KPIs and OKRs....111
35. Processes and Process Improvement....116
36. Product and Project Management....121
37. Advanced Techniques: Sprints and Labs....124
38. Other Innovation Tools and Techniques....127

**PART V: Examples of Innovation Efforts....129**

39. Three Innovation Efforts Corporate Counsel Want....130
40. Selling to GCs and Other Decisionmakers....135
41. Panel Convergence....139
42. Key Client Programs....153
43. Collaborating with Other Firms....155
44. TechPrompts Example....156

**PART VI: Risk and Portfolio Management....161**

45. Evaluating, Auditing, and Internal Reporting....162
46. Risk Alignment: Portfolios and Portfolio Management....167
47. Increasing and Decreasing Investment....171
48. Changing Course and Pivoting....174

**PART VII: Handling a Few Hard Things....177**

49. Unexpectedly Hard Stuff....178
50. Barriers and Handling Objections....183
51. Dealing with Failure / Pulling the Plug....191
52. Self-Care....193

**PART VIII: Action Steps, Tips, and Resources....195**

53. Action Steps and Conclusions....196
54. Fifty-seven Tips....198

RESOURCES....205

ACKNOWLEDGEMENTS AND INFORMATION....210

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Dennis retired as Senior Counsel for the Digital Payments & Labs group at Mastercard, where he focused on information technology law, fintech law and innovation. His new company will concentrate on innovation, legal technology and productization, including "Legal Innovation as a Service" packages and the Kennedy Idea Propulsion Laboratory.

Dennis is a Fellow of the College of Law Practice Management and former chair of the board of the American Bar Association's Legal Technology Resource Center. Dennis wrote the legal technology column for the ABA Journal for many years and has co-authored

several books, including *The Lawyer's Guide to Collaboration Tools and Technologies* (2nd edition, 2018) with Tom Mighell and *Making LinkedIn® Work for You* (2019), with Allison Shields. He co-hosts The Kennedy-Mighell Report podcast on the Legal Talk Network, and has written his blog, DennisKennedy.Blog, since 2003.

Dennis was one of the first lawyers with a website (1995). He can be found on Twitter at @denniskennedy and on LinkedIn at www.linkedin.com/in/dennismkennedy.



# INTRODUCTION

As in the case for many books, I wrote this book because I looked for a book like this one and could not find one. So, I decided to create one. You know that you are, at heart, a writer when that is the path you take to solve that problem.

I've recently realized that innovation is a visible thread that runs through my career, especially in the major transitions and changes I've made. That insight took me quite a while to see for myself, although others have pointed it out to me.

Especially in the last year years, I've been part of many conversations about change, innovation, and new approaches in law. Many of the same questions keep arising. This book tries to provide answers to many of those common questions, but, more importantly, it points you in ways to answer those questions for yourself.

This book offers a distilled version what I have learned and experience over the years. It also grew out of several recent articles of mine that appeared in modified forms in some of the longest chapters in this book. I expect to continue to learn and update this book with new editions from time to time, perhaps even annually. It also lists many resources I've found useful and makes them available in one place. I wish I'd had that when I started this journey.

There are four target audiences in the legal industry I had in mind when I wrote this book:

- Innovation team leaders (whether with the title of chief innovation officer or not)
- Business leaders wanting to drive innovation (managing partners, general counsel, CFOs, COOs, CIOs, chief strategy officers, business development leaders, and the like)

- Individual innovators, including those who aspire to moving into one of the first two categories
- Clients and customers of legal service providers who want to see their providers bring them more innovation

Others will find this book useful as well.

The vision and mission of this book is simply to help forward-looking innovators in the legal world get needed guidance and a framework for increasing their chances of innovation success and decreasing their chances of innovation disasters.

Here are some answers to questions you might have.

### Is this a blueprint, template, step-by-step playbook or one-size-fits-all masterplan?

No. It is a practical guide, focused on successful innovation outcomes. Great innovation programs are each successful in their own ways. The formats and steps they use can be quite different. Even if you follow every step someone else does, your results will differ, probably in not so good ways. Consider how many sports teams try to copy the approaches of championship teams and never even come close. I wanted to map out the major things you need to consider and provide some insights, tips, and questions for you.

