The Dutch LegalTech sector:

Evaluating its status

and future opportunities

Contents

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Executive Summary

Given its position as the International City of Peace and Justice and Legal Capital of the World, The Hague has a unique opportunity to establish itself as a global leader in the innovation and application of legal technology, or 'LegalTech' solutions. To explore this opportunity, the City of The Hague commissioned PUBLIC to conduct research into the current state of the Dutch LegalTech sector.

This report sought to determine The Hague's unique LegalTech 'profile' in order to unlock strategic insights into how it can (1) drive growth and innovation in its LegalTech sector in general, and (2) promote the application of LegalTech products and services across government and judicial bodies in particular.

Our research had the following objectives:

◆ Evaluate the current state and maturity of the Dutch LegalTech sector, specifically with regards to technologies which support and enhance the provision of legal services in the government and public judicial system

◆ Evaluate existing applications of LegalTech solutions across the Dutch government and judicial bodies

◆ Evaluate strategies for driving growth of the Dutch LegalTech sector

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Given its position as the International City of Peace and Justice, The Hague has a unique opportunity to establish itself as a global leader in the innovation and application of legal technology, or 'LegalTech' solutions.

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The key outcomes of this work were:

◆ A map of the 'LegalTech ecosystem' at the level of stakeholders and their interactions, including segmentation, sizing, and extensive engagement with stakeholders across the ecosystem (34 interviews held)

◆ User personas that detail the goals, attitudes, pain points, and needs of stakeholders across the ecosystem

◆ Research findings distilled into ten significant and recurring challenges facing the LegalTech ecosystem

◆ Thematic areas of intervention that can be used to frame future work for those interested in supporting the LegalTech ecosystem

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Executive Summary

Our research led us to the conclusion that there are three thematic areas for intervention that could help support the growth of the LegalTech ecosystem in The Hague specifically and The Netherlands overall:

◆ Hosting a front door for LegalTech innovators in government to help government departments at the local and federal level to convene with LegalTech innovators

◆ Improving access to justice to Increase the amount of innovative activity devoted to improving access to justice for citizens

◆ Opening up data for LegalTech into open-source research environments to stimulate innovation and provide safe research and testing environments for LegalTech solutions

Based on our research and considering technology and digitalisation are the order of the day, we firmly believe that by supporting the growth of a LegalTech ecosystem The City of The Hague can maintain its reputation as the International City of Peace and Justice and Legal Capital of the World well into the 21st century, while also improving the life for its citizens by improving access to justice. We look forward to working with The City of The Hague to help grow this important area of the GovTech sector in the future.

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We firmly believe that by supporting the growth of a LegalTech ecosystem, The City of The Hague can maintain its reputation as the International City of Peace and Justice well into the 21st century

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Methodology
User Research approach

34 The Number of interviews held

14 **Supply-side:** LegalTech innovators

15 **Demand-side:** Public-sector workers at municipal, state, and national levels, and international organisations

05 **Ecosystem players, including law firms and think tanks**

Interview and research methodology

◆ Interviews focused on defining the LegalTech ecosystem; determining points of friction that stakeholders encounter when interacting with others; and barriers faced when trying to do their work

◆ The scope of our research focused principally on The Hague. However, we have extended our user research, identification of challenges and potential solutions beyond The Hague in order to ensure that our findings are reflective and relevant across the Dutch LegalTech ecosystem

◆ Interviews were conducted remotely between January and March 2022

◆ Verbatim notes were taken during interviews, and iterative, bottom-up analysis was conducted after each interview to identify patterns both within and across interview subjects

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Describing the LegalTech ecosystem

Defining LegalTech for government

Technologies:

Technologies include but are not limited to software-supported digital technologies, artificial intelligence, machine learning, blockchain, and natural language processing.

Legal tasks:

Procurement, regulatory and operational activities within the organisation that require legal support.
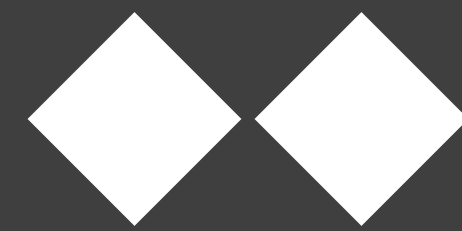
Technologies which enhance the execution of **legal tasks** in **government and justice administration organisations,** and that support businesses' compliance with regulations and citizens' **access to justice**

Government and justice administration organisations:

Include public sector bodies such as municipal government, federal ministries, international judicial bodies

Access to justice:

Effective, affordable and equal access to legal aid to guarantee people's ability to exercise their rights and obtain fair legal claims and remedies.

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Scope of our LegalTech definition

We have explored a portion of the LegalTech domain, focusing on how LegalTech can support the provision of public services, public judicial systems and facilitating citizens' access to justice. Additional research could explore other facets of this topic.

Covered

◆ **Access to justice:** How LegalTech can be an entry point into the legal system for citizens and simplify complex procedures

◆ **Modernising legal bodies:** How LegalTech can facilitate justice administration processes in courts and judicial department

◆ **Improving legal tasks In government:** How LegalTech can improve the efficiency (both in time and resources) of the support that legal departments within governments provide

◆ **Supporting regulatory compliance:** How LegalTech can be used to support businesses in legal processes relating to regulatory compliance

Not covered

◆ **Improving legal tasks In the private sector:** How LegalTech can be used in the private sector to improve the delivery of legal services (i.e. billing systems, due diligence, client management tools)

◆ **The law of technology:** How the legal code can be updated to help govern new technologies

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The LegalTech ecosystem in The Netherlands

Based on our research, we created a map of the LegalTech ecosystem in The Netherlands, showing stakeholder groups and how they interact with one another
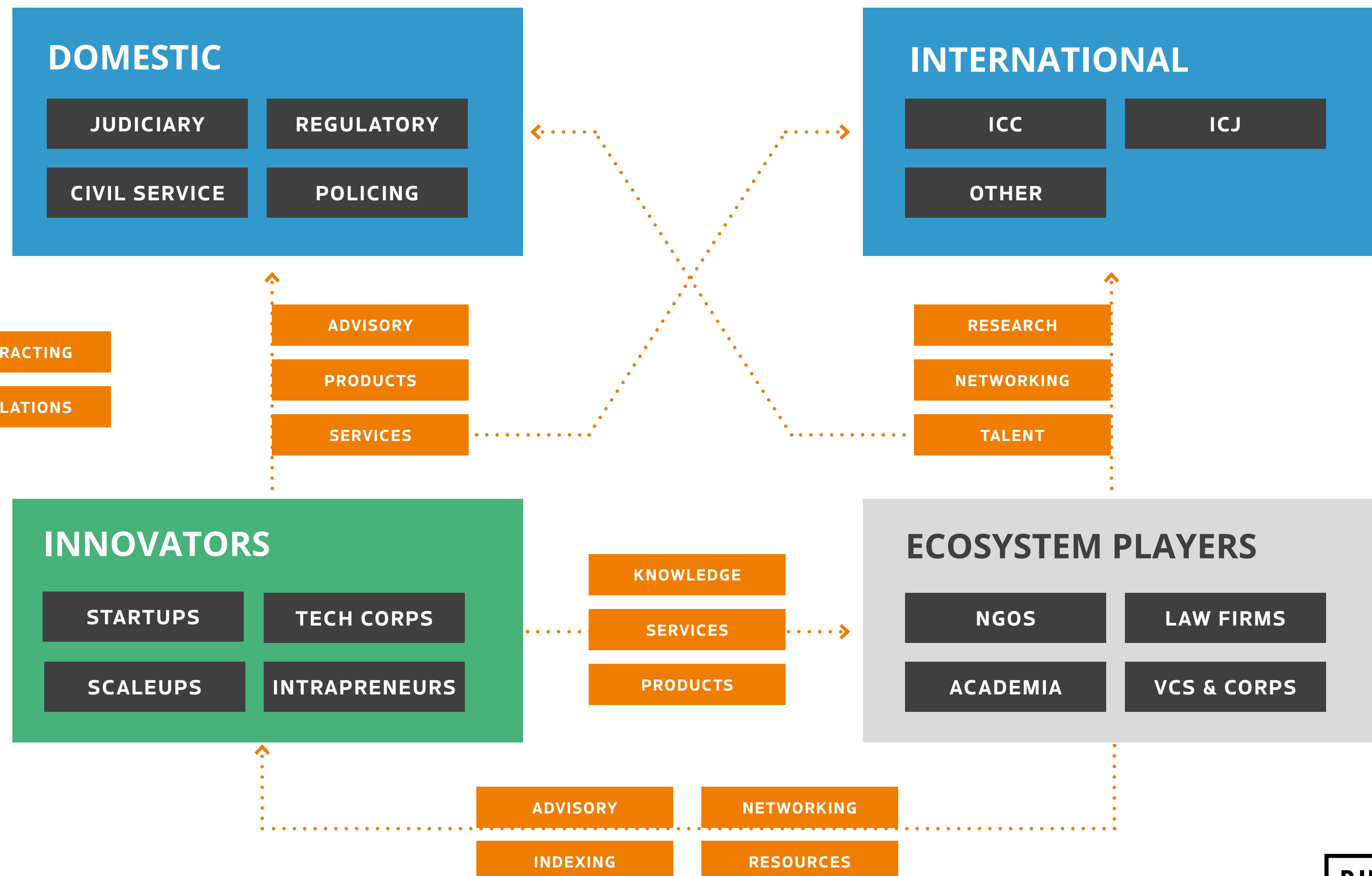
STAKEHOLDER GROUPS

- SUPPLY
- DEMAND
- STAKEHOLDERS
- OTHER
- EXCHANGES

DOMESTIC

| JUDICIARY | REGULATORY |
| CIVIL SERVICE | POLICING |

INTERNATIONAL

| ICC | ICJ |
| OTHER | |

CONTRACTING

REGULATIONS

ADVISORY

PRODUCTS

SERVICES

RESEARCH

NETWORKING

TALENT

INNOVATORS

| STARTUPS | TECH CORPS |
| SCALEUPS | INTRAPRENEURS |

KNOWLEDGE

SERVICES

PRODUCTS

ECOSYSTEM PLAYERS

| NGOS | LAW FIRMS |
| ACADEMIA | VCS & CORPS |

ADVISORY

NETWORKING

INDEXING

RESOURCES

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Demand: Description

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We assessed demand for LegalTech solutions across public organisations in the local and federal government, as well as in international organisations involved in justice administration activities. These are are large and complex organisations, with legal support requirements both internally (complex legal frameworks) and externally (regulatory compliance functions and justice administration).

