



Business challenge

To provide affordable, flat-rate legal services to online clients, QNC GmbH needed to find a way to significantly reduce the amount of time lawyers spent researching legal databases, while assuring the accuracy of their searches.

Transformation

QNC helps small businesses in Germany obtain affordable legal services through its frag-einen-anwalt.de website. After paying a flat monthly fee, clients receive advice in up to 45 legal areas. Using IBM® Watson® AI tools, QNC lawyers can now match client questions against the Prime Legal database of 180,000 previously answered questions and typically respond to client inquiries in less than an hour.

Results

40% time savings on legal research

helping lawyers expedite matches between client inquiries and database answers

Answers in an hour or less

providing online clients with legal advice soon after their initial inquiries

Low flat rate of EUR 80 per month

enabling clients to get affordable legal advice in up to 45 categories of law

QNC GmbH

Raising the bar—making legal services more affordable with AI

Established in 2000, QNC was one of the first legal tech firms in Germany and a pioneer in offering affordable legal services online with complete cost transparency. Headquartered in Hannover, QNC operates www.123recht.de (123Law), www.frag-einen-anwalt.de (Ask-A-Lawyer) and the www.anwalt-prime.de (Prime Legal) “digital law firm” platform. Michael Friedmann, a Hannover Law School graduate and the CEO of QNC, also instructs law students about legal technology at the University of Hannover in Germany and the University of Vienna in Austria.

“We recommend IBM since Watson is so easy to use. It is highly understandable for people who do not have anything to do with artificial intelligence.”

— Michael Friedmann, Chief Executive Officer, QNC GmbH

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Removing cost barriers to legal services

The cost of hiring a lawyer in Germany can be prohibitive, especially for small business owners without legal insurance. Nevertheless, a huge unmet demand exists for legal advice related to contracts, property law, family law and other common issues.

The question of cost transparency further inhibits the decision to seek legal advice—how much will the legal bill be when the meter stops running?

Wanting to improve access to legal services in Germany and seeing the internet as a platform to achieve this goal, lawyer and QNC cofounder Michael Friedmann launched www.123recht.de (123 Law), Germany's first website designed to help consumers find lawyers and estimate legal costs, in 2000. In 2004, Friedmann introduced www.frag-einen-anwalt.de (Ask A Lawyer), a website that enabled consumers to engage lawyers online and get legal advice at a low flat rate per consultation.

In the years that followed, QNC welcomed millions of online visitors and compiled a formidable database

of over 180,000 frequently asked questions vetted by experienced lawyers. To extend the value of this legal database, QNC wanted to start a new service to provide low-cost legal services to small businesses on a monthly subscription basis. But a huge technical barrier stood in the way. If they used conventional “keyword” search tools, QNC-contracted lawyers would take a significant amount of time to find answers to client questions. These time-intensive searches would make the subscription cost too high to be commercially viable for the small business market.

While wrestling with this problem, Friedmann attended a legal tech conference where he found out that IBM had recently completed a German language version of its Watson™ AI toolset. “The IBM representative told me, ‘your content is just what Watson was invented for. You are answering questions and Watson finds questions to answer,’” Friedmann says. “QNC is, in fact, doing legal Jeopardy.”

Legal tech that works for clients and lawyers

QNC launched its Prime Legal service in July 2017, only two months after starting to work with the Watson

Knowledge Studio and the Watson Discovery service. For a low, flat rate of EUR 80 per month, subscribers—mostly small businesses—could ask for and receive legal advice on up to 45 common legal topics.

A team comprised of lawyers and QNC's technical staff “trained” Watson on legal case pattern recognition. “Most of the legal questions that related to small businesses were already in our database,” says Friedmann. In addition, the Prime Legal database has been continuously improved with growing and updated content.

QNC-contracted lawyers no longer had to start each case from scratch. Instead, they jump-started the research and discovery process by using Watson tools to find the previously addressed cases in the QNC database that most closely matched client inquiries. This enabled QNC's online lawyers to typically finish their research in 10 - 15 minutes and provide clients answers in under an hour.

Watson-powered machine learning was key to making Prime Legal a profitable business platform for QNC. “Before Watson, you could not pay lawyers the money they wanted,” says Friedmann. “But now, lawyers do the work much faster so they can earn a fair fee while providing advice at a low price point.”

Machine learning and legal education

By using Watson tools to query QNC's legal database, lawyers serving Prime Legal clients are able to conduct research 40 percent faster than by using traditional search methods. This level of efficiency has helped Prime Legal increase its number of clients and staff of contracted lawyers. On average, over 60 clients log on to Prime Legal every hour for legal services, and over 1,000 lawyers in Germany provide legal services online through the QNC network.

The Watson-powered legal data model created by QNC for its Prime Legal portal has proven so successful that other law firms have asked QNC to help them set up their own versions, using their own proprietary legal databases. “It's like software as a service, where law firms bring in their own work and their own content, but they share our legal data model,” Friedmann says.

QNC is also working with a leading German case management software developer to integrate Prime Legal into its offering. “The question is not whether lawyers will use AI,” says Friedmann, “but when they will start to use it.”

With almost 20 years of experience in the legal tech field and as a first mover in augmenting the work of lawyers with AI, Friedmann has an informed opinion about the technology. “AI does not mean the end of lawyers,” he says. “We are giving them tools to save time on repetitive work. That way, they can spend more time with clients, and focus on service and building relationships.”

“Since we set up our Prime Legal system, other companies have turned to us and asked for help with their AI needs. And we are also using Watson on those projects.”

—Michael Friedmann, Chief Executive Officer, QNC GmbH

Solution components

- IBM® Cloud™
- IBM Watson® Discovery™
- IBM Watson Knowledge Studio

Take the next step

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