### Are there other approaches you might consider?

I specifically called this "a practical guide" and not "the guide" for a reason. It captures and offers my unique knowledge, experience, and insights gained over time. It's opinionated and, at times, swims against the current. Kind of like me. I try to point you to resources that I've found helpful, including those that challenge my opinions and have changed my approaches. I'd love it if this book motivated you to write a book of your own.



### Are you against process improvement?

Not at all. In this book, I, from time to time, argue that we focus too much on process improvement and incremental innovation in the legal world. I like to question that approach and in Chapter 14, I playfully challenge the people, process, then technology dogma, with the purpose of getting you to think that through rather than simply accept it. My perspective is that process improvement has an important place, as long as that's what your goal and vision are. However, if you give me the choice, I'd rather be playing in other areas of innovation.

### Why don't you include templates and checklists?

If you work through some of the exercises and tools in this book, I think you will also conclude that the better business model for me would be to sell templates and checklists as a separate book. Seriously, though, I wanted to write this book and I was not convinced that there was a demand for templates and checklists. Let me know if you think otherwise and, if I see sufficient demand, I'll consider adding them to a second edition.

### Why didn't you cover X, Y, or Z in this book?

I knew there are likely to be future editions and that I couldn't cover everything. In any project, you have to make a choice about when the project is done and what gets left on the cutting room floor. Or the project tells you itself that it is done. There were elements of both happening with this book when I made the decision to call it done. Also, I tried to point out in this book in many places at what points it might make sense to get additional help.

**What in writing this book surprised you the most?**

Two things. The first is how much I've come to rely on visual tools, especially the value proposition canvas. The second is that advisory boards were not in my original book plan, but they now seem one of the most important elements of a successful innovation plan. Perhaps that comes from my own recent experiences on advisory boards, but the logic is so compelling to me.

**How is this book organized?**

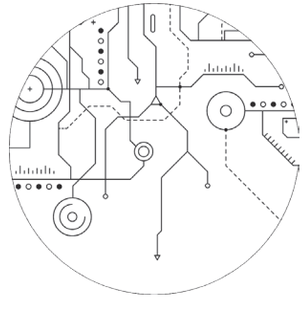
This book is divided into eight sections.

1. **An Innovation Primer**, in which I cover innovation definitions, whether legal innovation is different from any other innovation, optimization vs. innovation, the adjacent possible, innovation models, and the ten types of innovation.
2. **Core Principles**, in which I cover why-what-how, the importance of customer focus, business models, diversity, quantity vs. quality, constraints, people-process-technology, lawyers and ideas, and external ideas.
3. **Creating and Improving Your Program**, in which I cover game plans, a basic roadmap, requests to make, personnel, teams, internal selling, small wins, road shows and demos, innovation committees, bringing in help, coaching and mentoring, and advisory boards,.
4. **A Taxonomy of Innovation Tools**, in which I cover the scientific method, experimentation, brainstorming, prototypes, MVPs, visual tools, feedback loops, metrics, process improvement, advanced techniques, and other innovation tools.
5. **Examples of Innovation Efforts**, in which I cover three innovation efforts that will work, selling to GCs and other decision-makers, panel convergence, key client programs, collaborating with other legal organizations, and my TechPrompts(TM) example.
6. **Risk and Portfolio Management**, in which I cover evaluations and audits, risk alignment and portfolio management, increasing and decreasing investment, and changing course and pivoting.
7. **Handling a Few Hard Things**, in which I cover dealing with failure, unexpectedly hard stuff, barriers and breaking through them, and self-care.
8. **Action Steps, Tips, and Resources,** in which I end with some simple action steps you can do immediately after you read them, collect 57 tips for you, and point to some useful resources you can use to learn more. I also tell you a bit more about me and what I'm doing.

However, I don't want to be the introducer who takes too much time away from the presenter and presentation. Let's get started.

PART I

# AN INNOVATION PRIMER



# 1

## Defining Innovation

*"Innovation is applied creativity."*
**—Alan Weiss**

"Innovation" is a four-syllable word that is easy for us to say. It's so much harder for us to do than to say. "Definition" is a four-syllable word that, especially in the legal industry, brings innovation efforts to a standstill. If you have ever been in a seemingly-endless meeting with lawyers wanting to have "consensus" on a "definition "of "innovation," you will recall a growing sense of despair that any work will ever get done or that the meeting will ever end.