Example organisation types: Municipal government, federal ministries, international judicial bodies

Interactions with rest of LegalTech ecosystem

SUPPLY

Organisations on the demand side interact with the supply side of the ecosystem by buying LegalTech services that they require to address a specific commercial, legal or operational need. By interacting with the supply side of the market, they get access to innovative services and new technologies. They also regulate supply-side innovators.

Tension in connection to supply side: The size and complex procurement processes of public organisations might limit their capacity to buy from LegalTech SMEs and startups.

ECOSYSTEM PLAYERS

Organisations on the demand side benefit from interactions with ecosystem players through the access they gain to a knowledge sharing ecosystem and wider network of LegalTech researchers and practitioners.

Tension in connection to ecosystem players: Forums in which both governments and ecosystem players can interact and exchange information about LegalTech innovation and its applications are not widely known or used.

The Kosovo Specialist Chambers and Specialist Prosecutor's Office ("KSC & SPO")

The KSC & SPO is a court of Kosovo located in The Hague that has jurisdiction over crimes against humanity, war crimes and other crimes performed under Kosovo law during the period 1998–2000. The court uses LegalTech in some of the following ways:

◆ **In-court operations:** Video conferencing, publishing and annotation of digital and electronic evidence, first-instance digital recording of proceedings

◆ **Out-of-court operations:** Data storage, digital evidence management, virtual filing of motions, generation of AV transcripts in the system for every court proceeding or hearing

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Potential customers of LegalTech in The Netherlands within scope of our report

Segments	Organisation	Example users
1. Domestic judiciary	I.e. Netherlands Forensic Institute, Criminal Sector, Family & Juvenile Sector, Central Appeals Tribunal, Supreme Court, Trade and Industry Appeals Tribunal, Administrative Jurisdiction Division of the Council of State	Lawyers, Employees of overheid.nl / other legal access sites, Legal administrative staff involved with operations of courts system, i.e. case flows; Those in charge of collecting, storing, and presenting digital forensic evidence
2. Domestic civil service	I.e. Ministry of Justice and Security, Ministry of Finance, other civil service and administrative Sector	Procurement professionals managing spend; Those in charge of managing databases of information related to justice, i.e. prison leavers, victims of crime, probation programmes; Those in charge of monitoring / regulating financial fraud, i.e. FCA equivalent in NL; Those in charge of monitoring / regulating online crime, including Dark Web, online harms
3. Domestic regulatory bodies	I.e. Netherlands Authority for the Financial Markets (AFM), Netherlands Authority for Consumers and Markets (ACM), Netherlands Patent Office, Dutch Data Protection Authority, The Central Policy and Staff Department, Custodial Institutions Agency	Patent lawyers and clerks; Lawyers and regulators working on data protection legislation; Lawyers and regulators working on legislation related to business in The Netherlands; Procurement professionals managing spend
4. Municipalities	I.e., Municipality of The Hague	Detectives for National Police Corps and Europol; Police officers for National Police Corps and Europol

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Potential customers of LegalTech in The Netherlands within scope of our report

Segments	Organisation	Example users
5. **Policing**	I.e., National Police Corps and Regional Units, Europol	Detectives for National Police Corps and Europol Police officers for National Police Corps and Europol Procurement professionals managing spend
6. **International organisations**	I.e. CILC, ICJ, ICC, UN organisations, European agencies, academic and research bodies, organisations and conferences	Operational and strategic staff working on humanitarian and / or legal issues Investigative staff at international courts Lawyers in international courts Those in charge of managing databases of information related to international justice Those in charge of collecting, storing, and presenting digital forensic evidence
7. **Academic and research bodies**	I.e. Leiden University, Hague Academy of International Law, Hague Institute for Global Justice	Academics and researchers

Demand: the LegalTech opportunity in numbers

Key Dutch LegalTech Figures

2021 Total Addressable Market (TAM)*

€130m

CAGR 2019-21:

25%

2020 TAM:
€102.1m

2019 TAM:
€65.3m

Ministerie van Justitie en Veiligheid overall technology spend increase since 2018-21:

500%

2018:
€209m

2021:
€1.3b

Three-year Growth in share of spend addressable by startups:

1.75x

* Total addressable market (TAM) demonstrates the entire revenue opportunity that exists within a market, in this case, LegalTech. We have calculated the TAM by analysing the Ministry of Justice and Security's 2018 - 2021 budget to identify the total spend addressable by LegalTech startups and SMEs.

Analysis

◆ The overall technology spend addressable by private corporations is increasing rapidly

◆ Simultaneously, the share addressable by startups is also increasing

◆ Data quality on LegalTech spending in Dutch government makes accurate analysis challenging

◆ Assumptions are needed to arrive at a useful figure. Numbers should be seen as indicative of magnitude rather than data points

◆ While fast-growing compared to other verticals, the market is still small

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Supply:
Description of innovators

We conducted market analysis and user research interviews to establish who supplies LegalTech innovations to stakeholders in The Netherlands. This is a diverse group, spanning from well-established incumbent professional services firms to startups to 'intrapreneurs' working within government. Despite this diversity, they experience similar issues when piloting and scaling solutions, specifically related to finding the right customer in government; scaling innovative LegalTech solutions; and navigating procurement processes.

Example organisations: Startups, professional services firms, strategy and innovation teams in government

Interactions with rest of LegalTech ecosystem

DEMAND

Organisations on the supply side interact with the demand side of the ecosystem by creating and selling products and services for them to address a specific commercial, legal, or operational need. Aside from transactions around products and services, the supply side also interacts with the demand side via generalised knowledge sharing and networking.

Tension in connection to demand side: It is difficult for supply-side innovators to find the right person on the demand side who can teach them about government needs or procure their services. When a service is piloted, ongoing procurement to scale the product or service is difficult to attain.

ECOSYSTEM PLAYERS

Organisations on the supply side benefit with interactions with ecosystem players in a few key ways: They may be hosted in coworking spaces created by ecosystem players; find customers, partners, co-founders via knowledge hubs created by ecosystem players; or benefit from research and knowledge produced by ecosystem players.

Tension in connection to ecosystem players: Ecosystem players' offerings are often more geared towards knowledge dissemination and creation than solving problems for supply-side innovators themselves.

iSUNA

Isuna

Isuna is a company that offers cyber compliance and GDPR compliance technology services to businesses in The Netherlands. Their focus is on B2B, but Ammi Virk, Director and Co-founder of Isuna, says that he would be happy to work with the government as it would help build trust, increase our development and longevity to our offering. However, *"getting in front of the right person in government to pitch to is very difficult."*

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LegalTech Supply Segmentation

We have segmented the B2G LegalTech supply of solutions into 8 categories.

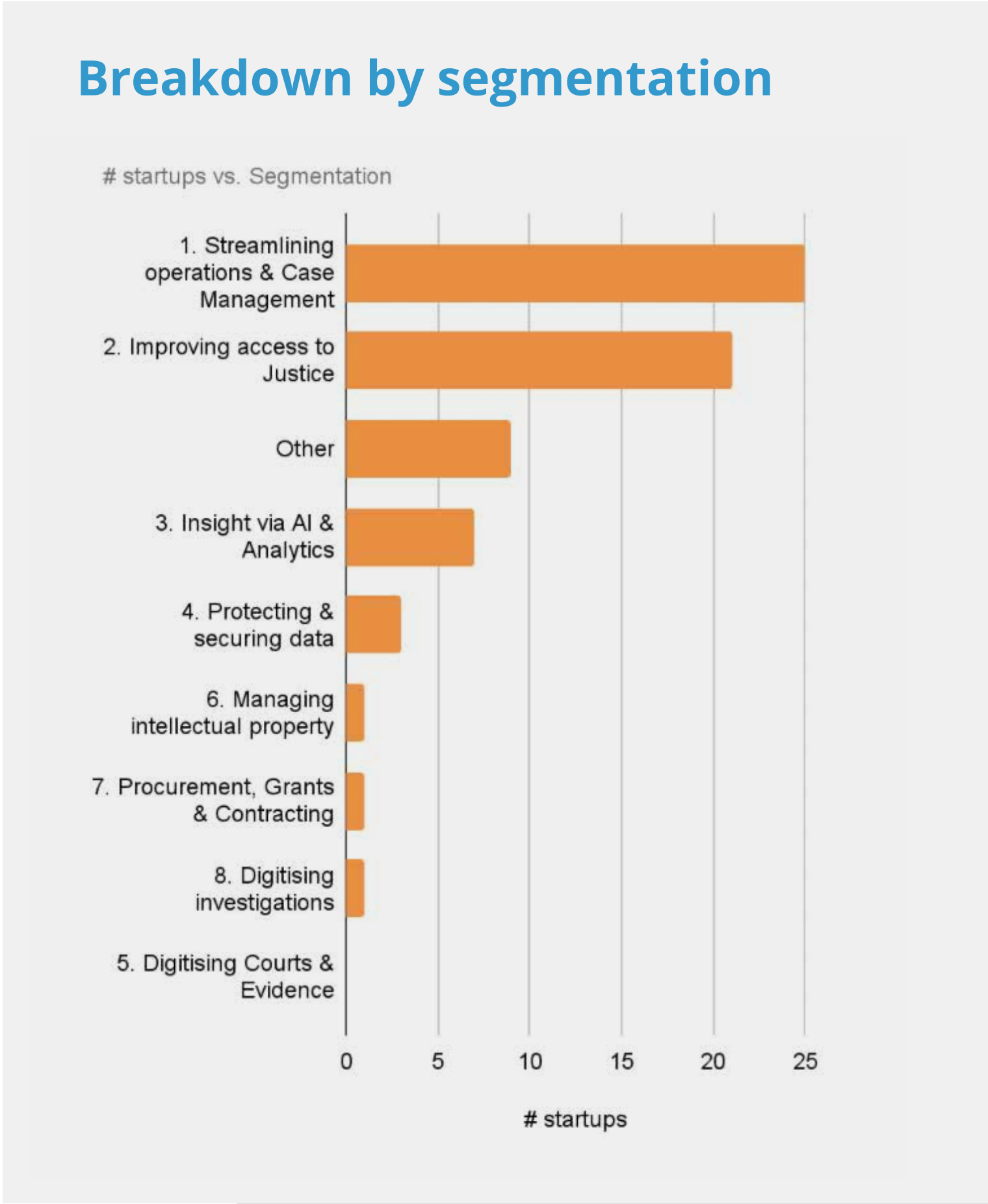| Segments	Definition	Applications
1. **Case Management & Operations**	Ways in which authorities can run legal processes and operations more effectively, especially managing and monitoring ongoing cases and rehabilitation.	Case and project management for complex cases Smart triage technology Legal spend management Case search and indexing
2. **Access to Justice**	Ways in which authorities can promote access to legal tools and information for all citizens, especially those from disadvantaged or marginalised backgrounds	Simplifying law and legal processes for citizens Claims intelligence Community support Access to clear information and translation services
3. **AI & Analytics**	Ways in which authorities can use Artificial Intelligence, legal analytics and automation to improve access to legal insight, counsel, knowledge and expertise	Litigation analytics Digital document review Document & knowledge automation On-demand expertise
4. **Data Protection & Security**	Ways in which authorities can ensure data and information security, including digital identification of stakeholders and secure data storage	Digital identity Digital and secure storage Data security

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LegalTech Supply Segmentation

We have segmented the B2G LegalTech supply of solutions into 8 categories.

Segments	Definition	Applications
5. **Digitising Courts & Disputes**	Ways in which authorities can digitise and modernise the court and dispute cases, including creating virtual and digital dispute environments	Online dispute resolution Hardware and software for use in court processes Court minutes & outcomes reporting
6. **Exercising Legal Rights**	Ways in which authorities can manage and mediate claims over legal rights and holdings, including intellectual property and data rights.	Data and privacy rights Patent filing
7. **Procurement, Grants & Contracting**	Ways in which authorities can improve how they contract with external third-parties, including procurement, financing and grants management	Supplier risk management Contract management Developing digital documents, information keeping, market engagement.
8. **Digital Evidence**	Ways in which authorities can collect and present forensic evidence in a tech-enabled manner as well as monitor unlawful content	Transaction monitoring Risk management Digital forensics Online harms monitoring

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B2B LegalTech can pivot into servicing the public sector

Based on our user research, LegalTech innovation for government is currently limited, early stage, and decentralised. However, we have identified B2B LegalTech startups with technologies and capabilities which position them to pivot into servicing clients in public administration based on our segmentation. Below is a breakdown of segmented startups.

Breakdown by segmentation

startups vs. Segmentation

Segmentation	# startups
1. Streamlining operations & Case Management	25
2. Improving access to Justice	21
Other	9
3. Insight via AI & Analytics	7
4. Protecting & securing data	3
6. Managing intellectual property	1
7. Procurement, Grants & Contracting	1
8. Digitising investigations	1
5. Digitising Courts & Evidence	

startups

Segments — Startups with relevant capabilities

| #	Segment	Startups
1.	Case Management & Operations	HalloLex. · Flime.
2.	Access to Justice	f!nkspot · DoNotPay · justicetext
3.	AI & Analytics	LexIQ · documate · Solomonic
4.	Data Protection & Security	CF · Avvoka
5.	Digitising Courts & Disputes	Uitelkaar.nl ·
6.	Exercising Legal Rights	euclaim Superior Claims Handling · Appjection · ClaimShare
7.	Procurement, Grants & Contracting	· maQLegal
8.	Digital Evidence	cado// · CYAN FORENSICS LIMITED

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How we employ user personas

User personas are a reference point for evaluating how a particular solution meets the needs of our users
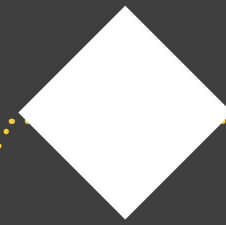
Creating user personas **helps us deeply understand the needs, attitudes and behavioural disposition of stakeholders in an ecosystem**
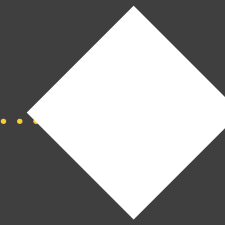
User personas summarise and represent the goals, aims and needs of a groups of users. As such they are a reference point for evaluating how well a particular solution will meet the needs of our users
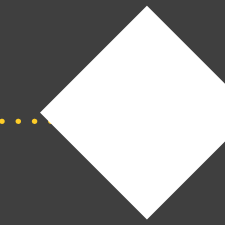
This process helps us to empathise with the challenges that a user may face, before jumping into solutioning, thereby opening up previously overlooked solutions

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Max, LegalTech startup CEO

Max, age 30, is the CEO of LegalMax, a "Streamlining operations & Case Management" LegalTech Startup based in Amsterdam. Max and his team have built a tool that would allow local governments, such as the Municipality of The Hague, to implement a system that supports the running of legal processes and operations more effectively, saving time and resources.

Goals

◆ Max wants to secure additional funding for LegalMax

◆ Max hopes to get his first contract with a large government customer to show that the technology he has developed has potential to scale

◆ Max wants to be sure he understands what The Hague's user needs are and how LegalMax can support such needs

◆ Max wants to feel his startup has the same chances as big suppliers to be awarded a contract

Attitudes

◆ Max tries to attend as many LegalTech forums, events and networking platforms as possible as this will help him connect with other innovators and potential funding sources

◆ Max is technologically savvy but doesn't know how federal and local governments work or procure services

◆ Max uses online platforms to stay on top of new opportunities

◆ Max spends much of his time networking and solving LegalMax's growing pains as a startup

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Max, LegalTech startup CEO

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Pain Points

◆ Max struggles to understand government's needs and what they are looking for

◆ Max is frustrated because he doesn't know how or where he can showcase LegalMax's solution to the right potential customer at the Municipality of The Hague

◆ Max doesn't fulfill all the minimum requirements to bid for a government tender and struggles to understand and navigate procurement processes

Max's Needs

◆ Max needs funding and revenue to increase the runway of his company

◆ Max needs to be able to explain LegalMax to government officials from the Municipality of The Hague

◆ Max needs to be able to navigate procurement requirements and procedures

◆ Max needs to be able to find other Startups within the LegalTech space that he can partner with and share knowledge with

◆ Max needs to connect with relevant government departments, i.e. to know what specific needs and challenges they have when dealing with case management systems

◆ Max needs to have access to government legal data

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Andrea, local government civil servant

Andrea, aged 40, leads the administrative and legal affairs team at the Department for Municipal Administration at the Municipality of The Hague. She is a qualified lawyer, and she usually works on legally-related matters and management of her department.

Goals

- Andrea wants to improve citizens' interactions and overall user journey with the Municipality when they object or appeal administrative sanctions

- Andrea hopes she can implement a system to automate responses to citizens regarding the legality of administrative sanctions imposed on property-related procedures so that response times are reduced

- Andrea hopes technology can improve the quality and efficiency of support provided by her department

Attitudes

- Andrea has regular meetings with other departments at The Hague to understand what pain points citizens face in their interactions with the Municipality

- Andrea is constantly looking to generate internal efficiencies within her team

- Andrea looks for evidence of previous work that has been done on a topic, and seeks out other civil servants who have engaged on the topic

- Andrea tries to attend events and workshops related to LegalTech to listen to stakeholders and understand the trends in the space

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Andrea, local government civil servant

Andrea, aged 40, leads the administrative and legal affairs team at the Department for Municipal Administration at the Municipality of The Hague. She is a qualified lawyer, and she usually works on legally-related matters and management of her department.

Pain Points

◆ Other lawyers in her organisation lack an innovative mindset, making it difficult for Andrea to propose the use of LegalTech

◆ When she finds a LegalTech startup in the market that provides a service she wants to test, the processes around procurement limit her capacity to pilot and scale solutions

◆ There is limited understanding amongst LegalTech innovators of Andrea's work within the legal affairs department, leading her to receive market engagement that is not relevant to her

◆ Andrea feels there is a missed opportunity to outsource more LegalTech solutions for local governments, and that there is no opportunity for startups to showcase their products and services to local government officials

Andrea's Needs

◆ When finding LegalTech solutions around a problem she wants to solve, Andrea needs a way to tap into a broader network of public sector stakeholders to see if anyone in other organisations has tested similar LegalTech solutions, so that her team can understand challenges and opportunities around these

◆ When Andrea wants inputs from LegalTech service providers, she needs a go-to platform to connect with relevant expertise and gather information about the projects those providers have worked on

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Lindsey, freelance web designer and citizen of The Hague

Lindsey, aged 35, is a freelance web designer. She has recently rented a small office in the city of The Hague and is looking to renovate her place of business. Lindsey lacks the resources to hire a lawyer, and so she will be requesting the necessary licences and authorizations required to renovate her place of business by herself.