Yet, here we are, at the beginning, and it does make sense to find some common ground on what we mean by "innovation." Or, at least, what I mean and what I'm hoping to gently convince you that you should mean.

Going back to the origins is always helpful.

The entry for "innovation" at https://www.etymonline.com/word/innovation tells us that the use of the word arose in the 1540s. It is a "noun of action" (I like that term), from the Late Latin innovationem, a past-participle stem of innovare, meaning to change or renew. Digging deeper, we find "in," which generally means "into" in Latin and "novus," meaning new. We might interpret that as bring something new into being. The word also commonly gets defined as "renewal" or "restoration." The etymonline.com definition of "a novel change, experimental variation, new thing introduced in an established arrangement," becomes quite useful, because it associates innovation with the interplay of new and old and introduces the important notion of experimentation.

To the extent we might actually find consensus on a definition, we turn to the modern index of consensus, Wikipedia. To be frank, Wikipedia is a bit vague and disappointing: "Innovation in its modern meaning is 'a new idea, creative thoughts, new imaginations in form of device or method.'"[sic] It goes on to refer to "the application of better solutions that meet new requirements, unarticulated needs, or existing market needs" and "the provision of more-effective products, processes, services, technologies, or business models." Business models, to me, are an essential part of innovation. I have difficulty calling something an innovation if it does not involve a rethinking of the existing business model.

Two other minor, but interesting, points from the Wikipedia entry. First, there is a reference to the antonym of innovation, which is "exnovation." Exnovation means an explicit philosophy and practice of not innovating. More specifically, it occurs "when products and processes that have been tested and confirmed to be best-in-class are standardized to ensure that they are not innovated further." That makes me think of "planned obsolescence" or even hubris. It might be a good word to throw casually into an innovation meeting for fun.

The second point is that, in the early days of the word, "innovation" had a negative or pejorative connotation. People used it as a "synonym for rebellion, revolt and heresy." That gives it a bit of an edge.

A few other definitions I like that will help get you thinking:

1. "Innovation is change that creates a new dimension of performance."—*Peter Drucker*
2. "Innovation is the specific instrument of entrepreneurship… the act that endows resources with a new capacity to create wealth."—*Peter Drucker*

3. "The process of creating a product or service solution that delivers significant new customer value."—*Anthony Ulwick*
4. "Innovation is the embodiment, combination, and/or synthesis of knowledge in novel, relevant, valued new products, processes, or services."—*Dorothy Leonard and Swap Walter*
5. "[A] great idea put into practical use, shared, scaled and sustained to transform the ways we live and work."—*Womenininnovation.com*
6. "An innovation is a feasible relevant offering such as a product, service, process or experience with a viable business model that is perceived as new and is adopted by customers."—*Gijs Van Wulfen*
7. "The implementation of creative ideas in order to generate value, usually through increased revenues, reduced costs or both."—*Jeffrey Baumgarner*
8. "[U]sing something new, or something known, but in a different way, a different time or a different place."—*Lady Barbara Judge*
9. "Turning an idea into a solution that adds value from a customer's perspective."—*Nick Skillicorn*
10. "Innovation is significant positive change. It's a result. It's an outcome. It's something you work towards achieving on a project. If you are successful at solving important problems, peers you respect will call your work innovative and you an innovator. Let them choose the word."—*Scott Berkun*
11. "An invention or intervention—that shows evidence of a valued solution, garners support of decision makers, and offers mutual benefits for a wider community—by drawing insights from diverse people across several related fields."—*Ellen Weber*
12. "Innovation that can offer solutions to existing problems where conventional approaches have failed to deliver results holds the key to a more inclusive development model—a model that can enhance access, affordability, service delivery and improve the lives of the people at the bottom of the economic pyramid."—*Sam Pitroda*

If you are caught in a meeting where attendees are trying to reach a consensus definition of "innovation," remember that even the experts can't agree on that. The key takeaway for me from this chapter is that innovation is a "noun of action" and "innovate" is a verb. Get to work and let others talk. Making something new that creates customer value takes work.

While it is important to get alignment on your approach to innovation, it's OK get quickly get to close enough on the definition. The quote from Alan Weiss at the beginning of this chapter is a pretty good starting point, especially when you consider it in the context of creating new value for your customer.

**PRO TIP:** Get to work on innovation, however you define it, and let others talk.