Goals

◆ Lindsey wants to make necessary improvements to her place of business to make sure it can function well in the future

◆ Lindsey wants to ensure that she can keep delivering work to her clients while she makes improvements to her office

◆ Lindsey wants to make sure that the renovation of her store doesn't add too much additional burden to her busy life

◆ Lindsey takes pride in following government regulations and wants to maintain that track record

Attitudes

◆ Lindsey is always eager to be a good neighbour and conscientious citizen of The Hague

◆ Lindsey usually complies with local rules but sometimes finds navigating bureaucracy to be onerous

◆ Fluent in technology in other areas of life, such as social media and business software, Lindsey sometimes wonders why public services do not function at the same level

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Lindsey, freelance web designer and citizen of The Hague

Lindsey, aged 35, is a freelance web designer. She has recently rented a small office in the city of The Hague and is looking to renovate her place of business. Lindsey lacks the resources to hire a lawyer, and so she will be requesting the necessary licences and authorizations required to renovate her place of business by herself.

Pain Points

◆ Lindsey struggles to understand how zoning laws apply to her specific circumstance, i.e. what is and isn't possible for her renovation project

◆ Lindsey doesn't have a clear overview of how many procedures she needs to complete to get her licence and how long the process will take

◆ The language used in government regulations is too technical and makes it difficult for Lindsey to understand

◆ She finds it hard to get the right support from her local government about how to submit and obtain the licence she requires

◆ Lindsey hasn't heard of any affordable digital tool that can facilitate the process of obtaining a licence to renovate her place of business

Lindsey's Needs

◆ Lindsey needs a user-friendly way to understand how zoning and regulations apply to her and the licences she needs to obtain to renovate her place of business

◆ Lindsey needs to be able to navigate the process of complying with municipal regulation to obtain the licence she needs without having to spend lots of money in lawyers

◆ Lindsey needs to make sure her renovation work complies with regulations, from the level of initial planning through to contracting and completion

◆ Lindsey needs to be able to easily report compliance to the government

◆ Lindsey needs to share government permissions with the various contractors and lawyers she is working with

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Diagnosing challenges facing the LegalTech ecosystem

We have identified ten significant and recurring challenges facing the LegalTech Ecosystem

Our engagement with stakeholders in the LegalTech ecosystem revealed tension points and misaligned incentives between stakeholders that lead to the ecosystem to function less optimally than is possible. These insights are captured here

1 Funding for MVPs

Civil servants have the ability to allocate budget for small and/or experimental spending on LegalTech, but this has not led to significant development of pilots of publicly-supported startup solutions

2 Support for scaling

Innovation in LegalTech is not connected to scaling support from public or private sector

3 Access to private sector expertise

Internal innovation in the public sector occurs, but doesn't connect to relevant LegalTech capabilities outside of government, i.e. in startups

4 Public sector networks for scaling

LegalTech projects are piloted, but aren't widely shared and adopted across other public sector institutions

5 Co-creating with citizens

LegalTech providers do not have access to input and feedback from citizens or government while developing innovative solutions

6 Culture of innovation

The public sector is innovation-and risk-averse; rather than working with LegalTech startups to solve problems, civil servants instead default to incumbent and legacy IT providers for their technology requirements

7 LegalTech demand insights

The government does not communicate its needs well to LegalTech providers pre-tender and after publication of an open contract

8 Navigable procurement process

The procurement process deters solutions from LegalTech startups due to long sales cycles, procedural difficulties and regulatory barriers

9 Startups as a viable alternative

The government does not communicate its needs well to LegalTech providers outside of the procurement process

10 Access to data and resources

LegalTech providers have insufficient data and access to research environments / sandboxes to develop innovative solutions

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Solving challenges with a theory of change

We have analysed each challenge facing the LegalTech ecosystem and identified a theory of change to help us define how the LegalTech ecosystem could function more optimally. A theory of change represents the desired state of how the LegalTech ecosystem could function. Here is a short description of the theory of change of the dimensions aligned to our research findings.
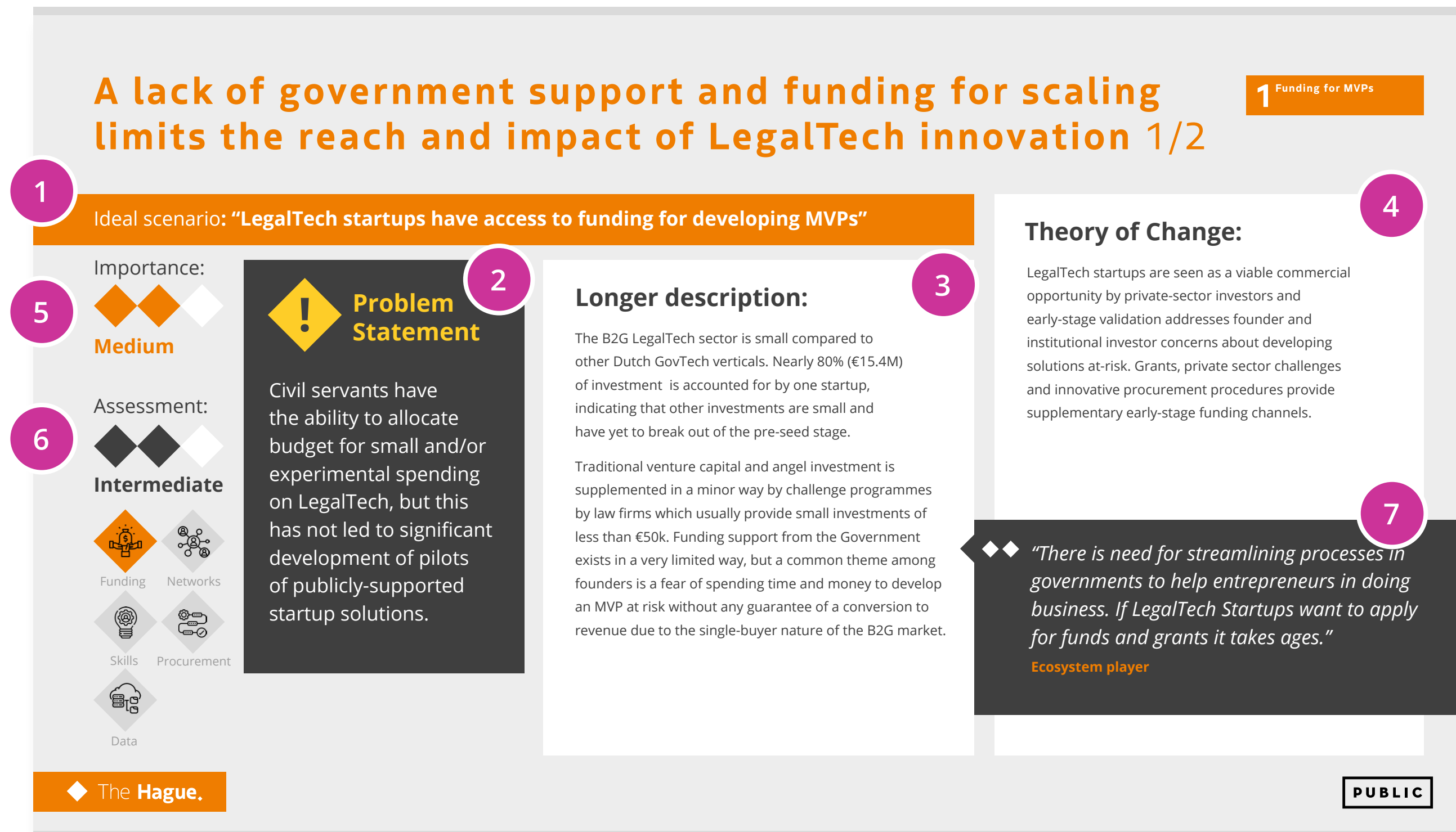
FUNDING & SCALING

LegalTech startups are seen as a viable financial proposition by investors and have access to acceleration and incubation

NETWORKS & COMMUNITY

The LegalTech ecosystem supports forums to interact and to exchange knowledge, including challenges, requirements and solutions

SKILLS & CULTURE

A culture of innovation is prevalent throughout the civil service and both LegalTech buyers and sellers have the required skills

PROCUREMENT & PROCESSES

Startups do not see the procurement system as a barrier to sales and civil servants have the required tools to procure innovation

DIGITAL INFRASTRUCTURE

Startups have access to the required digital and data capabilities provided by the public sector to produce LegalTech Innovation

Theories of change aligned to categories and our research findings (to follow):

1 Funding for MVPs

2 Support for scaling

3 Access to private sector expertise

4 Public sector networks for scaling

5 Co-creating with citizens

6 Culture of innovation

7 LegalTech demand insights

8 Navigable procurement process

9 Startups as a viable alternative

10 Access to data and resources

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Theories of change for the LegalTech ecosystem
How to view

The following slides are an analysis of the LegalTech ecosystem using theories of change.

A lack of government support and funding for scaling limits the reach and impact of LegalTech innovation 1/2

1 Funding for MVPs

**1** Ideal scenario: **"LegalTech startups have access to funding for developing MVPs"**

Importance:

5

Medium

Assessment:

6

Intermediate

Funding   Networks

Skills   Procurement

Data

2 **⚠ Problem Statement**

Civil servants have the ability to allocate budget for small and/or experimental spending on LegalTech, but this has not led to significant development of pilots of publicly-supported startup solutions.

Longer description: **3**

The B2G LegalTech sector is small compared to other Dutch GovTech verticals. Nearly 80% (€15.4M) of investment is accounted for by one startup, indicating that other investments are small and have yet to break out of the pre-seed stage.

Traditional venture capital and angel investment is supplemented in a minor way by challenge programmes by law firms which usually provide small investments of less than €50k. Funding support from the Government exists in a very limited way, but a common theme among founders is a fear of spending time and money to develop an MVP at risk without any guarantee of a conversion to revenue due to the single-buyer nature of the B2G market.

Theory of Change: **4**

LegalTech startups are seen as a viable commercial opportunity by private-sector investors and early-stage validation addresses founder and institutional investor concerns about developing solutions at-risk. Grants, private sector challenges and innovative procurement procedures provide supplementary early-stage funding channels.

7

"There is need for streamlining processes in governments to help entrepreneurs in doing business. If LegalTech Startups want to apply for funds and grants it takes ages."
Ecosystem player

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3 Longer description of the problem statement, including more details and the insights we gathered from user research

4 Specific theory of change applied to the LegalTech context in The Netherlands

5 Importance: Evaluated by the impact of the problem on the LegalTech ecosystem and the ability of a future intervention to make a meaningful impact towards the theory of change

6 Assessment: Evaluated by the relative maturity of the LegalTech ecosystem in The Netherlands with regards to the specific theory of change

7 Quotes gathered during our user research that help build an understanding of the problem statement

1 Ideal scenario as described by the theory of change

2 The problem statement reflects the challenges identified as part of our research findings

◆ The **Hague.**   PUBLIC

A lack of government support and funding for scaling limits the reach and impact of LegalTech innovation 1/2

Ideal scenario: "LegalTech startups have access to funding for developing MVPs"

Importance:

◆ ◆ ◇

Medium

Assessment:

◆ ◆ ◇
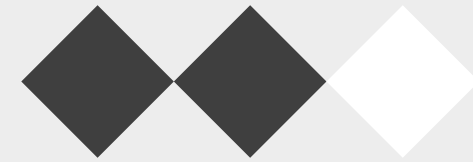
Intermediate
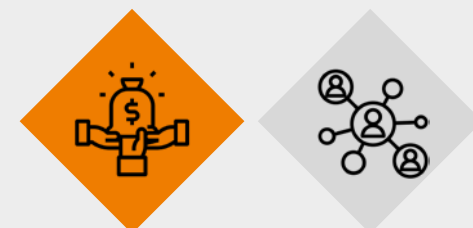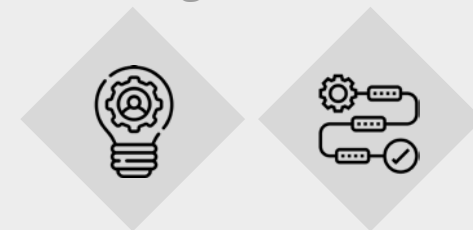
Funding   Networks

Skills   Procurement

Data

⚠ Problem Statement

Civil servants have the ability to allocate budget for small and/or experimental spending on LegalTech, but this has not led to significant development of pilots of publicly-supported startup solutions.

Longer description:

The B2G LegalTech sector is small compared to other Dutch GovTech verticals. Nearly 80% (€15.4M) of investment is accounted for by one startup, indicating that other investments are small and have yet to break out of the pre-seed stage.

Traditional venture capital and angel investment is supplemented in a minor way by challenge programmes by law firms which usually provide small investments of less than €50k. Funding support from the Government exists in a very limited way, but a common theme among founders is a fear of spending time and money to develop an MVP at risk without any guarantee of a conversion to revenue due to the single-buyer nature of the B2G market.

Theory of Change:

LegalTech startups are seen as a viable commercial opportunity by private-sector investors and early-stage validation addresses founder and institutional investor concerns about developing solutions at-risk. Grants, private sector challenges and innovative procurement procedures provide supplementary early-stage funding channels.

◆◆ *"There is need for streamlining processes in governments to help entrepreneurs in doing business. If LegalTech Startups want to apply for funds and grants it takes ages."*

Ecosystem player

◆ The **Hague.**

PUBLIC

A lack of government support and funding for scaling limits the reach and impact of LegalTech innovation 2/2

Ideal scenario: "LegalTech startups have access to support to move from MVP to scale"

Importance:

◆◆◆

High

Assessment:

◆◇◇

Foundational
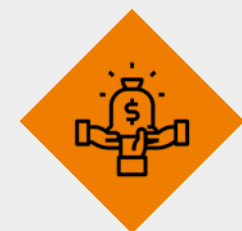
◆ Funding
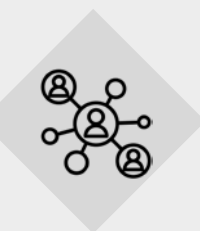
● Networks

◆ Skills

◆ Procurement

◆ Data

⚠ **Problem Statement**

Innovation in LegalTech is not connected to scaling support from public or private sector.

Longer description:

Venture incubation and acceleration is relatively advanced in The Netherlands. However, support for scaling that is specialised for LegalTech startups is nascent and not integrated with the public sector. There is a common perception that B2G LegalTech cannot scale solutions due to problems with implementation into existing digital capabilities; security; and procurement processes in government which are not designed for buying innovative offerings. Venture ecosystem stakeholders have also highlighted that while the technical capabilities of many LegalTech startups may be impressive, a lack of specifically defined use-cases is preventing uptake by the public sector.

Another challenge which founders have highlighted include difficulties in finding co-founders and early hires.

Theory of Change:

Innovative LegalTech solutions that are piloted in government have a viable and clear path to being procured at scale, whether they come from established, incumbent providers or startups.

◆◆ *"Small legal tech companies do small pilots and then when the project scales it becomes very difficult for them to win bids"*
Ecosystem player

◆◆ *"We do pilots financed by the government but to accelerate and scale is very difficult."*
LegalTech Startup

◆◆ *"Public processes limit the possibilities that the government has to experiment and innovate."*
LegalTech Innovator

◆ The Hague.

PUBLIC

Ideal scenario: "The public sector is able to leverage private sector expertise"

Importance:

◆◆◆

High

Assessment:

◆◆◇
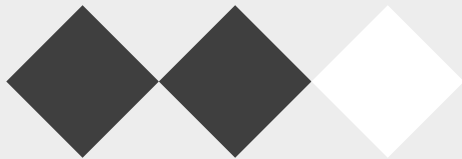
Intermediate

Funding | Networks | Skills | Procurement | Data
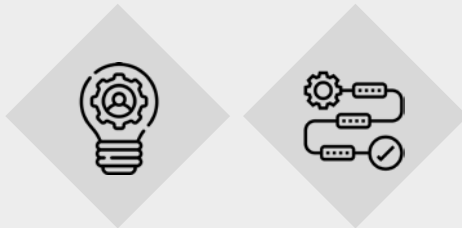
⚠ Problem Statement

Internal innovation in the public sector occurs, but doesn't connect to relevant LegalTech capabilities outside of government, i.e. in startups.

Longer description:

Both civil servants and startup founders have highlighted two blockages arising from a lack of interconnectedness: the public sector is unable to see what is possible through working with startups and innovative companies are unsure how to work for the government.

Challenges facing civil servants revolve around a lack of playbook when engaging the private sector. While the public sector is unaware of what innovative solutions are available from startups, institutions will continue to rely on incumbent IT providers.

Startup founders have highlighted that existing networking opportunities such as conferences and fire-side chats lack public sector representation and therefore a clear objective for attendance. When they do occur, focus tends to favour incumbent, established providers, giving startups less opportunity to showcase their work.

Theory of Change:

Civil servants working on innovative projects are able to find and apply relevant expertise from outside government to their work. Equally, innovators outside government know who in government could be a potential customer for their product or service.

◆◆ *"I'm willing to give services to the government at reduced cost for 6 months...but they don't know what people are doing."* **LegalTech startup**

◆◆ *"It is difficult to get commitment from management to prioritise innovation and invest time and resources into it."* **Federal government department**

◆◆ *"You need to build knowledge in two ways: show the government what this technology is doing and also show the start-up how the government operates"* **Ecosystem player**

Networking and community building are not leveraged within the LegalTech community 2/3

Ideal scenario: "Best practices in LegalTech are shared across the public sector"

Importance:

◆ ◆ ◆

High

Assessment:

◆ ◇ ◇

Foundational
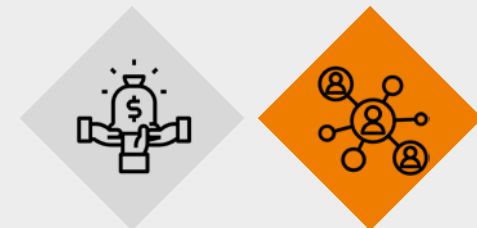
Funding • Networks
Skills • Procurement
Data
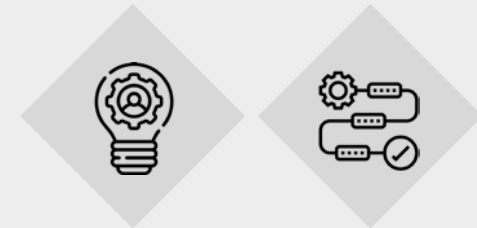
⚠ Problem Statement

LegalTech projects are piloted, but aren't widely shared and adopted across other public sector institutions.

Longer description:

A lack of access to best practices in B2G LegalTech prevents civil servants from identifying use cases and therefore successful pilots do not scale through adoption across government.

A core of public sector institutions with a legal focus exists which is networked in an informal manner, however information is not disseminated in a systematic way, and is often done informally via personal networks. Also, non-legal specific public sector institutions which still have LegalTech requirements for procedural activities are entirely disconnected.

Without scaling opportunities, successful innovation happens in a vacuum and is not supported by the development team going forward.

Theory of Change:

Civil servants who identify challenges related to LegalTech have access to a network of other civil servants and startups who are able to disseminate best practices from previous successful LegalTech pilots to scale the solution further.

◆◆ *"There is no platform we can use to run experiments and broaden our scope and have more experience in how to develop innovative methods and bring them to municipal surroundings and learning environments"* **Federal government department**

◆◆ *"Some governments like The Hague tend to be quite innovative. But on the other side, if you talk to the International Criminal Courts or the Dutch Supreme court they tend to be less innovative"* **Ecosystem player**

◆◆ *"There are no places to connect directly. No easy to access platforms. Conferences are not helpful. Fireside direct chats are non-existent."* **LegalTech Startup**

◆ The **Hague.**

Networking and community building are not leveraged within the LegalTech community 3/3

Ideal scenario: "**LegalTech innovations, including citizen-facing services, are co-created by startups and end-users**"

Importance:

◆◆◆

High
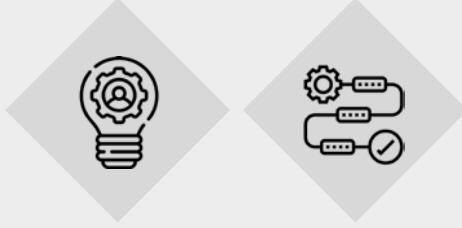
Assessment:

◆◇◇

Foundational

Funding   Networks

Skills   Procurement

Data

⚠ Problem Statement

LegalTech providers do not have access to input and feedback from citizens or government while developing innovative solutions.

Longer description:

A key component of a healthy LegalTech ecosystem is a network and community that considers the needs of the end-users of any justice system: its citizens. Our research found that serious policy advocacy related to 'people-centred justice' has not yet led to an increase in innovation related to access to justice for citizens, partly due to a lack of budget related to the subject. We feel that closing the loop between government, citizens, and innovators will allow for the development of novel and scalable solutions that will further bolster The Hague's image as the International City of Peace and Justice.

Theory of Change:

There is a feedback loop of information related to access to justice that flows between citizens, government, and innovators that helps innovations come to market to tackle the most difficult access to justice problems for citizens.

◆◆ *"There is startup activity in this space, but it is very small because legal systems don't have avenues for access to justice solutions to scale"*

◆◆ *"There's no real budget for innovation of local and national democratic processes"*

◆◆ *"I want the International City of Peace and Justice image to be more relevant for The Hague's citizens"*

◆ The **Hague.**

PUBLIC

Existing, culture, skills and practices do not embrace LegalTech innovation 1/1

Ideal scenario: **"LegalTech is enabled by a culture of innovation in the public sector"**

Importance:

◆ ◆ ◆

High

Assessment:

◆ ◇ ◇

Foundational

Funding   Networks

Skills   Procurement

Data

⚠ Problem Statement

The public sector is innovation-and risk-averse; rather than working with LegalTech startups to solve problems, civil servants instead default to incumbent and legacy IT providers for their technology requirements.

Longer description:

Cultural insularity in civil service is one of the biggest challenges to LegalTech innovations. However, progress towards a culture of innovation is being made, notably in Central Government, Amsterdam, Rotterdam and the Hague. Difficulties arise from a lack of incentive for specialists proficient in technological innovation to work for the public sector due to high private sector demand. Risk-aversion due to the perceived additional risks of working with startups is systematically preventing a wider innovation culture.

Schemes such as secondment programmes and entrepreneurs in residence scheme are in place for GovTech across The Netherlands to cross-pollinate and innovation culture, however we have found no evidence of this for LegalTech specifically.

Theory of Change:

Civil servants and LegalTech innovators engage in a regular exchange of ideas, and civil servants view LegalTech startups as viable partners to solve problems, on the same level as incumbent and legacy IT providers.

◆ ◆ *"Even people that are innovative in government find themselves limited by regulations."* **LegalTech Startup**

◆ ◆ *"There are people in government that are innovation-minded. People do want to work in a more efficient way but are limited by the way their organisations work."* **LegalTech Startup**

◆ ◆ *"Entrepreneurs want to go fast and governments don't go fast."* **Ecosystem player**

◆ ◆ *"The most innovative people that want to do something that involves risk become entrepreneurs, not working for regulators and government bodies."* **Regulatory agency**

◆ **The Hague.**

Procurement rules and processes create barriers for LegalTech startups to provide services to the public sector 1/3

Ideal scenario: "Startups have oversight of open LegalTech opportunities across the public sector"

Importance:

◆◆◇

Medium

Assessment:

◆◆◆
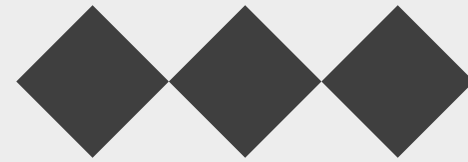
Advanced

- Funding
- Networks
- Skills
- **Procurement**
- Data

⚠ Problem Statement

The government does not communicate its needs well to LegalTech providers pre-tender and after publication of an open contract.

Longer description:

Procurement portals which publish open LegalTech tenders are not centralised for all public sector institutions and it is difficult for startups with limited resources to monitor all contract opportunities. We have found no evidence of contracting authorities attending events or publishing intended spending for the upcoming year to forward guide startups on what thematic areas will be prioritised.

We have not found any evidence of market engagement of LegalTech startups by contracting authorities to scope the innovation supply of a tender that may be addressable by non-incumbents and open contract opportunities are not universally labelled as addressable for startups where appropriate.

Theory of Change:

The public sector publishes opportunities addressable by startups and attends regular events with innovators to communicate LegalTech opportunities.

◆◆ *"Government doesn't communicate well, but also they don't know what LegalTech means and what are the real possibilities"* **Ecosystem player**

◆◆ *"If the government places a bid, then if you want to talk to them then it is impossible. Without the discussion it is complicated and accessibility poses bigger barriers."* **LegalTech Startup**

◆◆ *"The government is a blackbox. Many times there isn't a phone number or email to contact them."* **Ecosystem player**

◆ The Hague.

PUBLIC

Procurement rules and processes create barriers for LegalTech startups to provide services to the public sector 2/3

Ideal scenario: **"Startups are able to navigate the procurement process in government"**

Importance:

◆◇◇

Low

Assessment:

◆◆◆

Advanced

Funding Networks

Skills Procurement

Data

⚠ Problem Statement

The procurement process deters solutions from LegalTech startups due to long sales cycles, procedural difficulties and regulatory barriers.

Longer description:

A common theme among LegalTech startups already operating in the B2B space is the perception that public sector contracts are not as lucrative as direct sales to business and that the opportunity cost of bidding on a tender is too high. Unsuccessful bids often discourage follow-up bids on other tenders because of a lack of feedback.

New entrants into the B2G space are often unaware of the procurement procedures and the bidding process operates. Bid forms often require technical knowledge. Some procurement portals have explanatory support for bidders in the form of documents and videos, however we have found no services such as helpdesks run by procurement officers for startups to seek support from and a lack of attempt to engage potential first time bidders.

Theory of Change:

Government procurement is run in such a way as to account for the requirements and constraints of small providers such as startups.

◆◆ *"Everything in procurement takes very long and still hasn't changed. Governments can't just award contracts to innovators, there has to be an open bid/tender process which makes it hard for smaller players to win."* **LegalTech Startup**

◆◆ *"Governments might understand they need something, they develop proof of concept, but then it becomes difficult because you need to follow some complex procurement process"* **Ecosystem player**

◆◆ *"Cooperating with these markets is almost impossible because of rules and regulations."* **Federal government department**

◆ The **Hague.**

PUBLIC

Ideal scenario: "LegalTech startups are a viable alternative to incumbent IT providers"

Importance:

◆◆◆

High

Assessment:

◆◆◇

Intermediate

Funding · Networks

Skills · **Procurement**

Data

Problem Statement

Innovation is stifled as startups are unable to compete with incumbent technology and IT providers.

Longer description:

The Dutch procurement strategy, compared internationally, is relatively friendly to startups, featuring programmes like 'entrepreneurs in residence' and 'SBIR challenge programmes' which encourage entrepreneurship, however these efforts are nascent for LegalTech specifically.

It is still commonplace for tenders to be published as large blocks of EUR 10M+ instead of being broken up, to make them more addressable by startups. In some cases, tenders unnecessarily exclude startups from being able to bid because of restrictive eligibility criteria.

We have discovered the use of innovative procurement methods for private sector institutions through procedures such as design contents, but this is not commonplace for public sector institutions.

Theory of Change:

Government procurement strategy encourages GovTech innovators to bid for appropriate contracts, and also creates opportunities for GovTech innovation outside of the traditional procurement framework

◆◆ *"Large companies know the rules of procurement because they have worked many times."* **Federal government department**

◆◆ *"Large companies are usually the ones who get listened to the most. There is no space for smaller and more agile solutions, there needs to be opportunity at all levels."* **LegalTech Startup**

◆◆ *"Large companies are usually the ones who get listened to the most. There is no space for smaller and more agile solutions, there needs to be opportunity at all levels."* **LegalTech Startup**

◆ The **Hague.**

PUBLIC

Limited access to data and testing environments is a barrier to LegalTech innovation 1/1

Ideal scenario: "LegalTech startups have access to data and digital resources"

Importance:

◆◆◆◇

Medium/High

Assessment:

◆◆◇

Intermediate

Funding   Networks

Skills   Procurement

Data

Problem Statement

LegalTech providers have insufficient data and access to research environments / sandboxes to develop innovative solutions.

Longer description:

Access to open data for product development is a systemic issue for LegalTech internationally, due to regulation on data privacy and the lack of incentive for public sector to release data sets. A common theme relating to data publication is that the public sector institutions are unable to share datasets which they believe would likely be compliant with regulation because they lack complete certainty and are unwilling to take the risk.

Other public sector initiatives in this area have been highly successful such as the Open Education API which has been followed up by a series of related events such as a data expedition and hackathon to encourage innovation using the published data.

Theory of Change:

The public sector regularly conducts discoveries to identify data sets with the potential to be used for the development of LegalTech solutions while also enabling and incentivising startups to innovate with access to innovative sandboxes and data set specific hackathons.

◆◆ ""In certain fields it is not very easy to have open data because of GDPR. Open data should be anonymised to be able used" **Federal government department**

◆◆ "High quality data is difficult to provide because of legal obstacles" **Regulatory agency**

◆◆ "Super old digital infrastructure in government. Antiquated infrastructure makes the projects very hard." **LegalTech Startup**

◆ The **Hague.**

PUBLIC

Assessing the importance and relevant maturity level for our theories of change

By prioritizing the LegalTech challenges we can determine what change is most important and foundational for the LegalTech ecosystem in The Hague and The Netherlands overall.

How important is this aspect?

High

Medium

Low

9 Startups as a viable alternative

10 Access to data and resources

2 Support for scaling

4 Public sector networks for scaling

3 Access to private sector expertise

6 Culture of innovation

5 Co-creating with citizens

Target for thematic intervention areas

7 LegalTech demand insights

1 Funding for MVPs

8 Navigable procurement process

Advanced

Intermediate

Foundational

What stage is this in for The Netherlands's LegalTech ecosystem?

The Hague.

How the LegalTech ecosystem can be improved

We developed 3 thematic areas of intervention based on initial user research and theories of change

What is a thematic area of intervention?

Based on our research findings, we believe innovation-minded organisations in The Netherlands can focus their energy and resources on these areas in order to create a healthier, more vibrant LegalTech ecosystem. A thematic area of intervention is a domain in which the impact of developed solutions can be higher because:

i they are based on an understanding of **the 'ideal state' of a LegalTech ecosystem**, and how the current state differs from that ideal state based on

ii **identified challenges** during user research; and

iii the **potential for designing and implementing solutions** in The Hague.

HOSTING A FRONT DOOR FOR LEGAL TECH INNOVATORS

2 Support for scaling

3 Access to private sector expertise

4 Public sector networks for scaling

5 Co-creating with citizens

6 Culture of innovation
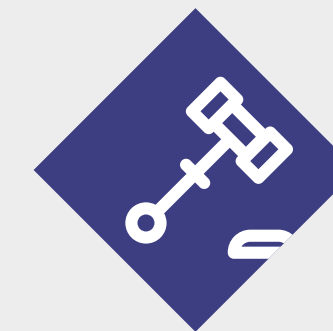
IMPROVING ACCESS TO JUSTICE

2 Support for scaling

3 Access to private sector expertise

4 Public sector networks for scaling

5 Co-creating with citizens

6 Culture of innovation

OPENING UP DATA FOR LEGALTECH

6 Culture of innovation

10 Access to data and resources

The Hague.

PUBLIC

Front door for LegalTech innovators

There is demand both on the innovator and government side for a platform that convenes LegalTech innovation with local and federal government departments

In order to drive growth and innovation in the LegalTech ecosystem of The Netherlands, there needs to be a forum for government departments at the local and federal level to convene with LegalTech innovators. Such a forum would provide opportunities:

◆ To match government needs with innovative solutions.

◆ For startups to find potential customers and partners to scale and secure funding

◆ For existing B2B technologies to be adapted to be B2G-driven.

◆ For governments and innovators to network and source solutions.

◆◆ **Dutch Innovator**

*"There needs to be space in the table for smaller and more agile solutions, if **you get 15 minutes with the government , then great. It is all about access points!"***

◆◆ **Dutch Innovator**

*"**The government is a black box.** Many times there isn't a phone number or email to contact them."*

◆◆ **Ministry of Justice**

*"**You are hitting the right note.** We have a hub internally that is trying to make connections with innovative companies and societal questions in partnership with an incubator"*

◆◆ **Ecosystem player**

*"This should focus on connecting and exchanging ideas, technology and experiences. For the **government to see what is possible and for these innovative companies to know how to work for the government.**"*

◆◆ **Authority for the Financial Markets**

*"It is **very good for governments to do this and it has a lot of value.**"*
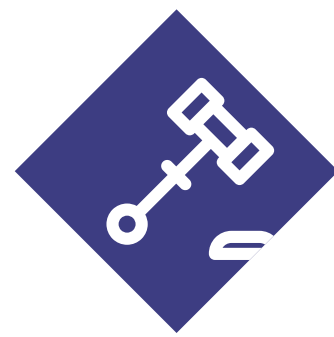
Improving access to justice

There is consensus that bringing access to justice to citizens through innovative LegalTech solutions will uphold The Hague's reputation as the International City of Peace and Justice

LegalTech can help improve access to justice for citizens in The Hague and more broadly across The Netherlands. In order to do so, specific pain points that citizens face need to be identified and matched to innovative solutions. This thematic area is highly aligned to the status of The Hague as the International City of Peace and Justice, and would provide opportunities:

◆ To facilitate access to justice for citizens in a timely and fair manner.

◆ To incentivise innovation in LegalTech, specifically for citizen-facing tools

◆ To improve both the interaction with government and the internal function of government

◆ ◆ Ministry of Justice

*"It is difficult for citizens to go through regulations everyday. A very valid issue. **It is something that we see everywhere.**"*

◆ ◆ Dutch Innovator

*"**The government can be a facilitator to improving access to justice and having things in place to achieve success.** If you have experts on both sides then you can help both the government and then the citizens."*

◆ ◆ UK Innovator

*"**This is the most important. You can create passion for issues** in a space where there are citizens' needs. **Why should we do this? Because it provides access to justice.**"*

◆ ◆ Ministry of Finance

*"A good idea would be to set up a platform to run experiments and broaden our scope to develop new methods. **It would be nice to bring justice in this way to people by supporting initiatives to bring the city of justice and peace to people.**"*

◆ The **Hague.**

PUBLIC

Open data for LegalTech

Our user research shows people want to work with data but acknowledge the challenges of opening it up in a useful way

Opening up data held by government departments into open-source research environments stimulates innovation and provides safe research and testing environments for LegalTech solutions. When used and shared appropriately, for example in use cases related to law enforcement, justice administration, and legal analysis, open data provides opportunities:

◆ To facilitate the development of solutions that use technology, such as machine learning and AI

◆ To remove information asymmetries between incumbents and startups that want to create LegalTech solutions

◆◆ Ministry of Finance

"In certain fields it is not very easy to have open data because of GDPR. Open data should be anonymised and in the use cases you have there are many registries that are already working on open data spaces."

◆◆ Authority for the Financial Markets

"We have so much data that is very useful to other people (anonymised, no commercial purposes etc) but is difficult to provide because of legal obstacles but if we could make those legal obstacles less present then that would be great."

◆◆ National Forensics Institute

"Very close to our hearts and we are developing a use case for the legal system to have a professional, safe data exchange platform."

◆◆ Ministry of Justice

"We have been working with an AI Startup on this but the threshold for the MoJ was very high. Everybody wanted to open data but giving a real use case to scale was never given. A little taboo at this point in time."

The Hague.

PUBLIC

Prioritised Best Practice Profiles

Interventions in The Netherlands can gain inspiration from best practices both domestically and abroad

Programme	Country	Category	Description
Legal Geek Conference — LEGAL GEEK	🇬🇧	Community building	The Legal Geek Conference is an annual conference that convenes the LegalTech ecosystem and gives potential LegalTech buyers the chance to scope what solutions are on the market that could service their specific needs.
The Innovating Justice Challenge 2022	🇳🇱	Funding innovation	HiiL's Justice Accelerator offers a 4-month long programme that provides cohort participants with €10,000 non-equity funding and trainings in business growth, marketing, team formation and leadership, impact measurement as well as pitching opportunities to a network of international network members and investors.
PIANOo — P	🇳🇱	Accessing procurement	PIANOo offers information, advice, tools and practical tips to everyone involved in public sector procurement. In accordance with the Procurement Act (2012), PIANOO seeks to Improve access for small and medium-sized enterprises.
LawTech sandbox — LAWTECH UK	🇬🇧	Supporting innovation	The LawTech Sandbox is a programme for LegalTech startups to access to a number of tools and services, to accelerate the development of solutions, including access to legal datasets that are often difficult to source and a fast-response forum of twelve cross-sector regulators to help work through regulatory challenges
Open Regulation Platform — Department for Business, Energy & Industrial Strategy	🇬🇧	Funding Mechanism	The BEIS Open Regulation Platform is an open-access API to explore business regulations data. The ORP intends to promote regulatory innovation and enable the creation of tools and services for UK and international businesses to respond to regulatory compliance with greater ease and efficiency.

The Hague.

PUBLIC

Legal Geek Conference

Community Building | United Kingdom
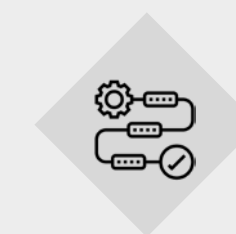
Legal Geek was founded in 2015 as a legal tech startup community and has since launched a yearly conference to bring change to the legal industry by connecting, informing and inspiring.

Evidence of Impact

◆ 20,000+ (so far) Legal Geek attendees include in-house lawyers, top global law firms, the latest startups, investors and regulators.

◆ Mapped over 250 startups on a LegalTech Map with bespoke taxonomy

Elements of Hub or Programme

◆ The Legal Geek Conference is run in an expo format with a main floor for booths and workshops / talks running throughout the day, as well as regular networking sessions.

◆ From the success of the events, LegalGeek has been able to launch a number of other ecosystem support offerings using the same platform, including a dedicated centre for legal technology entrepreneurs with event partner Barclays Eagle Labs

Key Success Factors

◆ Events ethos: Legal Geek attracts leading international stakeholders with an event ethos of 'come to make friends, not to sell' to encourage community building

◆ Clarity of purpose: LegalGeek has developed a bespoke LegalTech taxonomy and map of LegalTech startups to demystify a complex industry

◆ LegalGeek also runs a number of run up programmes including greater diversity and awareness of mental health in the legal profession and a women in LawTech meetup group as well as a mentorship program for underrepresented groups

Learnings for LegalTech in The Netherlands

◆ Events like a LegalTech conference will be key in building a LegalTech community and can additionally act as a forum for civil servants to act as a front door to innovators

◆ Establishing a conducive culture for LegalTech events is delicate, but critical. Our interviews have found that civil servants disliked being 'sold to', so these events should be a forum for convening stakeholders more than a sales expo.

◆ The Hague.

PUBLIC

The Innovating Justice Challenge 2022
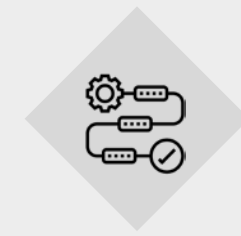
Funding innovation | Netherlands
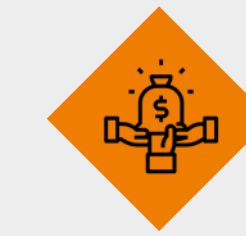
Funding | Networks | Skills | Procurement | Data

The Justice Accelerator is HiiL's flagship innovation programme that funds, trains, and coaches a global cohort of justice startups each year

Evidence of Impact

◆ HiiL has supported 139 justice startups globally since 2011 through its accelerator

Elements of Hub or Programme

◆ Startups selected for the program participate in an intensive 4-month training program, gain access to customized coaching and mentorship and receive €10,000 in non-equity funding to help scale their innovation.

◆ HiiL works with leading organizations and international governments to promote the wide scale implementation of new justice innovations and to support regional hubs in East Africa, West Africa, and MENA connect startups to the local market and can help scale across regions.

Key Success Factors

◆ HiiL expects submitted solutions to be 'people centred' with LegalTech focused on sustainable development goal and legal access for SMEs. This ensures high impact startups graduating from cohorts that go on to deliver real social impact.

◆ The accelerator has a wide geographic and thematic eligibility criteria to allow for a range of potential innovative solutions, but a more specific developmental stage criteria including team composition, proof of customer demand with more early-stage support available from regional hubs.

Learnings for LegalTech in The Netherlands

◆ The Hague's LegalTech initiatives should be as internationalised and accessible as possible to establish the city as a LegalTech Hub and desirable ecosystem for international founders to incorporate and operate.

◆ Including small financial support for founders can help frame LegalTech as a lucrative commercial opportunity to potential entrants and support scaling

◆ The Hague.

PUBLIC

PIANOo: Dutch Public Procurement Expertise Centre

Accessing procurement | Netherlands
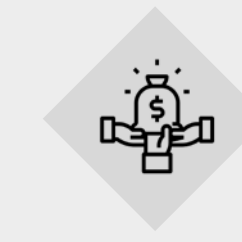
Funding   Networks   Skills   Procurement   Data

PIANOo, the Dutch Public Procurement Expertise Centre, was set up to professionalise procurement and tendering in all government departments

Evidence of Impact

◆ PIANOo works for and with a network of around 3,500 public procurement and tendering professionals

◆ PIANOo has gone on to conduct additional climate related work in collaboration with MVO Nederland, Rijkswaterstaat and NEVI

Elements of Hub or Programme

◆ The PIANOo website, intended for both public and private sector organisations, contains information, advice, useful tools and model documents to help simplify the public procurement process with a focus on innovation procurement procedures and sustainable procurement.

◆ PIANOo Forum (formerly PIANOo desk) is a private group in the European discussion platform. In this closed group, public procurement professionals can exchange information with colleagues. It is also possible to make contact with European procurement professionals outside the PIANOo group.

◆ PIANOo meetings are an opportunity to meet other procurement and tendering professionals and exchange information and practical experiences.

Key Success Factors

◆ PIANOo is demand led meaning that themes are identified from regular consultation with procurement officers and SMEs in the private sector

◆ PIANOo is organisation agnostic meaning that any public sector procurement officer can inquire about support and they run frequent procurement procedure transparency events for SMEs to better understand selling to the government

Learnings for LegalTech in The Netherlands

◆ All Dutch procurement officers already have access to PIANOo, but within this existing support, LegalTech specific groups can be formed and connected with other communities in the EU. Discovery events for SMEs and startups to make the procurement process more transparent will be key in growing LegalTech interesting in the government as a customer.

◆ The Hague.

PUBLIC

LawTech Sandbox
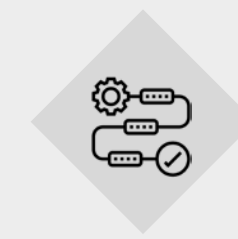
Supporting innovation | United Kingdom
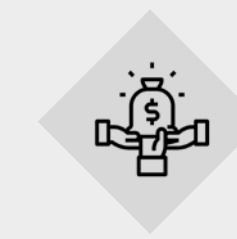
Funding · Networks · Skills · Procurement · Data

The Lawtech Sandbox fast tracks transformative ideas, products and services that address the legal needs of businesses and society

Evidence of Impact

◆ 19 startups have successfully developed solutions with support from the Sandbox

The advisory network has grown to include 12 additional organizations since launch

Based on past success, future planned thematic areas include risk, AI, SMEs, access to justice, the future of contracts

Elements of Hub or Programme

◆ A Regulatory Response Unit bringing together relevant regulators and policymakers to provide a coordinated and expedited response to live challenges and thematic issues as they arise.

◆ A Business Unit made up of experts and leaders from the business and legal community, to provide technical and operational input, and relevant datasets.

◆ An Ethics Unit to provide applied ethics input as and where needed.

Key Success Factors

◆ Parent organization: LawtechUK is a collaborative initiative between Tech Nation, the Lawtech Delivery Panel and the Ministry of Justice. With this structure, the Sandbox can deliver cross-sectoral and organizational support with a combined view of data, regulation and future thought leadership.

◆ Realistic timelines: the LawTech Sandbox sets its strategy over long time horizons with incremental targets and states that it does not believe transformation can be achieved in 2 years, but a strong foundation can be laid in this time with proof-point success cases.

Learnings for LegalTech in The Netherlands

◆ Any interventions involving the release of datasets to startups should be combined with a LawTech sandbox and potentially an advisory service to maximise impact on solution development.

◆ If interventions target longer-time horizons, strategic transformation can be achieved in a meaningful sense, with incremental progress measured over shorter time periods.
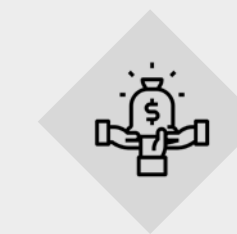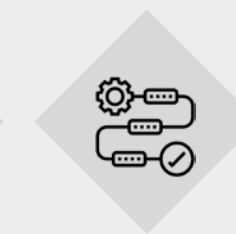
The Hague.

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Open Regulation Platform

Funding Mechanism | United Kingdom

The Open Regulation Platform seeks to enable regulatory innovation by publishing UK regulation as open machine-readable data, enriched with additional data that makes it easier to understand each regulation.

Evidence of Impact

◆ Not yet launched - potential to transform how organisations understand and comply with regulation and improve the transparency of government by publishing requirements on business in a systematic and consistent way.

Elements of Hub or Programme

◆ This database will be openly accessible so that government, businesses and third parties will be able to develop tools to help navigate and comply with regulatory obligations in smarter and less burdensome ways.

◆ The regulatory inputs are from primary and secondary legislation, regulatory guidance, case law and other relevant data sources.

◆ The data accessible through an API will be enriched with natural language processing and a set of tools via an editorial interface

Key Success Factors

◆ Deep discovery: there were two categories of user that the preliminary discovery identified and which needed to be considered: the intermediate developers of tools built on the Open Regulation Platform and the end-users of these tools. Each had list of potential needs mapped and validated.

◆ User Engagement and Community Development: a series of community events are planned including running hackathons and user acceptance testing.

Learnings for LegalTech in The Netherlands

◆ A similar platform could be foundational in the 'increasing access to justice' intervention possibilities in The Hague. Identifying LegalTech business tools with regulatory compliance functions that could be created using ORP-equivalent data could empower developers to take development further independently. ORP-adjacent activities such as the creation of a 'Service Desk' to support users can furthermore support the private sector.

The Hague.

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Conclusion:
What you can do

Every stakeholder in the LegalTech ecosystem can play a role in the future of LegalTech in The Netherlands. These are the five high-level takeaways on what you can do next

If you are demand-side, i.e. a civil servant interested in / currently using LegalTech in your work:

◆ Use this research to help support your advocacy for LegalTech with peers and superiors

◆ Find out what kinds of funding you have at your disposal to invest in suppliers and/or run pilots

◆ Work together with LegalTech suppliers you are piloting work with to determine how you can scale your work together

◆ Find avenues to better broadcast your needs to a wider audience, including startups, while planning your procurement

◆ Join LegalTech meetups, conferences and networking events to increase your understanding of innovative technologies

If you are supply-side, i.e. an innovator interested in / currently providing LegalTech to the public sector:

◆ Use this research to look for inspiration on best practice on LegalTech used in governments

◆ Use this report to gain understanding of the challenges that both LegalTech innovators and governments face in adopting LegalTech solutions

◆ Find out about government backed programmes such as pilots, accelerators, hubs and other similar initiatives that can support your growth.

◆ Participate in LegalTech meetups, conferences and networking events to connect with government officials interested in sourcing LegalTech solutions to solve citizen-facing or internal organisational problems